

SHENZHEN ZHAOWEI MACHINERY & ELECTRONICS CO., LTD.
(Incorporated in the People's Republic of China with limited liability)

Audited Financial Statements

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

SHENZHEN ZHAOWEI MACHINERY & ELECTRONICS CO., LTD.

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Independent auditor's report

To the directors of Shenzhen Zhaowei Machinery & Electronics Co., Ltd.

(Incorporated in People's Republic of China with limited liability)

Opinion

We have audited the consolidated financial statements of Shenzhen Zhaowei Machinery & Electronics Co., Ltd. and its subsidiaries (the "Group") set out on pages 5 to 140 which comprise the consolidated statements of financial position as at 31 December 2022, 2023 and 2024 and 30 September 2025, and the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the years ended 31 December 2022, 2023 and 2024, and the nine months ended 30 September 2025 (the "Relevant Periods"), and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for opinion

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

Other matter

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



Independent auditor's report (continued)

To the directors of Shenzhen Zhaowei Machinery & Electronics Co., Ltd.

(Incorporated in People's Republic of China with limited liability)

Responsibilities of the directors and those also charged with governance for the consolidated financial statements

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

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

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

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

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



Independent auditor's report (continued)

To the directors of Shenzhen Zhaowei Machinery & Electronics Co., Ltd.

(Incorporated in People's Republic of China with limited liability)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

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



Independent auditor's report (continued)

To the directors of Shenzhen Zhaowei Machinery & Electronics Co., Ltd.

(Incorporated in People's Republic of China with limited liability)

Restriction on distribution and use

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lai Chee Kong (practising certificate number: P06108).

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

Certified Public Accountants
Hong Kong
27 February 2026

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended 31 December			Nine months ended 30 September	
		2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
REVENUE	5	1,152,459	1,205,945	1,524,599	1,057,458	1,255,189
Cost of sales		<u>(817,349)</u>	<u>(856,854)</u>	<u>(1,049,031)</u>	<u>(729,093)</u>	<u>(845,252)</u>
Gross profit		<u>335,110</u>	<u>349,091</u>	<u>475,568</u>	<u>328,365</u>	<u>409,937</u>
Other income and gains	5	67,742	100,192	94,356	69,046	58,644
Selling and marketing expenses		(45,141)	(42,058)	(60,275)	(42,085)	(51,600)
Administrative expenses		(73,102)	(75,210)	(93,623)	(64,584)	(84,024)
Research and development costs		(117,342)	(128,714)	(155,136)	(108,394)	(127,914)
(Impairment losses)/reversal of impairment losses on financial assets, net	6	(3,961)	(6,304)	(6,334)	(1,350)	2,026
Other expenses		(1,523)	(2,171)	(2,038)	(3,233)	(836)
Finance costs	7	(3,132)	(3,334)	(2,411)	(2,290)	(2,498)
Share of profits/(losses) of an associate	6	<u>99</u>	<u>683</u>	<u>(5,391)</u>	<u>(3,742)</u>	<u>(4,497)</u>
PROFIT BEFORE TAX	6	158,750	192,175	244,716	171,733	199,238
Income tax expense	10	<u>(8,254)</u>	<u>(12,252)</u>	<u>(19,297)</u>	<u>(12,568)</u>	<u>(17,128)</u>
PROFIT FOR THE YEAR/PERIOD		<u>150,496</u>	<u>179,923</u>	<u>225,419</u>	<u>159,165</u>	<u>182,110</u>
Attributable to:						
Owners of the parent		<u>150,496</u>	<u>179,923</u>	<u>225,419</u>	<u>159,165</u>	<u>182,110</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12					
Basic (RMB)						
- for profit for the year/period		<u>0.63</u>	<u>0.75</u>	<u>0.94</u>	<u>0.67</u>	<u>0.76</u>
Diluted (RMB)						
- for profit for the year/period		<u>0.63</u>	<u>0.75</u>	<u>0.94</u>	<u>0.67</u>	<u>0.76</u>

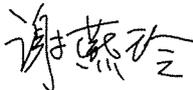
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

	Year ended 31 December			Nine months ended 30 September	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
PROFIT FOR THE YEAR/PERIOD	<u>150,496</u>	<u>179,923</u>	<u>225,419</u>	<u>159,165</u>	<u>182,110</u>
OTHER COMPREHENSIVE INCOME					
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	<u>896</u>	<u>112</u>	<u>(25)</u>	<u>(13)</u>	<u>(23)</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<u>896</u>	<u>112</u>	<u>(25)</u>	<u>(13)</u>	<u>(23)</u>
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:					
Equity investments designated at fair value through other comprehensive income:					
Changes in fair value, net of tax	<u>3,907</u>	<u>(1,008)</u>	<u>(639)</u>	<u>(1,004)</u>	<u>(2,987)</u>
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	<u>3,907</u>	<u>(1,008)</u>	<u>(639)</u>	<u>(1,004)</u>	<u>(2,987)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD, NET OF TAX	<u>4,803</u>	<u>(896)</u>	<u>(664)</u>	<u>(1,017)</u>	<u>(3,010)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	<u>155,299</u>	<u>179,027</u>	<u>224,755</u>	<u>158,148</u>	<u>179,100</u>
Attributable to:					
Owners of the parent	<u>155,299</u>	<u>179,027</u>	<u>224,755</u>	<u>158,148</u>	<u>179,100</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		31 December			30
	Notes	2022	2023	2024	September
		RMB'000	RMB'000	RMB'000	2025
					RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	13	747,405	937,918	1,023,773	1,066,972
Intangible assets	14	13,361	12,715	12,571	11,587
Right-of-use assets	15	52,915	40,726	47,309	43,229
Investment in an associate	18	67,321	68,003	62,613	58,078
Equity investments designated at fair value through other comprehensive income	17	17,767	17,659	17,020	35,560
Financial assets at fair value through profit or loss	23	252,085	97,705	1,500	1,500
Deferred tax assets	32	26,268	14,718	198	3,210
Other non-current assets	19	8,509	11,526	17,530	23,650
Total non-current assets		<u>1,185,631</u>	<u>1,200,970</u>	<u>1,182,514</u>	<u>1,243,786</u>
CURRENT ASSETS					
Inventories	20	172,638	164,468	184,124	207,328
Trade and notes receivables	21	383,515	433,725	577,495	553,035
Prepayments, other receivables and other assets	22	23,296	32,080	40,737	70,318
Financial assets at fair value through profit or loss	23	472,951	849,957	902,726	781,012
Debt investments at fair value through other comprehensive income	24	599,354	911,225	928,701	1,154,391
Restricted bank deposits	25	2,438	39,864	62	62
Time deposits	25	573,636	80,021	80,734	15,130
Cash and cash equivalents	25	145,014	91,734	224,817	211,312
Total current assets		<u>2,372,842</u>	<u>2,603,074</u>	<u>2,939,396</u>	<u>2,992,588</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

		31 December			30
	Notes	2022	2023	2024	September
		RMB'000	RMB'000	RMB'000	2025
					RMB'000
CURRENT LIABILITIES					
Trade and notes payables	27	346,345	408,678	434,335	447,013
Contract liabilities	30	20,774	21,409	19,257	13,298
Other payables and accruals	28	110,128	159,329	178,543	138,022
Financial liabilities at fair value through profit or loss	29	-	-	21,536	-
Interest-bearing bank borrowings	26	39,739	40,981	140,980	144,494
Lease liabilities	15	9,881	3,841	4,434	4,124
Tax payables		<u>1,391</u>	<u>2,553</u>	<u>3,683</u>	<u>1,236</u>
Total current liabilities		<u>528,258</u>	<u>636,791</u>	<u>802,768</u>	<u>748,187</u>
NET CURRENT ASSETS		<u>1,844,584</u>	<u>1,966,283</u>	<u>2,136,628</u>	<u>2,244,401</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,030,215</u>	<u>3,167,253</u>	<u>3,319,142</u>	<u>3,488,187</u>
NON-CURRENT LIABILITIES					
Lease liabilities	15	7,288	284	7,189	4,189
Deferred tax liabilities	32	41,762	40,024	32,649	29,999
Deferred income	31	<u>34,074</u>	<u>39,263</u>	<u>53,093</u>	<u>47,033</u>
Total non-current liabilities		<u>83,124</u>	<u>79,571</u>	<u>92,931</u>	<u>81,221</u>
Net assets		<u>2,947,091</u>	<u>3,087,682</u>	<u>3,226,211</u>	<u>3,406,966</u>
EQUITY					
Equity attributable to owners of the parent					
Share capital	33	171,302	171,008	240,204	240,708
Treasury shares	33	(14,911)	(7,783)	(26,959)	(13,047)
Reserves	34	<u>2,790,700</u>	<u>2,924,457</u>	<u>3,012,966</u>	<u>3,179,305</u>
		<u>2,947,091</u>	<u>3,087,682</u>	<u>3,226,211</u>	<u>3,406,966</u>
Non-controlling interests		-	-	-	-
Total equity		<u>2,947,091</u>	<u>3,087,682</u>	<u>3,226,211</u>	<u>3,406,966</u>
					
		Li Haizhou Director	Xie Yanling Director		

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Attributable to owners of the parent								Total equity RMB'000
	Share capital RMB'000 (note 33)	Capital reserve RMB'000 (note 34)	Share option reserve RMB'000 (note 34)	Treasury shares RMB'000 (note 33)	Fair value reserve RMB'000 (note 34)	Exchange fluctuation reserve RMB'000 (note 34)	Statutory surplus reserve RMB'000 (note 34)	Retained earnings RMB'000	
At 1 January 2022	171,435	1,903,089	10,530	(16,510)	8,859	445	68,347	680,813	2,827,008
Profit for the year	-	-	-	-	-	-	-	150,496	150,496
Other comprehensive income for the year:									
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	3,907	-	-	-	3,907
Exchange differences related to foreign operations	-	-	-	-	-	896	-	-	896
Total comprehensive income for the year	-	-	-	-	3,907	896	-	150,496	155,299
Issuance of restricted shares (note 33)	149	4,537	-	(4,686)	-	-	-	-	-
Repurchase of restricted shares forfeited during the year (note 33)	(282)	(6,049)	-	6,105	-	-	-	226	-
Share-based payment expenses (note 35)	-	-	(1,110)	-	-	-	-	-	(1,110)
Transfer to retained earnings	-	-	-	-	-	-	13,672	(13,672)	-
Dividends declared	-	-	-	180	-	-	-	(34,286)	(34,106)
At 31 December 2022	171,302	1,901,577 *	9,420 *	(14,911)	12,766 *	1,341 *	82,019 *	783,577 *	2,947,091

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

Year ended 31 December 2023

	Attributable to owners of the parent								Total equity RMB'000
	Share capital RMB'000 (note 33)	Capital reserve RMB'000 (note 34)	Share option reserve RMB'000 (note 34)	Treasury shares RMB'000 (note 33)	Fair value reserve RMB'000 (note 34)	Exchange fluctuation reserve RMB'000 (note 34)	Statutory surplus reserve RMB'000 (note 34)	Retained earnings RMB'000	
At 1 January 2023	171,302	1,901,577	9,420	(14,911)	12,766	1,341	82,019	783,577	2,947,091
Profit for the year	-	-	-	-	-	-	-	179,923	179,923
Other comprehensive income for the year:									
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	(1,008)	-	-	-	(1,008)
Exchange differences related to foreign operations	-	-	-	-	-	112	-	-	112
Total comprehensive income for the year	-	-	-	-	(1,008)	112	-	179,923	179,027
Repurchase of restricted shares forfeited during the year (note 33)	(294)	(6,969)	-	7,021	-	-	-	242	-
Share-based payment expenses (note 35)	-	-	(9,420)	-	-	-	-	-	(9,420)
Transfer to retained earnings	-	-	-	-	-	-	3,485	(3,485)	-
Dividends declared	-	-	-	107	-	-	-	(29,123)	(29,016)
At 31 December 2023	171,008	1,894,608 *	- *	(7,783)	11,758 *	1,453 *	85,504 *	931,134 *	3,087,682

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

Year ended 31 December 2024

	Attributable to owners of the parent								Total equity RMB'000
	Share capital RMB'000 (note 33)	Capital reserve RMB'000 (note 34)	Share option reserve RMB'000 (note 34)	Treasury shares RMB'000 (note 33)	Fair value reserve RMB'000 (note 34)	Exchange fluctuation reserve RMB'000 (note 34)	Statutory surplus reserve RMB'000 (note 34)	Retained earnings RMB'000	
At 1 January 2024	171,008	1,894,608	-	(7,783)	11,758	1,453	85,504	931,134	3,087,682
Profit for the year	-	-	-	-	-	-	-	225,419	225,419
Other comprehensive income for the year:									
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	(639)	-	-	-	(639)
Exchange differences related to foreign operations	-	-	-	-	-	(25)	-	-	(25)
Total comprehensive income for the year	1,263	25,696	-	(26,959)	(639)	(25)	-	225,419	224,755
Issuance of restricted shares (note 33)	(470)	(7,607)	-	7,504	-	-	-	573	-
Repurchase of restricted shares forfeited during the year (note 33)	-	-	7,550	-	-	-	-	-	7,550
Share-based payment expenses (note 35)	-	-	-	279	-	-	15,516	(15,516)	-
Transfer to retained earnings	-	-	-	-	-	-	-	(94,055)	(93,776)
Dividends declared	68,403	(68,403)	-	-	-	-	-	-	-
Issue of bonus shares (note 33)	-	-	-	-	-	-	-	-	-
At 31 December 2024	240,204	1,844,294 *	7,550 *	(26,959)	11,119 *	1,428 *	101,020 *	1,047,555 *	3,226,211

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

Nine months ended 30 September 2025

	Attributable to owners of the parent							Total equity RMB'000
	Share capital RMB'000 (note 33)	Capital reserve RMB'000 (note 34)	Share option reserve RMB'000 (note 34)	Treasury shares RMB'000 (note 33)	Fair value reserve RMB'000 (note 34)	Exchange fluctuation reserve RMB'000 (note 34)	Statutory surplus reserve RMB'000 (note 34)	
At 1 January 2025	240,204	1,844,294	7,550	(26,959)	11,119	1,428	101,020	3,226,211
Profit for the period	-	-	-	-	-	-	-	182,110
Other comprehensive income for the period:								
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	(2,987)	-	-	(2,987)
Exchange differences related to foreign operations	-	-	-	-	-	(23)	-	(23)
Total comprehensive income for the period	-	-	-	-	(2,987)	(23)	-	179,100
Exercise of share options	511	27,914	(679)	-	-	-	-	27,746
Vesting of restricted shares	-	17,838	(9,788)	13,584	-	-	-	21,634
Repurchase of restricted shares forfeited during the period (note 33)	(7)	-	(142)	149	-	-	-	-
Share-based payment expenses (note 35)	-	-	20,554	-	-	-	-	20,554
Dividends declared	-	-	-	179	-	-	-	(68,458)
At 30 September 2025	240,708	1,890,046	17,495	(13,047)	8,132	1,405	101,020	3,406,966

* These reserve accounts comprised the consolidated reserves of RMB2,790,700,000, RMB2,924,457,000, RMB3,012,966,000 and RMB3,179,305,000 in the consolidated statements of financial position as at 31 December 2022, 2023, 2024 and 30 September 2025, respectively.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

Nine months ended 30 September 2024 (unaudited)

	Attributable to owners of the parent								Total equity RMB'000
	Share capital RMB'000 (note 33)	Capital reserve RMB'000 (note 34)	Share option reserve RMB'000 (note 34)	Treasury shares RMB'000 (note 33)	Fair value reserve RMB'000 (note 34)	Exchange fluctuation reserve RMB'000 (note 34)	Statutory surplus reserve RMB'000 (note 34)	Retained earnings RMB'000	
At 1 January 2024	171,008	1,894,608	-	(7,783)	11,758	1,453	85,504	931,134	3,087,682
Profit for the period	-	-	-	-	-	-	-	159,165	159,165
Other comprehensive income for the period:									
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	(1,004)	-	-	-	(1,004)
Exchange differences related to foreign operations	-	-	-	-	-	(13)	-	-	(13)
Total comprehensive income for the period	-	-	-	-	(1,004)	(13)	-	159,165	158,148
Issuance of restricted shares (note 33)	1,263	25,696	-	(26,959)	-	-	-	-	-
Repurchase of restricted shares forfeited during the period (note 33)	(470)	(7,607)	-	7,597	-	-	-	480	-
Share-based payment expenses (note 35)	-	-	1,370	-	-	-	-	-	1,370
Dividends declared	-	-	-	186	-	-	-	(94,055)	(93,869)
Issue of bonus shares (note 33)	68,403	(68,403)	-	-	-	-	-	-	-
At 30 September 2024 (unaudited)	240,204	1,844,294	1,370	(26,959)	10,754	1,440	85,504	996,724	3,153,331

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Nine months ended 30 September	
		2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		158,750	192,175	244,716	171,733	199,238
Adjustments for:						
Bank interest income	6	(14,629)	(6,524)	(9,439)	(7,070)	(5,932)
Other interest income from debt investment at fair value through other comprehensive income	6	(21,984)	(31,585)	(25,306)	(18,279)	(19,796)
Finance costs	7	3,132	3,334	2,411	2,290	2,498
Loss on disposal of items of property, plant and equipment, net	6	437	343	618	168	557
Loss on disposal of intangible assets	6	-	-	43	-	-
Loss/(gains) on disposal of items of right-of-use assets, net	6	158	(1,464)	81	81	-
Depreciation of property, plant and equipment	6	53,092	65,735	74,873	49,815	70,176
Amortisation of intangible assets	6	2,306	2,110	2,788	2,643	2,183
Depreciation of right-of-use assets	6	11,955	4,117	5,212	3,606	4,080
Share of (profits)/ losses of an associate	6	(99)	(683)	5,391	3,742	4,497
Write-down/(reversal of write-down) of inventories to net realisable value, net	6	7,537	411	3,550	4,557	(989)
Impairment/(reversal of impairment)of trade and notes receivables, net	6	3,760	6,351	7,319	1,644	(2,106)
Impairment //(reversal of impairment)of other receivables, net	6	201	(47)	(985)	(294)	80
Investment income from financial assets at fair value through profit or loss	6	(10,004)	(21,061)	(17,427)	(11,879)	(8,882)
Fair value gains on financial assets at fair value through profit or loss	6	(3,650)	(15,317)	(19,896)	(17,793)	(8,500)
Dividend income received from an equity investment measured at fair value through other comprehensive income	6	-	(50)	-	-	-
Share-based payment expenses	35	2,319	(9,309)	5,264	1,316	11,142
		<u>193,281</u>	<u>188,536</u>	<u>279,213</u>	<u>186,280</u>	<u>248,246</u>
(Increase)/decrease in inventories		(27,960)	7,759	(23,205)	(38,996)	(25,662)
(Increase)/decrease in trade and notes receivables		(77,825)	(56,556)	(151,087)	(59,302)	26,566
(Increase)/decrease in bank acceptance notes		(9,238)	5,347	(9,147)	(4,535)	(86,708)
(Increase)/decrease in prepayments, other receivables and other assets		33,964	(4,656)	(10,820)	(15,015)	(3,452)
Increase/(decrease) in trade and notes payables		117,836	74,381	25,791	73,077	5,202
Increase/(decrease) in other payables and accruals		(11,642)	(22,549)	1,128	13,977	(50,608)
Increase/(decrease) in deferred income		5,861	5,189	13,830	4,975	(6,060)
Cash generated from operations		<u>224,277</u>	<u>197,451</u>	<u>125,703</u>	<u>160,461</u>	<u>107,524</u>
Interest received		6,150	4,062	4,553	3,020	4,479
Income tax paid		(6,070)	(5,533)	(6,574)	(4,853)	(9,768)
Net cash flows from operating activities		<u>224,357</u>	<u>195,980</u>	<u>123,682</u>	<u>158,628</u>	<u>102,235</u>

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Note	Year ended 31 December			Nine months ended 30 September	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Net cash flows from operating activities		224,357	195,980	123,682	158,628	102,235
CASH FLOWS USED IN INVESTING ACTIVITIES						
Proceeds from sales of financial assets at fair value through profit or loss		794,096	904,521	1,152,266	898,252	901,789
Proceeds from debt investments at fair value through other comprehensive income		399,694	581,770	279,302	279,302	173,009
Proceeds from time deposits		469,104	201,403	81,201	30,302	82,188
Receipt of deposit for property, plant and equipment		14,960	1,850	850	850	600
Proceeds from disposal of items of property, plant and equipment		269	90	307	129	75
Purchases of property, plant and equipment		(246,562)	(204,634)	(165,957)	(123,104)	(122,657)
Additions of other intangible assets		(5,346)	(1,464)	(2,687)	(1,507)	(1,199)
Additions of right-of-use assets		(8,659)	-	-	-	-
Purchase of equity in an associate		(67,222)	-	-	-	-
Purchases of financial investments at fair value through other comprehensive income		-	-	(900)	(900)	(20,000)
Purchases of financial assets at fair value through profit or loss		(902,107)	(1,087,385)	(1,071,688)	(821,001)	(784,817)
Purchases of equity investments designated at fair value through profit or loss		-	(1,500)	-	-	-
Purchases of debt investments at fair value through other comprehensive income		(365,435)	(444,310)	(311,375)	(180,133)	(292,325)
Purchases of time deposits		(603,964)	(130,000)	(30,000)	(30,000)	(15,000)
Return of deposit for property, plant and equipment		(12,190)	(1,650)	(1,100)	(1,100)	(1,100)
Net cash flows from/(used in) investing activities		<u>(533,362)</u>	<u>(181,309)</u>	<u>(69,781)</u>	<u>51,090</u>	<u>(79,437)</u>
CASH FLOWS FROM FINANCING ACTIVITIES						
New bank borrowings		52,759	50,406	192,914	41,716	320,922
Repayment of bank borrowings		-	(29,000)	(35,000)	(35,000)	(289,000)
Interest on bank borrowings		(656)	(1,295)	(1,196)	(948)	(108)
Cash received from exercise of share options		-	-	-	-	13,435
Proceeds from issue of restricted shares		4,686	-	26,959	26,959	-
Receipt of deposits		25,754	1,053	2,185	1,301	1,001
Dividends paid		(34,060)	(28,881)	(93,482)	(93,482)	(68,014)
Repurchase of restricted shares forfeited		(6,331)	(7,263)	(8,077)	(8,077)	(149)
Lease payments		(12,389)	(4,398)	(4,576)	(3,856)	(3,674)
Payment of deposits		(2,715)	(44,738)	(2,397)	(208)	(1,757)
Payment for listing expense		-	-	-	-	(8,727)
Net cash flows from/(used in) financing activities		<u>27,048</u>	<u>(64,116)</u>	<u>77,330</u>	<u>(71,595)</u>	<u>(36,071)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS						
		(281,957)	(49,445)	131,231	138,123	(13,273)
Cash and cash equivalents at beginning of year/period		421,849	145,014	91,734	91,734	224,817
Effect of foreign exchange rate changes, net		5,122	(3,835)	1,852	(1,013)	(232)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		<u>145,014</u>	<u>91,734</u>	<u>224,817</u>	<u>228,844</u>	<u>211,312</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and cash equivalents as stated in the consolidated statements of financial position	25	<u>145,014</u>	<u>91,734</u>	<u>224,817</u>	<u>228,844</u>	<u>211,312</u>

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		31 December			30 September
	Notes	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	13	274,669	245,171	259,839	240,049
Intangible assets	14	13,361	11,595	11,567	10,274
Right-of-use assets	15	15,271	4,038	15,271	11,224
Investments in subsidiaries	16	343,605	424,082	535,541	506,336
Investment in an associate	18	67,321	68,003	62,613	58,078
Equity investments designated at fair value through other comprehensive income	17	17,767	17,659	17,020	15,560
Financial assets at fair value through profit or loss	23	252,085	96,205	-	-
Deferred tax assets	32	12,714	12,331	-	-
Other non-current assets	19	2,878	2,025	4,423	5,859
Total non-current assets		999,671	881,109	906,274	847,380
CURRENT ASSETS					
Inventories	20	138,946	117,470	112,225	102,475
Trade and notes receivables	21	389,600	426,864	502,253	536,983
Prepayments, other receivables and other assets	22	666,599	421,121	491,651	524,648
Financial assets at fair value through profit or loss	23	422,626	764,387	704,699	646,718
Debt investments at fair value through other comprehensive income	24	599,354	908,846	928,450	1,150,472
Restricted bank deposits	25	2,438	39,864	55	55
Time deposits	25	156,368	80,021	80,734	15,130
Cash and cash equivalents	25	111,453	58,170	185,498	171,990
Total current assets		2,487,384	2,816,743	3,005,565	3,148,471

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY (continued)

		31 December			30
	Notes	2022	2023	2024	September
		RMB'000	RMB'000	RMB'000	2025
					RMB'000
CURRENT LIABILITIES					
Trade and notes payables	27	305,939	484,294	614,504	499,285
Contract liabilities	30	19,158	20,121	13,126	8,320
Other payables and accruals	28	101,997	67,590	105,284	106,389
Interest-bearing bank borrowings	26	39,738	40,981	11,238	4,517
Lease liabilities	15	9,839	3,841	5,083	4,836
Tax payable		1,391	2,553	3,683	-
Total current liabilities		478,062	619,380	752,918	623,347
NET CURRENT ASSETS		2,009,322	2,197,363	2,252,647	2,525,124
TOTAL ASSETS LESS CURRENT LIABILITIES		3,008,993	3,078,472	3,158,921	3,372,504
NON-CURRENT LIABILITIES					
Lease liabilities	15	7,288	284	10,560	6,950
Deferred tax liabilities	32	25,787	25,531	13,724	4,849
Deferred income	31	34,074	39,263	52,619	46,604
Total non-current liabilities		67,149	65,078	76,903	58,403
Net assets		<u>2,941,844</u>	<u>3,013,394</u>	<u>3,082,018</u>	<u>3,314,101</u>
EQUITY					
Share capital	33	171,302	171,008	240,204	240,708
Treasury shares	33	(14,911)	(7,783)	(26,959)	(13,047)
Reserves	34	<u>2,785,453</u>	<u>2,850,169</u>	<u>2,868,773</u>	<u>3,086,440</u>
Total equity		<u>2,941,844</u>	<u>3,013,394</u>	<u>3,082,018</u>	<u>3,314,101</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in Shenzhen, People's Republic of China (the "Mainland China") on 19 April 2001, which was converted into a joint stock company on 10 January 2018. With the approval of the China Securities Regulatory Commission, the Company completed its initial public offering and was listed on the Main Board of the Shenzhen Stock Exchange (stock code: 003021) on 4 December 2020. The registered office address of the Company is Office Building 101, No. 62 Yanhu Road, Yanchuan Community, Yanluo Street, Baoan district, Shenzhen, the Mainland China.

In the opinion of the directors, Li Haizhou and Xie Yanling are collectively considered as the actual controllers of the Company as of the end of Relevant Periods.

During the Relevant Periods, the Company and its subsidiaries (together, the "Group") was involved in the integrated micro transmission and drive system products.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of the principal subsidiaries are set out below:

Name	Place and date of incorporation/ registration and place of operations	Issued ordinary/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Dongguan Zhaowei Machinery & Electronics Co.,Ltd. * (東莞市兆威機電有限公司(note a))	PRC/Mainland China 31 October 2018	RMB230,000,000	100	-	Provision of integrated micro transmission and drive system products
Suzhou Zhaowei Drive Co., Ltd. * (蘇州兆威驅動有限公司(note b))	PRC/Mainland China 06 May 2021	RMB100,000,000	100	-	Provision of integrated micro transmission and drive system products
Shenzhen Zhaowei Dexterous Hand Technology Co., Ltd. * (深圳市兆威靈巧手技術有限公司(note b))	PRC/Mainland China 18 March 2025	RMB50,000,000	100	-	Research, development, and manufacture of embodied robotic products
ZW Drive GmbH	Germany 06 July 2020	EUR700,000	100	-	Trade in plastic raw materials, mechanical and electrical products, moulds, metal products, plastic products, gearboxes, electrical drives and the provision of related services
ZW Drive. Inc	United States 20 April 2024	USD100,000	100	-	Investment holding

1. CORPORATE INFORMATION (continued)

Notes:

- (a) The statutory financial statements of this entity for the years ended 31 December 2022, 2023 and 2024 prepared in accordance with accepted accounting principles and financial regulations in the Mainland China were audited by Shenzhen Zhongli Certified Public Accountants (General Partnership) (深圳中立會計師事務所(普通合夥)), certified public accountants registered in the Mainland China.
- (b) As at the date of this report, no audited financial statements have been prepared for these entities as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in the jurisdictions of incorporation or newly incorporated.
- * The English names of these companies registered in the Mainland China represent the best effort made by the directors of the Company (the “Directors”) to translate the Chinese names as these companies have not been registered with any official English names.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the periods or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

The financial statements are prepared for the purpose of preparation of financial information for inclusion in the prospectus of the Company in connection with the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited. They have been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board. All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group throughout the Relevant Periods.

The Group has previously prepared financial statements under Chinese Accounting Standards for Business Enterprises (“CASBE”) as issued by the Ministry of Finance of the People's Republic of China. These financial statements are the first financial statements prepared by the Group in accordance with IFRS Accounting Standards. Accordingly, IFRS 1 (Revised) “First-time adoption of International Financial Reporting Standards” has been applied in preparing these financial statements and the transition date is 1 January 2022. Details of the first-time adoption of IFRS Accounting Standards are disclosed in Note 2.4 below.

The Financial Statements has been prepared under the historical cost convention except for equity investments designated at fair value through other comprehensive income, debt investments at fair value through other comprehensive income, financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss which have been measured at fair value at the end of each Relevant Periods and in the period covered by the Interim Comparative Financial Information. They are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

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

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

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

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

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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

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

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

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

IFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity¹</i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency²</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Annual Improvements to IFRS Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ¹

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

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

³ No mandatory effective date yet determined but available for adoption

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (continued)

The Group is in the process of making an assessment of the impact of these revised IFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised IFRS Accounting Standards, except for IFRS 18, may result in changes in accounting policies but are unlikely to have a significant impact on the Group's financial performance and financial position in the period of initial application. The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statements of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICIES

Investment in an associate

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in an associate is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of an associate is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of an associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's investment in the associate, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investment in an associate.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement

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

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

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

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

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

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

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

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

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

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

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

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

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Related parties

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

(a) the party is a person or a close member of that person's family and that person

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

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

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

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

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

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

Buildings	4.5%
Machine equipment	9.70% to 19.40%
Electronic equipment	32.33%
Transportation equipment	24.25%
Other equipment	19.40%
Renovation and leasehold improvement	Shorter of remaining lease terms and estimated useful lives

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

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

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

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill)

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

Intangible assets with definite useful lives are amortized on the straight-line basis over the following useful economic lives:

Software	3 to 10 years
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Research and development costs

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

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

Properties	2 to 5 years
Leasehold land	30 to 50 years

(b) Lease liabilities

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

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

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

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

The Group applies the short-term lease recognition exemption to its short-term leases of office and employee dormitory (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

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

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

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

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

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

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

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

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

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

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

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Derecognition of financial assets

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

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

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

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

Impairment of financial assets

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

General approach

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

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach (continued)

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

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

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments. Debt investments graded in the top investment categories are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk of debt investments since origination, the allowance will be based on the lifetime ECL.

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

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

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

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Simplified approach

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

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

The Group's financial liabilities include trade payables, financial liabilities included in other payables and accruals, interest-bearing bank borrowings, and financial liabilities at fair value through profit or loss.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

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

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

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

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

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

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Treasury shares

Own equity instruments which are reacquired and held by the Company (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

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

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Cash and cash equivalents

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

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks.

Income tax

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

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

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

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

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

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

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

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

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

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

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

Government grants

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

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

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue from contracts with customers

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

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

Sales of products

Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products for export sales and acceptance of the products for domestic sales.

A portion of the sales of products is on vendor-managed inventory ("VMI") arrangements where the products are delivered to the customers' locations for their use. The control of the products is transferred when the products are used by the customers.

Some customers signed contract for the moulds manufactured by the Group specifically to satisfy the promise to deliver products to the customers at stand-alone selling prices. Revenue from the sales of moulds is recognised at point in time when the moulds are accepted and confirmed by the customer or when the bulk orders to manufacture the specified products are made by the customer.

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Other income

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

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract liabilities

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

Contract costs

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

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

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

Share-based payments

The Group operates share option scheme and restricted share scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value of restricted shares refers to the fair value of the underlying ordinary shares and the fair value of share options is determined using black-scholes model. Further details are included in note 35 to the Financial Statements.

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Share-based payments (continued)

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

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

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

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

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

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

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the consolidated financial statements. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

The Financial Statements is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the Relevant Periods and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognized in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognized in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the average exchange rates of the year.

2.4 FIRST-TIME ADOPTION OF IFRS ACCOUNTING STANDARDS

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

Reconciliation of equity

As at 1 January 2022 and 31 December 2024, there were no reclassifications or remeasurements to equity arising from the transition from CASBE to IFRS Accounting Standards.

Reconciliation of total comprehensive income

During the year ended 31 December 2024, there were no reclassifications or remeasurements to total comprehensive income arising from the transition from CASBE to IFRS Accounting Standards.

Reconciliation of cash flows

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Recognition of income taxes and deferred tax assets

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

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

Classification of financial assets

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty

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

Leases – Estimating the incremental borrowing rate ("IBR")

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Provision for expected credit losses on trade and notes receivables

The Group uses a provision matrix to calculate ECLs for trade and notes receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each Relevant Periods, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade and notes receivables is disclosed in note 21 to the Financial Statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Impairment of non-financial assets (other than goodwill)

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

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on a market-based valuation technique as detailed in note 41 to the Financial Statements. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple, make estimates about the discount for lack of marketability, and/or adjust quoted prices in active markets. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as level 3. Further details are included in note 17 to the Financial Statements.

4. OPERATING SEGMENT INFORMATION

The Group manages its business as a whole for the purpose of making decision on resource allocation and performance assessment, therefore, no operating segment information is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December			Nine months ended	
	2022	2023	2024	30 September	2025
	RM''000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Mainland China	1,006,143	1,048,786	1,312,193	886,830	1,110,004
Other countries/regions	146,316	157,159	212,406	170,628	145,185
Total	<u>1,152,459</u>	<u>1,205,945</u>	<u>1,524,599</u>	<u>1,057,458</u>	<u>1,255,189</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

Most of the Group's non-current assets are located in Mainland China. Thus, no geographic information is presented.

Information about major customers

Revenue from each of the major customers, which accounted for 10% or more of the Group's revenue during the Relevant Period and in the period covered by Interim Comparative Financial Information are set out below:

	Year ended 31 December			Nine months ended	
	2022	2023	2024	30 September	2025
	RM''000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Customer A	149,593	197,133	269,059	187,481	207,926
Customer B	N/A*	145,842	N/A*	N/A*	N/A*
Customer C	N/A*	N/A*	N/A*	N/A*	126,466

*The corresponding revenue of the customers are not disclosed as the revenue individually did not account for 10% or more of the Group's revenue during the respective period.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Revenue from contracts with customers</i>	1,152,459	1,205,945	1,524,599	1,057,458	1,255,189
<u>Revenue from contracts with customers</u>					

(a) Disaggregated revenue information

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RM'000	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or services					
Sales of products	1,152,459	1,205,945	1,524,599	1,057,458	1,255,189
Timing of revenue recognition					
Products transferred at a point in time	1,152,459	1,205,945	1,524,599	1,057,458	1,255,189

The following table shows the amounts of revenue recognised in the Relevant Periods and the nine months ended 30 September 2024 that were included in the contract liabilities at the beginning of the periods and recognised from performance obligations satisfied in previous periods:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the periods:					
Sale of products	16,557	20,774	21,409	19,473	19,257
Total	16,557	20,774	21,409	19,473	19,257

5. REVENUE, OTHER INCOME AND GAINS (continued)

(b) Performance obligations

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

Sales of products

The performance obligation is satisfied upon delivery or acceptance of the products and payment is mainly due within 30 to 150 days from delivery, where payment in advance is required for some customers.

As the contracts with customers are rendered in a short period of time, which is generally less than one year, the Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts.

5. REVENUE, OTHER INCOME AND GAINS (continued)**(b) Performance obligations (continued)****Other income and gains**

An analysis of other income and gains, net is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		0	0	(unaudited)	
<u>Other income</u>					
Government grants	12,230	17,181	12,569	6,630	8,666
Additional deduction of value added tax and other tax reliefs	1,257	5,678	8,367	7,146	5,687
Bank interest income	14,629	6,524	9,439	7,070	5,932
Other interest income from debt investment at fair value through other comprehensive income	21,984	31,585	25,306	18,279	19,796
Investment income from financial assets at fair value through profit or loss	10,004	21,061	17,427	11,879	8,882
Dividend income from equity investment at fair value through other comprehensive income	-	50	-	-	-
Others	1,167	766	304	249	336
Total other income	<u>61,271</u>	<u>82,845</u>	<u>73,412</u>	<u>51,253</u>	<u>49,299</u>
<u>Gains</u>					
Foreign exchange gains, net	2,821	566	1,048	-	845
Fair value gains on financial assets at fair value through profit or loss	3,650	15,317	19,896	17,793	8,500
Gain on disposal of items of right- of-use, net	-	1,464	-	-	-
Total gains	<u>6,471</u>	<u>17,347</u>	<u>20,944</u>	<u>17,793</u>	<u>9,345</u>
Total other income and gains	<u>67,742</u>	<u>100,192</u>	<u>94,356</u>	<u>69,046</u>	<u>58,644</u>

6. PROFIT BEFORE TAX

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

	Notes	Year ended 31 December			Nine months ended	
		2022	2023	2024	30 September 2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Cost of inventories sold*		817,349	856,854	1,049,031	729,093	845,252
Depreciation of property, plant and equipment	13	53,092	65,735	74,873	49,815	70,176
Depreciation of right of use assets	15	11,955	4,117	5,212	3,606	4,080
Amortisation of intangible assets	14	2,306	2,110	2,788	2,643	2,183
Research and development costs		117,342	128,714	155,136	108,394	127,914
Auditor's remuneration		700	853	866	651	732
Employee benefit expenses (excluding directors' and supervisors' remuneration (note 8)):						
– Salaries, bonuses, allowances and benefits in kind		264,952	295,685	351,755	252,589	312,597
– Pension scheme contributions		22,043	25,414	35,032	25,161	30,405
– Share-based payment expenses		2,271	(8,899)	4,704	1,176	9,788
Total		289,266	312,200	391,491	278,926	352,790
Impairment losses on financial assets, net:						
Impairment /(reversal of impairment) of trade and notes receivables, net	21	3,760	6,351	7,319	1,644	(2,106)
Impairment /(reversal of impairment) of other receivables, net		201	(47)	(985)	(294)	80
Total		3,961	6,304	6,334	1,350	(2,026)
Fair value gains on financial assets at fair value through profit or loss	5	(3,650)	(15,317)	(19,896)	(17,793)	(8,500)
Investment income from financial assets at fair value through profit or loss	5	(10,004)	(21,061)	(17,427)	(11,879)	(8,882)
Foreign exchange (gains)/losses**		(2,821)	(566)	(1,048)	1,896	(845)
Bank interest income	5	(14,629)	(6,524)	(9,439)	(7,070)	(5,932)
Other interest income from debt investment at fair value through other comprehensive income	5	(21,984)	(31,585)	(25,306)	(18,279)	(19,796)
Government grants	5	(12,230)	(17,181)	(12,569)	(6,630)	(8,666)
Additional deduction of value added tax and other tax reliefs	5	(1,257)	(5,678)	(8,367)	(7,146)	(5,687)
Dividend income from equity investment at fair value through other comprehensive income	5	-	(50)	-	-	-
Share of (profits)/ losses of an associate		(99)	(683)	5,391	3,742	4,497
Write-down/(reversal of write-down) of inventories to net realisable value*		7,537	411	3,550	4,557	(989)
Loss on disposal of items of property, plant and equipment, net**		437	343	618	168	557
Loss on disposal of intangible assets**		-	-	43	-	-
Loss/(gains) on disposal of items of right-of-use, net**	5	158	(1,464)	81	81	-

6. PROFIT BEFORE TAX (continued)

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

* The amounts disclosed for cost of inventories sold included the write-down of inventories to net realisable value.

** The amounts included in "other income and gains" and "other expenses" in profit or loss.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Nine months ended	
	2022	2023	2024	30 September 2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest on:				(unaudited)	
Bank borrowings	323	966	587	530	120
Discounted notes receivables	1,773	1,478	1,626	1,652	2,014
Lease liabilities	1,036	890	198	108	364
Total	<u>3,132</u>	<u>3,334</u>	<u>2,411</u>	<u>2,290</u>	<u>2,498</u>

8. DIRECTORS' AND SUPERVISORS'S REMUNERATION

The remuneration of each director and supervisor as recorded during the Relevant Periods and the nine months ended 30 September 2024, disclosed pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is set out below:

	Year ended 31 December			Nine months ended	
	2022	2023	2024	30 September 2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Fees	249	264	276	207	236
Other emoluments:					
Salaries, allowances and benefits in kind	4,042	4,240	4,331	2,971	3,059
Performance related bonuses	1,275	2,038	4,817	2,037	1,775
Share-based payment expenses	48	(410)	560	140	1,354
Pension scheme contributions	245	251	293	216	226
Subtotal	5,610	6,119	10,001	5,364	6,414
Total	5,859	6,383	10,277	5,571	6,650

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods and the nine months ended 30 September 2024 were as follows:

	Year ended 31 December			Nine months ended	
	2022	2023	2024	30 September 2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Mr. Shen Xianfeng (note (i))	83	88	92	69	37
Mr. Zhou Changjiang (note (ii))	83	88	92	69	79
Mr. Hu Qing (note (iii))	83	88	32	32	-
Ms. Guo Xinmei (note (iv))	-	-	60	37	79
Mr. Lin Sen (note (xi))	-	-	-	-	41
Total	249	264	276	207	236

8. DIRECTORS' AND SUPERVISORS'S REMUNERATION (continued)

(b) Executive directors and supervisors

Year ended 31 December 2022

	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Share- based payment expenses RMB'000	Total remuneration RMB'000
Executive directors:					
Mr. Li Haizhou	742	242	41	-	1,025
Ms. Xie Yanling	662	269	41	-	972
Mr. Ye Shubing (General Manager)	744	240	41	24	1,049
Mr. Li Ping	746	238	41	24	1,049
Supervisors:					
Mr. Zhen Xuejun (note (v))	426	116	27	-	569
Mr. Wang Lixin (note (vi))	366	81	27	-	474
Mr. You Zhanlong (note (vii))	356	89	27	-	472
Total	<u>4,042</u>	<u>1,275</u>	<u>245</u>	<u>48</u>	<u>5,610</u>

Year ended 31 December 2023

	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Share- based payment expenses RMB'000	Total remuneration RMB'000
Executive directors:					
Mr. Li Haizhou	780	420	40	-	1,240
Ms. Xie Yanling	718	420	50	-	1,188
Mr. Ye Shubing (General Manager)	780	420	40	(205)	1,035
Mr. Li Ping	780	420	40	(205)	1,035
Supervisors:					
Mr. Zhen Xuejun (note (v))	447	120	27	-	594
Mr. Wang Lixin (note (vi))	363	108	27	-	498
Mr. You Zhanlong (note (vii))	372	130	27	-	529
Total	<u>4,240</u>	<u>2,038</u>	<u>251</u>	<u>(410)</u>	<u>6,119</u>

8. DIRECTORS' AND SUPERVISORS'S REMUNERATION (continued)

(b) Executive directors and supervisors (continued)

Year ended 31 December 2024

	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Share- based payment expenses RMB'000	Total remuneration RMB'000
Executive directors:					
Mr. Li Haizhou	769	968	41	-	1,778
Ms. Xie Yanling	667	984	73	-	1,724
Mr. Ye Shubing (General Manager)	748	990	41	280	2,059
Mr. Li Ping	774	968	41	280	2,063
Supervisors:					
Mr. Qi Cong (note (viii))	366	294	27	-	687
Mr. Liao Wenyuan (note (ix))	359	209	28	-	596
Mr. Zhang Xiaofeng (note (x))	258	139	15	-	412
Mr. Zhen Xuejun (note (v))	142	95	9	-	246
Mr. Wang Lixin (note (vi))	122	76	9	-	207
Mr. You Zhanlong (note (vii))	126	94	9	-	229
Total	<u>4,331</u>	<u>4,817</u>	<u>293</u>	<u>560</u>	<u>10,001</u>

Nine months ended 30 September 2025

	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Share- based payment expenses RMB'000	Total remuneration RMB'000
Executive directors:					
Mr. Li Haizhou	585	361	33	-	979
Ms. Xie Yanling	497	399	60	-	956
Mr. Ye Shubing (General Manager)	579	362	33	583	1,557
Mr. Li Ping	591	361	33	583	1,568
Mr. Lu Zhiqiang	299	118	18	188	623
Supervisors:					
Mr. Qi Cong (note (viii))	194	91	14	-	299
Mr. Liao Wenyuan (note (ix))	188	50	14	-	252
Mr. Zhang Xiaofeng (note (x))	126	33	21	-	180
Total	<u>3,059</u>	<u>1,775</u>	<u>226</u>	<u>1,354</u>	<u>6,414</u>

8. DIRECTORS' AND SUPERVISORS'S REMUNERATION (continued)

(b) Executive directors and supervisors (continued)

Nine months ended 30 September 2024 (unaudited)

	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Share- based payment expenses RMB'000	Total remuneration RMB'000
Executive directors:					
Mr. Li Haizhou	577	361	31	-	969
Ms. Xie Yanling	433	399	54	-	886
Mr. Ye Shubing (General Manager)	417	362	31	70	880
Mr. Li Ping	579	361	31	70	1041
Supervisors:					
Mr. Qi Cong (note (viii))	215	221	16	-	452
Mr. Liao Wenyuan (note (ix))	208	122	17	-	347
Mr. Zhang Xiaofeng (note (x))	152	75	9	-	236
Mr. Zhen Xuejun (note (v))	142	45	9	-	196
Mr. Wang Lixin (note (vi))	122	38	9	-	169
Mr. You Zhanlong (note (vii))	126	53	9	-	188
Total	<u>2,971</u>	<u>2,037</u>	<u>216</u>	<u>140</u>	<u>5,364</u>

There was no arrangement under which directors or supervisors waived or agreed to waive any remuneration during the Relevant Periods and the nine months ended 30 September 2024.

During the Relevant Periods, certain directors were granted share options and restricted shares, in respect of the services to the Group, further details of which are set out in note 35 to the Financial Statements. The fair value of such awards, which has been recognized in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Financial Statements for each of the Relevant Periods and the nine months ended 30 September 2024 is included in the above directors' and chief executive's remuneration disclosures.

8. DIRECTORS' AND SUPERVISORS'S REMUNERATION (continued)

(b) Executive directors and supervisors (continued)

Notes:

- (i) Mr. Shen Xianfeng was appointed as an independent non-executive director of the Company with effect from 25 March 2019.
- (ii) Mr. Zhou Changjiang was appointed as an independent non-executive director of the Company with effect from 25 February 2021.
- (iii) Mr. Hu Qing was appointed as an independent non-executive director of the Company with effect from 1 November 2018 and resigned on 8 May 2024.
- (iv) Ms. Guo Xinmei was appointed as an independent non-executive director of the Company with effect from 8 May 2024.
- (v) Mr. Zhen Xuejun was appointed as a supervisor of the Company with effect from 26 December 2017 and resigned on 8 May 2024.
- (vi) Mr. Wang Lixin was appointed as a supervisor of the Company with effect from 26 December 2017 and resigned on 8 May 2024.
- (vii) Mr. You Zhanlong was appointed as a supervisor of the Company with effect from 26 December 2017 and resigned on 8 May 2024.
- (viii) Mr. Qi Cong was appointed as a supervisor of the Company with effect from 8 May 2024 and resigned on 19 May 2025.
- (ix) Mr. Liao Wenyuan was appointed as a supervisor of the Company with effect from 8 May 2024 and resigned on 19 May 2025.
- (x) Mr. Zhang Xiaofeng was appointed as a supervisor of the Company with effect from 8 May 2024 and resigned on 19 May 2025.
- (xi) Mr. Lin Sen was appointed as an independent non-executive director of the Company with effect from 8 May 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods and the nine months ended 30 September 2024 included 4, 4, 4, 4 and 4 directors, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration of the 1, 1, 1, 1 and 1 highest paid employees who are neither a director nor supervisor of the Group during the Relevant Periods and the nine months ended 30 September 2024 is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Salaries, allowances and benefits in kind	451	534	609	457	458
Performance related bonuses	300	333	764	285	285
Pension scheme contributions	41	40	41	31	31
Share-based payment expenses	24	(205)	250	65	545
Total	<u>816</u>	<u>702</u>	<u>1,664</u>	<u>838</u>	<u>1,319</u>

The number of non-director and non-supervisor highest paid employees whose remuneration fell within the following bands is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	(unaudited)				
	Numbers of employees				
Nil to HK\$1,000,000	1	1	-	1	-
HK\$1,000,001 to HK\$1,500,000	-	-	-	-	1
HK\$1,500,001 to HK\$2,000,000	-	-	1	-	-
Total	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

During the Relevant Periods and the nine months ended 30 September 2024, no highest paid employees waived or agreed to waive any remuneration, and no remuneration was paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

10. INCOME TAX

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

Hong Kong

Pursuant to The Inland Revenue (Amendment) (No. 3) Ordinance 2018 (the Ordinance) for the two-tiered profits tax rates regime, the subsidiary incorporated in Hong Kong was subject to Hong Kong profits tax at the rate of 8.25% for the first HKD 2,000,000 and 16.5% for any estimated assessable profits exceeding HKD 2,000,000 arising in Hong Kong during the Relevant Periods and the nine months ended 30 September 2024.

Mainland China

The provision for corporate income tax in Mainland China is based on the statutory rate of 25% of the taxable profits determined in accordance with the Corporate Income Tax Law which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Mainland China which are granted tax concession and are taxed at preferential tax rates.

The Company was qualified as a High and New Technology Enterprise to enjoy a preferential income tax rate of 15% from 2022 to 2024.

Dongguan Zhaowei Electromechanical Co., Ltd was qualified as a High and New Technology Enterprise to enjoy a preferential income tax rate of 15% from 2023 to 2025.

These qualifications are subject to review by the relevant tax authority in Mainland China for every three years. The renewal of above qualifications of the Company for 2025 to 2027 has been obtained.

Pursuant to Caishui [2022] No. 13 "Announcement on Further implementing the income Tax Preferential Policies for Small Meagre-profit Enterprises" (關於進一步實施小微企業所得稅優惠政策的公告), **Suzhou Zhaowei Venture Capital Co., Ltd.** was qualified for Small Meagre-profit Enterprises and entitled to a preferential income tax rate of 20% on the 25% of taxable income exceeding RMB1,000,000 but less than RMB3,000,000 from 1 January 2022 to 30 September 2025.

Pursuant to Caishui [2023] No. 6 "Announcement on the Income Tax Preferential Policies for Small Meagre-profit Enterprises and Self-employed Businesses" (關於小微企業和個體工商戶所得稅優惠政策的公告), **Suzhou Zhaowei Venture Capital Co., Ltd**, **Suzhou Zhaowei Industrial Technology Co., Ltd.** and **Shenzhen Zhaowei Dexterous Hand Technology Co., Ltd.** were qualified for Small Meagre-profit Enterprises and entitled to a preferential income tax rate of 20% on the 25% of taxable income not exceeding RMB1,000,000 from 1 January 2023 to 30 September 2025.

10. INCOME TAX (continued)

Pursuant to Caishui [2023] No. 12 "Announcement on the Income Tax Preferential Policies for Small Meagre-profit Enterprises and Self-employed Businesses" (關於小微企業和個體工商戶所得稅優惠政策的公告), **Suzhou Zhaowei Venture Capital Co., Ltd, Suzhou Zhaowei Industrial Technology Co., Ltd. and Shenzhen Zhaowei Dexterous Hand Technology Co., Ltd.** were qualified for Small Meagre-profit Enterprises and entitled to a preferential income tax rate of 20% on the 25% of taxable income not exceeding RMB3,000,000 from 1 January 2023 to 31 December 2027.

In addition, during the Relevant Periods and the nine months ended 30 September 2024, certain small and low-profit subsidiaries of the Group in Mainland China can enjoy a 75% discount on taxable income between RMB 1,000,000 and RMB 3,000,000, and total taxable income are taxed at a preferential tax rate of 20%.

The income tax expense of the Group for the Relevant Periods and nine months ended 30 September 2024 is analysed as follows:

	Year ended 31 December			Nine months ended	
	2022	2023	2024	30 September 2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current tax expense	8,144	2,551	9,866	13,937	14,905
Deferred income tax	110	9,701	9,431	(1,369)	2,223
Total	<u>8,254</u>	<u>12,252</u>	<u>19,297</u>	<u>12,568</u>	<u>17,128</u>

10. INCOME TAX (continued)

A reconciliation of the tax expense applicable to profit before tax at the preferential tax rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the preferential tax rates) to the effective tax rates, are as follows:

	Year ended 31 December			Nine months ended	
	2022	2023	2024	30 September 2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(unaudited)				
Profit before tax	<u>158,750</u>	<u>192,175</u>	<u>244,716</u>	<u>171,733</u>	<u>199,238</u>
Tax at the preferential tax rate of 15%	23,813	28,826	36,708	25,760	29,886
Effect of different tax rates enacted by local authorities	1,973	(12)	72	(323)	443
Adjustments in respect of current tax of previous periods	-	(65)	80	80	503
Profits and losses attributable to an associate	(15)	(110)	808	561	674
Expenses not deductible for tax	551	106	375	270	259
Additional deductible allowance for qualified research and development expenses	(15,137)	(15,935)	(19,474)	(14,525)	(15,317)
Tax losses utilised from previous periods	(839)	-	(84)	-	(29)
Additional deduction for scientific and technological innovation	(2,152)	-	-	-	-
Effect on opening deferred tax of decrease in rates	-	(892)	-	-	-
Recognition of tax losses and temporary differences not recognized in prior years	-	-	-	-	(486)
Deductible temporary difference and tax losses not recognised	<u>60</u>	<u>334</u>	<u>812</u>	<u>745</u>	<u>1,195</u>
Tax charge at the Group's effective tax rate	<u>8,254</u>	<u>12,252</u>	<u>19,297</u>	<u>12,568</u>	<u>17,128</u>

According to the Corporate Income Tax Law, the Company and its subsidiaries are entitled to additional deduction of qualified research and development expenses from the taxable income. The additional deduction percentage was 100% from 1 January 2022 to 31 December 2027.

11. DIVIDENDS

	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
	RMB'00	RMB'0	RMB'00	RMB'000	RMB'000
	0	00	0	(unaudited)	
Dividends declared by the Company	<u>34,286</u>	<u>29,123</u>	<u>94,055</u>	<u>94,055</u>	<u>68,458</u>

The dividends of RMB 0.20, RMB 0.17, RMB 0.55 and RMB 0.29 (inclusive of tax) for each ordinary share to all shareholders whose names were registered in the register of members and were entitled to participate in the distribution on the record date in respect of the years ended 31 December 2022, 2023, 2024 and the nine months ended 30 September 2025 were approved by the Annual General Meeting of the Company. The Company has paid dividends of RMB 34,060,000, RMB 28,881,000, RMB 93,482,000 and RMB 68,014,000 during the years ended 31 December 2022, 2023, 2024 and the nine months ended 30 September 2025, respectively. Pursuant to the resolution of the Annual General Meeting of shareholders of the Company on 29 March 2024, an issuance of bonus shares for all the registered shareholders of the Company on a basis of 4 shares for every 10 ordinary shares has been approved.

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

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent (excluding cash dividends allocated to restricted shares which are expected to be vested), and the weighted average number of ordinary shares in issue (excluding treasury shares) during the Relevant Periods and the nine months ended 30 September 2024. The additional shares arising from the issuance of bonus shares in 2024 are treated as if it had occurred before the beginning of 2022, the earliest period presented, for the earnings per share calculation.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, adjusted to reflect the outstanding share options and restricted shares contingently issuable. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The number of the outstanding share options and restricted shares contingently issuable was not included in the diluted earnings per share calculation as the earnings-based contingencies were not met at 31 December 2022 and 31 December 2023, 30 September 2024 and 2025.

The calculations of basic and diluted earnings per share are based on:

	Year ended 31 December			Nine months ended 30 September	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000	2025 RMB'000
				(unaudited)	
<u>Earnings</u>					
Profit attributable to ordinary equity holders of the parent	150,496	179,923	225,419	159,165	182,110
Less: Cash dividend allocated to restricted shares which are expected to be vested	180	107	279	279	179
	Year ended 31 December			Nine months ended 30 September	
	2022	2023	2024	2024	2025
				(unaudited)	
<u>Shares</u>					
Weighted average number of ordinary shares in issue during the year/period, used in the basic earnings per share calculation ('000)	238,941	238,941	238,941	238,941	239,067
Effect of dilution-weighted average number of ordinary shares:					
Share options and Restricted shares	-	-	337	-	-
Weighted average number of ordinary shares used in the diluted earnings per share calculation ('000)	238,941	238,941	239,278	238,941	239,067

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings RMB'000	Machine equipment RMB'000	Transportation equipment RMB'000	Electronic equipment RMB'000	Other equipment RMB'000	Renovation and leasehold improvement RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2022								
At 1 January 2022								
Cost	142,931	273,314	5,468	13,739	31,615	34,284	256,881	758,232
Accumulated depreciation and impairment	(33,859)	(94,556)	(3,767)	(6,980)	(18,627)	(20,657)	-	(178,446)
Net carrying amount	109,072	178,758	1,701	6,759	12,988	13,627	256,881	579,786
At 1 January 2022, net of accumulated depreciation and impairment	109,072	178,758	1,701	6,759	12,988	13,627	256,881	579,786
Additions	-	25,363	689	3,204	9,683	63	183,307	222,309
Transfers	342,602	23,121	-	-	-	2,807	(368,530)	-
Depreciation provided during the year	(11,591)	(27,245)	(774)	(3,051)	(5,038)	(5,393)	-	(53,092)
Disposals	-	(1,526)	(4)	(15)	(53)	-	-	(1,598)
At 31 December 2022, net of accumulated depreciation and impairment	440,083	198,471	1,612	6,897	17,580	11,104	71,658	747,405
At 31 December 2022								
Cost	485,533	317,676	6,030	16,602	40,050	34,355	71,658	971,904
Accumulated depreciation and impairment	(45,450)	(119,205)	(4,418)	(9,705)	(22,470)	(23,251)	-	(224,499)
Net carrying amount	440,083	198,471	1,612	6,897	17,580	11,104	71,658	747,405

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group

	Buildings RMB'000	Machine equipment RMB'000	Transportation equipment RMB'000	Electronic equipment RMB'000	Other equipment RMB'000	Renovation and leasehold improvement RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2023								
At 1 January 2023	485,533	317,676	6,030	16,602	40,050	34,355	71,658	971,904
Cost	(45,450)	(119,205)	(4,418)	(9,705)	(22,470)	(23,251)	-	(224,499)
Accumulated depreciation and impairment	440,083	198,471	1,612	6,897	17,580	11,104	71,658	747,405
Net carrying amount	440,083	198,471	1,612	6,897	17,580	11,104	71,658	747,405
At 1 January 2023, net of accumulated depreciation and impairment	-	22,840	368	1,897	9,536	82	223,787	258,510
Additions	9,969	23,544	-	-	-	8,287	(41,800)	-
Transfers	(21,985)	(29,126)	(740)	(3,494)	(6,024)	(4,366)	-	(65,735)
Depreciation provided during the year	-	(1,612)	-	(20)	(156)	(474)	-	(2,262)
Disposals	428,067	214,117	1,240	5,280	20,936	14,633	253,645	937,918
At 31 December 2023, net of accumulated depreciation and impairment	495,502	361,893	6,398	18,340	48,949	42,251	253,645	1,226,978
Cost	(67,435)	(147,776)	(5,158)	(13,060)	(28,013)	(27,618)	-	(289,060)
Accumulated depreciation and impairment	428,067	214,117	1,240	5,280	20,936	14,633	253,645	937,918
Net carrying amount	428,067	214,117	1,240	5,280	20,936	14,633	253,645	937,918

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. PROPERTY, PLANT AND EQUIPMENT (continued)**The Group**

	Buildings RMB'000	Machine equipment RMB'000	Transportation equipment RMB'000	Electronic equipment RMB'000	Other equipment RMB'000	Renovation and leasehold improvement RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024								
At 1 January 2024	495,502	361,893	6,398	18,340	48,949	42,251	253,645	1,226,978
Cost	(67,435)	(147,776)	(5,158)	(13,060)	(28,013)	(27,618)	-	(289,060)
Accumulated depreciation and impairment								
Net carrying amount	428,067	214,117	1,240	5,280	20,936	14,633	253,645	937,918
At 1 January 2024, net of accumulated depreciation and impairment	428,067	214,117	1,240	5,280	20,936	14,633	253,645	937,918
Additions	-	78,861	1,393	1,490	9,553	1,431	71,676	164,404
Transfers	284,081	18,866	-	-	-	4,361	(307,308)	-
Depreciation provided during the year	(22,344)	(36,810)	(600)	(3,045)	(6,730)	(5,344)	-	(74,873)
Disposals	-	(2,881)	(15)	(104)	(495)	(181)	-	(3,676)
At 31 December 2024, net of accumulated depreciation and impairment	689,804	272,153	2,018	3,621	23,264	14,900	18,013	1,023,773
At 31 December 2024	779,583	452,762	7,303	19,679	56,776	47,862	18,013	1,381,978
Cost	(89,779)	(180,609)	(5,285)	(16,058)	(33,512)	(32,962)	-	(358,205)
Accumulated depreciation and impairment								
Net carrying amount	689,804	272,153	2,018	3,621	23,264	14,900	18,013	1,023,773

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group

	Buildings RMB'000	Machine equipment RMB'000	Transportation equipment RMB'000	Electronic equipment RMB'000	Other equipment RMB'000	Renovation and leasehold improvement RMB'000	Construction in progress RMB'000	Total RMB'000
30 September 2025								
At 1 January 2025								
Cost	779,583	452,762	7,303	19,679	56,776	47,862	18,013	1,381,978
Accumulated depreciation and impairment	(89,779)	(180,609)	(5,285)	(16,058)	(33,512)	(32,962)	-	(358,205)
Net carrying amount	689,804	272,153	2,018	3,621	23,264	14,900	18,013	1,023,773
At 1 January 2025, net of accumulated depreciation and impairment	689,804	272,153	2,018	3,621	23,264	14,900	18,013	1,023,773
Additions	-	51,817	2,363	1,462	10,873	184	47,344	114,043
Transfers	-	12,525	-	-	-	4,006	(16,531)	-
Depreciation provided during the period	(26,346)	(31,802)	(585)	(1,639)	(5,902)	(3,902)	-	(70,176)
Disposals	-	(637)	-	(2)	(29)	-	-	(668)
At 30 September 2025, net of accumulated depreciation and impairment	663,458	304,056	3,796	3,442	28,206	15,188	48,826	1,066,972
At 30 September 2025								
Cost	779,583	514,052	9,666	21,059	67,133	52,052	48,826	1,492,371
Accumulated depreciation and impairment	(116,125)	(209,996)	(5,870)	(17,617)	(38,927)	(36,864)	-	(425,399)
Net carrying amount	663,458	304,056	3,796	3,442	28,206	15,188	48,826	1,066,972

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The Company

	Buildings RMB'000	Machine equipment RMB'000	Transportation equipment RMB'000	Electronic equipment RMB'000	Other equipment RMB'000	Renovation and leasehold improvement RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2022								
At 1 January 2022								
Cost	130,412	273,314	5,468	13,706	31,519	34,157	17,203	505,779
Accumulated depreciation and impairment	(33,625)	(94,556)	(3,766)	(6,975)	(18,627)	(20,640)	-	(178,189)
Net carrying amount	96,787	178,758	1,702	6,731	12,892	13,517	17,203	327,590
At 1 January 2022, net of accumulated depreciation and impairment	96,787	178,758	1,702	6,731	12,892	13,517	17,203	327,590
Additions	-	28,185	652	1,255	585	46	9,873	40,596
Transfers	-	10,056	-	-	-	1,781	(11,837)	-
Depreciation provided during the year	(5,888)	(24,546)	(772)	(2,941)	(4,419)	(5,291)	-	(43,857)
Disposals	-	(48,868)	(4)	(145)	(643)	-	-	(49,660)
At 31 December 2022, net of accumulated depreciation and impairment	90,899	143,585	1,578	4,900	8,415	10,053	15,239	274,669
At 31 December 2022								
Cost	130,412	236,273	5,994	14,078	28,741	33,185	15,239	463,922
Accumulated depreciation and impairment	(39,513)	(92,688)	(4,416)	(9,178)	(20,326)	(23,132)	-	(189,253)
Net carrying amount	90,899	143,585	1,578	4,900	8,415	10,053	15,239	274,669

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The Company

	Buildings RMB'000	Machine equipment RMB'000	Transportation equipment RMB'000	Electronic equipment RMB'000	Other equipment RMB'000	Renovation and leasehold improvement RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2023								
At 1 January 2023								
Cost	130,412	236,273	5,994	14,078	28,741	33,185	15,239	463,922
Accumulated depreciation and impairment	(39,513)	(92,688)	(4,416)	(9,178)	(20,326)	(23,132)	-	(189,253)
Net carrying amount	90,899	143,585	1,578	4,900	8,415	10,053	15,239	274,669
At 1 January 2023, net of accumulated depreciation and impairment	90,899	143,585	1,578	4,900	8,415	10,053	15,239	274,669
Additions	-	8,608	295	699	6,273	32	18,306	34,213
Transfers	-	10,485	-	-	-	3,952	(14,437)	-
Depreciation provided during the year	(5,889)	(22,324)	(716)	(2,631)	(3,837)	(3,932)	-	(39,329)
Disposals	-	(22,526)	(48)	(151)	(1,183)	(474)	-	(24,382)
At 31 December 2023, net of accumulated depreciation and impairment	85,010	117,828	1,109	2,817	9,668	9,631	19,108	245,171
At 31 December 2023								
Cost	130,412	208,048	6,219	13,579	29,371	36,695	19,108	443,432
Accumulated depreciation and impairment	(45,402)	(90,220)	(5,110)	(10,762)	(19,703)	(27,064)	-	(198,261)
Net carrying amount	85,010	117,828	1,109	2,817	9,668	9,631	19,108	245,171

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The Company

	Buildings RMB'000	Machine equipment RMB'000	Transportation equipment RMB'000	Electronic equipment RMB'000	Other equipment RMB'000	Renovation and leasehold improvement RMB'000	Construction in progress RMB'000	Total RMB'000
31 December 2024								
At 1 January 2024	130,412	208,048	6,219	13,579	29,371	36,695	19,108	443,432
Cost	(45,402)	(90,220)	(5,110)	(10,762)	(19,703)	(27,064)	-	(198,261)
Accumulated depreciation and impairment								
Net carrying amount	85,010	117,828	1,109	2,817	9,668	9,631	19,108	245,171
At 1 January 2024, net of accumulated depreciation and impairment	85,010	117,828	1,109	2,817	9,668	9,631	19,108	245,171
Additions	-	54,072	1,357	1,320	7,990	261	8,592	73,592
Transfers	-	14,946	-	-	-	773	(15,719)	-
Depreciation provided during the year	(5,889)	(22,058)	(556)	(2,171)	(3,698)	(3,831)	-	(38,203)
Disposals	-	(19,529)	(15)	(54)	(942)	(181)	-	(20,721)
At December 2024, net of accumulated depreciation and impairment	79,121	145,259	1,895	1,912	13,018	6,653	11,981	259,839
At 31 December 2024	130,412	253,067	7,088	14,605	35,063	37,548	11,981	489,764
Cost	(51,291)	(107,808)	(5,193)	(12,693)	(22,045)	(30,895)	-	(229,925)
Accumulated depreciation and impairment								
Net carrying amount	79,121	145,259	1,895	1,912	13,018	6,653	11,981	259,839

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The Company

	Buildings RMB'000	Machine equipment RMB'000	Transportation equipment RMB'000	Electronic equipment RMB'000	Other equipment RMB'000	Renovation and leasehold improvement RMB'000	Construction in progress RMB'000	Total RMB'000
30 September 2025								
At 1 January 2025	130,412	253,067	7,088	14,605	35,063	37,548	11,981	489,764
Cost	(51,291)	(107,808)	(5,193)	(12,693)	(22,045)	(30,895)	-	(229,925)
Accumulated depreciation and impairment								
Net carrying amount	79,121	145,259	1,895	1,912	13,018	6,653	11,981	259,839
At 1 January 2025, net of accumulated depreciation and impairment	79,121	145,259	1,895	1,912	13,018	6,653	11,981	259,839
Additions	-	19,584	2,063	1,108	8,485	8	13,209	44,457
Transfers	-	11,289	-	-	-	309	(11,598)	-
Depreciation provided during the period	(4,417)	(16,838)	(526)	(772)	(3,355)	(2,306)	-	(28,214)
Disposals	-	(35,578)	-	(18)	(437)	-	-	(36,033)
At 30 September 2025, net of accumulated depreciation and impairment	74,704	123,716	3,432	2,230	17,711	4,664	13,592	240,049
At 30 September 2025	130,412	245,802	9,151	15,526	42,857	37,865	13,592	495,205
Cost	(55,708)	(122,086)	(5,719)	(13,296)	(25,146)	(33,201)	-	(255,156)
Accumulated depreciation and impairment								
Net carrying amount	74,704	123,716	3,432	2,230	17,711	4,664	13,592	240,049

14. INTANGIBLE ASSETS**The Group**

Software	31 December			30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January				
Cost	14,784	20,130	21,594	24,222
Accumulated amortisation and impairment	<u>(4,463)</u>	<u>(6,769)</u>	<u>(8,879)</u>	<u>(11,651)</u>
Net carrying amount	<u>10,321</u>	<u>13,361</u>	<u>12,715</u>	<u>12,571</u>
At 1 January, net of accumulated amortisation and impairment	10,321	13,361	12,715	12,571
Additions	5,346	1,464	2,687	1,199
Amortisation provided during the year/period	(2,306)	(2,110)	(2,788)	(2,183)
Disposals	<u>-</u>	<u>-</u>	<u>(43)</u>	<u>-</u>
At 31 December/30 September net of accumulated amortisation and impairment	<u>13,361</u>	<u>12,715</u>	<u>12,571</u>	<u>11,587</u>
At 31 December/30 September				
Cost	20,130	21,594	24,222	25,421
Accumulated amortisation and impairment	<u>(6,769)</u>	<u>(8,879)</u>	<u>(11,651)</u>	<u>(13,834)</u>
Net carrying amount	<u>13,361</u>	<u>12,715</u>	<u>12,571</u>	<u>11,587</u>

14. INTANGIBLE ASSETS (continued)**The Company**

Software	31 December			30 September
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January				
Cost	14,784	20,130	20,424	23,051
Accumulated amortisation and impairment	<u>(4,463)</u>	<u>(6,769)</u>	<u>(8,829)</u>	<u>(11,484)</u>
Net carrying amount	<u>10,321</u>	<u>13,361</u>	<u>11,595</u>	<u>11,567</u>
At 1 January, net of accumulated amortisation and impairment	10,321	13,361	11,595	11,567
Additions	5,346	294	2,687	858
Amortisation provided during the year/period	(2,306)	(2,060)	(2,671)	(2,084)
Disposals	<u>-</u>	<u>-</u>	<u>(44)</u>	<u>(67)</u>
At 31 December/30 September, net of accumulated amortisation and impairment	<u>13,361</u>	<u>11,595</u>	<u>11,567</u>	<u>10,274</u>
At 31 December/30 September				
Cost	20,130	20,424	23,051	23,796
Accumulated amortisation and impairment	<u>(6,769)</u>	<u>(8,829)</u>	<u>(11,484)</u>	<u>(13,522)</u>
Net carrying amount	<u>13,361</u>	<u>11,595</u>	<u>11,567</u>	<u>10,274</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. LEASES**The Group as a lessee**

The Group has lease contracts for various items of properties, and leasehold land. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of properties generally have lease term between 2 and 5 years.

(a) Right-of-use assets

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

	Properties RMB'000	Leasehold land RMB'000	Total RMB'000
At 1 January 2022	27,047	29,841	56,888
Additions	1,148	8,659	9,807
Depreciation charge	(11,061)	(894)	(11,955)
Disposal	(1,825)	-	(1,825)
	<u>15,309</u>	<u>37,606</u>	<u>52,915</u>
At 31 December 2022			
At 1 January 2023	15,309	37,606	52,915
Depreciation charge	(3,199)	(918)	(4,117)
Disposal	(8,072)	-	(8,072)
	<u>4,038</u>	<u>36,688</u>	<u>40,726</u>
At 31 December 2023			
At 1 January 2024	4,038	36,688	40,726
Additions	12,439	-	12,439
Depreciation charge	(4,294)	(918)	(5,212)
Disposal	(644)	-	(644)
	<u>11,539</u>	<u>35,770</u>	<u>47,309</u>
At 31 December 2024			
At 1 January 2025	11,539	35,770	47,309
Depreciation charge	(3,392)	(688)	(4,080)
	<u>8,147</u>	<u>35,082</u>	<u>43,229</u>
At 30 September 2025			

15. LEASES (continued)**The Group as a lessee (continued)****(b) Lease liabilities**

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

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Carrying amount at 1 January	29,041	17,169	4,125	11,623
New leases	1,148	-	12,439	-
Disposal	(1,667)	(9,536)	(563)	-
Accretion of interest recognised during the year/period	1,036	890	198	364
Lease payments	<u>(12,389)</u>	<u>(4,398)</u>	<u>(4,576)</u>	<u>(3,674)</u>
Carrying amount at 31 December/ 30 September	<u>17,169</u>	<u>4,125</u>	<u>11,623</u>	<u>8,313</u>
Analysed into:				
Current portion	9,881	3,841	4,434	4,124
Non-current portion	<u>7,288</u>	<u>284</u>	<u>7,189</u>	<u>4,189</u>
Total	<u>17,169</u>	<u>4,125</u>	<u>11,623</u>	<u>8,313</u>

The maturity analysis of lease liabilities is disclosed in note 42 to the Financial Statements.

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

	Year ended 31 December			Nine months ended	
	2022	2023	2024	30 September	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Interest on lease liabilities	1,036	890	198	108	364
Depreciation charge of right-of-use assets	<u>11,955</u>	<u>4,117</u>	<u>5,212</u>	<u>3,606</u>	<u>4,080</u>
Total amount recognised in profit or loss	<u>12,991</u>	<u>5,007</u>	<u>5,410</u>	<u>3,714</u>	<u>4,444</u>

15. LEASES (continued)**The Group as a lessee (continued)**

(d) The total cash outflow for leases and future cash outflows relating to leases that have not yet commenced are disclosed in notes 36(c) and note 42 to the Financial Statements, respectively.

The Company as a lessee

The Company has lease contracts for various items of properties. Leases of properties generally have lease term between 2 and 5 years.

(a) Right-of-use assets

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

	31 December		30 September	
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January	27,047	15,271	4,038	15,271
Additions	1,077	-	17,100	-
Depreciation charge	(11,028)	(3,166)	(5,234)	(4,047)
Disposal	(1,825)	(8,067)	(633)	-
At 31 December/30 September	<u>15,271</u>	<u>4,038</u>	<u>15,271</u>	<u>11,224</u>

15. LEASES (continued)**The Company as a lessee (continued)****(b) Lease liabilities**

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

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount at 1 January	29,041	17,127	4,125	15,643
New leases	1,077	-	17,100	-
Disposal	(4,653)	(7,181)	(293)	-
Accretion of interest recognised during the year/period	1,035	890	399	394
Lease payments	<u>(9,373)</u>	<u>(6,711)</u>	<u>(5,688)</u>	<u>(4,251)</u>
Carrying amount at 31 December/30 September	<u>17,127</u>	<u>4,125</u>	<u>15,643</u>	<u>11,786</u>
Analysed into:				
Current portion	9,839	3,841	5,083	4,836
Non-current portion	<u>7,288</u>	<u>284</u>	<u>10,560</u>	<u>6,950</u>
Total	<u>17,127</u>	<u>4,125</u>	<u>15,643</u>	<u>11,786</u>

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

	Year ended 31 December			Nine months ended	
	2022	2023	2024	30 September	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest on lease liabilities	1,035	890	399	259	394
Depreciation charge of right-of-use assets	<u>11,028</u>	<u>3,166</u>	<u>5,234</u>	<u>3,606</u>	<u>4,047</u>
Total	<u>12,063</u>	<u>4,056</u>	<u>5,633</u>	<u>3,865</u>	<u>4,441</u>

16. INVESTMENTS IN SUBSIDIARIES**The Company**

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Unlisted shares, at cost	<u>343,605</u>	<u>424,082</u>	<u>535,541</u>	<u>506,336</u>

17. EQUITY INVESTMENTS DESIGNED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**The Group**

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Equity investments designated at fair value through other comprehensive income				
Unlisted equity investments, at fair value:				
Wuhan Digital Design and Manufacturing Innovation Center Co., Ltd	17,767	16,759	16,120	15,033
Shenzhen Guochuang Embodied Intelligent Robot Co., Ltd	-	900	900	527
Tujian Technology (Beijing) Co., Ltd	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Total	<u>17,767</u>	<u>17,659</u>	<u>17,020</u>	<u>35,560</u>

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

The Company

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Equity investments designated at fair value through other comprehensive income				
Unlisted equity investments, at fair value:				
Wuhan Digital Design and Manufacturing Innovation Center Co., Ltd	17,767	16,759	16,120	15,033
Shenzhen Guochuang Embodied Intelligent Robot Co., Ltd	<u>-</u>	<u>900</u>	<u>900</u>	<u>527</u>
Total	<u>17,767</u>	<u>17,659</u>	<u>17,020</u>	<u>15,560</u>

18. INVESTMENT IN AN ASSOCIATE**The Group and the Company**

	2022	31 December 2023	2024	30 September 2025
	RMB'000	RMB'000	RMB'000	RMB'000
Investment in an associate	<u>67,321</u>	<u>68,003</u>	<u>62,613</u>	<u>58,078</u>

Particulars of the material associate are as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Linked Intelligent Technology Co., Ltd. ("Linked Intelligent")	Ordinary Shares	Shanghai	14.22%*	Technology promotion and application services

The Group's shareholdings in the associate all comprise equity shares held by the Company. The Company has significant influence over Linked Intelligent as it has the power to participate in the financial and operating policy decisions of the entity by appointing a director in the board.

* On 30 June 2022, The Company subscribed 15% equity interest of Linked Intelligent with consideration of RMB 67,222,000. On 30 September 2024, a new independent investor subscribed 5.17% equity interest of Linked Intelligent with consideration of RMB30,000,000. The payment was made in three installments: RMB 10,000,000 was paid in July 2024, RMB 10,000,000 in February 2025, and RMB 10,000,000 in July 2025. As at 30 September 2025, the Company's shareholding was diluted to 14.22%.

The Group's trade receivable balances with the associate are disclosed in note 38 to the Financial Statements.

The following table illustrates the summarised financial information in respect of Linked Intelligent adjusted for any differences in accounting policies and reconciled to the carrying amount in the consolidated financial statements:

18. INVESTMENT IN AN ASSOCIATE (continued)

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets	92,790	103,371	71,705	161,956
Non-current assets, excluding goodwill	41,892	49,418	60,373	66,952
Current liabilities	15,011	28,637	39,967	150,830
Non-current liabilities	<u>10,785</u>	<u>7,877</u>	<u>3,965</u>	<u>2,980</u>
Net assets	<u>108,886</u>	<u>116,275</u>	<u>88,146</u>	<u>75,098</u>
Reconciliation to the Group's interest in the associate:				
Proportion of the Group's ownership	15%	15%	14.73%	14.22%
Group's share of net assets of the associate, excluding goodwill	16,333	17,441	12,986	10,682
Goodwill on acquisition (less cumulative impairment)	54,919	54,919	53,938	52,079
Adjustments	<u>(3,931)</u>	<u>(4,357)</u>	<u>(4,311)</u>	<u>(4,683)</u>
Carrying amount of the investment	<u>67,321</u>	<u>68,003</u>	<u>62,613</u>	<u>58,078</u>
				Nine months ended 30
				September
				2025
Revenue	60,245	92,172	67,799	63,958
Profit/(loss) for the year/period	5,361	7,389	(39,588)	(35,878)
Total comprehensive income/(losses) for the year/period	5,361	7,389	(39,588)	(35,878)

As at the end of the Relevant Periods, the Group performed an impairment assessment on the investment in Linked Intelligent and the recoverable amount of the investment in the associate has been determined based on fair value less cost of disposal by references to the latest transaction prices. Based on the impairment assessment, the recoverable amount of the investment in the associate has exceeded its carrying amount and accordingly no impairment is required.

19. OTHER NON-CURRENT ASSETS**The Group**

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Prepayments for property, plant and equipment	8,294	11,166	17,530	23,650
Others	<u>215</u>	<u>360</u>	<u>-</u>	<u>-</u>
Total	<u>8,509</u>	<u>11,526</u>	<u>17,530</u>	<u>23,650</u>

The Company

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Prepayments for property, plant and equipment	2,717	1,665	4,423	5,859
Others	<u>161</u>	<u>360</u>	<u>-</u>	<u>-</u>
Total	<u>2,878</u>	<u>2,025</u>	<u>4,423</u>	<u>5,859</u>

20. INVENTORIES**The Group**

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	80,536	67,868	82,863	101,161
Work in progress	19,274	20,460	25,005	38,590
Finished goods	55,778	43,024	50,787	35,301
Goods in transit	16,095	31,842	23,796	30,680
Outsourced processing materials	955	1,274	1,673	1,596
Total	<u>172,638</u>	<u>164,468</u>	<u>184,124</u>	<u>207,328</u>

The Company

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	60,707	35,188	34,681	28,979
Work in progress	16,710	17,892	20,232	25,925
Finished goods	44,641	32,663	32,718	17,782
Goods in transit	16,095	30,815	23,522	29,174
Outsourced processing materials	793	912	1,072	615
Total	<u>138,946</u>	<u>117,470</u>	<u>112,225</u>	<u>102,475</u>

21. TRADE AND NOTES RECEIVABLES**The Group**

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	RMB'000
Notes receivables	14,883	13,636	30,995	40,919
Trade receivables	<u>388,154</u>	<u>445,957</u>	<u>579,686</u>	<u>543,196</u>
Subtotal	<u>403,037</u>	<u>459,593</u>	<u>610,681</u>	<u>584,115</u>
Less: impairment of notes receivables	-	(144)	(874)	(553)
Less: impairment of trade receivables	<u>(19,522)</u>	<u>(25,724)</u>	<u>(32,312)</u>	<u>(30,527)</u>
Net carrying amount	<u>383,515</u>	<u>433,725</u>	<u>577,495</u>	<u>553,035</u>

The Company

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	RMB'000
Notes receivables	14,883	13,306	14,997	24,318
Trade receivables	385,899	436,275	505,634	500,493
Due from subsidiaries	<u>8,228</u>	<u>2,607</u>	<u>10,254</u>	<u>40,474</u>
Subtotal	<u>409,010</u>	<u>452,188</u>	<u>530,885</u>	<u>565,285</u>
Less: impairment of notes receivables	-	(144)	(82)	(30)
Less: impairment of trade receivables	<u>(19,410)</u>	<u>(25,180)</u>	<u>(28,550)</u>	<u>(28,272)</u>
Net carrying amount	<u>389,600</u>	<u>426,864</u>	<u>502,253</u>	<u>536,983</u>

The Group's trading terms with its customers are mainly on credit. For large and medium-sized customers with large scale and good reputation, the Group generally gives a credit period of 30 to 150 days. In terms of mould sales, in order to reduce the risk of product development, except for a small number of large and medium-sized customers with long-term cooperation and good reputation, the Group usually requires part of the payment in advance after signing the mould contract and collects the remaining amount after the product is finally confirmed by the customer or receiving a large number of orders.

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Long ageing balances are reviewed regularly by senior management. In view of the fact that the Group's trade and notes receivables related to a large number of diversified counterparties, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and notes receivable balances.

21. TRADE AND NOTES RECEIVABLES (continued)

Included in the Group's trade receivables are amounts due from the Group's related parties of nil, RMB23,000, RMB73,000, and RMB1,001,000 as at 31 December 2022, 2023, 2024 and 30 September 2025 (note 38), respectively, which are repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the trade and notes receivables as at the end of each Relevant Periods, based on revenue recognition date and net of loss allowance, is as follows:

The Group

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Within 1 year	383,233	432,946	577,369	552,507
Over 1 year	<u>282</u>	<u>779</u>	<u>126</u>	<u>528</u>
Total	<u>383,515</u>	<u>433,725</u>	<u>577,495</u>	<u>553,035</u>

The Company

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Within 1 year	389,319	426,044	501,062	535,285
Over 1 year	<u>281</u>	<u>820</u>	<u>1,191</u>	<u>1,698</u>
Total	<u>389,600</u>	<u>426,864</u>	<u>502,253</u>	<u>536,983</u>

21. TRADE AND NOTES RECEIVABLES (continued)

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

The Group

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
At beginning of year/period	15,762	19,522	25,868	33,186
Impairment losses, net (note 6)	3,760	6,351	7,319	(2,106)
Amount written off as uncollectible	<u>-</u>	<u>(5)</u>	<u>(1)</u>	<u>-</u>
At end of year/period	<u>19,522</u>	<u>25,868</u>	<u>33,186</u>	<u>31,080</u>

The Company

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
At beginning of year/period	15,746	19,410	25,324	28,632
Impairment losses	3,664	5,919	3,309	(330)
Amount written off as uncollectible	<u>-</u>	<u>(5)</u>	<u>(1)</u>	<u>-</u>
At end of year/period	<u>19,410</u>	<u>25,324</u>	<u>28,632</u>	<u>28,302</u>

An impairment analysis is performed at the end of each of Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments 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 Relevant Periods about past events, current conditions and forecasts of future economic conditions. Trade receivables for which the counterparties failed to make the demanded repayments are defaulted receivables. The Group has provided full impairment for the defaulted receivables.

21. TRADE AND NOTES RECEIVABLES (continued)

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

The Group

At 31 December 2022

	Default receivables	Trade receivables ageing with		Total
		Less than 1 year	Over 1 year	
Expected credit loss rate	-	5%	32%	5%
Gross carrying amount (RMB'000)	-	402,620	417	403,037
Expected credit losses (RMB'000)	-	19,387	135	19,522

At 31 December 2023

	Default receivables	Trade receivables ageing with		Total
		Less than 1 year	Over 1 year	
Expected credit loss rate	100%	5%	27%	6%
Gross carrying amount (RMB'000)	3,353	455,166	1,074	459,593
Expected credit losses (RMB'000)	3,353	22,220	295	25,868

At 31 December 2024

	Default receivables	Trade receivables ageing with		Total
		Less than 1 year	Over 1 year	
Expected credit loss rate	100%	5%	55%	5%
Gross carrying amount (RMB'000)	3,353	607,046	282	610,681
Expected credit losses (RMB'000)	3,353	29,677	156	33,186

21. TRADE AND NOTES RECEIVABLES (continued)**The Group**

At 30 September 2025

	Default receivables	Trade receivables ageing with		Total
		Less than 1 year	Over 1 year	
Expected credit loss rate	100%	5%	29%	5%
Gross carrying amount (RMB'000)	3,353	580,015	747	584,115
Expected credit losses (RMB'000)	3,353	27,508	219	31,080

The Company

At 31 December 2022

	Default receivables	Trade receivables ageing with		Total
		Less than 1 year	Over 1 year	
Expected credit loss rate	-	5%	32%	5%
Gross carrying amount (RMB'000)	-	400,365	417	400,782
Expected credit losses (RMB'000)	-	19,275	135	19,410

At 31 December 2023

	Default receivables	Trade receivables ageing with		Total
		Less than 1 year	Over 1 year	
Expected credit loss rate	100%	5%	27%	6%
Gross carrying amount (RMB'000)	3,290	445,218	1,073	449,581
Expected credit losses (RMB'000)	3,290	21,739	295	25,324

21. TRADE AND NOTES RECEIVABLES (continued)**The Company**

At 31 December 2024

	Default receivables	Trade receivables ageing with		Total
		Less than 1 year	Over 1 year	
Expected credit loss rate	100%	5%	55%	5%
Gross carrying amount (RMB'000)	3,290	517,059	282	520,631
Expected credit losses (RMB'000)	3,290	25,186	156	28,632

At 30 September 2025

	Default receivables	Trade receivables ageing with		Total
		Less than 1 year	Over 1 year	
Expected credit loss rate	100%	5%	40%	5%
Gross carrying amount (RMB'000)	3,290	521,169	352	524,811
Expected credit losses (RMB'000)	3,290	24,872	140	28,302

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS**The Group**

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments	8,252	6,112	10,861	9,346
Deferred listing expenses	-	-	-	11,432
Value-added tax recoverable	12,467	19,036	25,039	30,598
Prepaid income tax	4	4,085	-	6,506
Receivables from employees for share option exercises	-	-	-	8,271
Other receivables	<u>4,510</u>	<u>4,737</u>	<u>5,742</u>	<u>5,150</u>
Less: Impairment of other receivables	<u>(1,937)</u>	<u>(1,890)</u>	<u>(905)</u>	<u>(985)</u>
Total	<u>23,296</u>	<u>32,080</u>	<u>40,737</u>	<u>70,318</u>

The Company

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments	8,057	5,439	9,830	6,945
Deferred listing expenses	-	-	-	11,432
Value-added tax recoverable	-	452	518	1,268
Prepaid income tax	-	4,085	-	6,272
Receivables from employees for share option exercises	-	-	-	8,271
Other receivables	3,299	4,123	5,153	4,306
Due from subsidiaries	<u>657,171</u>	<u>408,869</u>	<u>477,003</u>	<u>487,051</u>
Less: Impairment of other receivables	<u>(1,928)</u>	<u>(1,847)</u>	<u>(853)</u>	<u>(897)</u>
Total	<u>666,599</u>	<u>421,121</u>	<u>491,651</u>	<u>524,648</u>

The other receivables were interest-free and are not secured with collateral.

The financial assets included in the above balances relating to receivables were categorised in stage 1 at the end of each Relevant Periods. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data. The Company estimated that the expected loss for its other receivables due from subsidiaries is minimal.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**The Group**

	2022	31 December 2023	2024	30 September 2025
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current asset				
Wealth management products	<u>252,085</u>	<u>97,705</u>	<u>1,500</u>	<u>1,500</u>
Current asset				
Wealth management products	<u>472,951</u>	<u>849,957</u>	<u>902,726</u>	<u>781,012</u>

The Company

	2022	31 December 2023	2024	30 September 2025
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current asset				
Wealth management products	<u>252,085</u>	<u>96,205</u>	<u>-</u>	<u>-</u>
Current asset				
Wealth management products	<u>422,626</u>	<u>764,387</u>	<u>704,699</u>	<u>646,718</u>

These wealth management products were issued by certified financial institution in Mainland China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

24. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**The Group**

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Bank acceptance notes*	16,796	11,450	20,596	107,304
Negotiable Certificate of Deposit**	<u>582,558</u>	<u>899,775</u>	<u>908,105</u>	<u>1,047,087</u>
Total	<u><u>599,354</u></u>	<u><u>911,225</u></u>	<u><u>928,701</u></u>	<u><u>1,154,391</u></u>

* The bank acceptance notes were issued by reputable banks in Mainland China

** The Negotiable Certificate of Deposit, was denominated in RMB, with expected yield rates ranging from 1.65% to 3.85% per annum.

These bank acceptance notes and negotiable Certificate of Deposit were classified as financial assets at fair value through other comprehensive income as they are held within a business model with the objective of both collecting contractual cashflows and selling.

The Company

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Bank acceptance notes	16,796	9,071	20,345	103,385
Negotiable Certificate of Deposit	<u>582,558</u>	<u>899,775</u>	<u>908,105</u>	<u>1,047,087</u>
Total	<u><u>599,354</u></u>	<u><u>908,846</u></u>	<u><u>928,450</u></u>	<u><u>1,150,472</u></u>

25. CASH AND CASH EQUIVALENTS, RESTRICTED BANK DEPOSITS AND TIME DEPOSITS**The Group**

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances	145,014	91,734	224,817	211,312
Time deposits	573,636	80,021	80,734	15,130
Restricted bank deposits*	<u>2,438</u>	<u>39,864</u>	<u>62</u>	<u>62</u>
Subtotal	721,088	211,619	305,613	226,504
Less:				
Time deposits with maturity over three months	573,636	80,021	80,734	15,130
Restricted bank deposits	<u>2,438</u>	<u>39,864</u>	<u>62</u>	<u>62</u>
Cash and cash equivalents	<u>145,014</u>	<u>91,734</u>	<u>224,817</u>	<u>211,312</u>
Denominated in				
RMB	63,497	39,698	93,321	43,412
USD	76,693	44,832	122,728	148,194
EUR	4,318	6,744	8,333	19,199
Others	<u>506</u>	<u>460</u>	<u>435</u>	<u>507</u>
Total	<u>145,014</u>	<u>91,734</u>	<u>224,817</u>	<u>211,312</u>

* As at 31 December 2022, 2023, 2024 and 30 September 2025, the deposits of RMB2,384,000, RMB39,810,000, nil and nil, respectively, was restricted as guarantee deposit for notes payable.

25. CASH AND CASH EQUIVALENTS, RESTRICTED BANK DEPOSITS AND TIME DEPOSITS (continued)**The Company**

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances	111,453	58,170	185,498	171,990
Time deposits	156,368	80,021	80,734	15,130
Restricted bank deposits	<u>2,438</u>	<u>39,864</u>	<u>55</u>	<u>55</u>
Subtotal	270,259	178,055	266,287	187,175
Less:				
Time deposits with maturity over three months	156,368	80,021	80,734	15,130
Restricted bank deposits	<u>2,438</u>	<u>39,864</u>	<u>55</u>	<u>55</u>
Cash and cash equivalents	<u>111,453</u>	<u>58,170</u>	<u>185,498</u>	<u>171,990</u>
Denominated in				
RMB	40,756	13,676	61,017	25,033
USD	66,904	39,108	119,785	136,742
EUR	3,378	4,969	4,269	9,844
Others	<u>415</u>	<u>417</u>	<u>427</u>	<u>371</u>
Total	<u>111,453</u>	<u>58,170</u>	<u>185,498</u>	<u>171,990</u>

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and restricted bank deposits are deposited with creditworthy banks with no recent history of default.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. INTEREST-BEARING BANK BORROWINGS

The Group

	31 December 2022		31 December 2023		31 December 2024		30 September 2025	
	Effective Interest rate	Maturity RMB'000	Effective Interest rate	Maturity RMB'000	Effective Interest rate	Maturity RMB'000	Effective Interest rate	Maturity RMB'000
Current								
Bank loans - unsecured	3%	29,027	2.55%	35,027	2.27%	9,006	-	-
Discounted notes		within 2023		within 2024		within 2025		-
receivable - unsecured	1%- 2.04%	10,712	0.9%- 1.4%	5,954	0.65%- 1.15%	82,171	0.63%- 1.05%	144,494
		within 2023		within 2024		within 2025		within 2026
Discounted letter of credit - unsecured		-		-	0.92%	49,803		-
						within 2025		-
Total		39,739		40,981		140,980		144,494

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

26. INTEREST-BEARING BANK BORROWINGS (continued)

The Company

	31 December 2022		31 December 2023		31 December 2024		30 September 2025	
	Effective Interest rate	Maturity RMB'000						
Current								
Bank loans - unsecured	3%	29,027	2.55%	35,027	2.27%	9,006	-	-
Discounted notes receivable - unsecured	1%- 2.04%	within 2023	0.9%- 1.4%	within 2024	0.65%- 1.15%	within 2025	0.79%- 1.05%	within 2025
Total		<u>39,738</u>		<u>40,981</u>		<u>11,238</u>		<u>4,517</u>

Notes:

(a) All loans are denominated in RMB.

(b) All loans are matured within one year.

27. TRADE AND NOTES PAYABLES**The Group**

	2022	31 December	2024	30
	RMB'000	2023	RMB'000	September
		RMB'000	RMB'000	2025
				RMB'000
Trade payables	191,613	200,611	251,757	246,441
Notes payables	<u>154,732</u>	<u>208,067</u>	<u>182,578</u>	<u>200,572</u>
Total	<u>346,345</u>	<u>408,678</u>	<u>434,335</u>	<u>447,013</u>

The Company

	2022	31 December	2024	30
	RMB'000	2023	RMB'000	September
		RMB'000	RMB'000	2025
				RMB'000
Trade payables due to subsidiaries	391	160,842	220,409	65,479
Trade payables due to third parties	150,765	122,920	126,046	93,115
Notes payables	<u>154,783</u>	<u>200,532</u>	<u>268,049</u>	<u>340,691</u>
Total	<u>305,939</u>	<u>484,294</u>	<u>614,504</u>	<u>499,285</u>

The trade payables are non-interest-bearing and are normally settled on 180-days terms.

27. TRADE AND NOTES PAYABLES (continued)

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

The Group

	31 December		30 September	
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	345,367	405,976	433,607	445,981
1 to 2 years	789	1,874	37	341
2 to 3 years	186	639	73	28
Over 3 years	<u>3</u>	<u>189</u>	<u>618</u>	<u>663</u>
Total	<u>346,345</u>	<u>408,678</u>	<u>434,335</u>	<u>447,013</u>

The Company

	31 December		30 September	
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	304,961	481,591	613,785	498,463
1 to 2 years	789	1,875	28	131
2 to 3 years	186	639	73	28
Over 3 years	<u>3</u>	<u>189</u>	<u>618</u>	<u>663</u>
Total	<u>305,939</u>	<u>484,294</u>	<u>614,504</u>	<u>499,285</u>

28. OTHER PAYABLES AND ACCRUALS**The Group**

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025 RMB'000
Payroll payable	44,285	52,042	69,004	58,156
Employee share scheme repurchase obligation	14,911	7,783	26,959	13,047
Payable for endorsed notes receivable that are not derecognised	-	300	1,556	5,701
Dividend payables*	429	294	-	265
Other payables	46,332	91,177	71,750	42,714
Other tax payables	4,171	7,733	9,274	18,139
Total	<u>110,128</u>	<u>159,329</u>	<u>178,543</u>	<u>138,022</u>

Note: For the endorsed notes receivable that the Group neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the notes receivables and associated liabilities. Further details are contained in note 40 to the Financial Statements.

* Dividend payable is recognised for restricted shares, comprising RMB 86 thousand to be paid before listing, with the remainder of RMB 179,000 to be paid upon the vesting date in August 2026.

Other payables are non-interest-bearing and have no fixed terms of settlement.

The Company

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025 RMB'000
Payroll payable	42,924	47,831	60,379	44,112
Employee share scheme repurchase obligation	14,911	7,783	26,959	13,047
Dividend payables	429	294	-	265
Other payables	39,777	6,288	7,670	34,058
Payable for endorsed notes receivable that are not derecognised	-	-	1,556	1,395
Other tax payables	3,956	5,394	8,720	13,512
Total	<u>101,997</u>	<u>67,590</u>	<u>105,284</u>	<u>106,389</u>

29. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Financial liabilities at fair value through profit or loss:				
National debt reverse repurchase agreement	-	-	21,536	-
	<u>-</u>	<u>-</u>	<u>21,536</u>	<u>-</u>

30. CONTRACT LIABILITIES**The Group**

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
<i>Short-term Advances received from customers</i>				
Sale of products	20,774	21,409	19,257	13,298
	<u>20,774</u>	<u>21,409</u>	<u>19,257</u>	<u>13,298</u>

The Company

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
<i>Short-term Advances received from customers</i>				
Sale of products	19,158	20,121	13,126	8,320
	<u>19,158</u>	<u>20,121</u>	<u>13,126</u>	<u>8,320</u>

Contract liabilities include payments from the customers based on sales order in advance of delivery of products under the contracts.

31. DEFERRED INCOME**The Group**

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	RMB'000
Government grant*	<u>34,074</u>	<u>39,263</u>	<u>53,093</u>	<u>47,033</u>
At beginning of the year/period	28,213	34,074	39,263	53,093
Grants received during the year/period	9,710	10,102	22,129	1,034
Amounts released to profit or loss during the year/period	<u>(3,849)</u>	<u>(4,913)</u>	<u>(8,299)</u>	<u>(7,094)</u>
At end of the year/period	<u>34,074</u>	<u>39,263</u>	<u>53,093</u>	<u>47,033</u>

The Company

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	RMB'000
Government grant*	<u>34,074</u>	<u>39,263</u>	<u>52,619</u>	<u>46,604</u>
At beginning of the year/period	28,213	34,074	39,263	52,619
Grants received during the year/period	9,710	10,102	21,625	1,034
Amounts released to profit or loss during the year/period	<u>(3,849)</u>	<u>(4,913)</u>	<u>(8,269)</u>	<u>(7,049)</u>
At end of the year/period	<u>34,074</u>	<u>39,263</u>	<u>52,619</u>	<u>46,604</u>

* The government grants mainly represent subsidies received from the government that relate to both expenses and assets. Government grants were released to profit or loss either over the periods that the expenses for which it is intended to compensate are expensed, or over the expected useful life of the relevant asset, when all attaching conditions and requirements are compliant with.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32. DEFERRED TAX

The Group

Deferred tax assets

	Impairment of trade and other receivables RMB'000	Impairment of inventories RMB'000	Impairment of property, plant and equipment RMB'000	Tax losses RMB'000	Leases share-based liabilities RMB'000	Equity- settled share-based payment RMB'000	Unrealised profit from intercompany transactions RMB'000	Government grants RMB'000	Total RMB'000
At 1 January 2022	2,622	1,503	926	-	263	4,589	-	3,865	13,768
Credit/(charged) to profit or loss	554	1,252	(254)	13,065	2,192	(20)	194	1,246	18,229
Deferred tax credited to other reserve during the year	-	-	-	-	-	(3,429)	-	-	(3,429)
Gross deferred tax assets at 31 December 2022	3,176	2,755	672	13,065	2,455	1,140	194	5,111	28,568
At 31 December 2022 and 1 January 2023	3,176	2,755	672	13,065	2,455	1,140	194	5,111	28,568
Credit/(charged) to profit or loss	986	(60)	(17)	(12,225)	(1,898)	(1,029)	278	778	(13,187)
Deferred tax credited to other reserve during the year	-	-	-	-	-	(111)	-	-	(111)
Gross deferred tax assets at 31 December 2023	4,162	2,695	655	840	557	-	472	5,889	15,270

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32. DEFERRED TAX(continued)**The Group(continued)****Deferred tax assets(continued)**

	Impairment of trade and other receivables RMB'000	Impairment of inventories RMB'000	Impairment of property, plant and equipment RMB'000	Tax losses RMB'000	Leases liabilities RMB'000	Equity- settled share- based payment RMB'000	Unrealised profit from intercompany transactions RMB'000	Government grants RMB'000	Total RMB'000
At 31 December 2023									
and 1 January 2024	4,162	2,695	655	840	557	-	472	5,889	15,270
Credit/(charged) to profit or loss	940	533	(548)	(840)	1,790	789	(274)	2,075	4,465
Deferred tax credited to other reserve during the year	-	-	-	-	-	2,286	-	-	2,286
Gross deferred tax assets at 31 December 2024	5,102	3,228	107	-	2,347	3,075	198	7,964	22,021
At 31 December 2024									
and 1 January 2025	5,102	3,228	107	-	2,347	3,075	198	7,964	22,021
Credit/(charged) to profit or loss	(334)	(952)	(16)	3,001	(579)	101	10	(909)	322
Deferred tax credited to other reserve during the period	-	-	-	-	-	9,412	-	-	9,412
Gross deferred tax assets at 30 September 2025	4,768	2,276	91	3,001	1,768	12,588	208	7,055	31,755

32. DEFERRED TAX (continued)**The Group(continued)****Deferred tax liabilities**

	Financial assets measured at fair value RMB'000	Accrued interest income RMB'000	Depreciation allowance in excess of related depreciation RMB'000	Right-of-use assets RMB'000	Equity investments designated at fair value through other comprehensive income RMB'000	Total RMB'000
At 1 January 2022	-	-	25,723	-	-	25,723
Deferred tax charged to profit or loss during the year	897	3,546	11,596	2,300	-	18,339
Gross deferred tax liabilities at 31 December 2022	897	3,546	37,319	2,300	-	44,062
At 31 December 2022 and 1 January 2023	897	3,546	37,319	2,300	-	44,062
Deferred tax charged to profit or loss during the year	1,646	2,233	(5,617)	(1,748)	-	(3,486)
Gross deferred tax liabilities at 31 December 2023	2,543	5,779	31,702	552	-	40,576
At 31 December 2023 and 1 January 2024	2,543	5,779	31,702	552	-	40,576
Deferred tax charged to profit or loss during the year	654	638	10,865	1,739	-	13,896
Gross deferred tax liabilities at 31 December 2024	3,197	6,417	42,567	2,291	-	54,472
At 31 December 2024 and 1 January 2025	3,197	6,417	42,567	2,291	-	54,472
Deferred tax charged to profit or loss during the period	(1,429)	1,062	3,519	(607)	-	2,545
Deferred tax charged to other comprehensive income during the period	-	-	-	-	1,527	1,527
Gross deferred tax liabilities at 30 September 2025	1,768	7,479	46,086	1,684	1,527	58,544

32. DEFERRED TAX (continued)**The Group(continued)**

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position.

Deferred tax assets have not been recognised in respect of the following items:

	2022	31 December	2024	30
	RMB'000	RMB'000	RMB'000	September
				2025
				RMB'000
Tax losses	4,398	6,848	14,271	26,170
Deductible differences	23	14	74	198
	<u>23</u>	<u>14</u>	<u>74</u>	<u>198</u>

The above accumulated tax losses will expire in one to ten years for offsetting against future taxable profits of the companies located in Mainland China in which the tax losses arose.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilised.

32. DEFERRED TAX (continued)

The Company

The movements in deferred tax assets and liabilities during the Relevant Periods are as follows:

Deferred tax assets

	Impairment of trade and other receivables RMB'000	Impairment of inventories RMB'000	Impairment of property, plant and equipment RMB'000	Leases liabilities RMB'000	Equity-settled share-based payment RMB'000	Government grants RMB'000	Total RMB'000
At 1 January 2022 (Debited)/credited to profit or loss	2,622 579	1,503 949	926 (253)	263 2,191	4,589 (3,429)	3,865 1,245	13,768 4,675
Deferred tax credited to other reserve during the year	-	-	-	-	(3,429)	-	(3,429)
Gross deferred tax assets at 31 December 2022	3,201	2,452	673	2,454	1,124	5,110	15,014
At 31 December 2022 and 1 January 2023 (Debited)/credited to profit or loss	3,201 875	2,452 (747)	673 (18)	2,454 (1,897)	1,124 (1,013)	5,110 780	15,014 (2,020)
Deferred tax credited to other reserve during the year	-	-	-	-	(111)	-	(111)
Gross deferred tax assets at 31 December 2023	4,076	1,705	655	557	-	5,890	12,883
At 31 December 2023 and 1 January 2024 Credited/(debited) to profit or loss	4,076 347	1,705 302	655 (548)	557 1,790	- 789	5,890 2,003	12,883 4,683
Deferred tax credited to other reserve during the year	-	-	-	-	2,286	-	2,286
Gross deferred tax assets at 31 December 2024	4,423	2,007	107	2,347	3,075	7,893	19,852
At 31 December 2024 and 1 January 2025 Credited/(debited) to profit or loss Deferred tax credited to other reserve during the period	4,423 (43)	2,007 (968)	107 (16)	2,347 (579)	3,075 100	7,893 (904)	19,852 (2,410)
Gross deferred tax assets at 30 September 2025	4,380	1,039	91	1,768	12,588	6,989	26,855

32. DEFERRED TAX (continued)**The Company (continued)****Deferred tax liabilities**

	Financial assets measured at fair value RMB'000	Accrued interest income RMB'000	Depreciation allowance in excess of related depreciation RMB'000	Right-of-use assets RMB'000	Equity investments designated at fair value through other comprehensive income RMB'000	Total RMB'000
At 1 January 2022	-	-	25,723	-	-	25,723
Deferred tax charged/(credited) to profit or loss during the year	897	3,546	(4,379)	2,300	-	2,364
Gross deferred tax liabilities at 31 December 2022	897	3,546	21,344	2,300	-	28,087
At 31 December 2022 and 1 January 2023	897	3,546	21,344	2,300	-	28,087
Deferred tax charged/(credited) to profit or loss during the year	1,646	2,233	(4,135)	(1,748)	-	(2,004)
Gross deferred tax liabilities at 31 December 2023	2,543	5,779	17,209	552	-	26,083
At 31 December 2023 and 1 January 2024	2,543	5,779	17,209	552	-	26,083
Deferred tax charged/(credited) to profit or loss during the year	(58)	638	5,174	1,739	-	7,493
Gross deferred tax liabilities at 31 December 2024	2,485	6,417	22,383	2,291	-	33,576
At 31 December 2024 and 1 January 2025	2,485	6,417	22,383	2,291	-	33,576
Deferred tax charged/(credited) to profit or loss during the year	(1,305)	1,062	(2,549)	(607)	-	(3,399)
Deferred tax charged to other comprehensive income during the period	-	-	-	-	1,527	1,527
Gross deferred tax liabilities at 30 September 2025	1,180	7,479	19,834	1,684	1,527	31,704

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position.

33. SHARE CAPITAL AND TREASURY SHARES**The Group and the Company**

	31 December			30 September
	2022	2023	2024	2025
	Number of shares	Number of shares	Number of shares	Number of shares
Registered, issued and fully paid: ordinary shares	<u>171,301,664</u>	<u>171,008,218</u>	<u>240,203,500</u>	<u>240,708,200</u>

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

	Number of shares in issue	Share capital RMB'000	Number of Treasury shares	Treasury shares RMB'000
At 1 January 2022	171,434,720	171,435	762,720	16,510
Issue of shares under the 2021 Restricted Share Scheme (note(a))	149,280	149	149,280	4,686
Repurchase of restricted shares forfeited during the year (note(b))	(282,336)	(282)	(282,336)	(6,105)
Dividends declared	-	-	-	(180)
At 31 December 2022	<u>171,301,664</u>	<u>171,302</u>	<u>629,664</u>	<u>14,911</u>
Repurchase of restricted shares forfeited during the year (note(c))	(293,446)	(294)	(293,446)	(7,021)
Dividends declared	-	-	-	(107)
At 31 December 2023	<u>171,008,218</u>	<u>171,008</u>	<u>336,218</u>	<u>7,783</u>
Issue of shares under the 2024 Restricted Share Scheme (note(d))	1,262,700	1,263	1,262,700	26,959
Issuance of bonus shares (note(e))	68,403,287	68,403	134,487	-
Repurchase of restricted shares forfeited during the year (note(f))	(470,705)	(470)	(470,705)	(7,504)
Dividends declared	-	-	-	(279)
At 31 December 2024	<u>240,203,500</u>	<u>240,204</u>	<u>1,262,700</u>	<u>26,959</u>
Exercise of share options (note(g))	511,700	511	-	-
Vesting of restricted shares (note(g))	-	-	(627,850)	(13,584)
Repurchase of restricted shares forfeited during the year (note(h))	(7,000)	(7)	(7,000)	(149)
Dividends declared	-	-	-	(179)
At 30 September 2025	<u>240,708,200</u>	<u>240,708</u>	<u>627,850</u>	<u>13,047</u>

33. SHARE CAPITAL AND TREASURY SHARES (continued)

A summary of movements in the Company's share capital and treasury shares is as follows: (continued)

Notes:

- (a) On 9 March 2022, the Company issued 149,280 restricted shares under the 2021 Restricted Share Scheme and received the whole repurchase fee of RMB 4,686,000 from all the participants. An amount of RMB 4,537,000 was credited to the Company's capital reserve.
- (b) From 9 March 2022 to 7 September 2022, the Company repurchased 282,336 forfeited restricted shares under the 2021 Restricted Share Scheme from related participants as the vesting conditions were not satisfied.
- (c) On 20 April 2023, the Company repurchased 293,446 forfeited restricted shares under the 2021 Restricted Share Scheme from related participants as the vesting conditions were not satisfied.
- (d) On 28 August 2024, the Company issued 1,262,700 restricted shares under the 2024 Restricted Share Scheme and received the whole repurchase fee of RMB 26,959,000 from all the participants. An amount of RMB 25,696,000 was credited to the Company's capital reserve.
- (e) Pursuant to the resolution of the general meeting of shareholders of the Company on 29 March 2024, an issuance of bonus shares using capital reserve in an aggregate amount of RMB 68,403,000 for all the registered shareholders of the Company on a basis of 4 shares for every 10 ordinary shares has been approved.
- (f) On 8 May 2024, the Company repurchased 470,705 forfeited restricted shares under the 2021 Restricted Share Scheme from related participants as the vesting conditions were not satisfied.
- (g) In August and September 2025, 511,700 share options were exercised and 627,850 restricted shares were vested under the 2024 Share Incentive Scheme as the vesting conditions were satisfied.
- (h) In July 2025, the Company repurchased 7,000 forfeited restricted shares under the 2024 Share Incentive Scheme from related participants as the vesting conditions were not satisfied.

34. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the Relevant Periods and the nine months ended 30 September 2024 are presented in the consolidated statements of changes in equity.

Capital reserve

The capital reserve represents the difference between the par value of the shares issued and the consideration received.

Share option reserve

Share option reserve represents the share-based compensation reserve due to equity-settled share award, details of which were set out in note 35 to the Financial Statements.

Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations with functional currency other than RMB. The reserve is dealt with in accordance with the accounting policies set out in note 2.3 to the Financial Statements.

Fair value reserve

The fair value reserve represents fair value changes of equity investments designated at fair value through other comprehensive income.

Statutory surplus reserve

In accordance with the Company Law of the PRC, companies registered in the PRC are required to allocate 10% of the statutory after-tax profits to the statutory surplus reserve until the cumulative total of the reserve reaches 50% of its registered capital. The statutory surplus reserve may be used to offset accumulated losses or be converted to increase the registered capital of such companies subject to approval from the relevant PRC authorities. The statutory surplus reserve is not available for dividend distribution to shareholders of such companies.

34. RESERVES (continued)**The Company**

The amounts of the Company's reserves and the movements therein for the Relevant Periods and nine months ended 30 September 2024 are presented as follows:

Year ended 31 December 2022

	Capital reserve	Share option reserve	Fair value reserve	Statutory surplus reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022	1,903,089	10,530	8,859	68,347	690,679	2,681,504
Profit for the year	-	-	-	-	136,724	136,724
Other comprehensive income for the year:						
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	3,907	-	-	3,907
Total comprehensive income for the year	-	-	3,907	-	136,724	140,631
Issuance of restricted shares	4,537	-	-	-	-	4,537
Repurchase of restricted shares forfeited during the year	(6,049)	-	-	-	226	(5,823)
Share-based payment expenses	-	(1,110)	-	-	-	(1,110)
Transfer to retained earnings	-	-	-	13,672	(13,672)	-
Dividends declared	-	-	-	-	(34,286)	(34,286)
At 31 December 2022	<u>1,901,577</u>	<u>9,420</u>	<u>12,766</u>	<u>82,019</u>	<u>779,671</u>	<u>2,785,453</u>

Shenzhen Zhaowei Machinery & Electronics Co., Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. RESERVES (continued)

The Company(continued)

Year ended 31 December 2023

	Capital reserve	Share option reserve	Fair value reserve	Statutory surplus reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	1,901,577	9,420	12,766	82,019	779,671	2,785,453
Profit for the year	-	-	-	-	110,994	110,994
Other comprehensive income for the year:						
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	(1,008)	-	-	(1,008)
Total comprehensive income for the year	-	-	(1,008)	-	110,994	109,986
Repurchase of restricted shares forfeited during the year	(6,969)	-	-	-	242	(6,727)
Share-based payment expenses	-	(9,420)	-	-	-	(9,420)
Transfer to retained earnings	-	-	-	3,485	(3,485)	-
Dividends declared	-	-	-	-	(29,123)	(29,123)
At 31 December 2023	<u>1,894,608</u>	<u>-</u>	<u>11,758</u>	<u>85,504</u>	<u>858,299</u>	<u>2,850,169</u>

34. RESERVES (continued)**The Company(continued)****Year ended 31 December 2024**

	Capital reserve	Share option reserve	Fair value reserve	Statutory surplus reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	1,894,608	-	11,758	85,504	858,299	2,850,169
Profit for the year	-	-	-	-	155,489	155,489
Other comprehensive income for the year:						
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	(639)	-	-	(639)
Total comprehensive income for the year	-	-	(639)	-	155,489	154,850
Issuance of restricted shares	25,696	-	-	-	-	25,696
Repurchase of restricted shares forfeited during the year	(7,607)	-	-	-	573	(7,034)
Share-based payment expenses	-	7,550	-	-	-	7,550
Transfer to retained earnings	-	-	-	15,516	(15,516)	-
Dividends declared	-	-	-	-	(94,055)	(94,055)
Issue of bonus shares	(68,403)	-	-	-	-	(68,403)
At 31 December 2024	<u>1,844,294</u>	<u>7,550</u>	<u>11,119</u>	<u>101,020</u>	<u>904,790</u>	<u>2,868,773</u>

Shenzhen Zhaowei Machinery & Electronics Co., Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. RESERVES (continued)

The Company (continued)

Nine months ended 30 September 2025

	Capital reserve	Share option reserve	Fair value reserve	Statutory surplus reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	1,844,294	7,550	11,119	101,020	904,790	2,868,773
Profit for the period	-	-	-	-	233,415	233,415
Other comprehensive income for the period:						
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	(2,987)	-	-	(2,987)
Total comprehensive income for the period	-	-	(2,987)	-	233,415	230,428
Exercise of share options	27,914	(679)	-	-	-	27,235
Vesting of restricted shares	17,838	(9,788)	-	-	-	8,050
Repurchase of restricted shares forfeited during the period	-	(142)	-	-	-	(142)
Share-based payment expenses	-	20,554	-	-	-	20,554
Dividends declared	-	-	-	-	(68,458)	(68,458)
At 30 September 2025	<u>1,890,046</u>	<u>17,495</u>	<u>8,132</u>	<u>101,020</u>	<u>1,069,747</u>	<u>3,086,440</u>

Shenzhen Zhaowei Machinery & Electronics Co., Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

34. RESERVES (continued)

The Company (continued)

Nine months ended 30 September 2024 (unaudited)

	Capital reserve RMB'000	Share option reserve RMB'000	Fair value reserve RMB'000	Statutory surplus reserve RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2024	1,894,608	-	11,758	85,504	858,299	2,850,169
Profit for the period	-	-	-	-	116,613	116,613
Other comprehensive income for the period:						
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	(1,004)	-	-	(1,004)
			-			
Total comprehensive income for the period	-	-	(1,004)	-	116,613	115,609
Issuance of restricted shares	25,696	-	-	-	-	25,696
Repurchase of restricted shares forfeited during the period	(7,607)	-	-	-	480	(7,127)
Share-based payment expenses	-	1,370	-	-	-	1,370
Dividends declared	-	-	-	-	(94,055)	(94,055)
Issue of bonus shares	(68,403)	-	-	-	-	(68,403)
At 30 September 2024 (unaudited)	<u>1,844,294</u>	<u>1,370</u>	<u>10,754</u>	<u>85,504</u>	<u>881,337</u>	<u>2,823,259</u>

35. SHARE-BASED PAYMENTS

The Company operates share-based payment scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

2021 Share Incentive Scheme

2021 Share Incentive Scheme of the Company which became effective on 25 February 2021 and will remain in force for fifty months from that date. In February 2021, 476,700 restricted shares and 1,906,800 share options of the Company were granted to 135 eligible employees with the exercise price for each share of RMB35.63 and RMB 71.25 (subject to adjustment for cash dividends and bonus issues), respectively. The vesting periods for shares granted are 14 months, 26 months and 38 months from the grant date, with 30%, 30% and 40% of shares being vested respectively, if the service and performance conditions can be met. In March 2021, the number of granted restricted shares increased to 762,720 shares due to a bonus issue pursuant to the resolution of the general meeting of shareholders of the Company.

In February 2022, 149,280 restricted shares and 597,120 share options of the Company were granted to 29 eligible employees with the exercise price for each share of RMB31.39 and RMB62.77 (subject to adjustment for cash dividends and bonus issues), respectively. The vesting periods for shares granted are 14 months and 26 months from the grant date, with 50% and 50% of shares being vested respectively, if the service and performance conditions can be met.

35. SHARE-BASED PAYMENTS (continued)

2021 Share Incentive Scheme (continued)

The following table summarises the Company's 2021 Share Incentive Scheme activities during the Relevant Periods:

	Number of Share options	Number of Restricted shares
At 1 January 2022	1,921,536	480,384
Granted during the year	597,120	149,280
Forfeited during the year	<u>(1,173,784)</u>	<u>(293,446)</u>
At 31 December 2022	<u>1,344,872</u>	<u>336,218</u>
Forfeited during the year	<u>(1,344,872)</u>	<u>(336,218)</u>
At 31 December 2023	<u>-</u>	<u>-</u>

The fair value of the share options at the grant date, was determined using a Black-Scholes model. Key assumptions used in determining the fair value were as follows:

	Grant date 25 February 2021	Grant date 21 February 2022
Share price at the grant date	66.13	59.79
Exercise price	71.25	62.77
Risk-free interest rate (%)	2.59-2.84	1.98-2.26
Volatility (%)	24.04-24.21	17.16-20.59
Expected life of options (years)	1-3	1-2

For the year ended 31 December 2022, the Group recognised share-based payment expenses of RMB 2,319,000. As at 31 December 2023, as the performance conditions were not met, the granted restricted shares and share options were forfeited, resulting a reversal of share-based payment expenses of RMB 9,309,000 recognised for the year ended 31 December 2023.

35. SHARE-BASED PAYMENTS (continued)

2024 Share Incentive Scheme

On 28 August 2024, the Company granted 1,262,700 restricted shares of the Company to 120 eligible employees and 1,262,700 share options of the Company to 123 eligible employees with the exercise price for each share of RMB21.35 and RMB42.70, respectively. The vesting periods for shares granted are 12 months and 24 months from the grant date, with 50% and 50% of shares being vested respectively, if the service and performance conditions can be met.

The exercise price of the share options is subject to adjustment in the case of rights or bonus share issues, dividends declare or other similar changes in the Company's share capital.

On 14 August 2025, the Company adjusted the exercise price of the share options to RMB42.42 as a result of the dividends declared by the Company in 2025.

The following table summarises the Company's 2024 Share Incentive Scheme activities during the Relevant Periods:

	Number of Share options	Number of Restricted shares
At 1 January 2024	-	-
Granted during the year	<u>1,262,700</u>	<u>1,262,700</u>
At 31 December 2024	<u>1,262,700</u>	<u>1,262,700</u>
Exercised during the period	(511,700)	-
Vested during the period	-	(627,850)
Forfeited during the period	<u>(7,000)</u>	<u>(7,000)</u>
At 30 September 2025	<u>744,000</u>	<u>627,850</u>

Shenzhen Zhaowei Machinery & Electronics Co., Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

35. SHARE-BASED PAYMENTS (continued)

The fair value of the share options at the grant date, was determined using a Black-Scholes model. Key assumptions used in determining the fair value were as follows:

	Grant date 8 August 2024
Share price at the grant date	36.94
Exercise price	42.70
Risk-free interest rate (%)	1.50-2.10
Volatility (%)	18.47-20.82
Expected life of options (years)	1-2

During the year ended 31 December 2024 and nine months ended 30 September 2025, the Group recognised share-based payment expense of RMB 5,264,000 and RMB 11,142,000, respectively.

36. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS**(a) Major non-cash transactions**

- (1) During the Relevant Periods and the nine months ended 30 September 2024, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB 1,148,000, Nil, RMB 12,439,000, Nil and RMB 2,058,000 respectively, in respect of lease arrangements for factory, office premises.
- (2) During the Relevant Periods and the nine months ended 30 September 2024, the Group had non-cash decrease to notes receivables and interest-bearing bank borrowings of RMB 20,553,000, RMB22,608,000, RMB 60,128,000, RMB 30,542,000 and RMB 9,639,000 respectively, in respect of the discounted notes receivable that are not derecognised.

(b) Changes in liabilities arising from financing activities

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

	Interest bearing bank borrowings RMB'000	Dividend Payable RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2022	5,437	475	29,041	34,953
Addition	-	34,286	1,148	35,434
Changes from financing cash flow	52,759	(34,060)	(12,389)	6,310
Changes from non-cash transactions	(20,553)	(272)	-	(20,825)
Accretion of interest	2,096	-	1,036	3,132
Disposal	-	-	(1,667)	(1,667)
At 31 December 2022 and 1 January 2023	<u>39,739</u>	<u>429</u>	<u>17,169</u>	<u>57,337</u>
Addition	-	29,123	-	29,123
Changes from financing cash flow	21,406	(28,881)	(4,398)	(11,873)
Changes from non-cash transactions	(22,608)	(377)	-	(22,985)
Accretion of interest	2,444	-	890	3,334
Disposal	-	-	(9,536)	(9,536)
At 31 December 2023 and 1 January 2024	<u>40,981</u>	<u>294</u>	<u>4,125</u>	<u>45,400</u>
Addition	-	94,055	12,439	106,494
Changes from financing cash flow	157,914	(93,482)	(4,576)	59,856
Changes from non-cash transactions	(60,128)	(867)	-	(60,995)
Accretion of interest	2,213	-	198	2,411
Disposal	-	-	(563)	(563)
At 31 December 2024 and 1 January 2025	<u>140,980</u>	<u>-</u>	<u>11,623</u>	<u>152,603</u>

Shenzhen Zhaowei Machinery & Electronics Co., Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

36. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

	Interest bearing bank borrowings RMB'000	Dividend Payable RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2025	140,980	-	11,623	152,603
Addition	-	68,458	-	68,458
Changes from financing cash flow	31,922	(68,014)	(3,674)	(39,766)
Changes from non-cash transactions	(30,542)	(179)	-	(30,721)
Accretion of interest	2,134	-	364	2,498
At 30 September 2025	<u>144,494</u>	<u>265</u>	<u>8,313</u>	<u>153,072</u>
At 1 January 2024	40,981	294	4,125	45,400
Addition	-	94,055	2,058	96,113
Changes from financing cash flow	6,716	(93,482)	(3,856)	(90,622)
Changes from non-cash transactions	(9,639)	(867)	-	(10,506)
Accretion of interest	2,182	-	108	2,290
At 30 September 2024 (unaudited)	<u>40,240</u>	<u>-</u>	<u>2,435</u>	<u>42,675</u>

(c) Total cash outflow for leases

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

	Year ended 31 December			Nine months ended 30 September	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
Within financing activities	<u>12,389</u>	<u>4,398</u>	<u>4,576</u>	<u>3,856</u>	<u>3,674</u>

Shenzhen Zhaowei Machinery & Electronics Co., Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. COMMITMENTS

The Group had the following capital commitments at the end of each Relevant Periods.

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
Contracted, but not provided for items of property, plant and equipment	<u>324,814</u>	<u>144,146</u>	<u>116,950</u>	<u>84,773</u>

38. RELATED PARTY TRANSACTIONS

The Directors are of the view that the following companies are related parties that have material transactions or balances with the Group during the Relevant Periods and the nine months ended 30 September 2024.

(a) Name and relationships of the related parties

Name	Relationship
Linked Intelligent	Associate
Jiangsu Lingke Huizhi Technology Co., Ltd	A subsidiary of Linked Intelligent

Shenzhen Zhaowei Machinery & Electronics Co., Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

38. RELATED PARTY TRANSACTIONS (continued)

(b) The Group had the following transactions with related parties during the Relevant Periods and nine months ended 30 September 2024:

	Year ended 31 December			Nine months ended 30 September	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
Purchases of products from:					
Linked Intelligent	<u>-</u>	<u>-</u>	<u>232</u>	<u>-</u>	<u>181</u>
Purchases of services from:					
Linked Intelligent	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,940</u>
Sales of products to:					
Linked Intelligent	-	55	149	146	100
Jiangsu Lingke Huizhi Technology Co., Ltd	<u>-</u>	<u>-</u>	<u>138</u>	<u>109</u>	<u>981</u>

The above purchase and sales of products were made according to the published prices and terms agreed between the parties.

Shenzhen Zhaowei Machinery & Electronics Co., Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

38. RELATED PARTY TRANSACTIONS (continued)

(c) Outstanding balances with related parties:

	31 December			30 September
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2025 RMB'000
Trade receivables:				
Linked Intelligent*	-	23	-	-
Jiangsu Lingke Huizhi Technology Co., Ltd*	-	-	73	1,001
Total	<u>-</u>	<u>23</u>	<u>73</u>	<u>1,001</u>
Contract liabilities:				
Linked Intelligent*	<u>-</u>	<u>-</u>	<u>86</u>	<u>-</u>

* The balances with related parties are trade in nature.

(d) Compensation of key management personnel of the Group

	Year ended 31 December			Nine months ended 30 September	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
Salaries, allowances and benefits in kind	5,668	6,042	6,014	4,241	4,216
Performance related bonuses	1,814	2,655	5,828	2,472	2,143
Pension scheme contributions	367	370	376	280	291
Equity-settled share- based payments expenses	<u>102</u>	<u>(867)</u>	<u>621</u>	<u>267</u>	<u>2,233</u>
	<u>7,951</u>	<u>8,200</u>	<u>12,839</u>	<u>7,260</u>	<u>8,883</u>

Further details of directors' and the chief executive's remuneration are included in note 8 to the Financial Statements.

39. FINANCIAL INSTRUMENTS BY CATEGORY

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

	31 December			30
	2022	2023	2024	September
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Financial assets				
Financial assets at fair value through profit or loss	<u>725,036</u>	<u>947,662</u>	<u>904,226</u>	<u>782,512</u>
Financial assets at fair value through other comprehensive income:				
Debt investments at fair value through other comprehensive income	599,354	911,225	928,701	1,154,391
Equity investments designated at fair value through other comprehensive income	<u>17,767</u>	<u>17,659</u>	<u>17,020</u>	<u>35,560</u>
Financial assets at amortised cost:				
Trade and notes receivables	383,515	433,725	577,495	553,035
Financial assets included in prepayments, other receivables and other assets	2,573	2,847	4,837	12,436
Time deposits with original maturity of over three months	573,636	80,021	80,734	15,130
Restricted bank deposits	2,438	39,864	62	62
Cash and cash equivalents	<u>145,014</u>	<u>91,734</u>	<u>224,817</u>	<u>211,312</u>
Total	<u>2,449,333</u>	<u>2,524,737</u>	<u>2,737,892</u>	<u>2,764,383</u>
<u>Financial liabilities</u>				
Financial liabilities at fair value through profit or loss	<u>-</u>	<u>-</u>	<u>21,536</u>	<u>-</u>
Financial liabilities at amortised cost:				
Trade and notes payables	346,345	408,678	434,335	447,013
Financial liabilities included in other payables and accruals	59,876	97,390	97,299	55,080
Interest-bearing bank borrowings	39,739	40,981	140,980	144,494
Lease liabilities	<u>17,169</u>	<u>4,125</u>	<u>11,623</u>	<u>8,313</u>
Total	<u>463,129</u>	<u>551,174</u>	<u>705,773</u>	<u>654,900</u>

40. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

- (a) At 31 December 2022, 2023, 2024 and 30 September 2025, the Group discounted certain notes receivable accepted by banks in Mainland China and letter of credit (the "Discounted Notes and L/C") with a carrying amount in aggregate of RMB10,712,000, RMB5,954,000, RMB 131,974,000 and RMB 144,494,000. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Discounted Notes, and accordingly, it continued to recognise the full carrying amounts of the Discounted Notes and the associated borrowings. Subsequent to the discounting, the Group did not retain any rights on the use of the Discounted Notes, including the sale, transfer or pledge of the Discounted Notes to any other third parties. The aggregate carrying amount of Discounted Notes during the relevant Periods and the nine months ended 30 September 2024 was RMB 23,759,000, RMB 15,406,000, RMB 183,914,000, RMB 320,179,000 and RMB 29,253,000, respectively.
- (b) At 31 December 2022, 2023, 2024 and 30 September 2025, the Group endorsed certain notes receivable accepted by banks in Chinese Mainland China (the "Endorsed Notes") with a carrying amount of Nil, RMB 300,000, RMB 1,556,000 and RMB 5,701,000 to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Notes, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Notes and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Notes, including the sale, transfer or pledge of the Endorsed Notes to any other third parties. The aggregate carrying amount of the trade payables settled by the Endorsed Notes during the Relevant Periods and the nine months ended 30 September 2024 to which the suppliers have recourse was RMB 410,000, RMB 8,890,000, RMB 49,330,000, RMB 64,043,000 and RMB 46,341,000, respectively.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

40. TRANSFERS OF FINANCIAL ASSETS (continued)

Transferred financial assets that are derecognised in their entirety

At 31 December 2022, 2023, 2024 and 30 September 2025, the Group discounted and endorsed certain notes receivable accepted by banks in Mainland China (the "Derecognised Notes") to a bank with a carrying amount in aggregate of RMB 71,845,000, RMB 190,007,000, RMB 230,716,000 and RMB 176,716,000. The Derecognised Notes had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Notes may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Notes, including the Group, in disregard of the order of precedence. In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Notes is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Notes. Accordingly, it has derecognised the full carrying amounts of the Derecognised Notes and the associated borrowings.

During the Relevant Periods and the nine months ended 30 September 2024, the Group has recognised loss of RMB 1,313,000, RMB 1,392,000, RMB 730,000, RMB 515,000 and RMB 600,000 on the date of transfer of the Derecognised Notes. The endorsement has been made evenly throughout the year.

41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, financial assets included in prepayments, other receivables and other assets, trade and notes receivables, trade payables, interest-bearing bank borrowings, financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each Relevant Periods, the finance department analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the directors of the Company once a year for annual financial reporting.

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

The fair values of unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable and immaterial, and that they were the most appropriate values at the end of the reporting period.

The Group invests in unlisted investments, which represent wealth management products issued by several certified financial institutions in Mainland China. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

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

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

As at 31 December 2022

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average P/S multiple of peers	5.80 to 28.00	5% increase/ decrease in multiple would result in increase/ decrease in fair value by RMB 895,000

As at 31 December 2023

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average P/S multiple of peers	5.60 to 15.80	5% increase/ decrease in multiple would result in increase/ decrease in fair value by RMB 793,000

As at 31 December 2024

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average P/S multiple of peers	4.30 to 11.60	5% increase/ decrease in multiple would result in increase/ decrease in fair value by RMB 749,000
	Cost Approach	Recent Transaction Valuation	N/A	N/A

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

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

As at 30 September 2025

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average P/S multiple of peers	1.0 to 14.0	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB 787,000
	Cost Approach	Recent Transaction Valuation	N/A	N/A

**41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS
(continued)****Fair value hierarchy**

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

Assets measured at fair value:

At 31 December 2022

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	-	725,036	-	725,036
Debt investments at fair value through other comprehensive income	-	599,354	-	599,354
Equity investments designated at fair value through other comprehensive income	-	-	17,767	17,767

At 31 December 2023

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	-	947,662	-	947,662
Debt investments at fair value through other comprehensive income	-	911,225	-	911,225
Equity investments designated at fair value through other comprehensive income	-	-	17,659	17,659

**41. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS
(continued)****Fair value hierarchy (continued)***Assets measured at fair value: (continued)***At 31 December 2024**

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	-	904,226	-	904,226
Debt investments at fair value through other comprehensive income	-	928,701	-	928,701
Equity investments designated at fair value through other comprehensive income	-	-	17,020	17,020

At 30 September 2025

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial assets at fair value through profit or loss	-	782,512	-	782,512
Debt investments at fair value through other comprehensive income	-	1,154,391	-	1,154,391
Equity investments designated at fair value through other comprehensive income	-	-	35,560	35,560

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Fair value hierarchy (continued)

Liabilities measured at fair value:

At 31 December 2024

	Fair value measurement using			Total RMB'000
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	
Financial liabilities at fair value through profit or loss	-	21,536	-	21,536

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

Fair value hierarchy (continued)

The movements in fair value measurements within Level 3 during the Relevant Periods are as follows:

	Unlisted equity investments RMB'000
Financial assets at fair value through other comprehensive income	
At 1 January 2022	13,860
Changes in fair value of financial assets at fair value through other comprehensive income	3,907
At 31 December 2022 and 1 January 2023	17,767
Additions	900
Changes in fair value of financial assets at fair value through other comprehensive income	(1,008)
At 31 December 2023 and 1 January 2024	17,659
Changes in fair value of financial assets at fair value through other comprehensive income	(639)
At 31 December 2024 and 1 January 2025	17,020
Additions	20,000
Changes in fair value of financial assets at fair value through other comprehensive income	(1,460)
At 30 September 2025	<u>35,560</u>

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

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings, financial assets at fair value through profit or loss and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities which arise directly from its operations.

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

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the interest-bearing bank borrowings with floating interest rates. The Group's policy is to manage its interest cost using variable rate debts. The directors of the Group believe that the cash flow risk exposure arising from floating-rate bank borrowings is not significant. The Group continuously monitors interest rate levels and, in the event that market expectations for interest rate hikes are clear or interest rates are expected to rise, the Group will leverage its credit rating and differentiated financing advantages to replace floating-rate debt facing interest rate hike risks with other financing instruments.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations.

The following table demonstrates the sensitivity at the end of each Relevant Periods to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's profit after tax.

	Increase/ (decrease) in foreign exchange rate %	Decrease/ (increase) in profit after tax RMB'000
Year ended 31 December 2022		
If RMB weakens against the USD	5	3,821
If RMB strengthens against the USD	(5)	(3,821)
Year ended 31 December 2023		
If RMB weakens against the USD	5	3,703
If RMB strengthens against the USD	(5)	(3,703)
Year ended 31 December 2024		
If RMB weakens against the USD	5	5,807
If RMB strengthens against the USD	(5)	(5,807)
Period ended 30 September 2025		
If RMB weakens against the USD	5	6,524
If RMB strengthens against the USD	(5)	(6,524)

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)*Credit risk*

The Group trades only with recognised and creditworthy parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, pledged deposits, financial assets included in prepayments, other receivables and other assets, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

For financial assets included in prepayments, other receivables and other assets, management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The directors believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

Maximum exposure and year-end staging

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

The amounts presented are gross carrying amounts for financial assets.

At 31 December 2022

	12-month ECLs	Lifetime ECLs			Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade receivables*	-	-	-	388,154	388,154
Notes receivables	14,883	-	-	-	14,883
Financial assets included in prepayments, other receivables and other assets					
-Normal**	4,510	-	-	-	4,510
Restricted bank deposits	2,438	-	-	-	2,438
Time deposits	573,636	-	-	-	573,636
Cash and cash equivalents	145,014	-	-	-	145,014
Total	740,481	-	-	388,154	1,128,635

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Maximum exposure and year-end staging (continued)

At 31 December 2023

	12-month ECLs	Lifetime ECLs			Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade receivables*	-	-	-	445,957	445,957
Notes receivables	13,636	-	-	-	13,636
Financial assets included in prepayments, other receivables and other assets					
-Normal**	4,737	-	-	-	4,737
Restricted bank deposits	39,864	-	-	-	39,864
Time deposits	80,021	-	-	-	80,021
Cash and cash equivalents	91,734	-	-	-	91,734
Total	<u>229,992</u>	<u>-</u>	<u>-</u>	<u>445,957</u>	<u>675,949</u>

At 31 December 2024

	12-month ECLs	Lifetime ECLs			Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade receivables*	-	-	-	579,686	579,686
Notes receivables	30,995	-	-	-	30,995
Financial assets included in prepayments, other receivables and other assets					
-Normal**	5,742	-	-	-	5,742
Restricted bank deposits	62	-	-	-	62
Time deposits	80,734	-	-	-	80,734
Cash and cash equivalents	224,817	-	-	-	224,817
Total	<u>342,350</u>	<u>-</u>	<u>-</u>	<u>579,686</u>	<u>922,036</u>

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)*Maximum exposure and year-end staging (continued)***At 30 September 2025**

	12-month ECLs	Lifetime ECLs			Simplified approach RMB'000	Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000			
Trade receivables*	-	-	-	543,196	543,196	
Notes receivables	40,919	-	-	-	40,919	
Financial assets included in prepayments, other receivables and other assets						
-Normal**	13,421	-	-	-	13,421	
Restricted bank deposits	62	-	-	-	62	
Time deposits	15,130				15,130	
Cash and cash equivalents	<u>211,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>211,312</u>	
Total	<u>280,844</u>	<u>-</u>	<u>-</u>	<u>543,196</u>	<u>824,040</u>	

* For trade receivables at the end of each Relevant Periods, the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 21 to the Financial Statements.

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

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)*Liquidity risk*

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade and notes receivables) and projected cash flows from operations.

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

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

At 31 December 2022

	Less than 12 months or on demand	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and notes payables	346,345	-	-	346,345
Interest-bearing bank borrowings	40,356	-	-	40,356
Financial liabilities included in other payables and accruals	59,876	-	-	59,876
Lease liabilities	10,355	7,473	-	17,828
Total	<u>456,932</u>	<u>7,473</u>	<u>-</u>	<u>464,405</u>

At 31 December 2023

	Less than 12 months or on demand	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and notes payables	408,678	-	-	408,678
Interest-bearing bank borrowings	41,523	-	-	41,523
Financial liabilities included in other payables and accruals	97,390	-	-	97,390
Lease liabilities	3,928	277	-	4,205
Total	<u>551,519</u>	<u>277</u>	<u>-</u>	<u>551,796</u>

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

At 31 December 2024

	Less than 12 months or on demand	1 to 5 years	Over 5 years	Total
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Trade and notes payables	434,335	-	-	434,335
Interest-bearing bank borrowings	141,286	-	-	141,286
Financial liabilities included in other payables and accruals	97,299	-	-	97,299
Lease liabilities	4,766	7,444	-	12,210
Financial liabilities at fair value through profit or loss	<u>21,536</u>	<u>-</u>	<u>-</u>	<u>21,536</u>
Total	<u><u>699,222</u></u>	<u><u>7,444</u></u>	<u><u>-</u></u>	<u><u>706,666</u></u>

At 30 September 2025

	Less than 12 months or on demand	1 to 5 years	Over 5 years	Total
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Trade and notes payables	447,013	-	-	447,013
Interest-bearing bank borrowings	144,524	-	-	144,524
Financial liabilities included in other payables and accruals	55,080	-	-	55,080
Lease liabilities	<u>4,354</u>	<u>4,285</u>	<u>-</u>	<u>8,639</u>
Total	<u><u>650,971</u></u>	<u><u>4,285</u></u>	<u><u>-</u></u>	<u><u>655,256</u></u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may issue new shares, make borrowings or sell assets to reduce debt. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

The Group monitors capital using a gearing ratio, which is total interest-bearing liabilities divided by total equity. The Group's policy is to maintain the gearing ratio at a reasonable level.

The gearing ratio as at the end of each of the Relevant Periods was as follows:

	2022	31 December 2023	2024	30 September 2025
	RMB'000	RMB'000	RMB'000	RMB'000
Interest-bearing bank borrowings	39,739	40,981	140,980	144,494
Lease liabilities	17,169	4,125	11,623	8,313
Total interest-bearing liabilities	<u>56,908</u>	<u>45,106</u>	<u>152,603</u>	<u>152,807</u>
Total equity	<u>2,947,091</u>	<u>3,087,682</u>	<u>3,226,211</u>	<u>3,406,966</u>
Gearing ratio	<u>1.9%</u>	<u>1.5%</u>	<u>4.7%</u>	<u>4.5%</u>

43. EVENTS AFTER THE RELEVANT PERIODS

Except otherwise disclosed in the Financial Statements, there were no other significant events that required additional disclosure or adjustments occurred after the end of the Relevant Periods.

44. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27 February 2026.