The following is the text of a report set out on pages I-1 to I-2, received from the Company's reporting accountants, Rongcheng (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF LINGYI ITECH (GUANGDONG) COMPANY AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

We report on the historical financial information of Lingyi iTech (Guangdong) Company (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-99, which comprises the consolidated statements of financial position of the Group as at December 31, 2023, 2024 and 2025, the statements of financial position of the Company as at December 31, 2023, 2024 and 2025 and the consolidated statements of profit or loss, consolidated statements of 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, 2023, 2024 and 2025 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-99 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated June 17, 2026 (the "Prospectus") in connection with the initial listing of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in note 1.2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in note 1.2 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 of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Group's consolidated financial position as at December 31, 2023, 2024 and 2025, the Company's financial position as at December 31, 2023, 2024 and 2025, and of the consolidated financial performance and consolidated cash flows of the Group for the years ended December 31, 2023, 2024 and 2025 in accordance with the basis of presentation and preparation set out in note 1.2 to the Historical Financial Information.

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

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 31(b) to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

Rongcheng (Hong Kong) CPA Limited
Certified Public Accountants
KWAN, Shui Cheung, Esmond
Practising Certificate Number: P05371
Hong Kong
June 17, 2026

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

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

The 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 IFRS Accounting Standards issued by International Accounting Standards Board ("IASB") and were audited by Rongcheng (Hong Kong) CPA Limited in accordance with International Standards on Auditing issued by IAASB ("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

	Note	Year ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*4*	34,154,017	44,259,533	51,428,944
Cost of sales		(27,760,492)	(37,866,441)	(43,610,537)
Gross profit	*5*	6,393,525	6,393,092	7,818,407
Other income and other gains, net	*6*	207,045	374,885	349,425
Selling and distribution expenses		(334,970)	(367,601)	(398,581)
Administrative and other operating expenses		(1,623,500)	(1,652,896)	(2,137,430)
Research and development expenses	*7(c)*	(1,815,664)	(1,990,452)	(2,381,587)
Provision for impairment losses on non-current assets	*7(c)*	(300,340)	(177,570)	(198,222)
Reversal of/(provision for) impairment losses on financial assets	*7(c)*	215,437	(48,712)	1,052
Operating profit		2,741,533	2,530,746	3,053,064
Finance costs	*7(a)*	(348,707)	(304,163)	(380,264)
Share of results of associates and joint ventures	*16*	95,216	(30,208)	60,577
Profit before taxation		2,488,042	2,196,375	2,733,377
Income tax	*8(a)*	(474,143)	(435,642)	(406,552)
Profit for the year		2,013,899	1,760,733	2,326,825
Profit/(loss) for the year attributable to:				
Owners of the Company		2,023,500	1,755,226	2,287,724
Non-controlling interests ("NCI")		(9,601)	5,507	39,101
		2,013,899	1,760,733	2,326,825
Earnings per share	*12*			
Basic (RMB)		0.29	0.25	0.33
Diluted (RMB)		0.29	0.25	0.32

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of comprehensive income

	Note	Year ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Profit for the year		2,013,899	1,760,733	2,326,825
Other comprehensive income/(loss) for the year, net of tax	*11*			
Items that will be reclassified subsequently to profit or loss:				
– Other comprehensive income/(loss) from associates under equity method		497	(829)	(16,223)
– Exchange differences on translation of financial information of foreign operations		(19,609)	(108,353)	(80,398)
Item that may not be reclassified subsequently to profit or loss:				
– Equity investments at FVTOCI-net movement in fair value reserves (non-recycling)		(33,089)	(32)	(5,538)
– Remeasurements of the net defined benefit obligation		–	–	(10,545)
Total comprehensive income for the year		1,961,698	1,651,519	2,214,121
Total comprehensive income/(loss) for the year attributable to:				
Owners of the Company		1,971,299	1,646,012	2,175,058
Non-controlling interests		(9,601)	5,507	39,063
Total comprehensive income for the year		1,961,698	1,651,519	2,214,121

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of financial position

	Note	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Investment properties	*13*	47,690	278,089	275,232
Property, plant and equipment	*13*	13,624,409	15,199,562	20,337,446
Intangible assets	*14*	260,672	163,171	144,781
Goodwill	*15*	1,302,622	1,173,941	2,703,669
Interests in associates and joint ventures	*16*	525,188	569,275	796,951
Prepayments	*21*	525,510	331,397	334,150
Other non-current financial assets	*18*	301,402	277,828	103,452
Deferred tax assets	*30(b)*	630,109	676,936	732,460
Time deposits	*23*	824,556	977,456	1,190,064
		18,042,158	19,647,655	26,618,205
Current assets				
Inventories	*20*	5,736,087	5,859,234	7,189,891
Contract assets		–	–	80
Trade and other receivables	*21*	10,231,407	12,824,939	15,829,762
Other current financial assets	*19*	313,288	255,477	1,932,780
Tax recoverable	*30(a)*	22,840	32,772	66,379
Restricted bank deposits	*22*	120,257	534,429	735,617
Cash and cash equivalents	*22*	2,901,134	6,038,980	5,447,511
Time deposits	*23*	–	–	80,225
		19,325,013	25,545,831	31,282,245
Current liabilities				
Short-term borrowings	*25*	3,442,164	3,195,034	9,042,555
Trade and other payables	*24*	9,600,285	11,938,675	16,366,558
Contract liabilities	*24*	17,478	26,435	92,664
Lease liabilities – current-portion	*27*	217,760	293,626	385,133
Current taxation	*30(a)*	169,029	213,732	373,597
Bonds payables	*26*	–	499	–
Other current financial liabilities	*29*	–	130,183	224,006
		13,446,716	15,798,184	26,484,513
Net current assets		5,878,297	9,747,647	4,797,732
Total assets less current liabilities		23,920,455	29,395,302	31,415,937

	Note	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current liabilities				
Interest-bearing borrowings	*25*	3,986,350	5,826,760	4,299,483
Other non-current payables	*24*	776,527	753,237	755,926
Bonds payables	*26*	–	2,076,017	–
Lease liabilities – non-current portion	*27*	487,466	503,406	1,116,942
Other non-current financial liabilities	*29*	–	–	544,762
Deferred tax liabilities	*30(b)*	389,419	386,901	340,876
		5,639,762	9,546,321	7,057,989
NET ASSETS		18,280,693	19,848,981	24,357,948
CAPITAL AND RESERVES				
Share capital	*31(c(i))*	1,756,179	1,756,179	1,830,829
Reserves		16,471,587	18,030,156	22,209,313
Total equity attributable to equity shareholders of the Company		18,227,766	19,786,335	24,040,142
Non-controlling interests		52,927	62,646	317,806
TOTAL EQUITY		18,280,693	19,848,981	24,357,948

The accompanying notes form part of the Historical Financial Information.

Statements of financial position of the Company

	Note	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Investment properties	*13*	104,547	99,277	94,236
Property, plant and equipment	*13*	49,375	31,485	161,453
Intangible assets		5,389	3,324	1,377
Interests in associates and joint ventures	*16*	178,130	198,701	215,702
Investments in subsidiaries	*17*	26,180,941	26,832,959	28,052,281
Other receivables	*21*	–	112,207	881,042
Other non-current financial assets	*18*	229,257	205,683	45,723
Deferred tax assets		31,360	31,360	31,561
Time deposits		–	94,585	199,885
		26,778,999	27,609,581	29,683,260
Current assets				
Inventories	*20*	31,492	40,758	49,972
Trade and other receivables	*21*	9,717,107	10,956,224	9,603,599
Other current financial assets	*19*	54,451	26,882	128,967
Restricted bank deposits	*22*	18,822	12,280	1,679
Cash and cash equivalents	*22*	119,408	793,520	345,101
		9,941,280	11,829,664	10,129,318
Current liabilities				
Short-term borrowings	*25*	289,588	182,379	132,143
Trade and other payables	*24*	2,141,830	1,215,189	1,364,047
Contract liabilities	*24*	104	13	–
Bonds payables	*26*	–	499	–
		2,431,522	1,398,080	1,496,190
Net current assets		7,509,758	10,431,584	8,633,128
Total assets less current liabilities		34,288,757	38,041,165	38,316,388
Non-current liabilities				
Interest-bearing borrowings	*25*	257,400	237,000	383,800
Other non-current payables	*24*	4,706	5,962	–
Bonds payables	*26*	–	2,076,017	–
		262,106	2,318,979	383,800
NET ASSETS		34,026,651	35,722,186	37,932,588
CAPITAL AND RESERVES				
Share capital	*31*	7,008,178	7,008,178	7,306,061
Reserves		27,018,473	28,714,008	30,626,527
Total Equity		34,026,651	35,722,186	37,932,588

The accompanying notes form part of the Historical Financial Information.

Consolidated statements of changes in equity

	Note	Share capital (Note 31(c)(i)) RMB'000	Treasury Shares (Note 31(d)) RMB'000	Reserve for equity-settled share base payment (Note 31(e)(ii)) RMB'000	Other reserves (Note 31(e)(i)) RMB'000	Exchange reserve (Note 31(e)(iii)) RMB'000	Equity component of convertible bonds RMB'000	Statutory reserve RMB'000	Retained earnings (Note 31(e)(iv)) RMB'000	Sub-totals (Note 31(e)(v)) RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At January 1, 2023		1,763,822	(392,039)	177,569	387,103	(41,021)	–	2,255,143	13,010,922	17,161,499	88,002	17,249,501
Changes in equity for 2023:												
Profit for the year		–	–	–	–	–	–	–	2,023,500	2,023,500	(9,601)	2,013,899
Other comprehensive loss	*11*	–	–	–	(32,592)	(19,609)	–	–	–	(52,201)	–	(52,201)
Total comprehensive income/(loss) for the year		–	–	–	(32,592)	(19,609)	–	–	2,023,500	1,971,299	(9,601)	1,961,698
Transfer		–	–	–	–	–	–	528,713	(528,713)	–	–	–
Equity-settled share-based compensation	*28*	–	–	62,024	–	–	–	–	–	62,024	69	62,093
Forfeiture of unvested restricted shares	*31(d)*	(7,643)	91,847	–	–	–	–	–	(84,204)	–	–	–
Capital withdrawal by NCI		–	–	–	–	–	–	–	–	–	(41,295)	(41,295)
Sale of unexercised shares under employee stock ownership plan ("ESOP")	*31(d)*	–	81	–	–	–	–	–	31	112	–	112
Dividend distribution to ESOP	*31(d)*	–	6,690	–	–	–	–	–	–	6,690	–	6,690
Vesting of shares under ESOP	*31(d)*	–	62,993	–	–	–	–	–	(29,192)	33,801	–	33,801
Capital injection by NCI		–	–	–	–	–	–	–	–	–	20,000	20,000
Dividend distribution	*31(b)*	–	–	–	–	–	–	–	(1,017,131)	(1,017,131)	–	(1,017,131)
Dividend distribution to NCI		–	–	–	–	–	–	–	–	–	(2,431)	(2,431)
Capital injection by major shareholder		–	–	–	–	–	–	–	9,472	9,472	(3,586)	5,886
Acquisition of a subsidiary		–	–	–	–	–	–	–	–	–	1,769	1,769
At December 31, 2023		1,756,179	(230,428)	239,593	354,511	(60,630)	–	2,783,856	13,384,685	18,227,766	52,927	18,280,693

	Note	Share capital (Note 31(c)(i)) RMB'000	Treasury Shares (Note 31(d)) RMB'000	Reserve for equity-settled share base payment (Note 31(e)(ii)) RMB'000	Other reserves (Note 31(e)(i)) RMB'000	Exchange reserve (Note 31(e)(iii)) RMB'000	Equity component of convertible bonds RMB'000	Statutory reserve RMB'000	Retained earnings (Note 31(e)(iv)) RMB'000	Sub-totals (Note 31(e)(v)) RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At January 1, 2024		1,756,179	(230,428)	239,593	354,511	(60,630)	–	2,783,856	13,384,685	18,227,766	52,927	18,280,693
Changes in equity for 2024:												
Profit for the year		–	–	–	–	–	–	–	1,755,226	1,755,226	5,507	1,760,733
Other comprehensive loss	11	–	–	–	(861)	(108,353)	–	–	–	(109,214)	–	(109,214)
Total comprehensive income/(loss) for the year		–	–	–	(861)	(108,353)	–	–	1,755,226	1,646,012	5,507	1,651,519
Transfer		–	–	–	–	–	–	283,721	(283,721)	–	–	–
Equity-settled share-based compensation	28	–	–	101,084	–	–	–	–	–	101,084	112	101,196
Convertible bond issued	26	–	–	–	–	–	45,701	–	–	45,701	–	45,701
Acquisition of NCI		–	–	–	–	–	–	–	–	–	4,177	4,177
Repurchase of shares under ESOP	31(d)	–	(59,947)	–	–	–	–	–	–	(59,947)	–	(59,947)
Sale of unexercised shares under ESOP	31(d)	–	259	–	–	–	–	–	245	504	–	504
Dividend distribution to ESOP	31(d)	–	965	–	–	–	–	–	–	965	–	965
Vesting of shares under ESOP	31(d)	–	62,401	–	–	–	–	–	(29,029)	33,372	–	33,372
Dividend distribution to NCI		–	–	–	–	–	–	–	–	–	(3,027)	(3,027)
Dividend distribution	31(b)	–	–	–	–	–	–	–	(209,690)	(209,690)	–	(209,690)
Capital injection by NCI		–	–	–	–	–	–	–	–	–	2,950	2,950
Share of other reserve of associates and joint ventures		–	–	–	568	–	–	–	–	568	–	568
At December 31, 2024		1,756,179	(226,750)	340,677	354,218	(168,983)	45,701	3,067,577	14,617,716	19,786,335	62,646	19,848,981

	Note	Share capital	Treasury Shares	Reserve for equity-settled share base payment	Other reserves	Exchange reserve	Equity component of convertible bonds	Statutory reserve	Retained earnings	Sub-totals	Non-controlling interests	Total equity
		(Note 31(c)(i))	*(Note 31(d))*	*(Note 31(e)(ii))*	*(Note 31(e)(i))*	*(Note 31(e)(iii))*			*(Note 31(e)(iv))*	*(Note 31(e)(v))*		
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2025		1,756,179	(226,750)	340,677	354,218	(168,983)	45,701	3,067,577	14,617,716	19,786,335	62,646	19,848,981
Changes in equity for 2025:												
Profit for the year		–	–	–	–	–	–	–	2,287,724	2,287,724	39,101	2,326,825
Other comprehensive loss	*11*	–	–	–	(32,306)	(80,360)	–	–	–	(112,666)	(38)	(112,704)
Total comprehensive income/(loss) for the year		–	–	–	(32,306)	(80,360)	–	–	2,287,724	2,175,058	39,063	2,214,121
Transfer		–	–	–	–	–	–	6,633	(6,633)	–	–	–
Equity-settled share-based compensation	*28*	–	–	316,338	–	–	–	–	–	316,338	570	316,908
Conversion of convertible bonds into share		58,543	–	–	–	–	(45,628)	–	2,095,255	2,108,170	–	2,108,170
Redemption of convertible bonds		–	–	–	–	–	(73)	–	–	(73)	–	(73)
Repurchase of shares under ESOP	*31(d)*	–	(319,912)	–	–	–	–	–	–	(319,912)	–	(319,912)
Dividend distribution under ESOP	*31(d)*	–	1,937	–	–	–	–	–	–	1,937	–	1,937
Repayment of capital to NCI		–	–	–	–	–	–	–	–	–	(2,550)	(2,550)
Dividend distribution	*31(b)*	–	–	–	–	–	–	–	(285,520)	(285,520)	–	(285,520)
Dividend distribution to NCI		–	–	–	–	–	–	–	–	–	(2,611)	(2,611)
Business combinations under common control	*32(f)*	–	–	–	–	–	–	–	(33,483)	(33,483)	4,683	(28,800)
Capital injection by NCI		–	–	–	–	–	–	–	–	–	2,000	2,000
Exercise of share options		16,107	–	–	–	–	–	–	270,147	286,254	–	286,254
Vesting of shares under ESOP	*31(d)*	–	139,374	–	–	–	–	–	(43,842)	95,532	–	95,532
Sale of unexercised shares under ESOP	*31(d)*	–	238	–	–	–	–	–	558	796	–	796
Obligation to acquire NCI	*32(c)*	–	–	–	–	–	–	–	(91,000)	(91,000)	–	(91,000)
Acquisition of subsidiaries	*32*	–	–	–	–	–	–	–	–	–	214,005	214,005
Share of other reserve of associates		–	–	–	(290)	–	–	–	–	(290)	–	(290)
At December 31, 2025		1,830,829	(405,113)	657,015	321,622	(249,343)	–	3,074,210	18,810,922	24,040,142	317,806	24,357,948

The accompanying notes form part of the Historical Financial Information.

Consolidated cash flow statements

	Note	Year ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Operating activities				
Cash generated from operations	*22(b)*	5,573,575	4,468,243	4,858,952
Income tax paid		(294,824)	(453,182)	(426,150)
Net cash generated from operating activities		5,278,751	4,015,061	4,432,802
Investing activities				
Proceeds from disposal of investments in associates and joint ventures		245,913	4,000	–
Proceeds from disposal of financial assets at fair value through profit or loss		–	27,666	269,044
Interest received		34,698	8,255	31,532
Dividends received from associates, joint ventures and financial assets		33,402	4,555	18,001
Proceeds from disposal of items of property, plant and equipment, intangible assets		80,760	1,990	22,722
Receipt of bank wealth management products and time deposits		2,149,312	209,755	1,296,627
Withdrawal of the deposit for derivative financial instruments		5,921	–	–
Cash inflow from acquisition of subsidiaries, net of cash acquired		–	2,184	–
Amounts received from related parties	*35(c)*	–	30,000	–
Payment for the purchase of property, plant and equipment, intangible assets		(2,282,049)	(3,623,127)	(4,833,121)
Payments to related parties		(50,000)	–	–
Additional capital injection in associates		(27,631)	(95,119)	(135,181)
Payment for acquisition of subsidiaries, net of cash acquired	*32*	(4,814)	–	(1,849,008)
Payments for acquisition of financial assets at fair value through profit or loss		(371,341)	(3,362)	(20,000)
Payment of bank wealth management products and time deposits		(1,958,302)	(283,291)	(2,970,500)
Payments for acquisition of financial assets at fair value through other comprehensive income		–	–	(17,500)
Cash outflow from other investing activities		–	–	(11,903)
Net cash used in investing activities		(2,144,131)	(3,716,494)	(8,199,287)

	Note	Year ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Financing activities				
Proceeds from new borrowings	*22(c)*	7,847,087	6,847,326	10,433,228
Proceeds from share-based payment arrangements	*28(c)(ii)*	–	104,521	403,378
Cash inflow from other financing activities		10,123	5,509	103,296
Receipts of deposits with financial institutions		86,748	–	23,570
Proceeds from issuance of bonds payables	*22(c)*	–	2,120,498	–
Contributions from NCI		20,000	2,950	2,000
Contributions from the controlling shareholder		9,760	–	–
Amounts received from related parties	*35(c)*	55,000	–	–
Receipts of investment deposit to NCI		1,150	–	–
Repayment of borrowings	*22(c)*	(8,590,049)	(5,308,249)	(6,487,757)
Principal and interest of lease rentals paid	*22(c)*	(273,755)	(256,717)	(324,944)
Purchase of treasury shares		–	(59,983)	(319,979)
Dividends paid		(1,014,097)	(211,830)	(288,131)
Interests paid	*22(c)*	(352,899)	(245,362)	(222,718)
Payments of deposits with financial institutions		–	(227,516)	–
Payment to related parties		–	(23,500)	(29,500)
Payment for acquisition of a subsidiary under common control	*32(f)*	–	–	(28,800)
Payment for listing expense		–	–	(12,180)
Cash outflow from other financing activities		(11,061)	(13,997)	(5,051)
Payment for the redemption of convertible bonds	*22(c)*	–	–	(4,513)
Payment for fractional shares upon conversion of convertible bonds		–	–	(48)
Repayment of investment deposits to NCI		–	(1,150)	(2,550)
Payment for acquisition of NCI		–	(1,613)	(987)
Repayment of bonds payables	*22(c)*	(300,000)	–	–
Repayment to a related party	*22(c)*	(221,587)	–	–
Payment for forfeiture of unvested restricted shares		(76,682)	(135)	(125)
Repayment of investments to NCI		(41,000)	–	–
Net cash (used in)/generated from financing activities		(2,851,262)	2,730,752	3,238,189
Net increase/(decrease) in cash and cash equivalents		283,358	3,029,319	(528,296)
Effect of exchange rate changes		95,670	108,527	(63,173)
Cash and cash equivalents at the beginning of the year		2,522,106	2,901,134	6,038,980
Cash and cash equivalents at the end of the year	*22(a)*	2,901,134	6,038,980	5,447,511
Restricted bank deposits		120,257	534,429	735,617
Cash at bank and on hand		3,021,391	6,573,409	6,183,128

The accompanying notes form part of the Historical Financial Information.

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION, BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

1.1 General information

Lingyi iTech (Guangdong) Company (the "Company") was incorporated in the People's Republic of China (the "PRC" or "China") in 1975 as an enterprise owned by the whole people and reformed to a joint stock company with limited liability under the Company Law of the PRC in 2008. The directors consider the immediate holding parent and ultimate controlling party of the Group to be Lingsheng Investment (Jiangsu) Co., Ltd. ("Lingsheng Investment") (領勝投資(江蘇)有限公司) (formerly known as Lingsheng Investment (Shenzhen) Co., Ltd. (領勝投資(深圳)有限公司) ("Lingsheng Investment") and Ms. Zeng Fangqin ("Ms. Zeng"), respectively, Lingsheng Investment (Jiangsu) Co., Ltd. is established in PRC.

The Company is principally engaged in investment holding. The Company and its subsidiaries (together, the "Group") are principally engaged in the business of manufacturing and sales of electronic devices, Automotive and Advanced Air Mobility (hereinafter referred to as "Automotive and AAM") and others.

The A shares of the Company have been listed on the Shenzhen Stock Exchange (002600) since July 2011. The address of the Company's registered office and its principal place of business is No. 8 Longwan Road, Jiangmen City, Guangdong Province.

The Historical Financial Information is presented in Renminbi ("RMB").

The statutory consolidated financial statements of the Company for the years ended December 31, 2023 prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by Da Hua Certified Public Accountants (Special General Partnership) (大華會計師事務所(特殊普通合夥)). The statutory consolidated financial statements of the Company for the year ended December 31, 2024 and 2025 was prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by RSM China Certified Public Accountants LLP ("RSM China"). (容誠會計師事務所(特殊普通合夥)).

The detailed information of particulars of principal subsidiaries was disclosed in note 1.2.

In this Historical Financial Information, certain English name of the companies referred herein represent the management's best effort to translate the Chinese name of the companies as no English name has been registered.

1.2 Basis of preparation and presentation of Historical Financial Information

In 2018, the Company acquired 100% equity interest in Lingyi Technology (Shenzhen) Company Limited (領益科技(深圳)有限公司) ("Lingyi Technology") from three vendors (the "Acquisition"), namely Lingsheng Investment, Shangrao Chuangkexiang Management Consulting Partnership (Limited Partnership) (上饒市創科祥管理諮詢合夥企業(有限合夥)), formerly known as Shenzhen Lingshang Investment Partnership (Limited Partnership) (深圳市領尚投資合夥企業(有限合夥)) ("Lingshang Investment LP") and Shangrao Jinxiangtai Management Consulting Partnership (Limited Partnership) (上饒市錦祥泰管理諮詢合夥企業(有限合夥)), formerly known as Shenzhen Lingjie Investment Partnership (Limited Partnership) (深圳市領傑投資合夥企業(有限合夥)) ("Lingjie Investment LP"), by issuing new shares (the "Consideration Shares") as consideration. The Acquisition, constituting a major asset restructuring and a reverse acquisition under relevant laws and regulations in the PRC, was approved by the shareholders of the Company in August 2017 and by the China Securities Regulatory Commission ("CSRC") in January 2018. The Company adopted its current name Lingyi iTech (Guangdong) Company (廣東領益智造股份有限公司) upon issuance of the Consideration Shares and completion of relevant commercial registration and procedures.

The issue price of the Consideration Shares was RMB4.68 per share, taking into account adjustments as a result of (a) distribution of cash dividends of RMB1 for every 10 existing shares of the Company and (b) issuance of new shares of the Company by way of capitalisation from the capital reserve on the basis of 10 new shares for every 10 existing shares of the Company. Such determination was in compliance with relevant rules and regulation issued by the CSRC. The number of Consideration Shares issued was 4,429,487,177 shares, of which 4,139,524,021 shares, 196,103,812 shares and 93,859,344 shares were issued to Lingsheng Investment, Lingshang Investment LP and Lingjie investment LP respectively, representing 61.02%, 2.89% and 1.38% of the equity interest of the Company as at the completion date of the Acquisition. As a result of the Acquisition, Lingsheng Investment became the controlling shareholder of the Company, and accordingly, Ms. Zeng, through holding 100%, 72.46% and 2.59% of the equity interests of Lingsheng Investment, Lingshang Investment LP and Lingjie Investment LP respectively, became the ultimate beneficial controlling shareholder of the Company.

The Acquisition constituted a reverse acquisition under International Financial Reporting Standard ("IFRS") 3, Business Combinations, whereby the Company (as the legal acquirer) is identified as the accounting acquiree and Lingyi Technology (as the legal acquiree) is identified as the accounting acquirer.

As such, this Historical Financial Information has been prepared as a continuation of the consolidated financial statements of Lingyi Technology and its subsidiaries (the "Lingyi Technology Group") and accordingly:

(i) The assets and liabilities of the Lingyi Technology Group are recognised and measured at their pre-combination carrying amounts;

(ii) The identified assets and liabilities of the Company and its original subsidiaries ("the Original Group") are recognised at fair value at the date of completion of the Acquisition and the consideration transferred is measured at the fair value of the equity interest of the Company as at the date of the Acquisition. The fair value of consideration transferred in excess of the fair value of the Original Group's identified net assets acquired by Lingyi Technology is recognised as goodwill;

(iii) The retained earnings and other equity balances reflect those of the Lingyi Technology Group before the business combination; and

(iv) The equity structure (i.e. the number and type of equity interests issued) presented on this Historical Financial Information reflects the equity structure of the legal subsidiary (the accounting acquirer) and is adjusted by adopting reverse acquisition accounting to reflect the number of shares of the legal parent (the accounting acquiree) issued in the Acquisition.

When applying the reverse acquisition accounting under IFRS 3 to account for the Acquisition, the results of the Original Group have been consolidated to this Historical Financial Information since the completion date of the Acquisition.

Subsequent changes of the share capital of the Company were adjusted using the exchange ratio established during the Acquisition to be presented on the Group's Historical Financial Information under the share capital.

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users of the Historical Financial Information. In addition, the Historical Financial Information include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis except for certain financial assets and liabilities which are stated at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the Historical Financial Information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in note 3.

The material accounting policy information that has been used in the preparation of this Historical Financial Information are disclosed in note 2. These accounting policies have been consistently applied to all the periods presented in the Historical Financial Information, unless otherwise stated.

All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Track Record Period. The adoption of the IFRS Accounting Standards do not have significant impact on the financial positions or results of the Group during the Track Record Period.

During the Track Record Period and at the date of this report, the parent company has direct or indirect interests in the following particulars of principal subsidiaries, all of which are private companies:

Name of subsidiary	Principal activities	Place of incorporation/ operation	Date of incorporation/ establishment	Registered share capital	As at December 31, 2023		2024		2025		As at the date of this report	
					Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
Zhengzhou Led Technology Co., Ltd. *(notes 1, 10 and 13)*	Production and Sales	PRC	November 6, 2015	RMB50 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–
Lingyu Technology (Suzhou) Co., Ltd. *(notes 1 and 2)*	Production and Sales	PRC	December 10, 2012	RMB769.55 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–
Suzhou Linglue Intelligent Technology Co., Ltd. *(notes 1 and 2)*	Production and Sales	PRC	April 16, 2021	RMB720 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
Shenzhen Lingtao Technology Co., Ltd. *(notes 1, 10 and 13)*	Production and Sales	PRC	May 21, 2020	RMB20 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–
Shenzhen Lingpeng Intelligent Technology Co., Ltd. *(notes 1 and 3)*	Production and Sales	PRC	November 24, 2020	RMB50 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
Shenzhen LLmachine Co., Ltd. *(notes 1, 10 and 13)*	Production and Sales	PRC	May 26, 2008	RMB200 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–
Salcomp (Shenzhen) Co., Ltd. *(notes 1 and 2)*	Production and Sales	PRC	December 31, 1997	USD68.1 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
Mianyang Weiqi Electronic Technology Co., Ltd. *(notes 1 and 4)*	Production and Sales	PRC	September 28, 2002	RMB21.15 million	–	69.74%	–	69.74%	–	69.74%	–	69.74%
Triumph Lead Electronic Technology (Shenzhen) Co., Ltd. *(notes 1, 10 and 13)*	Production and Sales	PRC	May 12, 2006	RMB216.50696 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–
LS City Technology (Jiangsu) Co., Ltd. *(notes 1, 10 and 13)*	Production and Sales	PRC	December 20, 2013	RMB458 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–
JPMF Jiangyi Co., Ltd. *(notes 1 and 2)*	Production and Sales of Electronic Components	PRC	January 4, 2006	RMB403.6356 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
A-CORE Jiangmen Electronics Co., Ltd. *(notes 1, 10 and 13)*	Production and Sales of Electronic Components	PRC	June 28, 2006	USD3 million	–	91.50%	–	91.50%	–	91.50%	–	91.50%
Guilin Salcomp Electronic Technology Co., Ltd. *(notes 1 and 2)*	Production and Sales	PRC	July 4, 2022	RMB81.011 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
LINGYI iTECH (GUANGDONG) COMPANY *(notes 1 and 2)*	Trading	PRC	July 1, 1975	RMB7,306.301714 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–
Dongguan Obi-di Precision Hardware Co., Ltd. *(notes 1, 10 and 13)*	Production and Sales	PRC	September 10, 2014	RMB905 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
Shengxiang Precision Metal (Dongguan) Co., Ltd. *(notes 1 and 2)*	Production and Sales	PRC	May 10, 2013	RMB240 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–
Dongguan Lingjie Metal Precision Manufacturing Technology Co., Ltd. *(notes 1, 10 and 13)*	Production and Sales	PRC	February 3, 2016	RMB300 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–

Name of subsidiary	Principal activities	Place of incorporation/ operation	Date of incorporation/ establishment	Registered share capital	As at December 31, 2023		2024		2025		As at the date of this report	
					Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
Chengdu Lingyi Technology Co., Ltd. *(notes 1 and 5)*	Production and Sales	PRC	May 19, 2014	RMB179.35856 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–
TRIUMPH LEAD (SINGAPORE) PTE. LTD. *(note 7)*	Trading	Singapore	March 21, 2020	USD78.15 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
TLG INVESTMENT (HK) LIMITED *(note 6)*	Trading	Hong Kong, China	June 4, 2015	USD4.285 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
SALCOMP TECHNOLOGIES INDIA PRIVATE LIMITED *(note 8)*	Production and Sales	India	December 19, 2019	INR101.5 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
Salcomp Plc *(note 9)*	Investment Holding, Trading	Finland	December 14, 1998	EUR9.83273512 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
SALCOMP MANUFACTURING INDIA PRIVATE LIMITED *(note 8)*	Production and Sales	India	March 28, 2006	INR1,179 million	–	100.00%	–	100.00%	–	100.00%	–	100.00%
LY INVESTMENT (HK) LIMITED *(note 6)*	Trading	Hong Kong, China	May 4, 2015	USD0.9 million	100.00%	–	100.00%	–	100.00%	–	100.00%	–

Notes:

1. The official name of these entities are in Chinese. The English translation is for identification purpose only. These subsidiaries were incorporated as limited liability companies under the law of the PRC.

2. The financial statements of these companies for the years ended December 31, 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises applicable to the enterprises in the PRC. The financial statements of these companies for the years ended December 31, 2023 were audited by Moore, and the financial statements for the year ended December 31, 2024 were audited by RSM China.

3. The financial statements of this company for the years ended December 31, 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the ministry of finance of the PRC and were audited by Shenzhen Yuebao Certified Public Accountants.

4. The financial statements of this company for the years ended December 31, 2023, 2024 and 2025 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the ministry of finance of the PRC and were audited by Chengdu Zhongli Certified Public Accountants.

5. The financial statements of this company for the years ended December 31, 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the ministry of finance of the PRC and were audited by Chengdu Yujian Future Certified Public Accountants.

6. The statutory financial statements of these companies for the years ended December 31, 2023 and 2024 were prepared in accordance with all applicable HKFRS Accounting Standards. The financial statements of these companies for the year ended December 31, 2023 were audited by IMCL CPA LIMITED, and those for the year ended December 31, 2024 were audited by CL Partners CPA Limited.

7. The statutory financial statements of this company for the years ended December 31, 2023 and 2024 were prepared in accordance with the local accounting standards and were audited by LN CO Assurance.

8. The statutory financial statements of these companies for the years ended December 31, 2023 and 2024 were prepared in accordance with the local accounting standards and were audited by Deloitte Haskins & Sells LLP.

9. The statutory financial statements of this company, for the years ended December 31, 2023, 2024 and 2025 were prepared in accordance with the local accounting standards and were audited by Moore Rewinet Oy.

10. The financial statements of these companies for the years ended December 31, 2023, 2024 and 2025 were prepared in accordance with the Accounting Standards for Business Enterprises applicable to the enterprises in the PRC. The financial statements of these companies for the years ended December 31, 2023 were audited by Moore, and the financial statements for the year ended December 31, 2024 and 2025 were audited by RSM China.

11. The parent company is Lingyi Technology, the accounting acquirer.

12. Except for the subsidiaries of Salcomp Plc named SALCOMP TECHNOLOGIES INDIA PRIVATE LIMITED, Lite-On-Mobile India Private Limited and SALCOMP MANUFACTURING INDIA PRIVATE LIMITED with financial year end at March 31, all companies now comprising the Group have adopted December 31 as their financial year end date.

13. As of the date of this report, except for these companies, the audited financial statements of other principal subsidiaries for the year ended December 31, 2025 have not yet been issued.

14. Listed above subsidiaries of the Company, which in the opinion of the Group, principally affected the results of the listed company during the Track Record Period. To give details of other subsidiaries would in the opinion of the Group, result in the particulars of excessive length.

2 MATERIAL ACCOUNTING POLICIES

(a) Use of estimates and judgements

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

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

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

(b) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Historical Financial Information from the date that control commences until the date that control ceases. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

The financial statements of subsidiaries are included in the Historical Financial Information from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the Historical Financial Information. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in subsidiaries not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in other reserve within equity attributable to owners of the Company.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in the former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as fair value on initial recognition of an associate, joint venture or financial asset.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses.

(c) Business combination and goodwill

(1) Business combination other than combinations of businesses under common control

Business combinations, other than combinations of businesses under common control, are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition-date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit ("CGU"), or groups of CGUs, that is expected to benefit from the synergies of the combination and is tested annually for impairment.

On disposal of a CGU during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

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

(2) Combinations of businesses under common control

The consolidated financial statements incorporate the financial statements of the entities or businesses in which the common control combination occurs as if they had been combined from the date when the entities or businesses first came under the control of the Group.

The net assets of the combining entities or businesses are consolidated using the existing book values from the ultimate controlling parties' perspective. The assets and liabilities of the acquired entity or business should be recorded at the book values as stated in the financial statements of the controlling party. No amount is recognised as consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party or parties' interests.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining businesses from the earliest date presented or since the date when the combining businesses first came under the common control, where this is a shorter period.

The comparative amounts in the consolidated financial statements are presented as if the businesses had been combined at the beginning of the previous reporting period or when they first came under common control, whichever is shorter.

(d) Investments in associates and a joint venture

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An investment in an associate and a joint venture is accounted for in the Historical Financial Information under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any).

The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment. Any acquisition date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate (after applying the expected credit loss ("ECL")) model to such other long-term interests where applicable.

Unrealised profits and losses resulting from transactions between the Group and its associates or its joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When the Group increases its ownership interest in an associate or a joint venture but the Group continues to use the equity method, goodwill is recognised at acquisition date if there is excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired. Any excess of share of carrying amount of net assets attributable to the additional interests in associates or joint ventures acquired over the consideration paid are recognised in the profit or loss in the period in which the additional interest are acquired.

In the Company's statement of financial position, investments in associates are stated in equity method.

(e) Other investments in debt and equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and joint ventures are as follows.

Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire. Investments in debt and equity securities are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVTPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 33(e). These investments are subsequently accounted for as follows, depending on their classification.

(i) Debt investment/instruments

Debt investment/instruments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.

- fair value through other comprehensive income ("FVTOCI") — recycling, if the contractual cash flows of the investment comprises solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

- FVTPL if the investment does not meet the criteria for being measured at amortised cost or FVTOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at FVTOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss.

Dividends from an investment in equity securities, irrespective of whether classified as at FVTPL or FVTOCI, are recognised in profit or loss as other income in accordance with the policy set out in note 2(u)(iii).

(f) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

(g) Investment properties

Investment properties are land and/or buildings which are owned to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment properties.

Investment properties are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated to write off the cost of investment properties over the estimated useful lives of 20 to 50 years. Any gain or loss arising from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2(u)(v).

(h) Property, plant and equipment and construction in progress

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses.

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

Except for freehold land, which is not depreciated, depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

– Buildings	20-50 years
– Ownership interests in leasehold land held for own use	30-50 years
– Other properties leased for own use	Over the unexpired term of lease
– Leasehold improvements	3-10 years
– Furniture, fixtures and equipment	3-10 years
– Motor vehicles	3-10 years
– Machinery	3-15 years or over the unexpired term of lease

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Construction in progress represents property, plant and equipment under construction and installation, and is stated at cost less impairment losses. Cost comprises direct costs of construction, including borrowing costs attributable to the construction and installation during the construction and installation period. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when all of the activities necessary to prepare the assets for their intended use are substantially completed.

(i) Intangible assets (other than goodwill)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads and borrowing costs, where applicable. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses. Other development expenditure is recognised as an expense in the period in which it is incurred.

The following intangible assets acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses. Amortisation of an intangible asset with finite useful life is charged to profit or loss on a straight-line basis over the asset's estimated useful life.

The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

– Software	5-10 years
– Patent	3-10 years
– Trademark	5-10 years

The useful life of software is estimated based on the valid period of the contracts. The useful life of each patent is estimated based on the life cycle of the products produced by using the patent, the current situation of technology and estimation of future development and upgrading of the technology. The useful life of trademark are estimated based on the contractual life of the patent or the period which reflects the pattern in which the other intangible asset's future economic benefits are expected to be consumed.

Other than above, customer relationship and core technology acquired in a business combination are recognised at fair value at the acquisition date. Amortisation is calculated using the straight-line method to allocate the cost of customer relationship and core technology over the estimated useful lives of 6 to 10 years. The useful life of customer relationship reflects the Company's directors' view of the average economic life of the customer relationship and is assessed by reference to annual attrition rate. The useful lives of core technology are determined by the period for which contractual or other legal rights are held or based on the expected economic lives, whichever is shorter.

Both the period and method of amortisation are reviewed annually.

(j) Leased assets

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

(i) As a lessee

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

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

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

The Group presents right-of-use assets in 'property, plant and equipment' and presents lease liabilities separately in the consolidated statement of financial position.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 2(u)(v).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 2(j)(i), then the Group classifies the sub-lease as an operating lease.

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using effective interest rate determined at initial recognition or an approximation thereof for fixed-rate financial assets where the effect of discounting is material.

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

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

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

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

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.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVTOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Basis of calculation of interest income

Interest income recognised in accordance with note 2(u)(ii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

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

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

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

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

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

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including construction in progress and right-of-use assets;

- investment properties;
- intangible assets;
- goodwill;
- interests in associates and joint ventures in the consolidated statement of financial position; and
- investments in associates, joint ventures and subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- *Calculation of recoverable amount*

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

- *Recognition of impairment losses*

  An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

- *Reversals of impairment losses*

  In respect of assets other than goodwill, an impairment loss is reversed if there has been a favorable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.An impairment loss in respect of goodwill is not reversed.

  A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(l) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

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

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

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

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(m) Trade and other receivables

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

Receivables are stated at amortised cost using the effective interest method, less allowance for credit losses.

(n) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs.

(o) Trade and other payables and contract liabilities

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

Contract liabilities are recognised when the customer pays non-refundable consideration before the Group recognises the related revenue. Contract liabilities would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

(p) Convertible bonds

The liability component of convertible bonds is subsequently measured at amortised cost, using the effective interest method.

Convertible bonds containing liability and equity components. The component parts of the convertible bonds issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated by measuring the fair value of similar liability that does not have an associated equity component.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity together with the carrying amount of the liability component will be transferred to share capital and retained earning as consideration for the shares issued. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profit. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the lives of the convertible note using the effective interest method.

(q) Cash and cash equivalents and restricted bank deposits

Cash and cash equivalents comprises cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

Bank deposits which are restricted to use are presented separately in Historical Financial Information as "Restricted bank deposits". Restricted bank deposits is excluded from cash and cash equivalents in the consolidated cash flow statements. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in note 2(k)(i).

(r) Employee benefits

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

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

The fair value of share options or shares granted to employees is recognised as an employee cost with a corresponding increase in a reserve for equity-settled share-based payments within equity. The fair value is measured at grant date using the Black-Scholes option pricing model or market price, taking into account the terms and conditions (including lock up period) upon which the options and shares were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options or shares, the total estimated fair value of the options or shares is spread over the vesting period, taking into account the probability that the options or shares will vest.

During the vesting period, the number of share options or shares that are expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the reserve for equity-settled share base payment. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options or shares that vest (with a corresponding adjustment to the reserve for equity-settled share base payment). The equity amount is recognised in the reserve for equity-settled share base payment until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued), the option expires (when it is released directly to retained earnings) or the vesting conditions of the restricted shares are fulfilled (when it is released directly to retained earnings).

(s) Income tax

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the end of the reporting period between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilized.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss and does not give rise to equal taxable and deductible temporary differences.

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

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies the requirements in IAS 12 to the lease liabilities and the related assets separately. The Group recognizes a deferred tax asset related to the lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized and a deferred tax liability for all taxable temporary differences.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realized, provided they are enacted or substantively enacted at the end of each year for the Track Record Period.

Changes in deferred tax assets or liabilities are recognized in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (i) when the existing temporary differences will reverse and (ii) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

- income or loss excluding reversals of temporary differences; and
- reversals of existing temporary differences.

Current tax assets and current tax liabilities are presented in net if, and only if:

(a) the Group has the legally enforceable right to set off the recognized amounts; and

(b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

  (i) the same taxable entity; or

  (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(t) Provisions and contingent liabilities

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

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

(u) Revenue and other income

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

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

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

(i) Sales of goods

Sales of electronic devices, Automotive and AAM are recognised at a point in time. Revenue is recognised when control over a product is transferred to the customer.

Revenue for domestic sale of goods is recognised when the Group has delivered the products to the customers in accordance with the contract terms and has received acceptance and other proof of receipt from the customers.

Revenue for overseas sale of goods is recognised when the Company has obtained export-related documents such as the customs declaration form after completing export customs clearance and shipping the goods offshore or received acceptance and other proof of receipt from the customers.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVTOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

(iii) Dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment is established.

(iv) Government grants

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

(v) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

(v) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities.

The results of operations with functional currency other than RMB are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of an operation with functional currency other than RMB, the cumulative amount of the exchange differences relating to that operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(w) Borrowing costs

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

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(x) Related parties

(1) A person, or a close member of that person's family, is related to the Group if that person:

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

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

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

(i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

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

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

(vi) the entity is controlled or jointly controlled by a person identified in (1).

(vii) a person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

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

(y) Segment reporting

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

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

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Historical Financial Information requires management to make judgments, estimates and assumptions based on currently available information that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the Historical Financial Information and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual results could differ from those estimated. By their nature, these estimates are subject to measurement uncertainty and the effect on the Historical Financial Information of future periods could be material.

In the process of applying the Group's accounting policies, management has made the following judgments, estimates and assumptions which have the most significant effect on the amounts recognised in the Historical Financial Information:

(a) Impairment of non-current assets (other than goodwill)

If circumstances indicate that the carrying value of a non-current asset may not be recoverable, the asset may be considered "impaired", and an impairment loss may be recognised in profit or loss. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying amount 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 (3) 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 belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

(b) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. If the management revises the gross profit rate adopted in the calculation of future cash flows of the cash-generating units and the revised gross profit rate is lower than the gross profit rate currently adopted, the Group may need to recognise an impairment loss of goodwill. If the management revises the pre-tax discount rate adopted in discounting cash flows and the revised pretax discount rate is higher than the discount rate currently adopted, the Group may need to recognise an impairment loss of goodwill.

(c) Impairment of trade receivables

The Group's management determines the impairment of trade receivables on a forward looking basis and the expected lifetime losses are recognised from initial recognition of the assets. The provision matrix is determined based on the Group's historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. In making the judgement, management considers available reasonable and supportive forward-looking information such as actual or expected significant changes in the operating results of customers, actual or expected significant adverse changes in business and customers' financial position. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed by the Group's management.

(d) Recognition of deferred tax assets

Assessing the recoverability of deferred tax assets requires the Group to make significant estimates related to the expectations of future cash flows from operations and the applicable tax laws. To the extent that future cash flows and taxable income differs significantly from estimates, the ability of the Group to realise the deferred tax assets recorded at the end of the reporting period could be impacted. Additionally, changes in tax laws could limit the ability of the Group to obtain tax deductions in the future.

(e) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated cost necessary to make the sale. These estimates are based on the current market conditions and the historical experience of selling products with similar nature. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-down made in prior years and affect the Group's profit or loss and net assets value.

(f) Useful lives of property, plant and equipment

Property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expenses for future periods are adjusted prospectively if there are significant changes from previous estimates.

(g) Determining the lease term

As explained in policy note 2(j), the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

(h) Recognition of share-based payment expense

Estimating the fair value of share-based payment transactions requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the significant input of expected life of the share incentive granted, expected volatility, and risk-free rate and making assumptions about them.

For the measurement of the fair value of share-based payment transactions with employees at the grant date, the Group uses a Black-Scholes option pricing model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 28.

4 REVENUE

The principal activities of the Group are principally engaged in the business of manufacturing and sales of electronic devices, Automotive and AAM and others. Further details regarding the Group's principal activities are disclosed in note 5.

Disaggregation of revenue

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

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS15			
Disaggregated by major products			
Electronic devices	30,713,172	40,779,750	44,793,218
Automotive and AAM	1,384,509	2,116,865	2,954,379
Others*	2,032,324	1,348,247	3,653,507
	34,130,005	44,244,862	51,401,104
Revenue from other sources			
Gross rentals from investment properties	5,630	12,084	22,980
Gross rentals from other properties	18,382	2,587	4,860
	24,012	14,671	27,840
	34,154,017	44,259,533	51,428,944

* Others mainly comprise and are recognised at a point in the revenue from clean energy business.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographical markets is disclosed in notes 5(i) and 5(ii) respectively.

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

Details of credit risks arising from the customers of the Group are set out in note 33(a).

The following table shows how much of the revenue recognised during the Track Record Period relates to carried-forward contract liabilities:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	14,732	14,603	23,548

5 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments.

- Electronic devices: the application of advanced precision manufacturing processes, automated production, and intelligent technologies to provide core components and functional modules for electronic devices;
- Automotive and AAM: the intelligent manufacturing platform industry for intelligent vehicles and low-altitude economy refers to an integrated manufacturing system that applies advanced precision processing, automated production, and intelligent technologies to deliver core components, functional modules, and other high-precision hardware for intelligent vehicles and low-altitude economy applications; and
- Others: the others segment represents the provision of services or sale of goods other than those involved in above segments, mainly including logistics business, clean energy business as well as telecommunications business.

(i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments. However, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment gross profit, as included in the internal management reports that are reviewed by the senior executive management. The senior executive management does not evaluate operating segments using asset information.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the Track Record Period is set out below.

For the year ended December 31, 2023	Reportable segment revenue			Reportable segment gross profit	Provision for impairment losses on non-current assets
	Point in time	Over time	Total		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reportable segment					
Electronic devices	30,713,172	–	30,713,172	6,311,940	225,295
Automotive and AAM	1,384,509	–	1,384,509	25,651	9,400
Others	2,032,324	24,012	2,056,336	55,934	65,645
Total	34,130,005	24,012	34,154,017	6,393,525	300,340

For the year ended December 31, 2024	Reportable segment revenue			Reportable segment gross profit	Provision for impairment losses on non-current assets
	Point in time	Over time	Total		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reportable segment					
Electronic devices	40,779,750	–	40,779,750	6,549,511	176,609
Automotive and AAM	2,116,865	–	2,116,865	12,717	439
Others	1,348,247	14,671	1,362,918	(169,136)	522
Total	44,244,862	14,671	44,259,533	6,393,092	177,570

For the year ended December 31, 2025	Reportable segment revenue			Reportable segment gross profit	Provision for impairment losses on non-current assets
	Point in time	Over time	Total		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Reportable segment					
Electronic devices	44,793,218	–	44,793,218	7,438,891	180,820
Automotive and AAM	2,954,379	–	2,954,379	256,904	3,012
Others	3,653,507	27,840	3,681,347	122,612	14,390
Total	51,401,104	27,840	51,428,944	7,818,407	198,222

Reconciliation of reportable segment results to profit before taxation is set out below:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Reportable segment results	6,393,525	6,393,092	7,818,407
Unallocated income and expenses			
– Other income and other gains, net	207,045	374,885	349,425
– Selling and distribution expenses	(334,970)	(367,601)	(398,581)
– Administrative and other operating expenses	(1,623,500)	(1,652,896)	(2,137,430)
– Research and development expenses	(1,815,664)	(1,990,452)	(2,381,587)
– Provision for impairment losses on non-current assets	(300,340)	(177,570)	(198,222)
– Reversal of/(provision for) impairment losses on financial assets	215,437	(48,712)	1,052
– Finance costs	(348,707)	(304,163)	(380,264)
– Share of results of associates and joint ventures	95,216	(30,208)	60,577
Profit before taxation	2,488,042	2,196,375	2,733,377

(ii) Geographic information

The following table presents a summary of revenue by region based on the location of the Group's revenue from external customers. The geographical location is based on the place of domicile of the external customers at which the services were provided or the goods were delivered.

	Revenue from external customers		
	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	RMB'000	*RMB'000*	*RMB'000*
Chinese Mainland	24,055,770	27,506,969	27,528,495
Overseas			
– Asia (excluding Chinese Mainland)[1]	3,998,832	9,629,757	12,963,885
– North America[2]	3,678,302	5,137,676	8,759,688
– Europe[3]	1,706,453	1,272,497	1,294,607
– Others[4]	714,660	712,634	882,269
	34,154,017	44,259,533	51,428,944

Notes:

(1) Primarily includes India, Vietnam, Hong Kong and Taiwan.

(2) Primarily includes the United States.

(3) Primarily includes the United Kingdom, Turkey, Ireland and Germany.

(4) Primarily includes Brazil.

Information about the Group's the investment properties and other property, plant and equipment (note 13a) is presented based on the geographic area set out below:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Chinese Mainland	11,032,553	12,641,052	17,738,291
Overseas	2,639,546	2,836,599	2,874,387
	13,672,099	15,477,651	20,612,678

(iii) Information about major customers

Revenue from customer during the Track Record Period contributing over 10% of the total revenue of the Group is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Customer A	8,264,647	9,757,626	9,846,307
Customer B	N/A*	4,662,405	5,575,689
Customer C	3,587,329	4,989,792	6,605,592

* The corresponding revenue for the customer didn't contribute over 10% of the total revenue of the Group during the year.

6 OTHER INCOME AND OTHER GAINS, NET

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss on disposals of subsidiaries	–	(8,266)	(2,058)
Gain/(loss) on disposals of associates/joint ventures	22,299	–	(418)
Dividends	–	2,155	1,517
Gain/(loss) on listed equity securities at FVTPL	18,742	(1,619)	20,922
(Loss)/gain on derivative financial instruments at FVTPL	(277,050)	(167,756)	162,685
Gain on bank wealth management products at FVTPL and time deposits	43,301	34,204	69,715
Exchange gain/(loss)	94,296	204,108	(251,223)
Government grants*	223,729	230,783	222,801
Value added tax ("VAT") deductions	40,537	29,185	37,222
Loss on disposals of property, plant and equipment and other non-current assets	(10,927)	(10,006)	(5,033)
Bank interest income	51,938	67,362	79,302
Others	180	(5,265)	13,993
	207,045	374,885	349,425

* For the years ended December 31, 2023, 2024 and 2025, respectively, the Group has received funding from PRC Government regarding support mainly for employment stability and business in high-technology industry and research and development activities carried out by the Group.

During the Track Record Period, the amount of amortised deferred government grants were approximately a net amortisation of RMB95,100,000, RMB125,237,000 and RMB143,386,000 for the years ended December 31, 2023, 2024 and 2025, respectively.

7 PROFIT BEFORE TAXATION

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

(a) Finance costs

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest expense on bank borrowings and other borrowings	304,540	264,351	298,745
Interest expense on lease liabilities	37,549	33,618	45,352
Interest expense on bonds payables	–	6,194	36,167
Interest expense in loans from a related party	6,618	–	–
	348,707	304,163	380,264

(b) Staff costs (including directors' emoluments)

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, wages and other benefits	6,426,583	7,511,673	9,510,712
Contributions to defined contribution retirement plans	429,113	475,166	637,167
Equity-settled share-based payment expenses *(note 28)*	62,093	101,196	316,908
	6,917,789	8,088,035	10,464,787

The Group participates in various pension plans organised by governments of the PRC and other countries under which the Group is required to make monthly defined contributions to these plans based on employee's salaries cost in accordance with the relevant regulations.

(c) Other items

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amortisation cost of intangible assets *(note 14)*	143,353	115,602	64,607
Depreciation *(note 13)*	2,097,050	2,317,558	2,642,149
– owned property, plant and equipment and investment properties	1,843,446	2,057,145	2,276,873
– right-of-use assets	253,604	260,413	365,276
Auditors' remuneration	7,064	10,643	17,051
Cost of inventories *(note 20(b))*	27,722,190	37,821,758	43,555,043
(Reversal of)/provision for impairment of trade receivables and other receivables *(note 22(b))*	(215,437)	48,712	(1,052)
– trade and bills receivables *(note 33(a))*	(11,718)	147,316	73,883
– other receivables *(note 33(a))*	(203,719)	(98,604)	(74,935)
Impairment losses on non-current assets *(note 5(i))*	300,340	177,570	198,222
– intangible assets *(note 14)*	331	3,432	4,048
– owned property, plant and equipment and investment properties *(note 13)*	234,388	45,457	151,641
– goodwill *(note 15)*	65,621	128,681	42,533
Research and development costs*	1,815,664	1,990,452	2,381,587
Listing expenses	–	–	1,538

* Research and development costs include RMB951,338,000, RMB1,089,756,000 and RMB1,345,818,000 relating to staff costs, which amount is also included in the total amounts disclosed in note 7(b), for the years ended December 31, 2023, 2024 and 2025 respectively.

8 INCOME TAX

(a) Taxation in the consolidated statements of profit or loss:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current tax			
Current tax – PRC Corporate Income Tax *(note (i))*			
Provision for the year	257,187	337,475	302,825
Under-provision in respect of prior years	5,712	10,406	27,079
	262,899	347,881	329,904
Current tax – Hong Kong Profits Tax *(note (ii))*			
Provision for the year	26,885	70,263	61,762
Under-provision in respect of prior years	–	–	31,164
	26,885	70,263	92,926
Current tax – Overseas Income Tax			
Provision for the year	45,493	69,804	137,862
Under/(over)-provision in respect of prior years	(2)	3	(21,874)
	45,491	69,807	115,988
Deferred tax			
Origination and reversal of temporary differences *(note 30(b))*	138,868	(52,309)	(132,266)
Total tax charged for the year	474,143	435,642	406,552

(i) In accordance with relevant PRC rules and regulations, the PRC Corporate Income Tax rate applicable to the Company and its subsidiaries in the PRC is principally 25% during the Track Record Period, unless otherwise specified. Subsidiaries which qualified as High and New Technology Enterprises ("HNTE") and Small and Micro Enterprises are taxed at preferential tax rate of 15% and 20% respectively based on the relevant PRC tax laws and regulations.

(ii) The provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the Track Record Period, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5% for the Track Record Period.

(iii) Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

(iv) The Organization for Economic Co-operation and Development ("OECD") published Pillar Two model rules in December 2021, with the effect that a jurisdiction may enact domestic tax laws ("Pillar Two legislation") to implement the Pillar Two model rules on a globally agreed common approach. Pillar Two legislation applies to a member of a multinational group within the scope of the Pillar Two model rules, which the Group is reasonably expected to fall into. It imposes a top-up tax on profits arising in a jurisdiction whenever the effective tax rate determined by the Pillar Two model rules on a jurisdictional basis is below a minimum rate of 15%.

The Group has reviewed its corporate structure in light of the introduction of Pillar Two model rules in various jurisdictions and engaged external tax specialists to assist them with applying the legislation and determining the related impact.

Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which it operates are above 15%. There are a limited number of jurisdictions where the Pillar Two effective tax rate is slightly below 15%. The Group does not expect a material exposure to Pillar Two income taxes. The Group continues to follow Pillar Two legislative developments, as more countries prepare to enact the Pillar Two model rules, to evaluate the potential future impact on its financial statements.

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

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit before taxation	2,488,042	2,196,375	2,733,377
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	405,477	267,778	360,480
Tax effect of non-deductible expenses	8,315	26,759	76,942
Tax effect of unused tax losses and temporary difference not recognised	247,390	346,999	276,269
Tax effect of utilisation of tax losses not recognised in prior years	(8,771)	(49,196)	(116,515)
Super deduction of research and development expenses and others*	(183,978)	(167,107)	(226,993)
Under-provision in prior years	5,710	10,409	36,369
Actual tax expense	474,143	435,642	406,552

* Additional expense allowable for tax deduction is mainly arising from application of super-deduction on qualified research and development expenses enjoyed by certain PRC subsidiaries of the Group.

During the years ended December 31, 2023, 2024 and 2025, the super-deduction rate was 100%. According to the 13th Announcement in 2021 of the State Administration of Taxation and Ministry of Finance, the super-deduction rate of 100% is effective from January 1, 2021.

9 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Certain directors of the Company received remuneration from the subsidiaries now comprising the Group during the Track Record Period, which was included in the staff costs as disclosed in note 7(b). Directors' and supervisors' emoluments during the Track Record Period are as follows:

	For the year ended December 31, 2023					
	Directors' fee	Salaries, allowance and benefits in kind	Discretionary bonus	Retirement scheme contributions	Share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Supervisors						
Xuehua Li (appointed on February 28, 2018)	–	1,197	490	9	–	1,696
Jianfeng Liu (appointed on February 28, 2018)	–	1,515	588	14	715	2,832
Wei Fan (appointed on February 28, 2018)	–	1,178	500	9	715	2,402
Independent non-executive directors						
Jiancheng Liu (appointed on June 7, 2021)	150	–	–	–	–	150
Dongfang Li (appointed on September 12, 2018)	150	–	–	–	–	150
Yuanqing Cai (appointed on October 28, 2022)	150	–	–	–	–	150
Executive directors						
Fangqin Zeng (appointed on February 28, 2018)	–	3,000	542	16	–	3,558
Shuangyi Jia (appointed on April 20, 2021)	–	1,514	750	8	1,145	3,417
Yinqi Zeng (appointed on February 28, 2018; resigned on April 27, 2023)	–	480	–	3	–	483
Jun Tan (appointed on February 28, 2018)	–	1,011	300	9	172	1,492
Jinrong Huang (appointed on May 22, 2023)	–	683	50	3	125	861
	450	10,578	3,220	71	2,872	17,191

	For the year ended December 31, 2024					
	Directors' fee	Salaries, allowance and benefits in kind	Discretionary bonus	Retirement scheme contributions	Share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Supervisors						
Xuehua Li (appointed on February 28, 2018; resigned on July 4, 2024)	–	779	–	5	–	784
Jianfeng Liu (appointed on February 28, 2018; resigned on July 4, 2024)	–	962	–	8	180	1,150
Wei Fan (appointed on February 28, 2018; resigned on July 4, 2024)	–	815	–	5	180	1,000
Zhibin Wang (appointed on July 4, 2024)	–	1,132	1,040	5	860	3,037
Jingcheng Liu (appointed on July 4, 2024)	–	504	–	7	612	1,123
Lei Ma (appointed on July 4, 2024)	–	447	–	4	612	1,063
Independent non-executive directors						
Jiancheng Liu (appointed on June 7, 2021)	150	–	–	–	–	150
Dongfang Li (appointed on September 12, 2018; resigned on September 20, 2024)	113	–	–	–	–	113
Yuanqing Cai (appointed on October 28, 2022)	150	–	–	–	–	150
Chao Ruan (appointed on September 20, 2024)	38	–	–	–	–	38
Executive directors						
Fangqin Zeng (appointed on February 28, 2018)	–	3,600	–	16	–	3,616
Shuangyi Jia (appointed on April 20, 2021)	–	1,513	500	9	2,509	4,531
Jun Tan (appointed on February 28, 2018; resigned on July 4, 2024)	–	545	–	5	43	593
Jinrong Huang (appointed on May 22, 2023)	–	775	207	9	691	1,682
Bo Li (appointed on July 4, 2024)	–	933	500	4	1,110	2,547
	451	12,005	2,247	77	6,797	21,577

	For the year ended December 31, 2025					
	Directors' fee	Salaries, allowance and benefits in kind	Discretionary bonus	Retirement scheme contributions	Share-based payments	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Supervisors (note)						
Zhibin Wang (appointed on July 4, 2024; resigned on July 4, 2025)	–	1,090	–	5	2,159	3,254
Jingcheng Liu (appointed on July 4, 2024; resigned on July 4, 2025)	–	571	–	9	1,697	2,277
Lei Ma (appointed on July 4, 2024; resigned on July 4, 2025)	–	527	–	5	1,697	2,229
Independent non-executive directors						
Jiancheng Liu (appointed on June 7, 2021)	150	–	–	–	–	150
Yuanqing Cai (appointed on October 28, 2022)	150	–	–	–	–	150
Chao Ruan (appointed on September 20, 2024)	150	–	–	–	–	150
Non-executive director						
Zhenghui Wei (appointed on September 26, 2025)	35	–	–	–	–	35
Executive directors						
Fangqin Zeng (appointed on February 28, 2018)	–	7,173	–	16	–	7,189
Shuangyi Jia (appointed on April 20, 2021)	–	1,496	700	11	3,882	6,089
Jinrong Huang (appointed on May 22, 2023)	–	806	222	10	2,141	3,179
Bo Li (appointed on July 4, 2024; resigned on September 8, 2025)	–	1,451	–	7	3,834	5,292
	485	13,114	922	63	15,410	29,994

Note: On June 17, 2025, at the 14th meeting of the sixth session of the board of directors of the Company, the Company resolved to no longer establish a supervisory committee and to abolish the posts of supervisors.

During the Track Record Period, there was no amount paid or payable by the Group to the directors, supervisors or any of the five highest paid individuals as set out in note 10 below as an inducement to join or upon joining the Group or as compensation for loss of office. There was also no arrangement under which a director or supervisor has waived or agreed to waive any emoluments during the Track Record Period.

10 INDIVIDUAL WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments of the Group, nil, one, and nil individuals are directors/supervisors for the years ended December 31, 2023, 2024 and 2025, respectively, whose emoluments are disclosed in note 9.

The aggregate of the emoluments in respect of the remaining individuals are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	9,064	15,406	15,022
Discretionary bonuses	2,895	5,637	14,751
Retirement scheme contributions	83	100	94
Share-based payments	28,469	12,076	54,473
	40,511	33,219	84,340

The emoluments of the above individuals with the highest emoluments other than the directors/supervisors are within the following bands:

	Year ended December 31,		
	2023	2024	2025
HKD7,000,001 – HKD7,500,000	2	1	–
HKD7,500,001 – HKD8,000,000	1	1	–
HKD9,000,001 – HKD9,500,000	1	–	–
HKD10,000,001 – HKD10,500,000	–	1	–
HKD10,500,001 – HKD11,000,000	–	1	–
HKD13,000,001 – HKD13,500,000	1	–	–
HKD13,500,001 – HKD14,000,000	–	–	1
HKD19,000,001 – HKD19,500,000	–	–	3
HKD20,000,001 – HKD20,500,000	–	–	1

11 OTHER COMPREHENSIVE LOSS

		Year ended December 31,		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Before-tax amount				
Exchange differences on translation of financial information of foreign operations		(19,609)	(108,353)	(80,398)
Other comprehensive income/(loss) from associates under equity method	*16*	497	(829)	(16,223)
Remeasurements of the net defined benefit obligation		–	–	(10,545)
Equity investments at FVTOCI-net movement in fair value reserves (non-recycling)		(38,900)	(32)	(5,976)
		(58,012)	(109,214)	(113,142)
Less: tax expense				
Equity investments at FVTOCI-net movement in fair value reserves (non-recycling)		5,811	–	438

		Year ended December 31,		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Net-of-tax amount				
Exchange differences on translation of financial information of foreign operations		(19,609)	(108,353)	(80,398)
Other comprehensive income from associates under equity method	*16*	497	(829)	(16,223)
Remeasurements of the net defined benefit obligation		–	–	(10,545)
Equity investments at FVTOCI-net movement in fair value reserves (non-recycling)		(33,089)	(32)	(5,538)
Other comprehensive loss		(52,201)	(109,214)	(112,704)

12 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company divided by the weighted average number of ordinary shares in issue during the Track Record Period as follows:

(i) Profit attributable to equity shareholders of the Company

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit attributable to equity shareholders of the Company	2,023,500	1,755,226	2,287,724

(ii) Weighted average number of ordinary shares

	For the year ended December 31,		
	2023	2024	2025
	'000	*'000*	*'000*
Issued ordinary shares at January 1,	7,038,675	7,008,178	7,008,178
Effect of convertible bond conversion	–	–	56,485
Effect of exercise of share options	–	–	10,466
Effect of ESOP	(63,619)	(56,022)	(67,196)
Effect of reserve for unvested restricted shares	(30,497)	–	–
Weighted average number of ordinary shares in issue	6,944,559	6,952,156	7,007,933

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company divided by the weighted average number of ordinary shares after adjusting for dilutive effect of the equity-settled share-based payment scheme and convertible bonds conversion as follows:

(i) Profit attributable to equity shareholders of the Company (diluted)

	For the year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit attributable to equity shareholders	2,023,500	1,755,226	2,287,724
Dilutive impact of convertible bonds conversion	–	6,194	36,167
Diluted profit attributable to equity shareholders	2,023,500	1,761,420	2,323,891

(ii) Weighted average number of ordinary shares (diluted)

	Year ended December 31,		
	2023	2024	2025
	'000	*'000*	*'000*
Weighted average number of ordinary shares at December 31,	6,944,559	6,952,156	7,007,933
Effect of shares for equity-settled share-based payment scheme	31,632	46,683	126,647
Dilutive impact of convertible bonds conversion	–	38,932	177,620
Weighted average number of ordinary shares in issue	6,976,191	7,037,771	7,312,200

13 INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT

(a) Reconciliation of carrying amount

The Group

	Buildings	Machinery	Motor vehicles	Furniture, fixtures and equipment	Freehold lands	Construction in progress	Leasehold improvements	Right-of-use assets	Sub-total	Investment properties	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:											
At January 1, 2023	3,578,118	12,221,494	94,049	568,937	–	996,165	1,557,776	2,096,615	21,113,154	98,330	21,211,484
Addition through acquisition of the subsidiaries *(note 32)*	–	5,532	74	36	–	–	1,203	–	6,845	–	6,845
Other additions	13,076	986,683	5,448	30,235	–	1,499,460	276,112	223,056	3,034,070	–	3,034,070
Disposals	(1,054)	(449,278)	(13,599)	(27,565)	–	(8,782)	(111,423)	–	(611,701)	–	(611,701)
Transfers	303,478	875,680	–	135,912	–	(1,405,757)	67,706	(2,556)	(25,537)	25,537	–
Lease modification and termination	–	–	–	–	–	–	–	(168,089)	(168,089)	–	(168,089)
Exchange adjustments	4,653	30,528	174	4,416	–	8,391	9,121	3,011	60,294	–	60,294
At December 31, 2023 and January 1, 2024	3,898,271	13,670,639	86,146	711,971	–	1,089,477	1,800,495	2,152,037	23,409,036	123,867	23,532,903
Addition through acquisition of the subsidiaries *(note 32)*	–	2,327	10	11	–	–	55	3,332	5,735	–	5,735
Other additions	–	1,019,136	6,340	38,885	–	2,700,274	159,685	287,948	4,212,268	–	4,212,268
Disposals	(21,241)	(220,460)	(3,613)	(9,662)	–	(20,371)	(150,133)	(16,878)	(442,358)	–	(442,358)
Transfers	255,217	756,775	1,824	110,091	–	(1,592,403)	68,792	–	(399,704)	399,704	–
Lease modification and termination	–	–	–	–	–	–	–	(93,649)	(93,649)	–	(93,649)
Exchange adjustments	(5,972)	(61,840)	(207)	(11,964)	–	(5,599)	(15,342)	(14)	(100,938)	–	(100,938)
At December 31, 2024 and January 1, 2025	4,126,275	15,166,577	90,500	839,332	–	2,171,378	1,863,552	2,332,776	26,590,390	523,571	27,113,961

	Buildings	Machinery	Motor vehicles	Furniture, fixtures and equipment	Freehold lands	Construction in progress	Leasehold improvements	Right-of-use assets	Sub-total	Investment properties	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:											
At December 31, 2024 and January 1, 2025	4,126,275	15,166,577	90,500	839,332	–	2,171,378	1,863,552	2,332,776	26,590,390	523,571	27,113,961
Addition through acquisition of the subsidiaries *(note 32)*	678,423	630,795	19,378	13,768	21,423	28,656	18,433	363,234	1,774,110	972	1,775,082
Other additions	–	1,151,409	9,847	36,663	–	4,256,339	63,889	673,682	6,191,829	–	6,191,829
Disposals	–	(331,754)	(7,975)	(7,887)	–	(43,100)	(553,321)	–	(944,037)	–	(944,037)
Transfers	951,939	1,874,531	–	186,879	–	(3,336,249)	384,317	32	61,449	(61,449)	–
Lease modification and termination	–	–	–	–	–	–	–	213,920	213,920	–	213,920
Exchange adjustments	(42,823)	(99,448)	(115)	(36,073)	–	(18,806)	(2,428)	(5,849)	(205,542)	–	(205,542)
At December 31, 2025	5,713,814	18,392,110	111,635	1,032,682	21,423	3,058,218	1,774,442	3,577,795	33,682,119	463,094	34,145,213
Accumulated depreciation and impairment:											
At January 1, 2023	826,535	5,389,005	66,773	354,912	–	15,673	848,942	551,377	8,053,217	51,806	8,105,023
Charge for the year	170,233	1,213,693	8,670	74,412	–	–	372,938	253,604	2,093,550	3,500	2,097,050
Transfers	(19,245)	(3,985)	–	(615)	–	4,600	–	(1,626)	(20,871)	20,871	–
Disposals	(1,054)	(336,274)	(12,157)	(24,401)	–	(2,402)	(91,009)	–	(467,297)	–	(467,297)
Impairment loss	111	212,937	179	228	–	20,933	–	–	234,388	–	234,388
Lease modification and termination	–	–	–	–	–	–	–	(136,518)	(136,518)	–	(136,518)
Exchange adjustments	650	18,220	84	2,428	–	–	5,706	1,070	28,158	–	28,158
At December 31, 2023 and January 1, 2024	977,230	6,493,596	63,549	406,964	–	38,804	1,136,577	667,907	9,784,627	76,177	9,860,804

	Buildings	Machinery	Motor vehicles	Furniture, fixtures and equipment	Freehold lands	Construction in progress	Leasehold improvements	Right-of-use assets	Sub-total	Investment properties	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Accumulated depreciation and impairment:											
At December 31, 2023 and January 1, 2024	977,230	6,493,596	63,549	406,964	–	38,804	1,136,577	667,907	9,784,627	76,177	9,860,804
Charge for the year	224,414	1,368,565	8,703	93,710	–	–	356,865	260,413	2,312,670	4,888	2,317,558
Transfers	(164,417)	(74,824)	–	(37)	–	74,861	–	–	(164,417)	164,417	–
Disposals	(19,862)	(195,389)	(3,266)	(8,164)	–	(20,371)	(139,939)	(16,878)	(403,869)	–	(403,869)
Impairment loss	15,971	29,352	58	76	–	–	–	–	45,457	–	45,457
Lease modification and termination	–	–	–	–	–	–	–	(123,252)	(123,252)	–	(123,252)
Exchange adjustments	(686)	(42,395)	(149)	(6,048)	–	–	(10,948)	(162)	(60,388)	–	(60,388)
At December 31, 2024 and January 1, 2025	1,032,650	7,578,905	68,895	486,501	–	93,294	1,342,555	788,028	11,390,828	245,482	11,636,310
Charge for the year	201,110	1,581,770	8,096	94,124	–	–	368,058	365,276	2,618,434	23,715	2,642,149
Transfers	81,324	(106,580)	–	–	–	106,580	–	11	81,335	(81,335)	–
Disposals	–	(303,976)	(7,147)	(7,260)	–	(1,436)	(465,213)	–	(785,032)	–	(785,032)
Impairment loss	222	144,850	456	6,113	–	–	–	–	151,641	–	151,641
Lease modification and termination	–	–	–	–	–	–	–	(55,152)	(55,152)	–	(55,152)
Exchange adjustments	(10,287)	(31,761)	(32)	(12,555)	–	–	3	(2,749)	(57,381)	–	(57,381)
At December 31, 2025	1,305,019	8,863,208	70,268	566,923	–	198,438	1,245,403	1,095,414	13,344,673	187,862	13,532,535
Net book value:											
At December 31, 2023	2,921,041	7,177,043	22,597	305,007	–	1,050,673	663,918	1,484,130	13,624,409	47,690	13,672,099
At December 31, 2024	3,093,625	7,587,672	21,605	352,831	–	2,078,084	520,997	1,544,748	15,199,562	278,089	15,477,651
At December 31, 2025	4,408,795	9,528,902	41,367	465,759	21,423	2,859,780	529,039	2,482,381	20,337,446	275,232	20,612,678

The Company

	Buildings	Machinery	Motor vehicles	Furniture, fixtures and equipment	Construction in progress	Leasehold improvements	Right-of-use assets	Sub-total	Investment properties	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:										
At January 1, 2023	52,432	59,103	12,326	843	–	13,024	34,193	171,921	152,949	324,870
Other additions	–	–	17	–	–	–	–	17	–	17
Disposals	(320)	(10,636)	(6,935)	(100)	–	–	–	(17,991)	–	(17,991)
Transfers	(23,038)	–	–	–	–	–	(3,600)	(26,638)	26,638	–
At December 31, 2023 and January 1, 2024	29,074	48,467	5,408	743	–	13,024	30,593	127,309	179,587	306,896
Other additions	–	–	–	–	953	109	–	1,062	–	1,062
Disposals	(20,908)	(5,468)	(200)	(200)	–	(3,426)	–	(30,202)	–	(30,202)
At December 31, 2024 and January 1, 2025	8,166	42,999	5,208	543	953	9,707	30,593	98,169	179,587	277,756
Other additions	–	–	–	–	133,201	–	–	133,201	–	133,201
Disposals	–	(42,223)	(874)	–	–	–	–	(43,097)	–	(43,097)
Transfers	(4,550)	–	–	–	(70)	70	–	(4,550)	4,550	–
At December 31, 2025	3,616	776	4,334	543	134,084	9,777	30,593	183,723	184,137	367,860
Accumulated depreciation and impairment:										
At January 1, 2023	26,035	56,253	11,710	657	–	13,024	3,509	111,188	51,340	162,528
Charge for the year	1,520	–	–	69	–	–	795	2,384	5,154	7,538
Transfers	(16,829)	–	–	–	–	–	(1,717)	(18,546)	18,546	–
Disposals	(320)	(10,104)	(6,572)	(96)	–	–	–	(17,092)	–	(17,092)
At December 31, 2023 and January 1, 2024	10,406	46,149	5,138	630	–	13,024	2,587	77,934	75,040	152,974
Charge for the year	873	–	–	69	–	6	776	1,724	5,270	6,994
Disposals	(19,862)	(5,195)	(190)	(190)	–	(3,426)	–	(28,863)	–	(28,863)
Impairment loss	15,889	–	–	–	–	–	–	15,889	–	15,889
At December 31, 2024 and January 1, 2025	7,306	40,954	4,948	509	–	9,604	3,363	66,684	80,310	146,994

	Buildings	Machinery	Motor vehicles	Furniture, fixtures and equipment	Construction in progress	Leasehold improvements	Right-of-use assets	Sub-total	Investment properties	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Charge for the year	92	–	–	6	–	46	776	920	5,305	6,225
Transfers	(4,286)	–	–	–	–	–	–	(4,286)	4,286	–
Disposals	–	(40,218)	(830)	–	–	–	–	(41,048)	–	(41,048)
At December 31, 2025	3,112	736	4,118	515	–	9,650	4,139	22,270	89,901	112,171
Net book value:										
At December 31, 2023	18,668	2,318	270	113	–	–	28,006	49,375	104,547	153,922
At December 31, 2024	860	2,045	260	34	953	103	27,230	31,485	99,277	130,762
At December 31, 2025	504	40	216	28	134,084	127	26,454	161,453	94,236	255,689

As at December 31, 2023, 2024 and 2025, the legal title registration of certain of the Group's properties with carrying amount of approximately RMB665,929,000, RMB1,188,482,000 and RMB1,874,703,000 respectively is subject to certain administrative procedures to be completed by the relevant local government authorities. The board of Directors of the Company is of the opinion that the risks and rewards of using these assets have been transferred to the Group and there is no impact on use of these properties.

As at December 31, 2023, 2024 and 2025, certain investment properties and property, plant and equipment of the Group amounting to RMB925,275,000, RMB994,109,000 and RMB1,018,989,000, respectively, were pledged as security for bank loans granted to the Group or were subject to other restrictions.

As at December 31, 2024 and 2025, investment properties with a carrying amount of RMB229,605,000 and RMB211,991,000, respectively, were restricted in use. The restriction arose from a dispute between a subsidiary of the Group and the local government. Due to delays of the local construction project, the local government requested the return of the government grant of RMB159,000,000, which is presented as other payables and accruals in note 24, together with a claim for funding occupation charges. The subsidiary has initiated a legal proceeding against the local government and the proceeding is currently ongoing. Based on the information currently available, the directors of the Company consider that the matter is not expected to have a material adverse impact on the Group's financial position or results.

Impairment loss

During the Track Record Period, certain individual assets of property, plant and equipment in the manufacturing division were physically idle. The Group recorded impairment losses of RMB234,388,000, RMB45,457,000 and RMB151,641,000 in "provision for impairment losses on non-current assets" for the years ended December 31, 2023, 2024 and 2025, respectively.

The impairment losses recognised during the Track Record Period by reportable segment are set out below:

	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Electronic devices	224,989	44,512	138,286
Automotive and AAM	9,375	439	3,012
Others	24	506	10,343
	234,388	45,457	151,641

The recoverable amounts of the impaired individual property, plant and equipment were determined based on fair value less costs of disposal. The fair value less costs of disposal was estimated with reference to market transaction prices of the same or similar assets, taking into account estimated costs of disposal, including taxes and other costs directly attributable to the disposal of the relevant assets. The fair value measurement was categorised within Level 3 of the fair value hierarchy.

(b) Right-of-use assets

The Group

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

		As at December 31,		
	Note	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Ownership interests in leasehold land held for own use, carried at depreciated cost	*(i)*	862,063	840,153	1,095,682
Other properties leased for own use, carried at depreciated cost	*(ii)*	622,067	701,486	1,386,699
Plant and machinery, carried at depreciated cost	*(iii)*	–	3,109	–
		1,484,130	1,544,748	2,482,381

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

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets by class of underlying asset:			
– Ownership interests in leasehold land held for own use	22,734	23,650	24,773
– Other properties leased for own use	230,870	236,425	340,337
– Plant and machinery	–	338	166
	253,604	260,413	365,276

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interests in lease liabilities *(note 22(c))*	37,549	33,618	45,352
Expense relating to short-term leases	43,699	51,905	48,586
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	2,433	4,174	1,596

Additions to right-of-use assets were RMB223,056,000, RMB287,948,000 and RMB673,682,000 during the years ended December 31, 2023, 2024 and 2025 respectively. The amounts included the purchase of ownership interest in leasehold land of RMB7,546,000, RMB1,740,000 and nil respectively, and the remainder primarily related to the capitalised lease payments payable upon entering into new rental agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 22(d) and 27, respectively.

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

The Group has obtained the right to use certain leasehold land in the PRC. Lump sum payments were made upfront to acquire these land use right interests from their previous registered owners, and there are no ongoing payments to be made under the terms of the land lease, other than payments based on rateable values set by the relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities.

(ii) Other properties leased for own use

The Group has obtained the right to use other properties as its offices, production building, housing and warehouses through tenancy agreements. The leases typically run for an initial period of 2 to 16 years.

(iii) Plant and machinery

The Group leases production plants, machineries and office equipment under leases expiring from 2 to 3 years. None of the leases include option to renew the lease nor variable lease payments.

(c) Investment properties

The Group

Investment properties leased out under operating lease

The Group leases out investment properties under operating leases. The leases typically run for an initial period of 1 to 15 years, with an option to renew the lease after that date at which time all terms are renegotiated. Certain leases include variable lease payment terms that are based on the revenue of tenants. Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	20,759	12,328	19,457
After 1 year but within 2 years	17,132	19,575	22,001
After 2 year but within 3 years	16,188	21,370	22,460
After 3 year but within 4 years	13,880	22,594	22,890
After 4 year but within 5 years	15,557	22,689	23,266
After 5 years	103,671	100,308	231,280
	187,187	198,864	341,354

Fair value of investment properties

The Group's investment properties are stated at cost less accumulated depreciation and impairment loss (if any). Had the investment properties been stated at fair value, the carrying amounts would have been RMB142,340,000, RMB434,564,000 and RMB455,517,000 as at December 31, 2023, 2024 and 2025 respectively.

The fair value of investment properties is determined by the Group with reference to market conditions and discounted cash flow forecasts, taking into account current lease agreements on an arm's-length basis. The fair value measurement is categorised into level 3 of the fair value hierarchy as defined in IFRS 13 *Fair value measurement.*

14 INTANGIBLE ASSETS

The Group

	Patent	Software	Customer relationship	Core technology	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:						
At January 1, 2023	301,090	149,685	70,083	93,762	51,542	666,162
Addition through acquisition of the subsidiaries, net *(note 32)*	–	–	5,151	–	–	5,151
Additions	–	31,665	–	4,549	–	36,214
Transfers	9,805	–	–	(9,805)	–	–
Disposals	–	(564)	–	–	–	(564)
Exchange adjustments	–	1,363	–	–	55	1,418
At December 31, 2023	310,895	182,149	75,234	88,506	51,597	708,381
At January 1, 2024	310,895	182,149	75,234	88,506	51,597	708,381
Transfers	4,781	–	–	(4,781)	–	–
Additions	–	32,359	–	2,516	–	34,875
Disposals	(7,795)	(1,292)	–	(13,211)	(18,610)	(40,908)
Exchange adjustments	–	(1,516)	–	–	(42)	(1,558)
At December 31, 2024	307,881	211,700	75,234	73,030	32,945	700,790
At January 1, 2025	307,881	211,700	75,234	73,030	32,945	700,790
Addition through acquisition of the subsidiaries *(note 32)*	17,441	7,997	–	–	15,523	40,961
Additions	–	19,464	–	–	–	19,464
Disposals	–	(11,467)	–	(7,919)	(3,310)	(22,696)
Exchange adjustments	–	1,446	–	–	95	1,541
At December 31, 2025	325,322	229,140	75,234	65,111	45,253	740,060
Accumulated amortisation and impairment:						
At January 1, 2023	127,360	89,818	28,044	34,287	23,657	303,166
Charge for the year	96,115	18,776	8,461	10,286	9,715	143,353
Written back on disposals	–	(513)	–	–	–	(513)
Impairment loss	–	331	–	–	–	331
Exchange adjustments	–	1,333	–	–	39	1,372
At December 31, 2023	223,475	109,745	36,505	44,573	33,411	447,709
At January 1, 2024	223,475	109,745	36,505	44,573	33,411	447,709
Charge for the year	69,375	23,705	8,980	10,286	3,256	115,602
Written back on disposals	(7,795)	(1,277)	–	–	(18,610)	(27,682)
Impairment loss	16	3,416	–	–	–	3,432
Exchange adjustments	–	(1,407)	–	–	(35)	(1,442)
At December 31, 2024	285,071	134,182	45,485	54,859	18,022	537,619
At January 1, 2025	285,071	134,182	45,485	54,859	18,022	537,619
Charge for the year	16,776	24,157	8,980	10,252	4,442	64,607
Written back on disposals	–	(9,512)	–	–	(3,310)	(12,822)
Impairment loss	3,370	678	–	–	–	4,048
Exchange adjustments	–	1,739	–	–	88	1,827
At December 31, 2025	305,217	151,244	54,465	65,111	19,242	595,279
Net book value:						
At December 31, 2023	87,420	72,404	38,729	43,933	18,186	260,672
At December 31, 2024	22,810	77,518	29,749	18,171	14,923	163,171
At December 31, 2025	20,105	77,896	20,769	–	26,011	144,781

15 GOODWILL

The Group

	Goodwill
	RMB'000
As at December 31, 2022	
Cost	13,219,176
Accumulated impairment	(11,852,269)
Net book amount	1,366,907
Year ended December 31, 2023	
Opening net book amount	1,366,907
Additions *(note 32(a))*	1,336
Impairment loss	(65,621)
Net book amount	1,302,622
As at December 31, 2023	
Cost	13,220,512
Accumulated impairment	(11,917,890)
Net book amount	1,302,622
Year ended December 31, 2024	
Opening net book amount	1,302,622
Impairment loss	(128,681)
Net book amount	1,173,941
As at December 31, 2024	
Cost	13,220,512
Accumulated impairment	(12,046,571)
Net book amount	1,173,941
Year ended December 31, 2025	
Opening net book amount	1,173,941
Additions* *(note 32(b))*	1,572,261
Impairment loss	(42,533)
Net book amount	2,703,669
As at December 31, 2025	
Cost	14,792,773
Accumulated impairment	(12,089,104)
Net book amount	2,703,669

* The increase in goodwill arose from the Group's completion of the acquisitions of Zhejiang Xianglong Machinery Co., Ltd. ("Zhejiang Xianglong"), Jiangsu Kooda Stern Automobile Technology ("Jiangsu Kooda"), Dongguan Jieying Precision Silicone Technology Co., Ltd. ("Jieying Technology") and Anshun (Asia) Investment Co., Ltd. ("Anshun Investment"). These acquisitions have enhanced the Group's profitability and business synergies in the Automotive and AAM and electronic devices sectors.

(a) Impairment losses

At each reporting date, the Group performed impairment testing on goodwill. The impairment test is based on the recoverable amount of the respective CGU to which the goodwill is allocated. The recoverable amount of the CGU was determined based on the value in use ("VIU") calculation. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised.

As at December 31, 2024 and 2025, the Group assessed the recoverable amounts of the related CGU of precision structural parts business to be RMB1,850,000,000 and RMB1,686,720,000, which was lower than the carrying amount of the CGU at the respective year end dates. As a result, impairment losses on goodwill of RMB38,853,000 and RMB42,533,000 were recognised respectively, and the carrying amounts of goodwill were impaired to RMB478,942,000 and RMB436,409,000 respectively. As at December 31, 2023, the Group performed impairment testing on goodwill of precision structural parts business. As the recoverable amount was higher than the carrying amount of the CGU, no further impairment loss of goodwill was recognised.

As at December 31, 2024, the Group assessed the recoverable amount of the related CGU of mobile charger business was RMB2,990,000,000, which was lower than the carrying amount of the CGU at the year end. As a result, an impairment loss of RMB89,828,000 on goodwill was recognised of the year ended December 31, 2024 and the carrying amount of the goodwill was impaired to RMB605,547,000 as at December 31, 2024. As at December 31, 2023, 2025, after performing the impairment testing on goodwill of mobile charger business, the recoverable amount was higher than the carrying amount, therefore no further impairment loss of goodwill was recognised.

As at December 31, 2023, the Group assessed the recoverable amount of the related CGU of base station components business to be RMB19,500,000, which was lower than the carrying amount of the CGU at the year end. As a result, an impairment loss of RMB65,621,000 on goodwill was recognised and the carrying amount of the goodwill was impaired to zero.

At the end of each reporting period, the Group performed impairment testing on goodwill of screen protector business and communication devices parts business. As the recoverable amount was higher than the carrying amount of each respective CGU as mentioned above, no impairment loss of goodwill was required.

Based on the impairment assessments performed on the impaired CGUs, except for the impairment losses recognised on goodwill, no further material impairment losses were recognised on other non-current assets allocated to the relevant CGUs during the Track Record Period.

(b) Impairment tests for cash-generating units containing goodwill

The goodwill is allocated to the Group's CGU identified according to nature of businesses as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Business of Zhejiang Xianglong	–	–	1,364,993
Precision structural parts business	517,795	478,942	436,409
Business of Jieying Technology	–	–	165,231
Screen protector business	54,074	54,074	54,074
Mobile charger business	695,375	605,547	605,547
Business of Jiangsu Kooda	–	–	42,037
Communication devices parts business	33,978	33,978	33,978
Automotive products	1,336	1,336	1,336
Others	64	64	64
	1,302,622	1,173,941	2,703,669

The segment classification of each cash-generating unit is as follows:

Segment	Cash-generating unit
Electronic devices	Precision structural parts business
Electronic devices	Business of Jieying Technology
Electronic devices	Screen protector business
Electronic devices	Mobile charger business
Electronic devices	Others
Automotive and AAM	Automotive products
Automotive and AAM	Business of Zhejiang Xianglong
Automotive and AAM	Business of Jiangsu Kooda
Others	Communication devices parts business
Others	Base station components business

For the CGU with an amount of goodwill, the key assumptions used in the value in use calculations are as follows:

(i) Pre-tax discount rate

	Year ended December 31,		
	2023	2024	2025
Precision structural parts business	16%	14%	15%
Communication devices parts business	14%	12%	14%
Screen protector business	15%	14%	14%
Mobile charger business	15%	12%	13%
Base station components business	15%	–	–
Business of Jieying Technology	N/A	N/A	17%
Business of Jiangsu Kooda	N/A	N/A	11%
Business of Zhejiang Xianglong	N/A	N/A	12%

(ii) Annual sales growth rate

	Year ended December 31,		
	2023	2024	2025
Precision structural parts business	2%~20%	5%~21%	2%~32%
Communication devices parts business	5%-8%	1%-3%	-9%~1%
Screen protector business	-7%~1%	1%~2%	-20%~5%
Mobile charger business	5%~19%	5%~14%	6%~13%
Base station components business	-19%~95%	–	–
Business of Jieying Technology	N/A	N/A	1%~20%
Business of Jiangsu Kooda	N/A	N/A	5%~7%
Business of Zhejiang Xianglong	N/A	N/A	5%~20%

(iii) Long-term average growth rate

	Year ended December 31,		
	2023	2024	2025
Precision structural parts business	0%	0%	0%
Communication devices parts business	0%	0%	0%
Screen protector business	0%	0%	0%
Mobile charger business	0%	0%	0%
Base station components business	0%	–	–
Business of Jieying Technology	N/A	N/A	0%
Business of Jiangsu Kooda	N/A	N/A	0%
Business of Zhejiang Xianglong	N/A	N/A	0%

(iv) Gross profit margins

	Year ended December 31,		
	2023	2024	2025
Precision structural parts business	10%-15%	10%-15%	0%-15%
Communication devices parts business	54%-55%	62%	57%-58%
Screen protector business	15%	13%-14%	12%-13%
Mobile charger business	10%-12%	8%-11%	7%-10%
Base station components business	0%-16%	–	–
Business of Jieying Technology	N/A	N/A	27%
Business of Jiangsu Kooda	N/A	N/A	14%-15%
Business of Zhejiang Xianglong	N/A	N/A	17%

(v) Sensitivity analysis and headroom

As disclosed in note 15(a), the carrying amounts of the related CGUs of precision structural parts business as at December 31, 2024 and 2025 and the carrying amounts of the related CGUs of mobile charger business as at December 31, 2024 have been impaired to their recoverable amounts. The carrying amount of the related CGUs of base station components business have been impaired to zero as at December 31, 2023.

The Group has conducted a sensitivity analysis on impairment test of the remaining CGUs containing significant goodwill.

(1) The sensitivity analysis for the CGUs being impaired

Sensitivity analysis for the precision structural parts business in 2024
A 0.5% decrease in annual sales growth rate would decrease the recoverable amount by RMB59,000,000.
A 0.5% increase in pre-tax discount rate would decrease the recoverable amount by RMB91,000,000.

Sensitivity analysis for the precision structural parts business in 2025
A 0.5% decrease in annual sales growth rate would decrease the recoverable amount by RMB58,596,000.
A 0.5% increase in pre-tax discount rate would decrease the recoverable amount by RMB108,094,000.

Sensitivity analysis for the mobile charger business in 2024
A 0.5% decrease in annual sales growth rate would decrease the recoverable amount by RMB112,000,000.
A 0.5% increase in pre-tax discount rate would decrease the recoverable amount by RMB188,000,000.

Sensitivity analysis for the base station components business in 2023
A 0.5% decrease in annual sales growth rate would decrease the recoverable amount by RMB1,600,000.
A 0.5% increase in pre-tax discount rate would decrease the recoverable amount by RMB3,000,000.

(2) The sensitivity analysis and headroom for the CGUs not being impaired

The following table sets out the headroom calculated based on the recoverable amounts after deducting the carrying amount of each CGU, reasonably possible changes to annual sales growth rate and the pre-tax discount rate that would, in isolation, have removed the remaining headroom respectively as at December 31, 2023, 2024 and 2025.

	For the year ended December 31, 2023			
	Mobile charger business	Precision structural parts business	Screen protector business	Communication devices parts business
Headroom (RMB'000)	1,465,080	124,198	42,859	8,377
Annual sales growth rate decrease	6.80%	1.17%	14.66%	1.03%
Pre-tax discount rate increase	3.97%	0.76%	10.60%	1.32%

	For the year ended December 31, 2024	
	Screen protector business	Communication devices parts business
Headroom (RMB'000)	58,240	57,289
Annual sales growth rate decrease	13.95%	6.88%
Pre-tax discount rate increase	21.00%	6.40%

	For the year ended December 31, 2025				
	Mobile charger business	Business of Jieying Technology	Business of Zhejiang Xianglong	Screen protector business	Communication devices parts business
Headroom (RMB'000)	163,550	22,546	176,160	12,173	27,622
Annual sales growth rate decrease	0.62%	0.26%	1.13%	3.54%	4.85%
Pre-tax discount rate increase	0.42%	0.88%	0.81%	2.72%	3.11%

During the year ended December 31, 2023 and 2025, management of the Group determined that there was no impairment of the CGU of mobile charger business as the recoverable amount exceeded the carrying amount by RMB1,465,080,000, and RMB163,550,000, respectively. If the annual sales growth rate were to decrease by 6.80% and 0.62%, or the pre-tax discount rate were to increase by 3.97%, and 0.42%, respectively, with all other parameters held constant, the recoverable amount of the CGU of mobile charger business would equal its carrying amount.

During the year ended December 31, 2023, management of the Group determined that there was no impairment of the CGU of precision structural parts business as the recoverable amount exceeded the carrying amount by RMB124,198,000. If the annual sales growth rate were to decrease by 1.17%, or the pre-tax discount rate were to increase by 0.76%, with all other parameters held constant, the recoverable amount of the CGU of precision structural parts business would be equal to its carrying amount.

During the year ended December 31, 2023, 2024 and 2025, management of the Group determined that there was no impairment of the CGU of screen protector business as the recoverable amount exceeded the carrying amount by RMB42,859,000, RMB58,240,000 and RMB12,173,000, respectively. If the annual sales growth rate were to decrease by 14.66%, 13.95% and 3.54%, or the pre-tax discount rate were to increase by 10.60%, 21.00% and 2.72%, respectively, with all other parameters held constant, the recoverable amount of the CGU of screen protector business would equal its carrying amount.

During the year ended December 31, 2023, 2024 and 2025, management of the Group determined that there was no impairment of the CGU of communication devices parts business as the recoverable amount exceeded the carrying amount by RMB8,377,000, RMB57,289,000 and RMB27,622,000, respectively. If the annual sales growth rate were to decrease by 1.03%, 6.88% and 4.85%, or the pre-tax discount rate were to increase by 1.32%, 6.40% and 3.11%, respectively, with all other parameters held constant, the recoverable amount of the CGU of communication devices parts business would equal its carrying amount.

During the year ended December 31, 2025, management of the Group determined that there was no impairment of the CGU of the business of Jieying Technology and Zhejiang Xianglong as the recoverable amount exceeded the carrying amount by RMB22,546,000 and RMB176,160,000. If the annual sales growth rate were to decrease by 0.26% and 1.13%, or the pre-tax discount rate were to increase by 0.88% and 0.81%, with all other parameters held constant, the recoverable amount of the CGU of the business of Jieying Technology and Zhejiang Xianglong would be equal to their carrying amounts.

These assumptions have been used for the analysis of the relevant CGU.

Management has determined the values assigned to each of the above key assumptions as follows:

Assumptions	Approach used to determine values
Annual sales growth rate	Annual sales growth rate over the five-year forecast period based on current industry trends, past performance and management's expectations for the future.
Gross profit margins	Based on past performance and management's expectations for the future.
Long-term average growth rate	This is the growth rate used to extrapolate cash flows beyond the five-year period, for mature enterprises, a 0% growth rate is conservatively adopted.
Pre-tax discount rate	The rate reflects specific risks relating to the relevant CGU and the countries in which they operate.

There are no other significant changes for the key assumptions applied in the value in use calculations.

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Opening net carrying amount	672,567	525,188	569,275
Additional capital injection	27,093	95,886	128,462
Disposals	(238,642)	(4,000)	(15,000)
Share of results, net	95,216	(30,208)	60,577
Share of other comprehensive income/(loss), net	497	(829)	(16,223)
Change in other equity	–	568	(290)
Dividends declared	(33,402)	(14,764)	(4,120)
Addition through acquisition of the subsidiaries *(note 32)*	–	–	73,398
Others	1,859	(2,566)	872
Less: provision for impairment loss	–	–	–
At the end of the year	525,188	569,275	796,951

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Opening net carrying amount	167,254	178,130	198,701
Disposals	–	(4,000)	–
Share of results, net	12,876	38,201	20,692
Share of other comprehensive income, net	–	(4)	(1)
Change in other equity	–	568	(290)
Dividends declared	(2,000)	(14,066)	(3,400)
Others	–	(128)	–
Less: provision for impairment loss	–	–	–
At the end of the year	178,130	198,701	215,702

The following table contains the particulars of the material associates during the Track Record Period, all of which are unlisted corporate entities whose quoted market price is not available:

Name of associate and joint venture	Form of business structure	Place of incorporation and business	Particulars of issued and paid-up capital	Group's effective interest 2023	Group's effective interest 2024	Group's effective interest 2025	Principal activities
光弘科技(投資)有限公司 ("DBG Electronics (Investment) Limited")	Incorporated	Hong Kong, PRC	HKD1,283.02 million	24.50%	24.50%	24.50%	Investment
廣東東睦新材料有限公司 ("Guangdong Nbtm New Materials Co., Ltd")	Established	PRC	RMB150 million	40.00%	40.00%	40.00%	Powder metallurgy business

Summarised financial information of the material associates, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the Historical Financial Information, are disclosed below:

	As at December 31, 2023	
	DBG Electronics (Investment) Limited	Guangdong Nbtm New Materials Co., Ltd
	RMB'000	*RMB'000*
Gross amounts of the associates		
Current assets	69,919	90,758
Non-current assets	354,377	128,980
Current liabilities	37,509	12,714
Non-current liabilities	–	1,332
Equity	386,787	205,692
Revenue	84,776	173,490
(Loss)/profit for the year	(25,626)	14,784
Total comprehensive income	(23,600)	14,784
Dividend received from the associate	–	2,000
Reconciled to the Group's interests in associates		
Gross amounts of net assets of the associate	386,787	205,692
Group's effective interest	24.50%	40.00%
Group's share of net assets of the associate	94,763	82,277
Carrying amounts in the Historical Financial Information	102,470	82,277

	As at December 31, 2024	
	DBG Electronics (Investment) Limited	Guangdong Nbtm New Materials Co., Ltd
	RMB'000	*RMB'000*
Gross amounts of the associates		
Current assets	409,128	120,627
Non-current assets	458,175	128,034
Current liabilities	79,513	28,283
Non-current liabilities	3,110	1,919
Equity	784,680	218,459
Revenue	194,268	206,897
Profit for the year	19,028	18,767
Total comprehensive income	15,660	18,767
Dividend received from the associate	–	2,400
Reconciled to the Group's interests in associates		
Gross amounts of net assets of the associate	784,680	218,459
Group's effective interest	24.50%	40.00%
Group's share of net assets of the associate	192,247	87,384
Carrying amounts in the Historical Financial Information	202,937	87,384

	As at December 31, 2025	
	DBG Electronics (Investment) Limited	Guangdong Nbtm New Materials Co., Ltd
	RMB'000	*RMB'000*
Gross amounts of the associates		
Current assets	644,013	136,569
Non-current assets	840,966	122,123
Current liabilities	115,011	22,853
Non-current liabilities	13,125	4,717
Equity	1,356,842	231,122

	As at December 31, 2025	
	DBG Electronics (Investment) Limited	Guangdong Nbtm New Materials Co., Ltd
	RMB'000	*RMB'000*
Revenue	637,829	219,289
Profit for the year	100,052	19,473
Total comprehensive income	33,839	19,473
Dividend received from the associate	–	3,000
Reconciled to the Group's interests in the associates		
Gross amounts of net assets of the associate	1,356,842	231,122
Group's effective interest	24.50%	40.00%
Group's share of net assets of the associate	332,426	92,449
Carrying amounts in the Historical Financial Information	335,553	92,449

The following table illustrates the financial information of the Group's remaining associates and a joint venture:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Aggregate carrying amount of individually immaterial associates and joint ventures in the Historical Financial Information	340,441	278,954	368,949
Aggregate amounts of the Group's share of those associates and joint ventures:			
– profit/(loss) for the year	94,309	(42,376)	28,275
– other comprehensive loss	–	(4)	(1)
– total comprehensive income/(loss)	94,309	(42,380)	28,274

17 INVESTMENTS IN SUBSIDIARIES

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Unlisted shares, at cost	26,180,941	26,832,959	28,052,281

18 OTHER NON-CURRENT FINANCIAL ASSETS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
FVTPL (non-current)			
Listed equity instruments *(note 33(e))*			
– CSI Solar *(note (i))*	227,568	204,026	–
Unlisted equity securities *(note 33(e))*			
– Dinghui Zhong'an M&A (Anhui) Equity Investment Fund Partnership (Limited Partnership) *(note (ii))*	–	–	18,127
	227,568	204,026	18,127
FVTOCI (non-current)			
Listed equity instruments *(note 33(e))*			
– Others	1,760	1,728	2,176
Unlisted equity securities designated at FVTOCI (non-recycling) *(note 33(e))*			
– Hefei CAS Dihuge Automation Co., Ltd *(note (iii))*	72,074	72,074	57,659
– Hangzhou BOCO Electronics Co., Ltd. *(note (iv))*	–	–	25,490
	73,834	73,802	85,325
	301,402	277,828	103,452

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
FVTPL (non-current)			
Listed equity instruments			
– CSI Solar *(note (i))*	227,568	204,026	–
Unlisted equity securities			
– Dinghui Zhong'an M&A (Anhui) Equity Investment Fund Partnership (Limited Partnership) *(note (ii))*	–	–	18,127
	227,568	204,026	18,127
FVTOCI (non-current)			
Listed equity instruments			
– Others	1,689	1,657	2,106
Unlisted equity securities designated at FVTOCI (non-recycling)			
– Hangzhou BOCO Electronics Co., Ltd. *(note (iv))*	–	–	25,490
	1,689	1,657	27,596
	229,257	205,683	45,723

Notes:

(i) In May 2023, the Group participated in the strategic placement of the initial public offering of CSI Solar (阿特斯陽光電力集團股份有限公司) on the Sci-Tech Innovation Board with a cash investment. The allocated amount was RMB199,999,999.80, representing a 0.49% equity interest. This investment is classified as "other non-current financial assets" and is subsequently measured at FVTPL. As at December 31, 2025, the Group has fully disposed of its shares in CSI Solar.

(ii) The unlisted equity securities are investment in Dinghui Zhong'an M&A (Anhui) Equity Investment Fund Partnership (Limited Partnership) (鼎暉中安併購(安徽)股權投資基金合夥企業(有限合夥)) ("Dinghui Zhong'an"), a company incorporated in PRC and engaged in commercial services. The Group owns 4.84% equity interests of Dinghui Zhong'an. This investment is classified as "other non-current financial assets" and is subsequently measured at FVTPL.

(iii) The unlisted equity securities are investment in Hefei CAS Dihuge Automation Co., Ltd (合肥中科迪宏自動化有限公司) ("Hefei Dihuge"), a company incorporated in PRC and engaged in professional technical services. The Group owns 8.51% equity interests of Hefei Dihuge and designated its investment in Hefei Dihuge at FVTOCI (non-recycling), as the investment is held for strategic purposes. No dividends were received on this investment during the Track Record Period.

(iv) The unlisted equity securities are investment in Hangzhou BOCO Electronics Co., Ltd. (杭州鉑科電子股份有限公司) ("Hangzhou BOCO"), a company incorporated in PRC and engaged in software development. The Group owns 1.83% equity interests of Hangzhou BOCO and designated the investment in Hangzhou BOCO at FVTOCI (non-recycling). No dividends were received on this investment during the Track Record Period.

19 OTHER CURRENT FINANCIAL ASSETS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets measured at FVTPL			
Listed equity securities *(note 33 (e))*			
– Guangdong Liwang High-tech Co., Ltd. *(note (i))*	11,000	6,960	19,744
– China National Software & Service Co., Ltd. *(note (ii))*	–	–	185
Bank wealth management products *(note (iii))* *(note 33 (e))*	26,606	–	1,495,521
Derivative financial instruments *(note (iv)) (note 33 (e))*	36,691	–	836
Contingent consideration *(note (v)) (note 33(e))*	–	–	13,116
	74,297	6,960	1,529,402

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets measured at FVTOCI			
Notes receivables measured at FVTOCI *(note (vi))* *(note 33(e))*	238,991	248,517	403,378
	313,288	255,477	1,932,780

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets measured at FVTPL			
Bank wealth management products *(note (iii))*	–	–	100,720
Financial assets measured at FVTOCI			
Notes receivables measured at FVTOCI *(note (vi))*	54,451	26,882	28,247
	54,451	26,882	128,967

Notes:

(i) The listed equity securities held by the Group are investments in Guangdong Liwang High-tech Co., Ltd. (廣東力王高新科技股份有限公司), a company established in PRC and engaged in manufacturing electronic equipments. The Group designated the investment at FVTPL, as it is held for transaction.

(ii) The listed equity securities held by the Group are investments in China National Software & Service Co., Ltd. (中國軟件與技術服務股份有限公司), a company established in PRC and engaged in software development. The Group designated the investment at FVTPL, as it is held for transaction.

(iii) Bank wealth management products measured at FVTPL, which were held by the Group, carried interest rates ranged 1.98%-2.05% per annum, and 1.80%-3.00% per annum as of December 31, 2023, and 2025. As of December 31, 2025, the Company's holdings of such products carried an annualized yield of 2.00%. These financial assets are held for the purpose of collecting contractual cash flows.

(iv) The derivatives are forward foreign exchange contracts and are measured at fair value at the end of each reporting period. Their fair values are determined with reference to fair values of comparable instruments in the market or quoted prices from counterparties.

(v) In July 2025, the Group entered equity purchase agreements with Junjing Enterprise (Hong Kong) Co., Ltd. ("Junjing Hong Kong"), Yangsheng Enterprise Co., Ltd. ("Yangsheng Enterprise") and Shifuxin Enterprise Co., Ltd. ("Shifuxin") (collectively referred as "Vendors"), independent third parties, to purchase 80% equity interests in Dongguan Jieying Precision Silicone Technology Co., Ltd. ("Jieying Technology"), and 80% equity interests of Anshun (Asia) Investment Co., Ltd. ("Anshun Investment"). Upon completion, Jieying Technology and Anshun Investment became the subsidiaries of the Group (the "Purchase Agreements").

Pursuant to the Purchase Agreements, the consideration payable consists of two components: (i) a cash consideration of RMB344,000,000, which was paid upon completion of the transactions, and (ii) a contingent cash consideration subject to the achievement of the committed net profit, which is the audited net profit of Jieying Technology and Anshun Investment for the fiscal year 2025 (based on a simulated consolidated reporting basis) shall be no less than RMB48,000,000 (the "Committed Net Profit"). If the actual audited net profit for fiscal year 2025 falls below the Committed Net Profit, the Vendors shall compensate the Group in cash, proportionate to the respective equity interests transferred.

As of December 31, 2025, the contingent cash consideration attributable to the shortfall of the Committed Net Profit amounted to RMB13,116,000, which is recognised as contingent consideration. In the opinion of the directors of the Company, the contingent receivables will be settled in twelve months from the year end date and is classified as current asset.

(vi) Notes receivables held by the Group, which are measured at FVTOCI, are issued or guaranteed by reputable PRC banks with high credit ratings. The Group believes that the notes receivables do not expose to significant credit risk and will not cause significant losses due to the bank default. The changes in the fair value of the notes receivables are minimal due to its short-term nature. In addition, the Group has discounted and endorsed certain notes receivables and has derecognised the full carrying amount of these notes receivables and the associated trade and other payables at the same time.

As at December 31, 2023, 2024 and 2025, certain notes receivables measured at FVTOCI of the Group amounting to RMB118,511,000, RMB52,648,000, and RMB19,114,000, respectively, were pledged for bank loans and banking facilities granted to the Group.

As at December 31, 2023, 2024 and 2025, certain notes receivables measured at FVTOCI of the Group amounting to RMB506,472,000, RMB739,653,000 and RMB1,855,681,000 respectively were discounted and endorsed against the settlement of trade and other payables of the Group and derecognised at the end of each reporting period.

Information about the Group's exposure to credit risks and fair value measurement regarding the listed equity securities as well as derivative financial instruments, is included in note 33.

20 INVENTORIES

(a) Inventories in the consolidated statements of financial position comprises:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	1,466,010	1,272,861	1,370,161
Work-in-progress	834,521	1,028,381	1,221,395
Finished goods	3,263,141	3,133,891	4,313,484
Goods in transit	85,394	315,496	175,520
Consigned processing materials	76,206	90,942	92,727
Consumables	10,815	17,663	16,604
	5,736,087	5,859,234	7,189,891

Inventories in the statements of financial position of the Company comprises:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Finished goods	31,492	40,758	49,972

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount of inventories sold	27,315,125	37,235,169	43,246,419
Write down of inventories	407,065	586,589	308,624
	27,722,190	37,821,758	43,555,043

21 TRADE AND OTHER RECEIVABLES

The Group

		As at December 31,		
	Note	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-current				
Prepayments				
– Prepayments for purchase of property, plant and equipment		525,510	331,397	333,197
– Amount due from related parties	*35(c)*	–	–	953
		525,510	331,397	334,150
Current				
Trade receivables, net of loss allowance		8,790,675	11,444,644	13,769,760
Bills receivables, net of loss allowance		129,944	104,488	253,945

	Note	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Subtotal		8,920,619	11,549,132	14,023,705
Deposits, prepayments and other receivables				
– VAT recoverable		277,198	385,524	524,973
– Mold costs to be amortized		284,469	217,040	419,245
– Deferred listing expenses		–	–	17,175
– Others		610,235	660,570	840,090
– Amounts due from related parties	*35(c)*	138,886	12,673	4,574
		1,310,788	1,275,807	1,806,057
		10,231,407	12,824,939	15,829,762
		10,756,917	13,156,336	16,163,912

Included in trade receivables, RMB26,443,000, RMB24,177,000 and RMB13,191,000 were amounts due from related parties with trade in nature as at December 31, 2023, 2024 and 2025.

As at December 31, 2023, 2024 and 2025, certain bills receivables of the Group amounting to RMB23,372,000, RMB22,954,000, and RMB67,161,000, respectively, were pledged for bank loans and banking facilities granted to the Group.

As at December 31, 2023, 2024 and 2025, certain bills receivables of the Group amounting to RMB52,682,000, RMB51,092,000 and RMB116,496,000, respectively were discounted and endorsed against the settlement of trade and other payables of the Group and not derecognised at the end of each reporting period.

The Company

	As at December 31, 2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Other receivables			
– Long term receivables from subsidiaries	–	111,676	881,007
– Others	–	531	35
	–	112,207	881,042
Current			
Trade receivables, net of loss allowance			
– Due from subsidiaries	34,344	27,068	31,979
– Due from third parties	599,915	632,115	428,837
Bills receivables, net of loss allowance	1,579	1,585	678
Subtotal	635,838	660,768	461,494
Deposits, prepayments and other receivables			
– Amounts due from subsidiaries	9,073,902	10,283,699	9,124,820
– Others	7,367	11,757	17,285
	9,717,107	10,956,224	9,603,599
	9,717,107	11,068,431	10,484,641

Ageing analysis on the Group level

As at the end of each reporting period, the ageing analysis of trade and bills receivables based on invoice date and net of loss allowance is as follows:

	As at December 31, 2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	9,384,218	12,142,568	14,677,670
1 year to 2 years	10,416	17,549	15,468
2 years to 3 years	947	1,094	13,152

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
3 years to 4 years	82	669	739
4 years to 5 years	867	28	322
Over 5 years	36,773	34,164	33,675
	9,433,303	12,196,072	14,741,026
Loss allowance	(512,684)	(646,940)	(717,321)
	8,920,619	11,549,132	14,023,705

The credit periods granted to customers were generally within 30 to 120 days during the Track Record Period. The Group does not hold any collateral over the balances. Further details on the Group's credit policy and credit risk arising from trade debtors and bills receivables are set out in note 33(a).

22 CASH AND BANK BALANCES

(a) Cash and bank balances comprises:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank and on hand	2,876,389	4,929,980	5,447,511
Deposits with banks			
– With original maturity of within three months	–	650,000	–
– With original maturity of over three months but within one year	24,745	459,000	–
Cash and cash equivalents	2,901,134	6,038,980	5,447,511
Restricted bank deposits *(note (e))*	120,257	534,429	735,617
Total cash and bank balances	3,021,391	6,573,409	6,183,128

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and cash equivalents	119,408	793,520	345,101
Restricted bank deposits	18,822	12,280	1,679
Total cash and bank balances	138,230	805,800	346,780

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

		Year ended December 31,		
	Note	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Profit before tax		2,488,042	2,196,375	2,733,377
Adjustments for:				
– Share of (profits)/loss of associates and joint ventures	*16*	(95,216)	30,208	(60,577)
– Net gain on financial assets		(6,798)	(33,836)	(119,946)
– Depreciation and impairment of owned property, plant and equipment and investment properties	*7(c)*	2,077,834	2,102,602	2,428,514
– Depreciation and impairment of right-of-use assets	*7(c)*	253,604	260,413	365,276

	Note	Year ended December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
– Amortisation and impairment of intangible assets	*7(c)*	143,684	119,034	68,655
– Fair value loss/(gain) on financial assets at fair value through profit and loss	*6*	199,812	179,160	(134,445)
– Loss on disposals of property, plant and equipment and other non-current assets	*6*	10,927	10,006	7,510
– Write-down of inventories to net realisable value	*20*	407,065	586,589	308,624
– Impairment of goodwill	*15*	65,621	128,681	42,533
– Finance costs	*7(a)*	348,707	304,163	380,264
– Other gains and losses, net		(2,227)	(116,183)	(20,762)
– (Reversal of)/provision for impairment of trade receivables and other receivables	*7(c)*	(215,437)	48,712	(1,052)
– Share-based payment expense	*7(b)*	62,093	101,196	316,908
Changes in working capital:				
Decrease/(increase) in trade and bills receivables		140,834	(2,771,153)	(1,447,999)
Decrease/(increase) in prepayments, deposits and other receivables		17,614	(91,045)	(415,528)
Increase in inventories		(1,039,785)	(706,356)	(888,389)
Increase in trade and bills payables		480,458	1,972,980	738,014
Increase in other payables and accruals		236,823	137,739	570,235
(Decrease)/increase in contract liabilities		(80)	8,958	(12,260)
Cash generated from operations		5,573,575	4,468,243	4,858,952

(c) Reconciliation of liabilities arising from financing activities:

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

	Borrowings	Bonds payables	Loans from a related party	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	8,109,599	314,400	261,069	740,553	9,425,621
Changes from financing cash flows:					
Proceeds from new borrowings	7,847,087	–	–	–	7,847,087
Repayment of borrowings	(8,590,049)	–	–	–	(8,590,049)
Repayment of bonds payables	–	(300,000)	–	–	(300,000)
Capital element of lease rentals paid	–	–	–	(236,206)	(236,206)
Interest element of lease rentals paid	–	–	–	(37,549)	(37,549)
Repayment to a related party	–	–	(221,587)	–	(221,587)
Interest paid	(289,286)	(14,400)	(49,213)	–	(352,899)
Total changes from financing cash flows	(1,032,248)	(314,400)	(270,800)	(273,755)	(1,891,203)
Exchange adjustments	46,623	–	3,113	1,934	51,670
Other changes:					
Increase in lease liabilities from entering into new leases during the period	–	–	–	198,945	198,945
Interest incurred during the year	304,540	–	6,618	37,549	348,707
Total other changes	304,540	–	6,618	236,494	547,652
At December 31, 2023	7,428,514	–	–	705,226	8,133,740

	Borrowings	Bonds payables	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2024	7,428,514	–	705,226	8,133,740
Changes from financing cash flows:				
Proceeds from new borrowings	6,847,326	–	–	6,847,326
Repayment of borrowings	(5,308,249)	–	–	(5,308,249)
Proceeds from issuance of bonds payables	–	2,120,498	–	2,120,498
Transaction fee	–	(4,475)	–	(4,475)
Capital element of lease rentals paid	–	–	(223,099)	(223,099)
Interest element of lease rentals paid	–	–	(33,618)	(33,618)
Interest paid	(245,362)	–	–	(245,362)
Total changes from financing cash flows	1,293,715	2,116,023	(256,717)	3,153,021
Exchange adjustments	33,214	–	(4,165)	29,049
Other changes:				
Interest incurred during the year	264,351	6,194	33,618	304,163
Equity component of convertible bond	–	(45,701)	–	(45,701)
Increase in lease liabilities from entering into new leases during the period	–	–	317,858	317,858
Addition through acquisition of Subsidiaries *(note (32))*	2,000	–	1,212	3,212
Total other changes	266,351	(39,507)	352,688	579,532
At December 31, 2024	9,021,794	2,076,516	797,032	11,895,342

	Borrowings	Bonds payables	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2025	9,021,794	2,076,516	797,032	11,895,342
Changes from financing cash flows:				
Proceeds from new borrowings	10,433,228	–	–	10,433,228
Repayment of borrowings	(6,487,757)	–	–	(6,487,757)
Redemption of convertible bonds	–	(4,513)	–	(4,513)
Capital element of lease rentals paid	–	–	(279,592)	(279,592)
Interest element of lease rentals paid	–	–	(45,352)	(45,352)
Interest paid	(222,718)	–	–	(222,718)
Total changes from financing cash flows	3,722,753	(4,513)	(324,944)	3,393,296
Exchange adjustments	(62,517)	–	(2,127)	(64,644)
Other changes:				
Interest incurred during the year	298,745	36,167	45,352	380,264
Conversion of convertible bonds to equity	–	(2,108,170)	–	(2,108,170)
Addition through acquisition of subsidiaries *(note (32))*	361,263	–	86,516	447,779
Increase in lease liabilities from entering into new leases during the year	–	–	900,246	900,246
Total other changes	660,008	(2,072,003)	1,032,114	(379,881)
At December 31, 2025	13,342,038	–	1,502,075	14,844,113

(d) Total cash outflow for leases

Amounts included in the consolidated cash flow statement for leases comprises the following:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within operating cash flows	(48,028)	(57,658)	(44,031)
Within financing cash flows	(273,755)	(256,717)	(324,944)
	(321,783)	(314,375)	(368,975)

These amounts relate to the following:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Lease rentals paid	(321,783)	(314,375)	(368,975)

(e) Restricted bank deposits

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current	120,257	534,429	735,617

The analysis of restricted bank deposits of the Group on each end of the reporting period is as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Security deposits for bank acceptance bills	78,843	415,156	578,949
Security deposits for letter of guarantee	20,587	27,819	20,881
Frozen Funds*(note)*	16,862	88,331	107,019
Others	3,965	3,123	28,768
	120,257	534,429	735,617

Note: The frozen funds mainly represented amounts frozen due to ongoing litigations.

23 TIME DEPOSITS

The time deposits represents the bank deposits placed in PRC banks with high credit rating.

As at December 31, 2023, 2024 and 2025, the Group held time deposits with original maturity of over three months but within one year of nil, nil and RMB80,225,000; and time deposits with original maturity of over one year of RMB824,556,000, RMB977,456,000 and RMB1,190,064,000. These time deposits carried effective interest rates ranged 3.10%-3.40%, 3.10%-3.45% and 2.40%-3.45%.

As at December 31, 2023, 2024 and 2025, certain time deposits of the Group amounting to nil, RMB527,945,000 and RMB90,225,000, respectively. The deposits in 2024 were pledged for bank loans granted to the group, while the deposits in 2025 were pledged for the issuance of bank acceptance bills.

24 TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

The Group

	Note	As at December 31,		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Non-Current				
Deferred government grant income		771,822	747,275	627,582
Employee benefits obligation		–	–	36,813
Obligation to acquire NCI *(note a)*	*32(c)*	–	–	91,531
Other liabilities		4,705	5,962	–
		776,527	753,237	755,926
Current				
Trade payables *(note b)*		6,908,765	8,728,200	10,754,516
Bills payables		541,237	687,029	1,611,216
Accrual for salaries and bonus		436,447	442,570	586,496
Dividend payables		5,465	6,352	6,352
Other payables and accruals				
– Payables for acquisition of property, plant and equipment *(note b)*		605,529	1,003,087	1,737,553

	Note	As at December 31, 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
– Payable for repayment of government grants and funding occupation charges		–	–	185,892
– Share repurchase obligations under the ESOP		71,268	144,694	189,093
– Advance received for consigned processing materials		178,634	136,519	156,913
– Equity consideration payables	*32(e)*	–	–	115,384
– Withholding tax on individual income tax on the ESOPs		10,046	4,928	93,395
– Others		669,758	755,795	929,741
– Amounts due to related parties	*35(c)*	173,136	29,501	7
		1,708,371	2,074,524	3,407,978
		9,600,285	11,938,675	16,366,558
Contract liabilities:				
– Third parties		17,478	26,434	92,664
– Related parties		–	1	–
		17,478	26,435	92,664
		9,617,763	11,965,110	16,459,222
		10,394,290	12,718,347	17,215,148

Notes:

(a) Under the Purchase Agreements, the Group has a contractual obligation to acquire the remaining 20% equity interests in Jieying Technology and Anshun Investment on or before June 30, 2029. As the obligation is not expected to be settled within twelve months after December 31, 2025, it was classified as a non-current liability as at December 31, 2025.

(b) Included in trade payables and payables for acquisition of property, plant and equipment, RMB86,987,000, RMB101,961,000 and RMB93,271,000 were amounts due to related parties with trade in nature as at December 31, 2023, 2024 and 2025.

The Company

	As at December 31, 2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-Current			
Other liabilities	4,706	5,962	–
	4,706	5,962	–
Current			
Trade payables			
– Due to subsidiaries	707,617	368,912	203,480
– Due to third parties	496	383	384
Bills payables	66,838	8,279	7,109
Accrual for salaries and bonus	3,636	3,998	3,715
Dividend payables	5,465	6,352	6,352
Other payables and accruals			
– Amounts due to subsidiaries	1,084,842	501,609	489,281
– Others	272,936	325,656	653,726
	2,141,830	1,215,189	1,364,047
Contract liabilities			
– Advance from other parties	104	13	–
	2,141,934	1,215,202	1,364,047
	2,146,640	1,221,164	1,364,047

(a) Trade payables

The credit period granted by suppliers is generally within 60 to 120 days.

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

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	6,681,745	8,595,439	10,591,878
1 year to 2 years	87,155	45,033	95,498
2 years to 3 years	129,706	33,179	24,506
3 years to 4 years	7,865	50,782	30,007
4 years to 5 years	904	1,702	7,788
Over 5 years	1,390	2,065	4,839
	6,908,765	8,728,200	10,754,516

(b) Contract liabilities

The movements in contract liabilities during the track record period are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Balance at the beginning of the year	17,558	17,478	26,435
Addition through acquisition of the subsidiaries	–	–	78,267
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities	(25,789)	(25,026)	(55,552)
Increase in contract liabilities as a result of billing in advance of sales activities	25,627	33,993	43,712
Exchange adjustments	82	(10)	(198)
Balance at the end of the year	17,478	26,435	92,664

The revenue recognised during the year that was included in the contract liabilities balance at the beginning of the year amounted to RMB14,732,000, RMB14,603,000 and RMB23,548,000 for the years ended December 31, 2023, 2024 and 2025, respectively.

25 BORROWINGS

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Long-term bank borrowings – unsecured but guaranteed	3,430,733	5,220,638	2,560,346
Long-term bank borrowings – secured and guaranteed	551,890	601,250	1,734,659
Interest payable	3,727	4,872	4,478
Total non-current	3,986,350	5,826,760	4,299,483
Current			
Short-term bank borrowings – unsecured and unguaranteed	80,432	–	35,000
Short-term bank borrowings – unsecured but guaranteed	831,655	137,990	2,047,146
Short-term bank borrowings – secured and guaranteed	358,480	50,000	45,000
Short-term bank borrowings – secured but unguaranteed	215,000	741,137	2,404,199
Current portion of long-term bank borrowings – unsecured and unguaranteed	–	–	9,900
Current portion of long-term bank borrowings – unsecured but guaranteed	899,910	1,773,140	4,186,997
Current portion of long-term bank borrowings – secured and guaranteed	1,051,875	490,690	311,711
Interest payable	4,812	2,077	2,602
Total current	3,442,164	3,195,034	9,042,555
Total	7,428,514	9,021,794	13,342,038

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Long-term bank borrowings – unsecured but guaranteed	257,400	237,000	383,800
Total non-current	257,400	237,000	383,800
Current			
Short-term bank borrowings – secured and guaranteed	258,480	–	–
Current portion of long-term bank borrowings – unsecured but guaranteed	30,600	150,000	131,800
Current portion of long-term bank borrowings – secured and guaranteed	–	32,010	–
Interest payable	508	369	343
Total current	289,588	182,379	132,143
Total	546,988	419,379	515,943

As at December 31, 2023, 2024 and 2025, bank loans in the amount of approximately RMB7,124,543,000, RMB 8,273,708,000 and RMB10,885,859,000 granted to the Group were guaranteed by the Company and subsidiaries of the Group.

All of the non-current borrowings, except for the non-current interest payable, are interest-bearing and carried at amortised cost. None of the non-current interest-bearing borrowings is expected to be settled within one year.

(a) Loans

At the end of each reporting period, the loans were repayable as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year or on demand	3,442,164	3,195,034	9,042,555
After 1 year but within 2 years	2,079,918	4,026,687	2,249,376
After 2 years but within 5 years	1,906,432	1,736,432	2,018,467
After 5 years	–	63,641	31,640
	7,428,514	9,021,794	13,342,038

The borrowings are classified by the Group as current liabilities as they are repayable within one year.

All of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's statements of financial position ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 33(b). As at December 31, 2023, 2024 and 2025, none of the covenants relating to drawn down facilities had been breached.

(b) Interest rate risk

The range of effective interest rates (which are also equal to contracted interest rates) on the borrowings is as follows:

	As at December 31, 2023		As at December 31, 2024		As at December 31, 2025	
	Effective interest rate	Amount	Effective interest rate	Amount	Effective interest rate	Amount
		RMB'000		*RMB'000*		*RMB'000*
Fixed rate borrowings:						
Bank loan	2.38%-6.49%	(1,628,496)	0.56%-2.80%	(1,642,097)	1.05%-2.80%	(4,746,584)
		(1,628,496)		(1,642,097)		(4,746,584)
Variable rate borrowings:						
Bank loan	0.1%-6.55%	(5,800,018)	1.1%-3.85%	(7,379,697)	1.95%-3.00%	(8,595,454)
		(5,800,018)		(7,379,697)		(8,595,454)
		(7,428,514)		(9,021,794)		(13,342,038)

The Group's variable-rate bank borrowings include RMB-denominated borrowings that accrue interest at the Loan Prime Rate (LPR) plus or minus a certain percentage, and foreign currency-denominated borrowings that accrue interest at the Secured Overnight Financing Rate (SOFR) plus or minus a certain percentage. The interest rates are reset at intervals ranging from 1 to 12 months.

26 BONDS PAYABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other bonds payables	–	2,076,017	–
Interest payables	–	499	–
Less: Current portion of bonds payables	–	(499)	–
	–	2,076,017	–

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other bonds payables	–	2,076,017	–
Interest payables	–	499	–
Less: Current portion of bonds payables	–	(499)	–
	–	2,076,017	–

(a) Bonds payable by nature

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Corporate bonds	–	–	–
Convertible bonds	–	2,076,516	–
	–	2,076,516	–

(b) The detail information of the bonds issued during the Track Record Period

Issuer	Bond name	Face value	Issued date	Term	Issued amount	Coupon rate
					RMB'000	
Lingyi Technology	Lingyi Technology 2020 Public Offering of Corporate Bonds (Targeting Qualified Investors) (First Tranche) (the "Corporate Bonds") *(note (i))*	RMB100 per note	January 2020	3 years	300,000	4.80%
LINGYI iTECH (GUANGDONG) COMPANY	Convertible Corporate Bonds (the "Convertible Bonds") *(note (ii))*	RMB100 per note	November 2024	6 years	2,137,418	0.2%~2%

Notes:

(i) On January 17, 2020, the Group issued 3-year RMB300,000,000 corporate bonds due on January 21, 2023 to the bondholders, bearing annual interest at 4.8%. The proceeds were used for general corporate purposes, such as repaying bank borrowings and supplementing working capital.

(ii) On November 18, 2024, the Company issued 6-year RMB2,137,418,000 convertible bonds due in November 2030 to the bondholders, bearing annual interest at 0.2% to 2.0%. The proceeds were used for general corporate purposes. The bondholders have the right, at any time on or after six months after the issuance

completion date (November 22, 2024, T+4) and up to the maturity date, to convert part or all of the outstanding principal amount of the Convertible Bonds into ordinary shares of the Company at an initial conversion price of RMB9.15 per share, subject to adjustments.

Due to a cash dividend distribution of RMB0.2 per 10 shares, the conversion price has been adjusted to RMB9.13 per share effective May 7, 2025. Assuming full conversion of the Convertible Bonds at the conversion price of RMB9.13 per share, the Convertible Bonds will be convertible into 234,109,320 shares.

The liability and equity components of the Convertible Bonds on initial recognition are presented as follows:

Face value of the convertible bonds on the issue date	2,137,418
Less: transaction costs	(21,395)
Net proceeds	2,116,023
Less: equity component	(45,701)
Liability component on initial recognition	2,070,322

The outstanding principal amount of the Convertible Bonds is repayable by the Company within five trading days after the maturity date if not previously redeemed, converted or purchased and cancelled. During the period from November 22, 2024 to November 17, 2030, the Company will have the right, at its discretion, to redeem in whole or in part the outstanding Convertible Bonds at their principal amount plus accrued interest upon occurrence of certain specified conditions.

The initial fair value of the liability portion of the convertible bonds was determined using a market interest rate for an equivalent non-convertible bond at the issue date. The liability is subsequently recognised on an amortised cost basis until extinguished on conversion, redemption or maturity of the bonds. The remainder of the proceeds was allocated to the conversion option and recognised in shareholders' equity, net of income tax, and not subsequently remeasured.

The Group expects that it will be able to meet its redemption obligations based on the financial position of the Group had conversion of the Convertible Bonds not exercised on maturity.

(c) The bonds payable recognised in the consolidated statement of financial position as at December 31, 2023, 2024 and 2025

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	314,400	–	2,076,516
Issue of bonds	–	2,070,322	–
Interest accrued at par value for the year	–	499	2,886
Amortization of premiums	–	5,695	33,281
Redemption of bonds	(300,000)	–	(4,513)
Interest paid during the year	(14,400)	–	–
Conversion of bonds	–	–	(2,108,170)
At the end of the year	–	2,076,516	–

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	–	–	2,076,516
Issue of bonds	–	2,070,322	–
Interest accrued at par value for the year	–	499	2,886
Amortization of premiums	–	5,695	33,281
Redemption of bonds	–	–	(4,513)
Conversion of bonds	–	–	(2,108,170)
At the end of the year	–	2,076,516	–

(d) Conversion of the bonds

For the year ended December 31, 2025, the bondholders exercised their right to convert the Convertible Bonds. The conversion of the bonds with a principal amount of RMB2,132,901,700 at a price of RMB9.13 per conversion share resulted in the issuance of 233,610,732 shares.

As referred to note 1.2, the Group's Historical Financial Information are prepared as continuation of the financial statements of the legal subsidiary (accounting acquirer, i.e. Lingyi Technology) with an adjustment to adjust the accounting acquirer's legal capital to reflect the legal capital structure ratio of the accounting acquiree (i.e. the Company) after the Acquisition. Accordingly, the converted shares stated above and respective financial impacts have been adjusted to reflect the impact of the Acquisition under the Group's consolidated statement of changes in equity.

(e) Interest rate risk

The effective interest rates on the bonds are as follows:

	As at December 31, 2023		As at December 31, 2024		As at December 31, 2025	
	Effective interest rate	Amount	Effective interest rate	Amount	Effective interest rate	Amount
		RMB'000		*RMB'000*		*RMB'000*
Fixed rate borrowings:						
Bonds payable	–	–	2.39%	(2,076,516)	–	–

27 LEASE LIABILITIES

The Group

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of each reporting period:

	As at December 31,					
	2023		2024		2025	
	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	217,760	246,438	293,626	322,481	385,133	427,929
After 1 year but within 2 years	186,195	200,471	174,025	192,225	267,213	302,667
After 2 years but within 5 years	183,175	199,508	215,244	242,792	484,662	540,400
After 5 years	118,096	133,827	114,137	137,042	365,067	393,924
	705,226	780,244	797,032	894,540	1,502,075	1,664,920
Less: total future interest expenses		(75,018)		(97,508)		(162,845)
Present value of lease obligations		705,226		797,032		1,502,075

The weighted average incremental borrowing rates applied to lease liabilities is 2.34%-16.00% per annum during the Track Record Period.

28 EQUITY SETTLED SHARE-BASED TRANSACTIONS

(a) Share options

The Company has approved a share option scheme on September 4, 2018 ("2018 Share Option Scheme") whereby the directors of the Company are authorised, at their discretion, to grant share options to employees of the Group for subscribing ordinary shares of the Company. Each option gives the holder a right to subscribe for one ordinary share in the Company and is settled gross in shares. The first batch of the 2018 Share Option Scheme was granted on September 25, 2018, where 69,743,500 share options were granted to 823 staffs and the exercise price was determined to be RMB3.31 per share option.The second batch of the 2018 Share Option Scheme was granted on July 22, 2019, where 9,004,500 share options were granted to 388 staff and the exercise price was determined to be RMB6.23 per share option. The vesting conditions and contractual life of each batch of the options of 2018 Share Option Scheme is as below.

The Company has approved another share option scheme on January 18, 2021 ("2021 Share Option Scheme") whereby the directors of the Company are authorised, at their discretion, to grant share options to employees of the Group for subscribing ordinary shares of the Company. Each option gives the holder a right to subscribe for one ordinary share in the Company and is settled gross in shares. The first batch of the 2021 Share Option Scheme was granted on January 18, 2021, where 35,076,600 share options were granted to 440 staff and the exercise price was determined to be RMB12.78 per share option. The vesting conditions and contractual life of each batch of the options of 2021 Share Option Scheme is as below.

The Company has approved a share option scheme on July 26, 2024 ("2024 Share Option Scheme") whereby the directors of the Company are authorised, at their discretion, to grant share options to employees of the Group for subscribing ordinary shares of the Company. Each option gives the holder a right to subscribe for one ordinary share in the Company and is settled gross in shares. The first batch of the 2024 Share Option Scheme was granted on September 18, 2024, where 188,610,000 share options were granted to 1,410 staff and the exercise price was determined to be RMB4.46 per share

option. The second batch of the 2024 Share Option Scheme was granted on August 6, 2025, where 47,147,500 share options were granted to 394 staffs and the exercise price was determined to be RMB4.44 per share option. The vesting conditions and contractual life of each batch of the options of 2024 Share Option Scheme is as below.

(i) The terms and conditions of the grants during the Track Record Period:

	Number of instruments	Vesting conditions	Contractual life of options
– Employees			
on September 25, 2018 . .	69,743,500	First Batch of 2018 Share Option Scheme: – 25%, 25%, 25% and 25% vest after 18 months, 30 months, 42 months and 54 months from the date of grant subject to performance guarantee mechanism with reference to net profit of the Group	Vesting period plus 12 months
on July 22, 2019	9,004,500	Second Batch of 2018 Share Option Scheme: – 25%, 25%, 25% and 25% vest after 12 months, 24 months, 36 months and 48 months from the date of grant subject to performance guarantee mechanism with reference to net profit of the Group	Vesting period plus 12 months
on January 18, 2021 . . .	35,076,600	First Batch of 2021 Share Option Scheme: – 30%, 30% and 40% vest after 16 months, 28 months and 40 months from the date of grant subject to performance guarantee mechanism with reference to net profit or revenue growth rate of the Group	Vesting period plus 12 months
on September 18, 2024 . .	188,610,000	First Batch of 2024 Share Option Scheme: – 40%, 30% and 30% vest after 12 months, 24 months and 36 months from the date of grant subject to performance guarantee mechanism with reference to revenue growth rate or attributable net profit growth rate of the Group	Vesting period plus 12 months
on August 6, 2025	47,147,500	Second Batch of 2024 Share Option Scheme: – 40%, 30% and 30% vest after 12 months, 24 months and 36 months from the date of grant subject to performance guarantee mechanism with reference to revenue growth rate or attributable net profit growth rate of the Group	Vesting period plus 12 months
Total share options granted	349,582,100		

(ii) The number and weighted average exercise prices of share options

The Company

	For the year ended December 31,					
	2023		2024		2025	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
	RMB	*'000*	*RMB*	*'000*	*RMB*	*'000*
Outstanding at the beginning of the year	9.41	32,767	–	–	4.46	186,730
Granted during the year	–	–	4.46	188,610	4.44	47,148
Exercised during the year	–	–	–	–	4.44	(65,321)
Forfeited during the year	9.12	(32,767)	4.46	(1,880)	4.44	(20,613)
Outstanding at the end of the year . .	–	–	4.46	186,730	4.43	147,944
Exercisable at the end of the year . .	–	–	–	–	4.42	1,385

The outstanding share options of the first and second batch of 2018 Share Option Scheme had an exercise price of RMB3.31 and RMB6.23, respectively, as at December 31, 2018 and 2019. During the year ended December 31, 2020, the exercise price was adjusted to RMB3.11 and RMB6.03 per share option for the first and second batch of 2018 Share Option Scheme, respectively, according to the terms of the share option scheme and dividend distribution scheme.

The outstanding share options had an exercise price of RMB4.46 for the first batch of 2024 Share Option Scheme as at December 31, 2024.

The outstanding share options of the first and second batch of 2024 Share Option Scheme had an exercise price of RMB4.42 and RMB4.44, respectively, as at December 31, 2025. During the year ended December 31, 2025, the exercise price of the first batch of 2024 Share Option Scheme was adjusted from RMB4.46 per share to RMB4.44 per share at June, 2025, and adjusted from RMB4.44 per share to RMB4.42 per share at October, 2025.

The outstanding share options as at December 31, 2023, 2024 and 2025 had a weighted average remaining contractual life of nil, 2.62 and 2.31 years, respectively.

The Group

As referred to note 1.2, the Group's Historical Financial Information are prepared as continuation of the financial statements of the legal subsidiary (accounting acquirer, i.e. Lingyi Technology) with an adjustment to adjust the accounting acquirer's legal capital to reflect the legal capital structure ratio of the accounting acquiree (i.e. the Company). Accordingly, the above movements of share options and respective financial impacts have been adjusted reflecting the impact of the Acquisition under the Group's consolidated statements of changes in equity.

(iii) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on the Black-Scholes option pricing model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the Black-Scholes option pricing model.

	Fair value of total share options and assumptions				
Grant date	September 25, 2018	July 22, 2019	January 18, 2021	September 18, 2024	August 6, 2025
Fair value of total share options at measurement date	RMB76.32 million	RMB17.88 million	RMB139.66 million	RMB1,325.66 million	RMB456.06 million
Per option exercise price	3.31	6.23	12.78	4.46	4.44
Option life (years)	2.73-5.73	2.14-5.14	2.33-4.33	2.00-3.00	2.00-3.00
Expected time to vest (years)	1.73-4.73	1.15-4.15	1.33-3.33	1.00-3.00	1.00-3.00
Expected dividends	1.56%	0.84%	1.65%	3.14%	0.21%
Expected volatility	43.71%-46.77%	44.22%-50.10%	48.59%-54.43%	29.56%-30.64%	34.25%-39.71%
Risk-free rate	3.22%-3.49%	2.63%-2.95%	2.62%-2.89%	1.50%-2.75%	1.50%-2.75%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under service and non-market performance condition. These conditions have not been taken into account in the grant date fair value measurement of the services received.

For the years ended December 31, 2023, 2024 and 2025, the Group (reversed)/recognised equity-settled share-based payment expenses of RMB(2,376,000), RMB51,739,000 and RMB200,307,000 for these share options in the consolidated statement of profit or loss respectively.

(b) Restricted shares

Apart from the share option schemes stated in note 28(a), the Company has a restricted shares scheme ("2018 Restricted Shares Scheme") which was approved by the Company on September 4, 2018, whereby the directors of the Company are authorised, at their discretion, to grant restricted shares to employees at certain consideration. The first batch of restricted shares under the 2018 Restricted Shares Scheme was granted on September 25, 2018, where 100,281,994 shares were granted to 630 staff at consideration of RMB1.66 per share. The second batch of restricted shares under the 2018 Restricted Shares Scheme was granted on July 22, 2019, where 24,364,400 shares were granted to 282 staff at consideration of RMB3.12 per share. The vesting conditions of each batch of restricted shares of the 2018 Restricted Shares Scheme is as below.

The Company has approved another restricted shares scheme ("2021 Restricted Shares Scheme") which was approved by the Company on January 18, 2021, whereby the directors of the Company are authorised, at their discretion, to grant restricted shares to employees at certain consideration. The first batch of restricted shares under the 2021 Restricted Shares Scheme was granted on January 18, 2021, where 14,255,339 shares were granted to 420 staff at consideration of RMB6.39 per share. The vesting conditions of each batch of restricted shares of the 2021 Restricted Shares Scheme is as below.

(i) The terms and conditions of the grants during the Track Record Period

	Number of instruments	Vesting conditions
Restricted shares granted to employees:		
– on September 25, 2018	100,281,994	First Batch of 2018 Restricted Shares Scheme: – 25%, 25%, 25% and 25% vest after 18 months, 30 months, 42 months and 54 months from the date of grant subject to performance guarantee mechanism with reference to net profit of the Group
– on July 22, 2019	24,364,400	Second Batch of 2018 Restricted Shares Scheme: – 25%, 25%, 25% and 25% vest after 12 months, 24 months, 36 months and 48 months from the date of grant subject to performance guarantee mechanism with reference to net profit of the Group
– on January 18, 2021	14,255,339	First Batch of 2021 Restricted Shares Scheme: – 30%, 30% and 40% vest after 16 months, 28 months and 40 months from the date of grant subject to performance guarantee mechanism with reference to net profit or revenue growth rate of the Group
Total shares granted	138,901,733	

(ii) The number and weighted average subscription prices of restricted shares

The Company

	For the year ended December 31,					
	2023		2024		2025	
	Weighted average subscription price	Number of restricted shares	Weighted average subscription price	Number of restricted shares	Weighted average subscription price	Number of restricted shares
	RMB	*'000*	*RMB*	*'000*	*RMB*	*'000*
Outstanding at the beginning of the year	3.47	30,497	–	–	–	–
Forfeited during the year	3.00	(30,497)	–	–	–	–
Outstanding at the end of the year	–	–	–	–	–	–

The Group

As referred to note 1.2, the Group's Historical Financial Information are prepared as continuation of the financial statements of the legal subsidiary (accounting acquirer, i.e. Lingyi Technology) with an adjustment to adjust the accounting acquirer's legal capital to reflect the legal capital structure ratio of the accounting acquiree (i.e. the Company) after the Acquisition. Accordingly, the above movements of restricted shares and respective financial impacts have been adjusted to reflect the impact of the Acquisition under the Group's consolidated statement of changes in equity.

For the years ended December 31, 2023, the Group reversed equity-settled share-based payment expenses of RMB1,248,000 for these restricted shares in the consolidated statement of profit or loss respectively.

(c) Employee Stock Ownership Plan

The Company has implemented an employee stock ownership plan for 2022 ("2022 ESOP"), which was approved by the board of directors of the Company on August 25, 2022 and extraordinary general meeting of shareholders on September 15, 2022. On December 7, 2022 and November 5, 2024, the Company granted 45,975,000 shares and 30,034,872 shares of the Company, respectively. The shares are repurchased through the Company's special securities account for share repurchase.

On June 17, 2025 and September 16, 2025, the Company held the Board of Directors and General Meeting of Shareholders, respectively, which reviewed and approved the Proposal on the Company's 2025 Employee Stock Ownership Plan ("2025 ESOP"). On December 19, 2025, the Company granted 26,400,000 shares.The shares are repurchased through the Company's special securities account for share repurchase.

(i) The terms and conditions of the grants during the Track Record Period

	Number of instruments	Vesting conditions
ESOP granted to employees:		
– on December 7, 2022	45,975,000	First Batch of 2022 ESOP: – 30%, 30%, and 40% vest after 12 months, 24 months and 36 months from the date of grant subject to performance guarantee mechanism with reference to revenue growth rate or attributable net profit growth rate of the Group
– on November 5, 2024	30,034,872	First Batch of 2024 ESOP: – 40%, 30%, and 30% vest after 12 months, 24 months and 36 months from the date of grant subject to performance guarantee mechanism with reference to revenue growth rate or attributable net profit growth rate of the Group
– on December 19, 2025	26,400,000	First Batch of 2025 ESOP: – 30%, 30%, and 40% vest after 12 months, 24 months and 36 months from the date of grant subject to performance guarantee mechanism with reference to revenue growth rate or attributable net profit growth rate of the Group
	102,409,872	

(ii) The number and weighted average subscription prices of employee stock ownership plan

The Company

	For the year ended December 31,					
	2023		2024		2025	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
	RMB	*'000*	*RMB*	*'000*	*RMB*	*'000*
Outstanding at the beginning of the year	2.36	45,975	2.36	32,183	3.06	48,425
Granted during the year	–	–	3.48	30,035	4.47	26,400
Released shares during the year	2.36	(13,775)	2.36	(13,736)	2.80	(30,351)
Forfeited during the year	2.36	(17)	2.36	(57)	2.36	(53)
Outstanding at the end of the year	2.36	32,183	3.06	48,425	4.07	44,421

The Group

As referred to note 1.2, the Group's Historical Financial Information are prepared as continuation of the financial statements of the legal subsidiary (accounting acquirer, i.e. Lingyi Technology) with an adjustment to adjust the accounting acquirer's legal capital to reflect the legal capital structure ratio of the accounting acquiree (i.e. the Company) after the Acquisition. Accordingly, the above movements of restricted shares and respective financial impacts have been adjusted to reflect the impact of the Acquisition under the Group's consolidated statement of changes in equity.

For the years ended December 31, 2023, 2024 and 2025, the Group recognised equity-settled share-based payment expenses of RMB65,717,000, RMB49,457,000, and RMB116,601,000 for these ESOPs in the consolidated statement of profit or loss respectively.

29 OTHER FINANCIAL LIABILITIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities measured at FVTPL (non-current)			
– Consideration payables *(note (i)) (note 32(e)) (note 33(e))*	–	–	544,762

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities measured at FVTPL (current)			
– Derivative financial instruments *(note 33(e))*	–	130,183	–
– Consideration payables *(note (i)) (note 32(e)) (note 33(e))*	–	–	224,006
	–	130,183	224,006
	–	130,183	768,768

Note:

(i) On October 30, 2025, the Company announced that it and its wholly-owned subsidiary, Lingyi Technology, have entered into an equity acquisition agreement with Venture Equities Management, Inc. ("VEM"), Ningbo Jialong Industry Co., Ltd. ("Ningbo Jialong"), Hangzhou Xiebang Enterprise Management Co., Ltd. ("Hangzhou Xiebang"), Ningbo Longjun Enterprise Management Partnership Enterprise (Limited Partnership) ("Ningbo Longjun"), and Zhejiang Xianglong Machinery Co., Ltd. (the "Target Company").

Lingyi Technology, the wholly-owned subsidiary of the Company, has acquired an aggregate of 96.15% equity interest in the Target Company held by VEM, Ningbo Jialong, Hangzhou Xiebang, and Ningbo Longjun for a cash consideration of RMB2,403,840,000. The consideration of the acquisition includes variable consideration contingent on its future performance and impairment conditions. Since the transaction consideration is paid in stages, the portion due within one year as of the end of 2025 is classified as current portion of other financial liabilities, while the portion due over one year as of the end of 2025 is classified as non-current portion of other financial liabilities.

30 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current taxation in respect of:			
– PRC	108,626	109,392	147,990
– Hong Kong	34,815	61,545	120,852
– Overseas	2,748	10,023	38,376
	146,189	180,960	307,218
Representing:			
Tax recoverable	(22,840)	(32,772)	(66,379)
Current taxation	169,029	213,732	373,597
	146,189	180,960	307,218

At the end of each reporting period, the Company has no current taxation balance.

(b) Deferred tax assets and liabilities recognised:

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

The components of deferred tax assets/(liabilities) recognised in the consolidated statements of financial position and the movements during the Track Record Period are as follows:

	Impairment	Credit loss allowance	Unrealised inter-group profit	Accumulated tax losses	Deferred income	Business combination	Depreciation allowances in excess of the related depreciation	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023	69,224	60,371	160,940	676,681	50,752	(87,274)	(529,427)	(32,865)	368,402
Credited/(charged) to profit or loss *(note 8(a))*	3,154	2,035	(49,645)	(117,683)	13,138	12,208	(11,803)	9,728	(138,868)
(Charged)/credited to equity	–	–	–	–	–	–	–	9,107	9,107
Exchange adjustments	593	514	–	1,195	–	(256)	–	3	2,049
At December 31, 2023 and January 1, 2024	72,971	62,920	111,295	560,193	63,890	(75,322)	(541,230)	(14,027)	240,690
Credited/(charged) to profit or loss *(note 8(a))*	21,934	12,236	(4,029)	(91,603)	(4,225)	14,443	68,551	35,002	52,309
Charged to equity	–	–	–	–	–	–	–	–	–
Exchange adjustments	78	444	–	200	–	(4,139)	–	453	(2,964)
At December 31, 2024 and January 1, 2025	94,983	75,600	107,266	468,790	59,665	(65,018)	(472,679)	21,428	290,035
(Charged)/credited to profit or loss *(note 8(a))*	(5,445)	9,287	(9,797)	56,271	(1,806)	8,987	91,091	(16,322)	132,266
Charged to equity	–	–	–	–	–	–	–	438	438
Addition through acquisition of the subsidiaries *(note 32)*	15,044	17,554	1,925	10,760	8,234	(41,310)	(46,284)	5,398	(28,679)
Exchange adjustments	(840)	(821)	–	(404)	(56)	(221)	–	(134)	(2,476)
At December 31, 2025	103,742	101,620	99,394	535,417	66,037	(97,562)	(427,872)	10,808	391,584

(ii) Reconciliation to the consolidated statements of financial position

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statements of financial position	630,109	676,936	732,460
Net deferred tax liabilities recognised in the consolidated statements of financial position	(389,419)	(386,901)	(340,876)
	240,690	290,035	391,584

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 2(s), as it is not probable that future taxable profits against which the losses and temporary differences can be utilised will be available in the relevant tax jurisdiction and entity, the Group has not recognised deferred tax assets in respect of following transactions:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cumulative tax losses	5,685,624	6,443,032	5,614,883
Deferred income	301,912	175,205	204,746
Expected credit losses	757,985	706,069	686,738
Impairment on non-current assets	488,628	464,998	408,799
Others	118	–	153,255
	7,234,267	7,789,304	7,068,421

The aforesaid tax losses that have not been recognised as deferred tax assets will be expired in the following years:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
2024	304,942	–	–
2025	1,395,004	1,376,755	–
2026	960,109	882,391	839,956
2027	1,618,055	1,525,051	1,434,810
2028	1,407,514	1,342,146	1,243,239
2029	–	1,316,689	1,131,519
2030 and onwards	–	–	965,359
	5,685,624	6,443,032	5,614,883

31 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The Company

	Note	Share capital	Treasury shares	Capital reserve	Other reserves	Reserve for equity-settled share based payment	Statutory reserve	Retained earnings	Total equity
		(Note 31 (c)(ii))	*(Note 31 (d))*	*(Note 31 (e)(vi))*	*(Note 31 (e)(i))*	*(Note 31 (e)(ii))*	*(Note 31 (e)(iv))*		
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At January 1, 2023		7,038,675	(392,039)	20,967,669	(7,433)	155,058	769,311	4,108,737	32,639,978
Changes in equity for 2023									
Profit for the year		–	–	–	–	–	–	2,305,069	2,305,069
Other comprehensive income		–	–	–	(160)	–	–	–	(160)
Total comprehensive income for the year		–	–	–	(160)	–	–	2,305,069	2,304,909
Transfer		–	–	–	–	–	230,507	(230,507)	–
Equity-settled share-based compensation		–	–	–	–	61,589	–	–	61,589
Forfeiture of unvested restricted shares	*28b(ii)*	(30,497)	91,847	(71,086)	–	–	–	9,736	–
Dividend distribution	*31(b)*	–	–	–	–	–	–	(1,017,131)	(1,017,131)
Vesting of shares under ESOP	*31(d)*	–	62,993	(32,489)	–	–	–	–	30,504
Sale of unexercised shares under ESOP	*31(d)*	–	81	31	–	–	–	–	112
Dividend distribution to ESOP	*31(d)*	–	6,690	–	–	–	–	–	6,690
At December 31, 2023		7,008,178	(230,428)	20,864,125	(7,593)	216,647	999,818	5,175,904	34,026,651

	Note	Share capital	Treasury shares	Capital reserve	Other reserves	Reserve for equity-settled share based payment	Convertible Bonds	Statutory reserve	Retained earnings	Total equity
		(Note 31 (c)(ii)) *RMB'000*	*(Note 31 (d))* *RMB'000*	*(Note 31 (e)(vi))* *RMB'000*	*(Note 31 (e)(i))* *RMB'000*	*(Note 31 (e)(ii))* *RMB'000*	*RMB'000*	*RMB'000*	*(Note 31 (e)(iv))* *RMB'000*	*RMB'000*
At January 1, 2024		7,008,178	(230,428)	20,864,125	(7,593)	216,647	–	999,818	5,175,904	34,026,651
Changes in equity for 2024										
Profit for the year		–	–	–	–	–	–	–	1,785,817	1,785,817
Other comprehensive loss		–	–	–	(36)	–	–	–	–	(36)
Total comprehensive income for the year		–	–	–	(36)	–	–	–	1,785,817	1,785,781
Transfer		–	–	–	–	–	–	178,582	(178,582)	–
Dividend distribution	*31(b)*	–	–	–	–	–	–	–	(209,690)	(209,690)
Issuance of convertible shares		–	–	–	–	–	45,701	–	–	45,701
Equity-settled share-based compensation		–	–	–	–	101,649	–	–	–	101,649
Repurchase of shares under ESOP	*31(d)*	–	(59,947)	–	–	–	–	–	–	(59,947)
Vesting of shares under ESOP	*31(d)*	–	62,401	(32,397)	–	–	–	–	–	30,004
Sale of unexercised shares under ESOP	*31(d)*	–	259	235	–	–	–	–	10	504
Dividend distribution to ESOP	*31(d)*	–	965	–	–	–	–	–	–	965
Share of other reserves of an associate		–	–	–	568	–	–	–	–	568
At December 31, 2024		7,008,178	(226,750)	20,831,963	(7,061)	318,296	45,701	1,178,400	6,573,459	35,722,186

	Note	Share capital	Treasury shares	Capital reserve	Other reserves	Reserve for equity-settled share based payment	Convertible Bonds	Statutory reserve	Retained earnings	Total equity
		(Note 31 (c)(ii)) *RMB'000*	*(Note 31 (d))* *RMB'000*	*(Note 31 (e)(vi))* *RMB'000*	*(Note 31 (e)(i))* *RMB'000*	*(Note 31 (e)(ii))* *RMB'000*	*RMB'000*	*RMB'000*	*(Note 31 (e)(iv))* *RMB'000*	*RMB'000*
At January 1, 2025		7,008,178	(226,750)	20,831,963	(7,061)	318,296	45,701	1,178,400	6,573,459	35,722,186
Changes in equity for 2025										
Profit for the year		–	–	–	–	–	–	–	15,588	15,588
Other comprehensive income		–	–	–	6,714	–	–	–	–	6,714
Total comprehensive income for the year		–	–	–	6,714	–	–	–	15,588	22,302
Transfer		–	–	–	–	–	–	1,559	(1,559)	–
Dividend distribution	*31(b)*	–	–	–	–	–	–	–	(285,520)	(285,520)
Conversion of convertible bonds into shares		233,611	–	1,920,187	–	–	(45,628)	–	–	2,108,170
Redemption of convertible bonds		–	–	–	–	–	(73)	–	–	(73)
Equity-settled share-based compensation		–	–	–	–	316,971	–	–	–	316,971
Exercise of share options		64,272	–	221,097	–	–	–	–	–	285,369
Repurchase of shares under ESOP	*31(d)*	–	(319,912)	–	–	–	–	–	–	(319,912)
Vesting of shares under ESOP	*31(d)*	–	139,374	(58,722)	–	–	–	–	–	80,652
Sale of unexercised shares under ESOP	*31(d)*	–	238	547	–	–	–	–	11	796
Dividend distribution under ESOP	*31(d)*	–	1,937	–	–	–	–	–	–	1,937
Share of other reserves of an associate		–	–	–	(290)	–	–	–	–	(290)
At December 31, 2025		7,306,061	(405,113)	22,915,072	(637)	635,267	–	1,179,959	6,301,979	37,932,588

(b) Dividends

During the year ended December 31, 2023, a dividend of RMB1,017,131,000 (RMB0.15 per ordinary share) was declared by the Company to its equity shareholders, of which RMB1,011,666,000 was paid during the year ended December 31, 2023. During the year ended December 31, 2024, a dividend of RMB209,690,000 (RMB0.03 per ordinary share) was declared by the Company to its equity shareholders, of which RMB208,804,000 was paid during the year ended December 31, 2024. During the year ended December 31, 2025, an aggregate dividend of RMB285,520,000 (RMB0.04 per ordinary share), comprising two dividends of RMB0.02 per ordinary share each, was declared by the Company to its equity shareholders, of which RMB285,520,000 was paid during the year ended December 31, 2025.

(c) Share capital

(i) The Group

The share capital presented on the Group's consolidated statement of changes in equity as at January 1, 2023 represented the paid-in capital of the accounting acquirer, Lingyi Technology. Subsequent changes of the share capital of the Company were adjusted by adopting the reverse acquisition accounting under IFRS 3 to account for the Acquisition.

(ii) The Company

	Year ended December 31,					
	2023		2024		2025	
	Number of shares		Number of shares		Number of shares	
	'000	*RMB'000*	*'000*	*RMB'000*	*'000*	*RMB'000*
Ordinary shares, issued and fully paid:						
At January 1,	7,038,675	7,038,675	7,008,178	7,008,178	7,008,178	7,008,178
Conversion of convertible bonds into shares	–	–	–	–	233,611	233,611
Exercise of share options	–	–	–	–	64,272	64,272
Forfeiture of unvested restricted shares	(30,497)	(30,497)	–	–	–	–
At December 31,	7,008,178	7,008,178	7,008,178	7,008,178	7,306,061	7,306,061

The share capital presented on the Company's statement of changes in equity at as at January 1, 2023, December 31, 2023, December 31, 2024 and December 31, 2025 represented the share capital of the legal acquirer, the Company. The number of issued and fully paid ordinary shares of the Company was stated as above.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(d) Treasury Shares

During the years ended December 31, 2023, 2024 and 2025, the movement of the reserved treasury shares of the Company is as follows:

	Year ended December 31,					
	2023		2024		2025	
	Number of shares		Number of shares		Number of shares	
	'000	*RMB'000*	*'000*	*RMB'000*	*'000*	*RMB'000*
At beginning of the year	94,116	392,039	49,827	230,428	48,425	226,750
Repurchase of shares	–	–	12,391	59,947	38,232	319,912
Forfeiture of unvested restricted shares	(30,497)	(91,847)	–	–	–	–
Vesting of shares under of ESOP	(13,775)	(62,993)	(13,736)	(62,401)	(30,351)	(139,374)
Sale of unexercised shares under ESOP	(17)	(81)	(57)	(259)	(53)	(238)
Dividend distribution to ESOP	–	(6,690)	–	(965)	–	(1,937)
At the end of the year	49,827	230,428	48,425	226,750	56,253	405,113

(e) Nature and purpose of reserves

(i) Other reserves

Other reserves of the Group mainly comprises of (i) a reserve for equity-settled share based payment of Lingyi Technology to directors and for services provided by certain employees prior to the Acquisition; (ii) share of associates' reserve in relation to equity-settled share-based transactions at the associates' level and (iii) Share of other comprehensive income of associates and joint ventures accounted for using the equity method (iv) a reserve for fair value of equity instruments at FVTOCI (non-recycling).

Other reserves of the Company mainly comprises of (i) share of associates' and joint ventures' reserve in relation to equity-settled share-based transactions at the associates' and joint ventures' level (ii) share of other comprehensive income of associates and joint ventures accounted for using the equity method, (iii) a reserve for fair value of equity instruments at FVTOCI (non-recycling).

(ii) Reserve for equity-settled share-based payment

The reserve comprises the portion of the grant date fair values of unexercised share options and the vested and unvested restricted shares granted to employees of the Group and the Company which were recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 2(r)(ii).

(iii) Exchange reserve

The reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations with functional currency other than presentation currency of the Group, i.e. RMB. The reserve is dealt with in accordance with the accounting policies set out in note 2(v).

(iv) Statutory reserve

According to the PRC laws, the PRC subsidiaries of the Group and the Company are required to set up two statutory reserve funds, general reserve fund and staff general fund. General reserve fund was set up by appropriating at least 10% of the entities' annual profit after taxation, as determined under PRC regulations, until the balance of the fund equals to 50% of the entity's registered capital. This fund can be used to make up previous years' losses or to convert into paid-in capital. Transfer from retained earnings to staff general fund is made at the discretion of the board of directors of the entities.

Statutory reserve of the Group's consolidated statement of changes in equity represented the amount allocated for the Company and all subsidiaries and the statutory reserve of the Company's statement of changes in equity comprises of the reserve for the Company only.

(v) Retained earnings

Retained earnings of the Group also included capital reserve amounted to RMB13,384,685,000, RMB14,617,716,000 and RMB18,810,922,000 as at December 31, 2023, 2024 and 2025 respectively. The capital reserve mainly represented: (i) the difference between the consideration and the par value of the issued and paid up shares of Lingyi Technology; and (ii) the difference between the conversion price and the par value of the issued and paid up shares of the Company.

(vi) Capital reserve of the Company

The capital reserve of the Company mainly comprises of the difference between the consideration and the par value of the issued and paid up shares of the Company amounted to RMB20,864,125,000, RMB20,831,963,000 and RMB22,915,072,000 as at December 31, 2023, 2024 and 2025, respectively.

(f) Capital management

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

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

Except for the banking facilities which require the fulfilment of covenants relating to certain of the Group's financial ratios as disclosed in note 25(a), the Group does not subject to externally imposed capital requirements during the Track Record Period.

32 ACQUISITION OF SUBSIDIARIES

The acquisition-date fair values of the identifiable assets and liabilities acquired through acquisition of subsidiaries during the Track Record Period as at their respective dates of acquisition are set out below:

	For the year ended December 31, 2023	For the year ended December 31, 2024
	Wenzhou Xinke Technology Co., Ltd.	Zhilian Precision Technology Dongtai Co., Ltd.
	(note a) *RMB'000*	*(note b)* *RMB'000*
Property, plant and equipment	6,845	5,735
Intangible assets	5,151	–
Cash and bank balances	34	2,184
Restricted cash	–	–
Inventories	2,903	2,108
Trade and other receivables	1,697	10,622
Trade and other payables	(11,434)	(5,469)
Short-term borrowings	–	(2,000)
Income tax payable	–	(34)
Lease liabilities	–	(1,212)
Other current assets	85	–
Fair value of identifiable net assets acquired	5,281	11,934
Less: Non-controlling interests	(1,769)	(4,177)
Fair value of the equity interests held before the acquisition date as of the acquisition date	–	(4,183)
Goodwill	1,336	(177)
Total consideration satisfied by cash	4,848	3,397
Less: consideration payables	–	(3,397)
Less: cash and cash equivalents acquired	(34)	(2,184)
Net cash flows used in acquisition	4,814	(2,184)

Note:

(a) On July 28, 2023, the Group entered into a sale and purchase agreement with Zhejiang Ruixu Technology Co., Ltd., an independent third-party vendor, to acquire a 66.5% equity interests in Wenzhou Xinke Technology Co., Ltd., with a total cash consideration of RMB4,848,000. Wenzhou Xinke Technology Co., Ltd. is principally engaged in the manufacturing and sales of automotive and low-altitude economy modules. The transaction was completed on November 30, 2023, and this acquisition has been accounted for as a business combination.

Included in the revenue and profit for the year ended December 31, 2023 are revenue of RMB1,521,000 and loss of RMB1,329,000, respectively, contributed from the Wenzhou Xinke Technology Co., Ltd. since the acquisition date. Had the acquisitions been completed on January 1, 2023, the Group's revenue and profit for the year would have been RMB34,171,411,000 and RMB2,012,368,000, respectively.

(b) As at December 31, 2023, the Group held a 49% interest in Zhilian Precision Technology Dongtai Co., Ltd. ("Zhilian Precision") and accounted for it as an associate. In March 2024, the Group acquired a further 16% interest, increasing its shareholding to 65%, and Zhilian Precision became a subsidiary from the acquisition date. The previously held 49% interest was remeasured at a fair value of RMB4,183,000. Since the acquisition date, revenue of RMB26,021,000 and profit of RMB4,022,000 from Zhilian Precision were consolidated for the year ended December 31, 2024. Had the acquisitions been completed on January 1, 2024, the Group's revenue and profit for the year would have been RMB44,259,483,000 and RMB1,761,389,000, respectively.

	For the year ended December 31, 2025		
	Dongguan Jieying Precision Silicone Technology Co., Ltd.*	Jiangsu Kooda Stern Automobile Technology Co., Ltd. and its subsidiaries	Zhejiang Xianglong Machinery Co., Ltd. and its subsidiaries
	(note c) *RMB'000*	*(note d)* *RMB'000*	*(note e)* *RMB'000*
Investment properties and other property, plant and equipment	164,557	528,244	1,082,281
Intangible assets	20,663	16,931	3,367
Cash and cash equivalents	20,930	29,630	179,718
Restricted cash	–	166,054	96,000
Inventories	67,003	366,328	314,992
Trade and other receivables	79,006	533,716	580,211

	For the year ended December 31, 2025		
	Dongguan Jieying Precision Silicone Technology Co., Ltd.*	Jiangsu Kooda Stern Automobile Technology Co., Ltd. and its subsidiaries	Zhejiang Xianglong Machinery Co., Ltd. and its subsidiaries
	(note c) *RMB'000*	*(note d)* *RMB'000*	*(note e)* *RMB'000*
Deferred tax assets	3,822	9,578	372
Investments in associates and joint ventures	–	–	73,398
Other current assets	20,533	116,424	178,681
Other non-current assets	792	1,028	27,345
Trade and other payables	(96,300)	(1,166,408)	(1,268,560)
Short-term borrowings	–	(155,522)	(168,589)
Non-current interest-bearing borrowings	–	(37,152)	–
Current tax payable	(2,918)	(44,498)	(20,721)
Lease liabilities	(65,032)	(21,484)	–
Deferred tax liabilities	(5,990)	(12,930)	(23,531)
Fair value of identifiable net assets acquired	207,066	329,939	1,054,964
Less: Non-controlling interest	(41,413)	(131,976)	(40,616)
Goodwill	165,231	42,037	1,364,993
Contingent consideration	13,116	–	–
Total consideration satisfied by cash	344,000	240,000	2,379,341
Less: consideration payables	–	–	(884,152)
Less: cash and cash equivalents acquired	(20,930)	(29,630)	(179,718)
Less: Exchange adjustments	97	–	–
Net cash flows used in acquisition	323,167	210,370	1,315,471

* The identifiable assets and liabilities of Jieying Technology are prepared on a consolidated basis including Anshun Investment and its subsidiary.

Note:

(c) Pursuant to the Purchase Agreements as disclosed in note 19, the consideration payable consists of two components for acquisition of 80% equity interest in Jieying Technology and Anshun Investment: (i) a cash consideration of RMB344,000,000, which was paid upon completion of the transactions, and (ii) a contingent cash consideration subject to the achievement of the committed net profit, which is the audited net profit of Jieying Technology and Anshun Investment for the fiscal year 2025 (based on a simulated consolidated reporting basis) shall be no less than RMB48,000,000. If the actual audited net profit for fiscal year 2025 falls below the Committed Net Profit, the Vendors shall compensate the Group in cash, proportionate to the respective equity interests transferred. Jieying Technology and Anshun Investment are principally engaged in the manufacturing and sales of automotive components. The transaction was completed on October 31, 2025, and this acquisition has been accounted for as a business combination.

As of December 31, 2025, the contingent cash consideration attributable to the shortfall of the Committed Net Profit amounted to RMB13,116,000, which is recognised as contingent consideration.

Under the Purchase Agreements, the Group has a contractual obligation to acquire the remaining 20% equity interests in Jieying Technology and Anshun Investment on or before June 30, 2029. The purchase price for such remaining equity interests is determined based on a valuation formula linked to the estimated net profit for the year 2028. Accordingly, the obligation was initially recognised at RMB91,000,000, being the present value of the expected purchase price at the acquisition date. The subsequent changes in present value of the obligation are recognised in profit or loss. As at December 31, 2025, the carrying amount of the obligation to acquire NCI was RMB91,531,000.

Included in the revenue and profit for the year ended December 31, 2025 are revenue of RMB79,602,000 and loss of RMB5,920,000, respectively, contributed from the Jieying Technology and Anshun Investment since the acquisition date. Had the acquisitions been completed on January 1, 2025, the Group's revenue and profit for the year would have been RMB51,651,466,000 and RMB2,353,411,000, respectively.

(d) In December 2025, the Group entered into a sale and purchase agreement with Changzhou Yourong Automotive Technology Co., Ltd., Zhejiang Wanliyang Enterprise Management Co., Ltd., Wuhu Hua'an Strategic Emerging Equity Investment Fund Partnership (Limited Partnership), Changzhou Qingfeng Yungang Investment Center (Limited Partnership), Changzhou Chaoling Venture Investment Partnership (Limited Partnership), and Jiangsu Xinbao Insurance-Linked Venture Investment Partnership (Limited Partnership), the independent third-parties, to acquire 60% equity interests in Jiangsu Kooda Stern Automobile Technology Co., Ltd., with a total cash consideration of RMB240,000,000. Jiangsu Kooda Stern Automobile Technology Co., Ltd. is principally engaged in the manufacturing and sales of automotive components. The transaction was completed on December 31, 2025, and this acquisition has been accounted for as a business combination.

As the acquisition was completed on December 31, 2025, no revenue or profit or loss contribution from Jiangsu Kooda Stern Automobile Technology Co., Ltd. and its subsidiaries was included in the consolidated statement of profit or loss of the Group for the year ended December 31, 2025.

Had the acquisitions been completed on January 1, 2025, the Group's revenue and profit for the year would have been RMB52,533,077,000 and RMB2,345,815,000, respectively.

(e) In October 2025, the Group entered into equity purchase agreements with Venture Equities Management, Inc. ("VEM"), Ningbo Jialong Industry Co., Ltd. ("Jialong Industry"), Hangzhou Xiebang Enterprise Management Co., Ltd. ("Hangzhou Xiebang") and Ningbo Longjun Enterprise Management Partnership Enterprise (Limited Partnership) ("Ningbo Longjun"), all independent third parties, to acquire 96.15% equity interest in Zhejiang Xianglong Machinery Co., Ltd. ("Xianglong Machinery"). Upon completion of the acquisition, Xianglong Machinery became a subsidiary of the Group.

Pursuant to the equity purchase agreements, the total cash consideration amounted to RMB2,379,341,000, comprising two components:

(i) phase I cash consideration of RMB1,610,573,000, of which RMB115,384,000 remained unpaid as at December 31, 2025 and is recognised as equity consideration payables. RMB115,384,000 is subsequently settled in January 2026; and

(ii) phase II contingent consideration of RMB793,267,000 is payable upon the achievement of committed net profit targets and impairment test arrangements for the years 2025, 2026 and 2027 on a consolidated basis. If no compensation is triggered under the profits commitments or impairment testing, the payment shall be made on the date of issuance of the annual special audit report for the performance commitment period, following joint written confirmation by both parties. As of December 31, 2025, the present value of contingent consideration is recognised in Note 29, of which the current liability portion amounts to RMB224,006,000 and the non-current liability portion amounts to RMB544,762,000.

Under the agreements, the vendors undertook certain profit guarantee and impairment compensation obligations in respect of acquisition of Xianglong Machinery, and the Group is entitled to offset any compensation payable to the vendors against the unpaid phase II consideration.

Xianglong Machinery is principally engaged in the manufacture and sale of automotive components. The transaction was completed on December 31, 2025, and this acquisition has been accounted for as a business combination.

As at December 31, 2025, the unpaid consideration includes RMB115,384,000 presented as consideration payables in note 24 and RMB768,768,000 as consideration payables in note 29, representing an aggregate unpaid amount of RMB884,152,000.

As the acquisition was completed on December 31, 2025, no revenue or profit or loss contribution from Zhejiang Xianglong Machinery Co., Ltd. and its subsidiaries was included in the consolidated statement of profit or loss of the Group for the year ended December 31, 2025.

Had the acquisitions been completed on January 1, 2025, the Group's revenue and profit for the year would have been RMB53,726,371,000 and RMB2,526,876,000, respectively.

(f) Common control business combination

On January 15, 2025, the Group acquired 82% equity interests at Suzhou Lingye Intelligent Technology Co., Ltd. at a cash consideration of RMB28,800,000 from Lingsheng Investment. As Lingsheng Investment had control over both the Company and the acquiree, the acquisition constituted a business combination under common control.

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities and movements in its own equity share price.

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

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to bank deposits, trade and bills receivables and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents, bank bills receivables, bank wealth management products and derivative financial instruments are limited because the counterparties are banks and financial institutions with sound credit ratings, for which the Group considers to have low credit risk. The Group does not provide any guarantees which would expose the Group to credit risk.

Trade and bills receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers.

The Group applies the simplified approach in calculating ECLs for trade and bills receivables. For customer subjected to individual assessment, the management has fully provided for impairment during the Track Record Period. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The remaining trade receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on aging for groupings of various customers with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Trade and bills receivables are due within 30 to 120 days from the date of invoice. Normally, the Group does not obtain collateral from customers.

Except for those trade debtors which are assessed individually for loss allowance, the Group measures loss allowances for other trade debtors at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's difference customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables which are assessed collectively as at the end of the reporting periods:

	As at December 31, 2023		
	Expected loss rates	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Current (not past due)	4.00%	7,770,419	(310,432)
Within 1 year	9.91%	1,477,001	(146,400)
1 year to 2 years	100.00%	5,060	(5,060)
Over 2 years	100.00%	3,488	(3,488)
	5.03%	9,255,968	(465,380)

	As at December 31, 2024		
	Expected loss rates	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Current (not past due)	4.12%	10,412,917	(428,941)
Within 1 year	10.24%	1,627,264	(166,596)
1 year to 2 years	100.00%	6,614	(6,614)
Over 2 years	100.00%	3,104	(3,104)
	5.02%	12,049,899	(605,255)

	As at December 31, 2025		
	Expected loss rates	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Current (not past due)	3.63%	12,554,856	(455,244)
Within 1 year	10.71%	1,870,431	(200,283)
1 year to 2 years	100.00%	10,719	(10,719)
Over 2 years	100.00%	8,025	(8,025)
	4.67%	14,444,031	(674,271)

These rates are adjusted to reflect differences between economic conditions during the 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.

Apart from the above trade debtors with ECLs which are collectively assessed using provision matrix, loss allowance of RMB46,091,000, RMB40,847,000 and RMB41,180,000 were provided for other credit-impaired trade debtors which were assessed individually and with gross carrying amount of RMB46,178,000, RMB40,847,000 and RMB41,180,000 as at December 31, 2023, 2024 and 2025 respectively.

Loss allowance for bills receivables are assessed individually. As at December 31, 2023, 2024 and 2025, loss allowance of RMB1,213,000, RMB838,000 and RMB1,870,000 were provided for commercial bills with gross carrying amount of RMB24,266,000, RMB16,758,000 and RMB51,128,000 respectively.

No loss allowance were made for bank bills receivables with gross carrying amount of RMB106,891,000, RMB88,568,000 and RMB204,687,000 as at December 31, 2023, 2024 and 2025 respectively, as the issuer banks are considered with good credit rating while there are no other significant specific factors such as economic environment and country risk that would adversely affect the credit evaluation.

Loss allowances of trade and bills receivables

Movement in the loss allowance account in respect of trade and bills receivables during the Track Record Period is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of the year	517,200	512,684	646,940
Amounts written off during the year	(346)	(13,863)	830
Recovery during the year	(80,117)	(26,653)	(82,613)
Impairment losses recognised during the year	68,399	173,969	156,496
Others	7,548	803	(4,332)
At end of the year	512,684	646,940	717,321

Loss allowances of other receivables

The expected credit loss rates in respect of other receivables are set out below.

	Stage 1	Stage 2	Stage 3
RMB ('000)	12m ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired
At December 31, 2023			
Gross carrying amount	492,623	–	698,680
Allowance for impairment	55,782	–	698,011
Expected loss rate (%)	11.32%	–	99.90%
At December 31, 2024			
Gross carrying amount	416,478	–	601,749
Allowance for impairment	50,650	–	601,749
Expected loss rate (%)	12.16%	–	100.00%
At December 31, 2025			
Gross carrying amount	504,459	–	498,979
Allowance for impairment	78,192	–	498,979
Expected loss rate (%)	15.50%	–	100.00%

Loss allowances in respect of other assets are recorded using an allowance account unless the Group is satisfied that there is no reasonable expectation of further recoveries in which case the receivables are written off.

The movement in the loss allowances in respect of other receivables during the year is as follows.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of the year	961,139	753,793	652,399
Impairment losses recognised during the year	39,940	21,080	29,941
Amounts written off during the year	(3,936)	(1,147)	(99)
Recovery during the year	(243,659)	(119,684)	(104,876)
Others	309	(1,643)	(194)
At end of the year	753,793	652,399	577,171

Cash and cash equivalents, time deposits and restricted bank deposits

Cash and cash equivalents, time deposits and restricted bank deposits are considered to have low credit risk because the counterparties are banks and have a low risk of default, and have a strong capacity to meet its contractual cash flow obligations in the near term. Cash and cash equivalents, time deposits and restricted bank deposits are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

(b) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that is maintains sufficient reserves of cash and adequate committed funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities as at the end of the reporting periods of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates on, if floating, based on rates current at the end of the reporting periods) and the earliest date the Group can be required to pay.

For borrowings subject to repayment on demand clause which can be exercised at the bank's sole discretion, the maturity analysis shows the cash outflow based on expected repayment dates with reference to the schedule of repayments set out in the banking facilities letter and, separately, the impact to the timing of the cash outflow if the lenders were to invoke unconditional rights to call the loans with immediate effect.

	As at December 31, 2023					
	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	More than 5 years	Total contractual undiscounted cash flow	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	8,769,843	–	–	–	8,769,843	8,769,843
Short-term borrowings	1,500,338	–	–	–	1,500,338	1,486,671
Non-current interest-bearing bank borrowings	2,114,661	2,169,100	1,936,067	–	6,219,828	5,941,843
Lease liabilities	246,438	200,471	199,508	133,827	780,244	705,226
	12,631,280	2,369,571	2,135,575	133,827	17,270,253	16,903,583

	As at December 31, 2024					
	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	More than 5 years	Total contractual undiscounted cash flow	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	11,097,523	–	–	–	11,097,523	11,097,523
Short-term borrowings	930,570	–	–	–	930,570	929,239
Non-current interest-bearing bank borrowings	2,466,342	4,132,433	1,762,302	65,714	8,426,791	8,092,555
Bonds payables	499	9,048	101,812	2,288,462	2,399,821	2,076,516
Lease liabilities	322,481	192,225	242,792	137,042	894,540	797,032
	14,817,415	4,333,706	2,106,906	2,491,218	23,749,245	22,992,865

	As at December 31, 2025					
	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	More than 5 years	Total contractual undiscounted cash flow	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other payables	15,272,750	–	103,351	–	15,376,101	15,364,282
Short-term borrowings	4,536,151	–	–	–	4,536,151	4,531,560
Non-current interest-bearing bank borrowings	4,683,882	2,314,463	2,062,742	32,074	9,093,161	8,810,478
Other financial liabilities	237,980	237,980	317,307	–	793,267	768,768
Lease liabilities	427,929	302,667	540,400	393,924	1,664,920	1,502,075
	25,158,692	2,855,110	3,023,800	425,998	31,463,600	30,977,163

	As at December 31, 2023 Contractual undiscounted cash inflow/(outflow)				
	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	More than 5 years	Total contractual undiscounted cash flow
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Derivatives settled at gross					
Forward foreign exchange contracts:					
– outflow	(772,014)	–	–	–	(772,014)
– inflow	776,009	–	–	–	776,009

	As at December 31, 2024 Contractual undiscounted cash inflow/(outflow)				
	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	More than 5 years	Total contractual undiscounted cash flow
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Derivatives settled at gross					
Forward foreign exchange contracts:					
– outflow	(4,816,228)	–	–	–	(4,816,228)
– inflow	4,791,390	–	–	–	4,791,390

	As at December 31, 2025 Contractual undiscounted cash inflow/(outflow)				
	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	More than 5 years	Total contractual undiscounted cash flow
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Derivatives settled at gross					
Forward foreign exchange contracts:					
– outflow	(2,811,258)	–	–	–	(2,811,258)
– inflow	2,813,941	–	–	–	2,813,941

(c) Interest rate risk

The Group's interest rate risk arises primarily from the Group's borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The group has been monitoring the level of interest rates. The increase in the interest rates will increase the interest costs of borrowings at variable rates, which will further impact the performance of the Group.

Sensitivity analysis

It is estimated that a general increase/decrease of 1% in interest rates, with all other variables held constant, would have increased/decreased the Group's loss or decreased/increased the Group's profit after tax and retained profits by approximately RMB46,411,000, RMB59,193,000 and RMB56,157,000 as at December 31, 2023, 2024 and 2025, respectively.

The sensitivity analysis above indicates the instantaneous change in the Group's profit before taxation that would arise assuming that the change in interest rates had occurred at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments the Group held at the end of the report periods, the impact on the Group's profit before taxation is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for the years ended December 31, 2023, 2024 and 2025.

(d) Foreign currency risk

The Group is exposed to foreign currency risk primarily through sales and purchases which give rise to receivables, payables, short-term borrowings, interest-bearing borrowings and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Euros ("EUR"), Hong Kong dollar ("HKD"), Japanese Yen ("JPY") and Australian Dollar ("AUD"), Swiss franc ("CHF"), Vietnamese Dong ("VND"), Turkish Lira ("TRY"), Singapore Dollar ("SGD"), Korean Won ("KRW"), Indian Rupee ("INR").

(i) Exposure to currency risk

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

The Group's major foreign currency exposures are as follows:

	As at December 31, 2023			
	USD	EUR	HKD	VND
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other receivables	11,833,405	14,067	2,877	11,550
Cash and cash equivalents	362,477	2,116	3,261	760
Trade and other payables	(4,483,967)	(96,158)	(572)	(13,073)
Notional amounts of forward foreign exchange contracts	(7,932,226)	–	–	–
	(220,311)	(79,975)	5,566	(763)

	As at December 31, 2024			
	USD	EUR	HKD	VND
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other receivables	13,814,517	16,612	2,289	19,856
Cash and cash equivalents	1,209,557	4,546	4,451	3,545
Trade and other payables	(10,375,115)	(160,253)	(343)	(34,001)
Notional amounts of forward foreign exchange contracts	(467,246)	–	–	–
	4,181,713	(139,095)	6,397	(10,600)

	As at December 31, 2025			
	USD	EUR	HKD	VND
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and other receivables	11,736,202	39,042	2,150	9,055
Cash and cash equivalents	903,505	13,292	8,933	6,314
Trade and other payables	(8,027,058)	(136,396)	(578)	(42,828)
Notional amounts of forward foreign exchange contracts	(175,720)	–	–	–
	4,436,929	(84,062)	10,505	(27,459)

(ii) Sensitivity analysis

A 5% strengthening of RMB against the following currencies at the reporting date would increase the loss or decreased the profit before taxation by the amounts shown below. This analysis assumes that all other variables, including interest rates, remain constant.

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
USD	(11,016)	209,086	221,846
EUR	(3,999)	(6,955)	(4,203)
HKD	278	320	525
VND	(38)	(530)	(1,373)

A 5% weakening of RMB against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

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

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for the years ended December 31, 2023, 2024 and 2025.

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

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

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

Analysis on fair value measurement of financial instruments as at December 31, 2023, 2024 and 2025 are as follows:

	Fair value at December 31, 2023	Fair value measurement at December 31, 2023 categorised into		
	RMB'000	*Level 1*	*Level 2*	*Level 3*
Recurring fair value measurement				
Financial assets:				
Financial assets at FVTPL				
– Bank wealth management products	26,606	–	26,606	–
– listed equity securities	238,568	227,568	11,000	–
– Derivative financial instrument	36,691	–	36,691	–
	301,865	227,568	74,297	–

	Fair value at December 31, 2023	Fair value measurement at December 31, 2023 categorised into		
	RMB'000	*Level 1*	*Level 2*	*Level 3*
Financial assets at FVTOCI				
– Notes receivables measured at FVTOCI	238,991	–	–	238,991
– Unlisted equity securities	72,074	–	72,074	–
– Listed equity securities	1,760	–	1,760	–
	312,825	–	73,834	238,991

	Fair value at December 31, 2024	Fair value measurement at December 31, 2024 categorised into		
	RMB'000	*Level 1*	*Level 2*	*Level 3*
Recurring fair value measurement				
Financial assets:				
Financial assets at FVTPL				
– Listed equity securities	210,986	204,026	6,960	–
Financial assets at FVTOCI				
– Notes receivables measured at FVTOCI	248,517	–	–	248,517
– Unlisted equity securities	72,074	–	72,074	–
– Listed equity securities	1,728	–	1,728	–
	322,319	–	73,802	248,517
Financial liabilities:				
– Derivative financial instrument	130,183	–	130,183	–

	Fair value at December 31, 2025	Fair value measurement at December 31, 2025 categorised into		
	RMB'000	*Level 1*	*Level 2*	*Level 3*
Recurring fair value measurement				
Financial assets:				
Financial assets at FVTPL				
– Bank wealth management products	1,495,521	–	1,495,521	–
– Listed equity securities	19,929	185	19,744	–
– Unlisted equity securities	18,127	–	18,127	–
– Contingent consideration	13,116	–	–	13,116
– Derivative financial instruments	836	–	836	–
	1,547,529	185	1,534,228	13,116
Financial assets at FVTOCI				
– Notes receivables measured at FVTOCI	403,378	–	–	403,378
– Unlisted equity securities	83,149	–	83,149	–
– Listed equity securities	2,176	–	2,176	–
	488,703	–	85,325	403,378
Financial Liabilities:				
– Consideration payables	768,768	–	–	768,768

During the years ended December 31, 2023, 2024 and 2025, there were no transfers between Level 1 and Level 2, and between Level 2 and Level 3. The Group's accounting policy stipulates that transfers between levels of the fair value hierarchy shall be recognised at the end of the reporting period in which the transfers occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of other current financial assets in Level 2 is estimated by calculating the net present value of future cash flows, based on the return rates of bank wealth management products and forward exchange rates observable in the market at the end of the reporting period.

Certain listed equity securities and all unlisted equity securities were classified as Level 2 financial assets. Their fair values were determined using a market approach with reference to observable market data, including quoted prices in the National Equities Exchange and Quotations market, recent financing transactions and recent equity transfer transactions involving independent market participants. Such inputs are observable either directly or indirectly but do not represent unadjusted quoted prices in active markets for identical assets.

Valuation techniques and inputs used in Level 3 fair value measurements

Financial instruments whose fair value is classified in Level 3 mainly comprise notes receivables measured at FVTOCI, contingent consideration and consideration payables. Their fair values are determined using valuation techniques involving significant unobservable inputs, including discounted cash flow analysis and forecast net profit of the target company, where applicable.

		As at December 31,						
	Fair value hierarchy	2023	2024	2025	Valuation technique and key input	Unobservable input	Range	Sensitivity of fair value to the input
		RMB'000	*RMB'000*	*RMB'000*				
Financial assets at FVTOCI								
– Notes receivables measured at FVTOCI	Level 3	238,991	248,517	403,378	Discounted Cash Flow	Discounted Rate	0.01%-2.10%	A 10% increase/decrease in the discount rate as at December 31, 2023, 2024 and 2025 would result in a corresponding decrease or increase in the fair value of the relevant assets by RMB3,126,000/RMB2,564,000, RMB3,251,000/RMB2,666,000 and RMB5,249,000/RMB4,305,000, respectively.
Financial assets at FVTPL								
– Contingent consideration	Level 3	–	–	13,116	Net profit of the target company	consolidated net profit of the target company	RMB32,507,000	A 10% increase/decrease in the consolidated net profit of the target company as at December 31, 2025 would result in a corresponding decrease or increase in the fair value of the relevant assets by RMB2,752,000.
Financial liabilities at FVTPL								
– Consideration payables	Level 3	–	–	768,768	Discounted Cash Flow	Discounted Rate	2.34%	A 10% increase/decrease in the discount rate as at December 31, 2025 would result in a corresponding decrease/increase in the fair value of the relevant liabilities by RMB2,389,000/ RMB2,400,000, respectively.

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

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at December 31, 2023, 2024 and 2025.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended December 31, 2023, 2024 and 2025:

	Notes receivables measured at FVTOCI	Contingent consideration	Consideration payables
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2023	230,329	15,030	–
Additions	8,662	–	–
Disposal	–	(15,030)	–
As at December 31, 2023	238,991	–	–
As at January 1, 2024	238,991	–	–
Additions	9,526	–	–
As at December 31, 2024	248,517	–	–

	Notes receivables measured at FVTOCI	Contingent consideration	Consideration payables
	RMB'000	*RMB'000*	*RMB'000*
As at January 1, 2025	248,517	–	–
Additions	154,861	13,116	768,768
Disposals	–	–	–
As at December 31, 2025	403,378	13,116	768,768

34 COMMITMENTS

Capital commitments outstanding at the end of the reporting periods not provided for in the Track Record Period were as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contracted for			
– Property, plant and equipment	3,082,534	3,686,788	3,364,636
– Subscribed capital contribution *(note)*	93,704	–	1,397,629
Authorised but not contracted for			
– Property, plant and equipment	717,888	498,691	520,304
– Subscribed capital contribution	–	–	50,000
	3,894,126	4,185,479	5,332,569

Note: The subscribed capital contribution mainly represents:

(a) Included in the Group's contracted commitments for subscribed capital contribution as at December 31, 2025 was a commitment of RMB442,629,000 in respect of the proposed acquisition relating to Tritree Metal (Shenzhen) Co., Ltd. pursuant to a share purchase agreement entered into in September 2025. In April 2026, the relevant agreement was amended and supplemented, and the consideration payable under the amended arrangements was revised to RMB396,730,000. Completion of the transaction remains subject to satisfaction of the conditions precedent under the relevant agreements.

(b) The Group entered into share purchase agreements on December 22, 2025 to acquire 35% equity interest of Dongguan Readore Technology Co., Ltd. (東莞市立敏達電子科技有限公司) (the "Readore") from its then shareholders, which are independent third parties and acquire 17.78% of voting rights of Readore from Zhang Qiang who is an independent third party, at an aggregate cash consideration of RMB875,000,000.

The Group was not committed to enter into any material new lease that is not yet commenced at the end of the reporting periods during the Track Record Period.

35 MATERIAL RELATED PARTY TRANSACTIONS

During the Track Record Period, transactions with the following parties are considered to be related party transactions of the Group:

Name of Related Party	Relationship with the Group
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	Indirectly controlled by the controlling shareholder
Lingsheng Investment and its subsidiaries	Controlled by the controlling shareholder
Guangdong Nbtm New Materials Co., Ltd.	Significantly influenced by a subsidiary of the Company
Zhilian Precision	Former Significantly influenced by a subsidiary of the Company (became a subsidiary in March 31, 2024)
HG Automation Technology (Suzhou) Ltd.	Significantly influenced by the controlling shareholder of the company
Shenzhen Xiaochen Technology Co., Ltd.	Significantly influenced by the controlling shareholder of the company
Nanjing Kuke Electronic Technology Co., Ltd. and its subsidiaries	Significantly influenced by a subsidiary of the Company
Dongguan Zhongke Dihong Artificial Intelligence Technology Co., Ltd.	Significantly influenced by closely related family members of the key former management personnel of the Company

Name of Related Party	Relationship with the Group
Jiangmen Jiefuyi Magnetic Material Co., Ltd.	Significantly influenced by a subsidiary of the Company
Shenzhen Linglue Investment Development Co., Ltd.	Controlled by the controlling shareholder and its close family members
Jiangmen Mading Electrical Machinery Technology Co., Ltd.	Significantly influenced by a subsidiary of the Company
Tianjin PM Laser Industries Co., Ltd.	Formerly indirectly controlled by the controlling shareholder
Lingchao Enterprise Management Consulting (Hainan) Co., Ltd.	Former joint venture of the Company
DBG Electronics (Investment) Limited and its subsidiaries	The controlling shareholder and its closely related family member of the controlling shareholder serving as directors, supervisors and senior management
Zeng Fangqin	Controlling shareholder
Zeng Fangling	Family member of the controlling shareholder
Zeng Fangping	Family member of the controlling shareholder
Zeng Fanghua	Family member of the controlling shareholder
Sizheke Precision Machinery Manufacturing (Changzhou) Co., Ltd.	Former subsidiary of the Company (the equity interest was disposed of in December 31, 2022)
Jiaxing Chaoxi Hehou Equity Investment Partnership Enterprise (Limited Partnership)	Significantly influenced by a subsidiary of the Company

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Directors' fee	450	451	485
Salaries, allowance and benefits in kind	13,900	15,332	16,421
Discretionary bonus	3,944	3,698	2,522
Retirement scheme contributions	89	96	82
Equity settled share-based payment	5,160	9,457	24,311
	23,543	29,034	43,821

Total remuneration is included in "Staff costs" (see note 7(b)).

(b) Transactions with related parties

In addition to the transactions and balances disclosed elsewhere in the Historical Financial Information, the Group entered into the following material related party transactions during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Purchase of goods			
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	384,343	472,455	498,926
Lingsheng Investment and its subsidiaries	3,794	746	–
Guangdong Nbtm New Materials Co., Ltd.	408	427	565
Zhilian Precision	15,814	5,798	–
HG Automation Technology (Suzhou) Ltd.	42,567	24,405	34,061
Shenzhen Xiaochen Technology Co., Ltd.	391	3	4
Nanjing Kuke Electronic Technology Co., Ltd. and its subsidiaries	1,199	450	108
Dongguan Zhongke Dihong Artificial Intelligence Technology Co., Ltd.	7,867	–	–
Jiangmen Jiefuyi Magnetic Material Co., Ltd.	31	–	–
	456,414	504,284	533,664

	Year ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Rendering service			
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	1,910	39	14
Lingsheng Investment and its subsidiaries	51	–	–
Zhilian Precision	–	14	–
HG Automation Technology (Suzhou) Ltd.	–	730	1,245
	1,961	783	1,259
Provision of service			
Shenzhen Linglue Investment Development Co., Ltd.	–	4	–
Jiangmen Jiefuyi Magnetic Material Co., Ltd.	–	155	165
HG Automation Technology (Suzhou) Ltd.	–	1	2
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	3,360	2,741	2,757
Guangdong Nbtm New Materials Co., Ltd.	–	13	11
Zhilian Precision	–	1	–
	3,360	2,915	2,935
Sales of goods			
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	101	3,656	196
Lingsheng Investment and its subsidiaries	529	654	14
Jiangmen Mading Electrical Machinery Technology Co., Ltd.	8,595	9,267	8,247
Guangdong Nbtm New Materials Co., Ltd.	17	30	–
Tianjin PM Laser Industries Co., Ltd.	62	22	–
Nanjing Kuke Electronic Technology Co., Ltd.and its subsidiaries	56,442	54,140	41,280
Zhilian Precision	255	59	–
	66,001	67,828	49,737
Rental income			
Jiangmen Jiefuyi Magnetic Material Co., Ltd.	2,177	2,021	2,143
HG Automation Technology (Suzhou) Ltd.	7	12	11
Lingsheng Investment and its subsidiaries	93	–	–
Lingchao Enterprise Management Consulting (Hainan) Co., Ltd.	3	–	–
Zhilian Precision	28	14	–
	2,308	2,047	2,154
Rental expenses:			
Lingsheng Investment and its subsidiaries	543	–	1,851
DBG Electronics (Investment) Limited and its subsidiaries	–	7,309	17,426
Zeng Fangqin	–	–	797
	543	7,309	20,074
Purchase of assets:			
Lingsheng Investment and its subsidiaries	7,706	3,405	234
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	1,416	13,696	386
	9,122	17,101	620

(c) Balances with related parties

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables:			
Lingsheng Investment and its subsidiaries	1,031	294	–
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	150	170	259
Guangdong Nbtm New Materials Co., Ltd.	20	–	–
Jiangmen Mading Electrical Machinery Technology Co., Ltd.	4,904	4,044	4,717
Nanjing Kuke Electronic Technology Co., Ltd. and its subsidiaries	20,216	19,669	8,215
HG Automation Technology (Suzhou) Ltd.	1	–	–
Tianjin PM Laser Industries Co., Ltd.	50	–	–
Zhilian Precision	71	–	–
	26,443	24,177	13,191
Prepayments, other receivables and other assets:			
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	1,150	308	349
HG Automation Technology (Suzhou) Ltd.	7,742	–	765
Jiaxing Chaoxi Hehou Equity Investment Partnership Enterprise (Limited Partnership)	–	699	–
Jiangmen Jiefuyi Magnetic Material Co., Ltd.	–	11,666	–
Lingsheng Investment and its subsidiaries[(1)]	79,994	–	203
Shenzhen Linglue Investment Development Co., Ltd.[(1)]	50,000	–	–
DBG Electronics (Investment) Limited and its subsidiaries	–	–	4,210
	138,886	12,673	5,527

Notes:

(1) The balances due from Lingsheng Investment and its subsidiaries and Shenzhen Linglue Investment Development Co., Ltd. as at December 31, 2023 included non-trade balances arising from the retrospective adjustments of financial information for historical periods in accordance with the accounting policy for business combination under common control subsequent to the acquisition of Suzhou Lingye Intelligent Technology Co., Ltd. in January 2025 (note 2(c)(2) & note 32(f)). Such non-trade balances had been fully settled as at December 31, 2025. The remaining balance due from Lingsheng Investment and its subsidiaries as at December 31, 2025 was trade- related in nature and arose in the ordinary course of business.

In relation to the above non-trade balances, for the year ended December 31, 2024, the change in the Group's prepayments, other receivables and other assets included non-cash movements of RMB119,992,701 arising from a debt restructuring arrangement with related parties.

(2) Save as disclosed above, all other related-party balances presented above were trade in nature and arose in the ordinary course of business.

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade and other payables:			
Lingsheng Investment and its subsidiaries[(1)]	174,578	32,825	141
ShenZhen Kingdom Electronic Co., Ltd. and its subsidiaries	73,202	86,644	77,152
Guangdong Nbtm New Materials Co., Ltd.	69	192	158
Nanjing Kuke Electronic Technology Co., Ltd. and its subsidiaries	45	105	54
HG Automation Technology (Suzhou) Ltd.	4,648	11,695	15,774
Zhilian Precision	7,554	–	–
Shenzhen Xiaochen Technology Co., Ltd.	22	1	–
Sizheke Precision Machinery Manufacturing (Changzhou) Co., Ltd.	5	–	–
	260,123	131,462	93,279

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities:			
HG Automation Technology (Suzhou) Ltd.	–	1	–
	–	1	–

Notes:

(1) The balances with Lingsheng Investment and its subsidiaries included in other payables comprised both trade and non-trade balances during the Track Record Period. All non-trade balances due to Lingsheng Investment and its subsidiaries had been fully settled as at December 31, 2025, and the remaining balance as at December 31, 2025 was trade in nature.

Additions to such non-trade balances amounted to RMB55.0 million, RMB6.5 million and nil for the years ended December 31, 2023, 2024 and 2025, respectively. During the year ended December 31, 2024, movements in such non-trade balances also included a non-cash movement of RMB119,992,701 arising from a debt restructuring arrangement with related parties.

(2) Save as disclosed above, all other related-party balances presented above were trade in nature and arose in the ordinary course of business.

(d) Guarantees issued by related parties

	As at December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Guarantees issued by the controlling shareholder and immediate holding company to the Group	11,558,478	–	–

As at December 31, 2023 certain banking loans granted to the Group in note 25 and bonds payables issued by the Group in note 26 were guaranteed by Ms. Zeng, the controlling shareholder of the Company, Mr. Wang Nandong, a shareholder of the Company, and Lingsheng Investment, the immediate holding company (jointly/respectively), and pledged with the equity interest in the Company held by Lingsheng Investment. As at December 31, 2025, there were no guarantees issued by the controlling shareholder and immediate holding company to the Group.

36 SUBSEQUENT EVENTS AFTER THE TRACK RECORD PERIOD

(a) The Group entered into share purchase agreements on December 22, 2025 to acquire 35% equity interest of Dongguan Readore Technology Co., Ltd. (東莞市立敏達電子科技有限公司) (the "Readore") from its then shareholders, which are independent third parties, and acquire 17.78% of voting rights of Readore from Zhang Qiang who is an independent third party, at an aggregate cash consideration of RMB875,000,000. The acquisition of Readore was completed in January 2026. Upon the completion of the acquisitions, the Group held 52.78% of voting rights of Readore. Readore became a subsidiary of the Group with effect from January 31, 2026, and its financial results have been consolidated commencing from February 1, 2026. The acquisition-date fair values of the identifiable assets acquired and liabilities assumed were as follows:

	RMB'000
	(unaudited)
Investment properties and other property, plant and equipment	50,602
Intangible assets	134,293
Right-of-use assets	51,244
Cash and cash equivalents	48,789
Restricted bank deposits	1,103
Inventories	111,278
Trade and other receivables	459,932
Other current assets	14,951
Other non-current assets	3,988
Trade and other payables	(344,726)
Short-term borrowings	(159,161)
Non-current interest-bearing borrowings	(7,968)
Other financial liabilities	(17,533)
Current tax payable	(10,935)
Lease liabilities	(55,630)
Contract liabilities	(24,164)

	RMB'000 (unaudited)
Deferred tax liabilities	(8,405)
Fair value of identifiable net assets acquired	247,658
Less: Non-controlling interest	(156,644)
Goodwill	783,986
Total consideration satisfied by cash	875,000
Less: cash and cash equivalents acquired	(48,789)
Net cash flows used in acquisition	826,211

(b) On March 26, 2026, the board of directors of the Company approved the 2025 profit distribution plan. Pursuant to the plan, based on the total share capital as of March 10, 2026 (after deducting the shares held in the special repurchase account), the Company will distribute a cash dividend of RMB0.20 per 10 shares (tax inclusive). No bonus shares or capital reserve conversion will be involved.

On April 20, 2026, the 2025 profit distribution plan was approved by the Shareholders' Meeting. Pursuant to the plan, based on the total share capital as of March 10, 2026 (after deducting the shares held in the special repurchase account), the Company will distribute a cash dividend of RMB0.20 per 10 shares (tax inclusive). No bonus shares or capital reserve conversion will be involved. The total cash dividend to be distributed amounts to RMB145,483,000 (tax inclusive).

37 DISPOSALS OF SUBSIDIARIES

All transactions of disposal of subsidiaries during the Track Record Period had no significant impact on the Group's consolidated financial statements.

38 CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025, the Group has no significant contingent liability that in the opinion of the directors of the Company would have material impact to the Group's financial position.

39 IFRS ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Group has not early adopted the following new and amended IFRS Accounting Standards which have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IFRS 7 and IFRS 9	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to IFRS 7 and IFRS 9	Contracts Referencing Nature-dependent Electricity[1]
IFRS 18	Presentation and Disclosure in Financial Statements[2]
IFRS 19 and its amendments	Subsidiaries without public accounting disclosure[2]
Annual Improvements to IFRSs	Amendments to Accounting Standards — Volume 11[1]
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[2]

[1] Effective for accounting periods beginning on or after January 1, 2026

[2] Effective for accounting periods beginning on or after January 1, 2027

[3] Effective dates not yet determined

Except for new IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all the new and amendments to IFRS Accounting Standards will have no material impact on the Historical Financial Information of the Group in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance

measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for accounting periods beginning on or after January 1, 2027, with early application permitted. The application of IFRS 18 has no impact on the Group's financial positions and performance, but has impact on presentation of the consolidated statements of comprehensive income.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies comprising the Group in respect of any period subsequent to December 31, 2025.