SHENZHEN WOER HEAT - SHRINKABLE MATERIAL CO., LTD.
深圳市沃爾核材股份有限公司

ACCOUNTANTS' REPORT

FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2025

MOORE

Moore CPA Limited
1001-1010, North Tower, World Finance Centre,
Harbour City, 19 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong

T +852 2375 3180
F +852 2375 3828

www.moore.hk

大華馬施雲會計師事務所有限公司

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHENZHEN WOER HEAT-SHRINKABLE MATERIAL CO., LTD., CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED AND CHINA MERCHANTS SECURITIES (HK) CO., LIMITED

Introduction

We report on the historical financial information of Shenzhen Woer Heat-Shrinkable Material Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages 4 to 97, which comprises the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for each of the years ended December 31, 2022, 2023 and 2024 (the "**Track Record Period**"), the consolidated statements of financial position of the Group as at December 31, 2022, 2023 and 2024 and September 30, 2025, the statements of financial position of the Company as at December 31, 2022, 2023 and 2024 and September 30, 2025, and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages 4 to 97 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated February 5, 2026 (the "**Document**") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

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

Reporting accountants' responsibility

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

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Reporting accountants' responsibility (Continued)

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

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

Opinion

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

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group, which comprises the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the nine months ended September 30, 2024 and other explanatory information (the "**Stub Period Comparative Financial Information**"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the ... and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page 4 have been made.

Dividends

We refer to note 13 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

Yours faithfully,

Moore CPA Limited

Moore CPA Limited
Certified Public Accountants

Hong Kong, February 5, 2026

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended December 31,			Nine months ended September 30,	
		2022	2023	2024	2024	2025
	Notes	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	6	5,336,649	5,718,841	6,920,102	4,815,515	6,076,678
Cost of sales		(3,724,687)	(3,930,200)	(4,809,739)	(3,320,800)	(4,198,941)
Gross profit		1,611,962	1,788,641	2,110,363	1,494,715	1,877,737
Other income, gains and losses	7	91,145	88,339	91,919	62,902	48,884
Selling expenses		(314,238)	(323,933)	(353,553)	(243,306)	(283,870)
Administrative expenses		(248,248)	(297,873)	(345,659)	(215,713)	(235,310)
Research and development expenses		(305,808)	(309,962)	(348,694)	(243,104)	(325,688)
Share of results of associates		6,060	9,877	9,807	9,288	4,164
Finance costs	8	(89,595)	(66,778)	(60,439)	(44,933)	(39,273)
Impairment losses on financial assets, net	9	(23,922)	(15,434)	(29,881)	(7,504)	(9,922)
Listing expenses		–	–	–	–	(636)
Profit before taxation	9	727,356	872,877	1,073,863	812,345	1,036,086
Income tax expense	10	(67,109)	(115,150)	(153,360)	(103,102)	(152,783)
PROFIT FOR THE YEAR/PERIOD		660,247	757,727	920,503	709,243	883,303
OTHER COMPREHENSIVE (EXPENSE)/INCOME						
Item that may be reclassified to profit or loss:						
Exchange differences arising on translation of foreign operations		8,311	(36)	1,280	23	(109)
Item that will not be reclassified to profit or loss:						
Fair value (loss)/gain on investments in equity instruments at fair value through other comprehensive income, net of tax		(32,813)	11,683	(8,926)	(10,774)	(29,728)
Other comprehensive (expenses)/income for the year/period		(24,502)	11,647	(7,646)	(10,751)	(29,837)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		635,745	769,374	912,857	698,492	853,466
PROFIT FOR THE YEAR/PERIOD ATTRIBUTABLE TO:						
Owners of the Company		614,623	700,483	847,551	655,096	821,839
Non-controlling interests		45,624	57,244	72,952	54,147	61,464
		660,247	757,727	920,503	709,243	883,303
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD ATTRIBUTABLE TO:						
Owners of the Company		590,121	712,436	839,695	644,348	791,924
Non-controlling interests		45,624	56,938	73,162	54,144	61,542
		635,745	769,374	912,857	698,492	853,466
EARNINGS PER SHARE	14					
Basic (RMB)		0.49	0.56	0.68	0.53	0.66
Diluted (RMB)		0.49	0.56	0.68	0.53	0.66

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at December 31, 2022 RMB'000	As at December 31, 2023 RMB'000	As at December 31, 2024 RMB'000	As at September 30, 2025 RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	15	2,721,815	2,837,427	3,055,160	3,620,300
Right-of-use assets	16	317,937	295,850	487,622	715,318
Goodwill	17	759,972	731,307	694,828	694,828
Intangible assets	18	17,724	36,064	25,874	21,459
Investment properties	19	14,342	15,700	14,321	13,251
Interests in associates	21	48,424	54,464	57,373	51,231
Equity instruments at fair value through other comprehensive income	22	161,122	186,346	175,843	125,406
Deferred tax assets	32	73,247	55,276	61,081	65,830
Contract assets	24	8,216	4,189	8,016	5,282
Trade and other receivables	25	62,480	45,716	113,318	243,242
Total non-current assets		4,185,279	4,262,339	4,693,436	5,556,147
CURRENT ASSETS					
Inventories	23	701,251	710,277	865,307	1,139,055
Contract assets	24	18,728	20,163	32,205	36,251
Trade and other receivables	25	2,541,348	2,920,745	3,465,350	3,791,039
Tax recoverable		7,566	1,303	596	7,393
Financial assets at fair value through profit or loss	22	–	60,245	145,169	120,000
Restricted bank deposits	26	23	4,154	1,264	1,863
Pledged bank deposits	26	64,721	62,140	59,489	32,989
Bank balances and cash	26	799,820	939,070	967,510	951,647
Total current assets		4,133,457	4,718,097	5,536,890	6,080,237
CURRENT LIABILITIES					
Trade and other payables	27	1,324,804	1,516,042	1,899,931	2,321,996
Tax payables		46,440	63,457	89,497	84,703
Bank and other borrowings	28	1,332,271	1,059,933	774,452	1,485,716
Lease liabilities	29	16,372	4,937	32,980	39,710
Contract liabilities	30	71,106	90,284	79,306	83,804
Deferred income	31	8,426	8,325	8,474	7,942
Total current liabilities		2,799,419	2,742,978	2,884,640	4,023,871
NET CURRENT ASSETS		1,334,038	1,975,119	2,652,250	2,056,366
TOTAL ASSETS LESS CURRENT LIABILITIES		5,519,317	6,237,458	7,345,686	7,612,513
NON-CURRENT LIABILITIES					
Deferred tax liabilities	32	57,075	53,718	62,398	87,492
Bank and other borrowings	28	554,675	622,632	901,473	826,638
Lease liabilities	29	37,543	32,338	193,410	178,433
Deferred income	31	70,630	66,266	60,076	54,254
Total non-current liabilities		719,923	774,954	1,217,357	1,146,817
Net assets		4,799,394	5,462,504	6,128,329	6,465,696
EQUITY					
Share capital	33	1,259,899	1,259,899	1,259,899	1,259,899
Reserves	34	3,082,723	3,647,648	4,274,906	4,913,621
Total equity attributable to owners of the Company		4,342,622	4,907,547	5,534,805	6,173,520
Non-controlling interests		456,772	554,957	593,524	292,176
Total equity		4,799,394	5,462,504	6,128,329	6,465,696

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at December 31, 2022 RMB'000	As at December 31, 2023 RMB'000	As at December 31, 2024 RMB'000	As at September 30, 2025 RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	15	452,116	444,831	371,902	403,056
Right-of-use assets	16	22,931	22,290	21,649	21,168
Intangible assets	18	14,118	30,726	21,234	17,017
Interests in subsidiaries	20	2,997,615	3,145,962	3,196,160	3,807,232
Interests in associates	21	48,424	54,464	51,615	51,231
Equity instruments at fair value through other comprehensive income	22	161,122	178,789	165,964	125,406
Deferred tax assets	32	53,984	41,663	48,680	52,952
Contract assets	24	8,216	4,189	8,016	5,081
Trade and other receivables	25	48,740	28,624	14,513	20,032
Total non-current assets		3,807,266	3,951,538	3,899,733	4,503,175
CURRENT ASSETS					
Inventories	23	157,545	135,573	89,115	123,356
Contract assets	24	2,918	261	9,668	10,355
Trade and other receivables	25	826,416	847,769	835,303	829,346
Tax recoverable		–	–	–	3,646
Amounts due from subsidiaries	20	504,713	349,016	610,485	411,580
Restricted bank deposits	26	9	2,859	23	23
Pledged bank deposits	26	33,109	17,354	16,491	23,991
Bank balances and cash	26	155,918	248,765	169,429	201,814
Total current assets		1,680,628	1,601,597	1,730,514	1,604,111
CURRENT LIABILITIES					
Trade and other payables	27	322,275	304,332	348,205	416,103
Tax payable		5,140	13,187	10,802	–
Bank and other borrowings	28	827,014	633,954	262,737	967,453
Amounts due to subsidiaries	20	866,315	981,913	968,418	566,240
Contract liabilities	30	35,727	47,568	30,468	23,162
Deferred income	31	6,982	6,217	6,354	5,266
Total current liabilities		2,063,453	1,987,171	1,626,984	1,978,224
NET CURRENT(LIABILITIES)/ASSETS		(382,825)	(385,574)	103,530	(374,113)
TOTAL ASSETS LESS CURRENT LIABILITIES		3,424,441	3,565,964	4,003,263	4,129,062
NON-CURRENT LIABILITIES					
Bank and other borrowings	28	412,500	381,575	709,240	558,390
Deferred income	31	47,541	42,614	36,688	29,677
Total non-current liabilities		460,041	424,189	745,928	588,067
Net assets		2,964,400	3,141,775	3,257,335	3,540,995
EQUITY					
Share capital	33	1,259,899	1,259,899	1,259,899	1,259,899
Reserves	34	1,704,501	1,881,876	1,997,436	2,281,096
Total equity		2,964,400	3,141,775	3,257,335	3,540,995

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company										
	Share capital	Capital reserve	Treasury share	Translation reserve	Share-based payments reserve	Fair value reserve	Statutory reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000 (Note 33)	RMB'000	RMB'000	RMB'000	RMB'000 (Note 36)	RMB'000 (Note 34)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2022	1,259,899	248,213	–	(15,365)	3,187	(87,295)	416,903	1,954,068	3,779,610	357,541	4,137,151
Profit for the year	–	–	–	–	–	–	–	614,623	614,623	45,624	660,247
Exchange differences arising on translation of foreign operations	–	–	–	8,311	–	–	–	–	8,311	–	8,311
Fair value loss on investments in equity instruments at fair value through other comprehensive income	–	–	–	–	–	(32,813)	–	–	(32,813)	–	(32,813)
Total comprehensive income/(expense) for the year	–	–	–	8,311	–	(32,813)	–	614,623	590,121	45,624	635,745
Dividend paid (note 13)	–	–	–	–	–	–	–	(44,096)	(44,096)	–	(44,096)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(125)	(125)
Appropriation to statutory reserve	–	–	–	–	–	–	55,688	(55,688)	–	–	–
Share-based payments	–	–	–	–	596	–	–	–	596	349	945
Transfer upon vesting of share awards	–	3,318	–	–	(3,318)	–	–	–	–	–	–
Deemed partial disposal of interests in a subsidiary without losing control (note 44 (a))	–	16,391	–	–	–	–	–	–	16,391	53,383	69,774
At December 31, 2022	1,259,899	267,922	–	(7,054)	465	(120,108)	472,591	2,468,907	4,342,622	456,772	4,799,394

	Attributable to owners of the Company										
	Share capital	Capital reserve	Treasury share	Translation reserve	Share-based payments reserve	Fair value reserve	Statutory reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000 (Note 33)	RMB'000	RMB'000	RMB'000	RMB'000 (Note 36)	RMB'000 (Note 34)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023	1,259,899	267,922	–	(7,054)	465	(120,108)	472,591	2,468,907	4,342,622	456,772	4,799,394
Profit for the year	–	–	–	–		–	–	700,483	700,483	57,244	757,727
Exchange differences arising on translation of foreign operations	–	–	–	(33)	–	–	–	–	(33)	(3)	(36)
Fair value gain on investments in equity instruments at fair value through other comprehensive income	–	–	–	–	–	11,986	–	–	11,986	(303)	11,683

	Attributable to owners of the Company										
	Share capital	Capital reserve	Treasury share	Translation reserve	Share-based payments reserve	Fair value reserve	Statutory reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000 (Note 33)	RMB'000	RMB'000	RMB'000	RMB'000 (Note 36)	RMB'000 (Note 34)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2025	1,259,899	267,445	(100,050)	(5,914)	3,317	(117,151)	590,621	3,636,638	5,534,805	593,524	6,128,329
Profit for the period	–	–	–	–	–	–	–	821,839	821,839	61,464	883,303
Exchange differences arising on translation of foreign operations	–	–	–	(110)	–	–	–	–	(110)	1	(109)
Fair value (loss)/gain on investments in equity instruments at fair value											

	Attributable to owners of the Company										
	Share capital	Capital reserve	Treasury share	Translation reserve	Share-based payments reserve	Fair value reserve	Statutory reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000 (Note 33)	RMB'000	RMB'000	RMB'000	RMB'000 (Note 36)	RMB'000 (Note 34)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024	1,259,899	269,694	(100,050)	(7,087)	1,628	(108,122)	528,736	3,062,849	4,907,547	554,957	5,462,504
Profit for the period	–	–	–	–	–	–	–	655,096	655,096	54,147	709,243
Exchange differences arising on translation of foreign operations	–	–	–	(3)	–	–	–	–	(3)	26	23
Fair value loss on investments in equity instruments at fair value through other comprehensive income	–	–	–	–	–	(10,745)	–	–	(10,745)	(29)	(10,774)
Total comprehensive (expense)/income for the period	–	–	–	(3)	–	(10,745)	–	655,096	644,348	54,144	698,492
Appropriation of statutory reserve	–	–	–	–	–	–	52,736	(52,736)	–	–	–
Dividend paid (note 13)	–	–	–	–	–	–	–	(211,877)	(211,877)	–	(211,877)
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(2,669)	(2,669)
Share-based payments	–	–	–	–	(190)	–	–	–	(190)	–	(190)
Decreased in non-controlling interests as a result of acquisition of additional interests in subsidiaries without change in control	–	(2,095)	–	–	–	–	–	–	(2,095)	(30,471)	(32,566)
At September 30, 2024 (unaudited)	1,259,899	267,599	(100,050)	(7,090)	1,438	(118,867)	581,472	3,453,332	5,337,733	575,961	5,913,694

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000	Nine months ended September 30, 2024 RMB'000 (unaudited)	2025 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before taxation		727,356	872,877	1,073,863	812,345	1,036,086
Adjustments for:						
Finance costs	8	89,595	66,778	60,439	44,933	39,273
Interest income	7	(7,781)	(12,368)	(16,747)	(9,137)	(6,417)
Share of results of associates		(6,060)	(9,877)	(9,807)	(9,288)	(4,164)
Depreciation of property, plant and equipment	15	194,448	212,432	239,427	168,269	202,064
Depreciation of right-of-use assets	16	22,608	21,618	34,578	25,221	37,040
Depreciation of investment properties	19	1,244	1,234	1,379	1,090	1,070
Amortization of intangible assets	18	23,861	5,359	12,688	6,552	5,997
Written-down of inventories	9	13,766	17,514	25,378	6,582	28,948
Impairment losses on trade receivables	9	19,102	21,628	24,302	5,776	8,945
(Reversal of impairment losses)/impairment losses on bills receivables	9	(1,028)	418	2,147	466	(755)
Impairment losses/(reversal of impairment losses) on other receivables	9	144	(2,501)	1,894	188	(871)
Impairment losses/(reversal of impairment losses) on contract assets	9	5,704	(4,111)	1,538	1,074	2,603
Impairment losses on goodwill	9	–	28,665	36,479	–	–
Impairment losses on property, plant and equipment, net	7	1,652	83	5,228	435	110
Share-based payments	9	945	1,662	2,094	(190)	9,368
Gain on fair value change of financial assets at fair value through profit or loss ("**FVTPL**")	7	(93)	(590)	(6,330)	(3,652)	(2,744)
Gain on early termination of leases	7	(20)	–	–	–	–
Loss on disposal of property, plant and equipment	7	3,025	2,582	7,632	1,569	505
Loss on disposal of right-of-use assets	7	8	–	–	–	–
Dividend income received from equity instruments at FVTOCI	7	(3,200)	(1,663)	(3,313)	(1,819)	(1,000)

	Notes	Year ended December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000	Nine months ended September 30, 2024 RMB'000 (unaudited)	2025 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received		7,781	12,368	16,747	9,137	6,417
Proceeds from disposal of property, plant and equipment		31,324	29,634	6,967	4,906	8,283
Proceeds from disposal of right-of-use assets		3,365	–	–	–	–
Proceeds from disposal of equity instruments at FVTOCI		–	–	–	–	15,070
Proceeds from disposal of financial assets at FVTPL		80,093	200,345	2,062,406	1,230,897	1,152,913
Purchase of property, plant and equipment		(376,277)	(302,716)	(516,571)	(371,813)	(776,065)
Purchase of intangible assets		(1,664)	(6,862)	(2,498)	(2,181)	(1,582)
Purchase of equity instruments at FVTOCI		–	(11,479)	–	–	–
Acquisition of assets through acquisition of subsidiaries	43	(73,380)	–	–	–	(2,125)
Purchase of financial assets at FVTPL		(80,000)	(260,000)	(2,141,000)	(1,485,611)	(1,125,000)
Decrease/(increase) of pledged bank deposits		14,922	2,581	2,651	(15,033)	26,500
Placement of bank deposit with maturity over three months		–	(60,000)	(80,000)	(80,000)	(101,520)
Withdrawal of bank deposit with maturity over three months		–	–	60,000	60,000	161,520
Placement of fixed time deposit		–	–	(10,025)	–	–
Withdrawal of fixed time deposit		–	–	–	–	10,025
Dividends received from an associate		2,361	1,877	1,674	–	4,456
Dividends received from equity instruments at FVTOCI		3,200	1,663	3,313	1,819	1,000
Capital reduction in associates	21	–	1,960	11,074	11,074	–
Capital contribution in an associate	21	–	–	–	–	(1,000)
Acquisition of interests in an associate	21	–	–	(5,850)	(3,900)	–
Net cash used in investing activities		(388,275)	(390,629)	(591,112)	(640,705)	(621,108)
CASH FLOWS FROM FINANCING ACTIVITIES						
Interest paid	38	(94,145)	(69,866)	(56,875)	(43,894)	(35,934)
Additions of borrowings	38	1,381,375	1,375,358	1,452,749	1,304,795	1,401,512
Repayment of borrowings	38	(1,705,696)	(1,573,028)	(1,459,055)	(1,176,098)	(765,312)
Repayment of lease liabilities	38	(124,834)	(16,075)	(37,157)	(25,948)	(269,942)
Dividend paid		(44,096)	(50,396)	(211,877)	(211,877)	(170,748)
Dividend paid to non-controlling interests of subsidiaries		(125)	–	(4,683)	(2,669)	(14,924)
Proceed from/(payment for) acquisition of additional interests in subsidiaries	44(b)	–	23,389	(32,566)	(32,566)	(344,100)
Payment for listing expenses		–	–	–	–	(9,753)
Repurchase of shares	33	–	(100,061)	–	–	–
Capital injection by non-controlling interests in a subsidiary without losing control	44(a)	69,774	19,142	–	–	–
Net cash used in financing activities		(517,747)	(391,537)	(349,464)	(188,257)	(209,201)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		129,821	77,923	2,373	(176,420)	55,948
Cash and cash equivalents at beginning of the year/period		657,398	799,820	879,070	879,070	877,485
Effect of foreign exchange rate changes, net		12,601	1,327	(3,958)	2,999	(1,786)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD	26	799,820	879,070	877,485	705,649	931,647

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Shenzhen Woer Heat-Shrinkable Material Co., Ltd. (the "**Company**") is established in the People's Republic of China (hereafter, the "**PRC**") on June 19, 1998. The Company converted into a joint stock company with limited liability on September 28, 2004. With the

Name of entities	Place and date of incorporation/ establishment	Nominal value of registered share capital	Equity/beneficial interest held by the Group as at December 31, 2022	December 31, 2023	December 31, 2024	September 30, 2025	At date of this report	Principal activities	Notes
			%	%	%	%	%		
Shenzhen Judian Network Technology Co., Ltd.*	PRC/ September 26, 2014	RMB50,000,000	58.78	58.78	58.78	58.78	58.78	Charging pile software operation services	(a)
Shenzhen Orbit Systems Inc.* ("**Shenzhem Orbit**")	PRC/ September 19, 2005	RMB10,000,000	62.9	62.9	62.9	62.9	62.9	MOM and MES software development, sales and implementation services	(b)
Shenzhen WOER HEAT-SHRINKABLE Co., Ltd. ("**WOER HEAT-SHRINKABLE**")*	PRC/August 10, 2018	RMB100,000,000	100	100	100	100	100	Production and sales of products	(b)
Shenzhen WOER Electric Technology Co., Ltd.	PRC/ September 17, 2018	RMB100,000,000	100	100	100	100	100	R&D, production and sales of products	(b)
Shenzhen Woer Intelligent Equipment Co., Ltd.*	PRC/July 15, 2014	RMB8,000,000	100	100	100	100	100	R&D	(a)
Shenzhen Woer New Energy Electric Technology Co., Ltd. ("**Shenzhen Woer New Energy Electric Technology**")*	PRC/ December 2, 2003	RMB84,435,900	76.61	76.71	76.71	76.71	76.71	R&D, production and sales of products	(b)
Shenzhen Wolida Trading Co., Ltd.*	PRC/ November 3, 2008	RMB5,000,000	100	100	100	100	100	R&D, production and sales of products	(a)
Tianjin Wo'erfa Power Equipment Co., Ltd.*	PRC/March 27, 2012	RMB61,000,000	100	100	100	100	100	R&D, production and sales of products	(b)
Woer International (Singapore) Pte. Ltd.	Singapore/ March 11, 2019	SGD1,000,000 and US$16,988,000	100	100	100	100	100	Sales and Investment	(t)
Wuhan Wal New Material Co., Ltd.*	PRC/May 18, 2022	RMB50,000,000	100	100	100	100	100	R&D, production and sales of products	(g)
Wuhan Wal Nuclear Power Technology Co., Ltd.*	PRC/May 18, 2022	RMB50,000,000	100	100	100	100	100	R&D, production and sales of products	(g)
Wuhan Wo'er Nuclear Material Technology Development Co., Ltd.*	PRC/May 18, 2022	RMB50,000,000	–	–	100	100	100	R&D, production and sales of products	(h)
Indirectly held by the Company									
Beijing Judian Juneng Technology Co., Ltd.*	PRC/October 28, 2015	RMB2,000,000	58.78	58.78	58.78	58.78	58.78	Charging pile operation services	(a)
Changzhou Varlk Technology Co., Ltd.*	PRC/March 9, 2016	RMB20,000,000	78.76	78.76	78.76	78.76	78.76	R&D, production and sales of products	(b)
Changyuan Electronics (Dongguan) Co., Ltd.*	PRC/ February 14, 2014	RMB50,000,000	75	75	75	100	100	R&D, production and sales of products	(a)
Changzhou Changyuan Electronic Materials Co., Ltd.*	PRC/March 18, 2020	RMB10,000,000	75	75	75	100	100	Production and sales of products	(a)
Changzhou Changyuan Tefa Technology Co., Ltd.*	PRC/April 26, 2019	RMB20,000,000	75	75	75	100	100	R&D, production and sales of products	(a)
Changzhou Guodian Julong Electric Technology Co., Ltd.*	PRC/March 30, 2022	RMB10,000,000	100	100	100	100	100	Production and sales of products	(i)
CYG Tefa Co., Ltd.*	PRC/ December 6, 2002	RMB252,700,000	75	75	75	100	100	R&D, production and sales of products	(a)
Dalian LTK Trade Ltd.*	PRC/March 30, 2001	RMB16,554,180	92.89	90.93	94.32	94.32	94.32	Trading	(b)
Dongguan Salipt Co., Ltd.*	PRC/October 11, 2006	RMB8,000,000	75	75	75	100	100	R&D, production and sales of products	(a)
Guizhou Huier New Materials Co., Ltd.* ("**Guizhou Huier**")	PRC/April 12, 2021	RMB13,950,017	N/A	N/A	N/A	100	100	R&D, production and sales of flame retardants	(w)

Name of entities	Place and date of incorporation/ establishment	Nominal value of registered share capital	Equity/beneficial interest held by the Group as at December 31, 2022	December 31, 2023	December 31, 2024	September 30, 2025	At date of this report	Principal activities	Notes
			%	%	%	%	%		
Hailin Xinyuan Wind Power Co., Ltd.*	PRC/ September 25, 2009	RMB5,000,000	100	N/A	N/A	N/A	N/A	Wind power development, construction and operation	(j)
Huizhou LTK Electronic Cable Ltd.*	PRC/April 27, 2002	RMB16,174,772	92.89	90.93	94.32	94.32	94.32	R&D, production and sales of products	(b)
Huizhou Changyuan Tefa Technology Co., Ltd.*	PRC/February 8, 2021	RMB20,000,000	75	75	75	100	100	R&D, production and sales of products	(a)
Huizhou Dingding Special Cable Co., Ltd.*	PRC/ November 25, 2024	RMB40,000,000	N/A	N/A	94.32	2.70	2.70	Production and sales of products	(e)
Huizhou Dingding Technology Co., Ltd.*	PRC/ November 25, 2024	RMB40,000,000	N/A	N/A	94.32	2.70	2.70	Production and sales of products	(e)
Huizhou Woerxin Technology Co., Ltd.*	PRC/July 25, 2019	RMB20,000,000	92.89	90.93	94.32	94.32	94.32	Production and sales of products	(b)
Huzhou Changyuan Tefa Technology Co., Ltd.*	PRC/May 16, 2016	RMB10,000,000	75	75	75	100	100	R&D, production and sales of products	(a)
Huizhou Wolidate Technology Co., Ltd.*	PRC/June 30, 2025	RMB1,000,000	N/A	N/A	N/A	100	100	Dormant	(v)
LTK Cable (Vietnam) Company Limited	Vietnam/ October 23, 2019	USD 1,400,000	92.89	90.93	94.32	94.32	94.32	Production and sales of products	(u)
Lepond Investment Limited	BVI/ May 11, 2006	USD 1	75	75	75	100	100	Investment	(a)
Liangcheng County Xinyuan Wind Power Generation Co., Ltd.	PRC/August 19, 2010	RMB5,000,000	100	N/A	N/A	N/A	N/A	Wind power development, construction and operation	(k)
LTK CABLE (Chongqing) Ltd.	PRC/October 15, 2007	RMB11,100,566	92.89	90.93	94.32	94.32	94.32	R&D, production and sales of products	(b)
LTK Electric Wire (Huizhou) Ltd.* ("**LTK Electric**")*	PRC/January 4, 1988	RMB123,727,000	92.89	90.93	94.32	94.32	94.32	R&D, production and sales of products	(b)
LTK Electric Wire (Changzhou) Ltd.*	PRC/July 23, 2013	RMB51,476,096	92.89	90.93	94.32	94.32	94.32	Production and sales of products	(b)
LTK International Ltd.	Hong Kong/ September 30, 2006	HKD 322,702,251	92.89	90.93	94.32	94.32	94.32	Trading	(v)
Noblefu New Material Technology Pte. Ltd.	Singapore/ October 12, 2020	SGD 100	100	100	100	100	100	Sales and Investment	(t)
Shanghai Anda Run Nano Materials Co., Ltd.*	PRC/January 10, 2024	RMB50,000,000	N/A	N/A	63.01	78.76	78.76	Production and sales of products	(l)
Shanghai Changyuan Electronic Material Co., Ltd.*	PRC/July 17, 2000	RMB60,000,000	75	75	75	100	100	R&D, production and sales of products	(b)
Shanghai Changyuan Radiation Technology Co., Ltd.*	PRC/June 23, 2005	RMB30,500,000	75	75	75	100	100	Leasing	(b)
Shanghai Judian New Energy Vehicle Technology Co., Ltd.*	PRC/ November 16, 2015	RMB20,000,000	58.78	58.78	58.78	58.78	58.78	Charging pile operation services	(a)
Shanghai Keter New Materials Co., Ltd.("**Shanghai Keter New Materials**")*	PRC/August 28, 1997	RMB94,520,000	78.76	78.76	78.76	78.76	78.76	R&D, production and sales of products	(b)
Shanghai Lin Tian Functional 1997	RMB94,520,000	78.76	78.76	78.76	78.76	78.76	R&D, production and sales of producervices	PRC/2TD (Nov1mber)-250.4(16,) T1TD(1	

Name of entities	Place and date of incorporation/ establishment	Nominal value of registered share capital	Equity/beneficial interest held by the Group as at					Principal activities	Notes
			December 31, 2022	December 31, 2023	December 31, 2024	September 30, 2025	At date of this report		
			%	%	%	%	%		
Shenzhen Judian New Energy Technology Co., Ltd.*	PRC/June 6, 2022	RMB88,000,000	58.78	58.78	58.78	58.78	58.78	Production and sales of products	(o)
Shenzhen Judian New Energy Automobile Service Co., Ltd.*	PRC/August 12, 2015	RMB60,000,000	58.78	58.78	58.78	58.78	58.78	Sales of products	(a)
Shenzhen Kenaite Conductive Precision Technology Co., Ltd.*	PRC/February 8, 2025	RMB1,000,000	N/A	N/A	N/A	76.71	76.71	R&D, production and sales of products	(y)
Shenzhen Woer New Energy Technology Co., Ltd.*	PRC/July 10, 2023	RMB1,000,000	N/A	76.71	76.71	76.71	76.71	R&D, production and sales of products	(p)
Shenzhen Woer Wire & Cable Technology Co. Ltd.*	PRC/October 12, 2005	RMB40,000,000	92.89	90.93	94.32	94.32	94.32	R&D, production and sales of products	(b)
Surgwave Electronics (Shanghai) Co., Ltd.*	PRC/April 30, 2007	RMB15,000,000	78.76	78.76	78.76	78.76	78.76	R&D, production and sales of products	(b)
Tianjin Changyuan Electronic Material Co., Ltd.*	PRC/April 21, 2011	RMB50,000,000	75	75	75	100	100	R&D, production and sales of products	(b)
Tianjin Woting Electronics Co., Ltd.*	PRC/August 15, 2019	RMB51,000,000	100	100	100	100	100	Production and sales of products	(a)
Woer International (Malaysia) SDN. BHD.	Malaysia/ April 23, 2025	RM100	N/A	N/A	N/A	100	100	Dormant	(q)
WOER NEW (MATERIAL) SDN. BHD. (formerly known as Woer Trading (Malaysia) SDN. BHD.)	Malaysia/ January 13, 2025	RM1,000	N/A	N/A	N/A	100	100	Investment holding	(r)
Wuhan Wal New Energy Technology Co., Ltd.*	PRC/May 18, 2022	RMB50,000,000	100	76.71	76.71	76.71	76.71	R&D, production and sales of products	(g)
Wuhan Wo'er Nuclear Material Technology Development Co., Ltd.*	PRC/May 18, 2022	RMB50,000,000	92.89	90.93	–	–	–	R&D, production and sales of products	(h)
Huizhou Wal Technology Development Co., Ltd.*	PRC/April 1, 2022	RMB100,000,000	–	37.75	37.75	49	49	Production and sales of products	(d)

* The English names of these subsidiaries registered in the PRC represent the translated names of these companies as no English names have been registered.

Notes:

(a) No statutory financial statements for the years ended December 31, 2022, 2023 and 2024 was available as there were no

(g) The entity was established on May 18, 2022. No statutory financial statements for the years ended December 31, 2022, 2023 and 2024 were available as there was no requirements to issue audited account by the local authorities.

(h) The entity was established on May 18, 2022 and it's shareholdings was transferred to the Company on September 10, 2024. The financial statements for the years ended December 31, 2022 and 2023 and for the year ended December 31, 2024 prepared in accordance with PRC accounting principles and regulations were audited by Da Hua Certified Public Accountants (Special General Partnership), a certified public accounting firm registered in the PRC and Zandar Certified Public Accountants LLP, a certified public accounting firm registered in the PRC, respectively.

(i) The entity was established on March 30, 2022. No statutory financial statements for the period ended December 31, 2022 and for the years ended December 31, 2023 and 2024 were available as there was no requirements to issue audited account by the local authorities. The financial statements for the year ended December 31, 2023 and for the year ended December 31, 2024 prepared in accordance with PRC accounting principles and regulations were audited by Da Hua Certified Public Accountants (Special General Partnership), a certified public accounting firm registered in the PRC and Zandar Certified Public Accountants LLP, a certified public accounting firm registered in the PRC, respectively.

(j) The entity was deregistered on March 9, 2023. The statutory financial statements for the year ended December 31, 2022 prepared in accordance with PRC accounting principles and regulations were audited by Da Hua Certified Public Accountants (Special General Partnership), a certified public accounting firm registered in the PRC.

(k) The entity was deregistered on November 27, 2023. No statutory financial statements for the years ended December 31, 2022 and 2023 were available as there was no requirements to issue audited account by the local authorities.

(l) The entity was established on January 10, 2024. No statutory financial statements for the period ended December 31, 2024 were available as there was no requirements to issue audited account by the local authorities.

(m) The entity was established on July 12, 2024. No statutory financial statements for the period ended December 31, 2024 were available as there was no requirements to issue audited account by the local authorities.

(n) The entity was deregistered on July 29, 2024. No statutory financial statements for the years ended December 31, 2022 and 2023 were available as there was no requirements to issue audited accounts by the local authorities.

(o) The entity was established on June 6, 2022. No statutory financial statements for the period ended December 31, 2022, and for the years ended December 31, 2023 and 2024 were available as there was no requirements to issue audited accounts by the local authorities.

(p) The entity was established on July 10, 2023. No statutory financial statements for the period ended December 31, 2023 and for the year ended December 31, 2024 were available as there was no requirements to issue audited accounts by the local authorities.

(q) The entity was established on April 23, 2025.

(r) The entity was established on January 13, 2025.

(s) The statutory financial statements for the years ended December 31, 2022, 2023 and 2024 prepared in accordance with Hong Kong accounting principles and regulations were audited by Linkpath CPA Limited, a certified public accounting firm registered in Hong Kong.

(t) The statutory financial statements for the years ended December 31, 2022 and 2023 prepared in accordance with Singapore accounting principles and regulations were audited by Prime Accounts LLP, a certified public accounting firm registered in Singapore. The statutory financial statements for the year ended December 31, 2024 have yet been due to issue.

(u) The statutory financial statements for the years ended December 31, 2022, 2023 and 2024 prepared in accordance with Vietnam accounting principles and regulations were audited by APS Auditing Company Limited, a certified public acounting firm registered in Vietnam.

(v) The statutory financial statements for the years ended December 31, 2022 and 2023 prepared in accordance with Hong Kong accounting principle and regulations were audited by Linkpath CPA Limited, a certified public accounting firm registered in Hong Kong. The statutory financial statements for the year ended December 31, 2024 have yet been due to issue.

(w) Additional shareholding in the entity was acquired by the Company on June 11, 2025 as detailed in note 43(b).

(x) The entity was established on June 30, 2025.

(y) The entity was established on February 8, 2025.

(z) None of the subsidiaries had issued any debt securities at the end of the year.

2. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the "**IASB**"). All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Track Record Period.

The statutory consolidated financial statements of the Group for the years ended December 31, 2022 and 2023 were prepared in accordance with relevant accounting principles and financial regulations applicable to the enterprises in the PRC and were audited by Da Hua Certified Public Accountants (Special General Partnership), certified public accountant registered in the PRC. The statutory consolidated financial statements of the Group for the year ended December 31, 2024 were prepared in accordance with relevant accounting principles and

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognized. A gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets, and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards). The fair value of any investment

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of Assets" ("**IAS 36**") as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognized in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

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

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognized in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Acquisition of additional interests in associates

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

4.4. Revenue from contracts with customers

Revenue from sales of goods

The Group sells telecoms cables, electronic material products, NEV power transmission products and electrical cable accessories products directly to customers in accordance with the contracts entered into with the customers. Revenue is recognized when control of the products has been transferred to the customer, at the point the goods are delivered to the customer. Delivery occurs when the products have been accepted by the customer. The typical credit term is within 90 days effective from the date when the goods are accepted by the customers. When the customer pays in advance for the orders, the transaction price received by the Group is recognized as a contract liability until the goods have been delivered to the customer.

Revenue from sales of wind power

Revenue from the sales of wind power represents the amount of tariffs billed for electricity generated and transmitted to the respective power companies. Revenue is recognized when the electricity is transmitted as the consideration become unconditional at this point in time.

Others

Revenue from MOM and MES software development, sales and implementation services

The Group recognizes revenue from the services rendered for software implementation over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced and the customer simultaneously receives and consumes the benefits provided by the Group. The input method recognizes revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the services.

4.5. Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 "Leases" at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases

The Group applies the short-term lease recognition exemption to leases e.g. motor vehicles/staff quarter that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognized as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

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, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for "lease modifications").

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized as an expense on a straight-line basis over the lease term.

4.6. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognized at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognized in profit or loss in the period in which they arise.

For the purposes of presenting the Historical Financial Information, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

4.7. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalization rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

4.8. Government grants

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

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the profit or loss over the expected useful life of the relevant asset by equal annual installments.

4.9. Employee benefits

Pension obligation

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administered funds managed by the PRC government.

The Group's contributions to the aforesaid defined contribution retirement schemes are expensed as incurred.

No forfeited contribution is available to reduce the existing level of contribution payable in the future years during the Track Record Period.

Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

4.10. Share-based payment arrangements

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments is determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve. For shares/share options that vest immediately at the date of grant, the fair value of the shares/share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognized in share-based payments reserve will be transferred to capital reserve. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognized in share-based payments reserve will be transferred to retained profits.

When shares granted are vested, the amount previously recognized in share-based payments reserve will be transferred to capital reserve.

4.11. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognizes the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 "Income Taxes" requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4.12. Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes other than assets under construction as described below. Property, plant and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets in functioning properly and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statements of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognized so as to write off the cost of assets other than assets under installation less their residual values over their estimated useful lives, using the straight-line method, as follows:

Buildings	20 – 40 years
Plant and machinery	3 – 10 years
Motor vehicles	3 – 10 years
Electricity generation and related equipment	20 years
Leasehold improvements	2 – 5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The Group transfers a property to investment property when its use has changed as evidenced by the end of owner-occupation.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.13. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognized so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. A leased property which is recognized as a right-of-use asset is derecognized if the Group as intermediate lessor classifies the sublease as a finance lease. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

4.14. Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is recognized on a straight-line basis over their estimated useful lives as follows:

Trademark	1 – 10 years
Patent	5 years
Others (include software)	5 – 10 years

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Internally-generated intangible assets — research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

4.15. Impairment on property, plant and equipment, right-of-use assets, intangible assets other than goodwill and investment properties

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets with finite useful and investment properties to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, intangible assets and investment properties are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a

reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognized immediately in profit or loss.

4.19. Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade and bills receivables and contract assets arising from contracts with customers which are initially measured in accordance with IFRS 15 "Revenue from Contracts with Customers" ("**IFRS 15**"). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 "Business Combinations" applies.

Amortized cost and interest income

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. The net gain or loss recognized in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other income, gains and losses" line item.

Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI on initial recognition are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the fair value reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will continue to be held in the fair value reserve.

Dividends from these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income, gains and losses" line item in profit or loss.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade and bills receivables, other receivables, restricted and pledged bank deposits and bank balances and cash), and contract assets which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognizes lifetime ECL for trade and bills receivables and contract assets. The ECL on these assets are assessed individually.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, 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. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount become past due.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 1 year past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

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

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

Write-off policy

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

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade and bills receivables and contract assets using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade and bills receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- past-due status;
- nature, size and industry of debtors; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group measures ECL for the remaining trade and bills receivables and contract assets on an individual basis.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and bills receivables, contract assets and other receivables where the corresponding adjustment is recognized through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'Other income, gains and losses' line item (note 7) as part of the net foreign exchange gains/ (losses);

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- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized at For financial asequity287(curr3(by)-306.3(ad.375t)-284.3(FVTPL5-294(that)

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Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, canceled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.20. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief executive officer and directors of the Company that makes strategic decisions.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Estimated impairment of property, plant and equipment, right-of-use assets, intangible assets and investment properties

Property, plant and equipment, right-of-use assets, intangible assets and investment properties are stated at costs less accumulated depreciation/amortization and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicator that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts. Furthermore, the cash flows projections, growth rate and discount rate are subject to greater uncertainties due to uncertainty on how the international conflicts and tensions/volatility or disruptions in financial, foreign currency or commodity markets may progress and evolve.

Detail of the carrying amounts of property, plant and equipment, right-of-use assets, intangible assets and investment properties subject to impairment assessments and impairment losses that have been recognized are disclosed in notes 15, 16, 18 and 19, respectively.

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or group of cash-generating units) and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss/further impairment loss may arise. Furthermore, the estimated cash flows and discount rate are subject to change due to ongoing uncertain macroeconomic and geopolitical environment, which includes the persistent effects of climate changes, higher interest rates and inflation, elections in major economies and international conflicts and tensions. As at December 31, 2022, 2023 and 2024 and September 30, 2025, the carrying amount of goodwill is approximately RMB759,972,000, RMB731,307,000, RMB694,828,000 and RMB694,828,000, respectively, (net of accumulated impairment loss of RMB47,988,000, RMB76,653,000, RMB113,132,000 and RMB113,132,000, respectively). Details of the recoverable amount calculation are disclosed in note 17.

Provision of ECL for trade and other receivables and contract assets

Trade and other receivables and contract assets with significant balances and credit-impaired are assessed for ECL individually. In addition, the Group uses practical expedient in estimating ECL on trade and bills receivables and contract assets which are not assessed individually using a provision matrix. The provision rates are based on aging of debtors as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade and other receivables and contract assets are disclosed in note 37(b).

As at December 31, 2022, 2023 and 2024 and September 30, 2025, the carrying amounts of trade and other receivables are RMB2,603,828,000, RMB2,966,461,000, RMB3,578,668,000 and RMB4,034,281,000, respectively. As at December 31, 2022, 2023 and 2024 and September 30, 2025, the carrying amounts of contract assets are RMB26,944,000, RMB24,352,000, RMB40,221,000 and RMB41,533,000 respectively. During the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, net impairment losses on trade and other receivables of RMB18,218,000, RMB19,545,000, RMB28,343,000 and RMB7,319,000 in aggregate were recognized, respectively. During the years ended December 31, 2022 and 2024 and the nine months ended September 30, 2025,

6. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Revenue represents the aggregate of the net amounts received and receivable from customers during the Track Record Period.

Revenue during the Track Record Period are as follows:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue from contracts with customers under IFRS 15 disaggregated by products					
Electronic Communication Business					
Sales of telecoms cable products	1,362,366	1,164,501	1,702,272	1,196,963	1,894,591
Sales of electronic material products	2,104,868	2,198,264	2,599,375	1,839,163	2,043,908
Electrical Power Transmission Product Business					
Sales of NEV power transmission products	823,878	1,082,420	1,381,421	917,071	1,159,471
Sales of electrical cable accessories products	781,147	953,522	926,973	631,904	741,032
Sales of wind power	146,768	158,713	151,724	116,470	101,154
Others	117,622	161,421	158,337	113,944	136,522

(b) Segment information

The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. Management determined the operating segments based on these reports.

The CODM assesses the performance based on the nature of the Group's businesses which are principally located in the PRC, and comprises four reportable segments as follows:

Electronics & electricity	Sales of electronic material products and electrical cable accessories products
Wires and cables	Sales of telecoms cable products
New energy products	Sales of NEV power transmission products
Wind power	Sales of wind power

The accounting policies of the operating segments are the same as the Group's accounting policy described in note 4. Segment results represent the gain generated by each segment without allocation of the income tax expense. This is the measure reported to the CODM for the purposes of resources allocation and assessment of segment performance. Inter-segment sales are charged at prevailing market rates.

Year ended December 31, 2022

	Electronics & electricity	Wires and cables	New energy products	Wind power	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue from external customers	2,999,099	1,362,366	828,416	146,768	–	5,336,649
Inter-segment sales	39,994	25,480	18,085	–	(83,559)	–
Total segment revenue	3,039,093	1,387,846	846,501	146,768	(83,559)	5,336,649
Segment profit and profit before taxation	431,117	115,705	112,346	106,012	(37,824)	727,356
Income tax expense						(67,109)
Profit for the year						660,247

Year ended December 31, 2023

	Electronics & electricity	Wires and cables	New energy products	Wind power	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue from external customers	3,303,403	1,172,787	1,083,938	158,713	–	5,718,841
Inter-segment sales	50,959	8,080	16,045	–	(75,084)	–
Total segment revenue	3,354,362	1,180,867	1,099,983	158,713	(75,084)	5,718,841
Segment profit and profit before taxation	607,922	63,516	116,176	117,138	(31,875)	872,877
Income tax expense						(115,150)
Profit for the year						757,727

Year ended December 31, 2024

	Electronics & electricity	Wires and cables	New energy products	Wind power	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue from external customers	3,659,269	1,716,939	1,392,170	151,724	–	6,920,102
Inter-segment sales	52,224	20,085	5,609	–	(77,918)	–
Total segment revenue	3,711,493	1,737,024	1,397,779	151,724	(77,918)	6,920,102
Segment profit and profit before taxation	739,308	110,317	166,658	98,171	(40,591)	1,073,863
Income tax expense						(153,360)
Profit for the year						920,503

Nine months ended September 30, 2024 (unaudited)

	Electronics & electricity	Wires and cables	New energy products	Wind power	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue from external customers	2,575,124	1,206,789	917,132	116,470	–	4,815,515
Inter-segment sales	30,564	5,318	3,636	–	(39,518)	–
Total segment revenue	2,605,688	1,212,107	920,768	116,470	(39,518)	4,815,515
Segment profit and profit before taxation	561,107	82,355	112,838	72,920	(16,875)	812,345
Income tax expense						(103,102)
Profit for the period						709,243

Nine months ended September 30, 2025

	Electronics & electricity	Wires and cables	New energy products	Wind power	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue from external customers	2,898,198	1,917,591	1,159,735	101,154	–	6,076,678
Inter-segment sales	48,571	2,956	1,445	–	(52,972)	–
Total segment revenue	2,946,769	1,920,547	1,161,180	101,154	(52,972)	6,076,678
Segment profit and profit before taxation	688,291	222,853	131,417	60,366	(66,841)	1,036,086
Income tax expense						(152,783)
Profit for the period						883,303

Other segment information

Year ended December 31, 2022

	Electronics & electricity	Wires and cables	New energy products	Wind power	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to property, plant and equipment	198,607	167,780	35,018	1,978	(19,715)	383,668
Additions to intangible assets	6,902	–	255	123	–	7,280
Additions to right-of-use assets	97,795	12,721	35,239	973	–	146,728
Depreciation and amortization	131,245	57,938	15,549	42,947	(5,518)	242,161
Impairment losses on property, plant and equipment	–	–	1,652	–	–	1,652
Written-down of inventories	9,175	1,736	2,855	–	–	13,766
Impairment losses/(reversal of impairment losses) on financial assets, net	18,319	(5,211)	11,344	(660)	130	23,922

Year ended December 31, 2023

	Electronics & electricity	Wires and cables	New energy products	Wind power	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to property, plant and equipment	208,632	103,460	52,771	902	(2,830)	362,935
Additions to intangible assets	21,731	–	256	1,712	–	23,699
Additions to right-of-use assets	–	–	22,618	–	(22,596)	22
Depreciation and amortization	135,549	42,296	33,381	43,158	(13,741)	240,643
Impairment losses on property, plant and equipment	–	–	83	–	–	83
Impairment losses on goodwill	28,665	–	–	–	–	28,665
Written-down of inventories	8,702	2,239	6,573	–	–	17,514
Impairment losses/(reversal of impairment losses) on financial assets, net	7,895	(284)	6,748	152	923	15,434

Year ended December 31, 2024

	Electronics & electricity	Wires and cables	New energy products	Wind power	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to property, plant and equipment	137,046	195,752	142,270	2,410	(491)	476,987
Additions to intangible assets	1,979	–	310	209	–	2,498
Additions to right-of-use assets	67,006	12,740	95,743	–	(2,708)	172,781
Depreciation and amortization	152,563	59,522	40,408	43,426	(7,847)	288,072
Impairment losses on property, plant and equipment	4,497	47	684	–	–	5,228
Impairment losses on goodwill	36,479	–	–	–	–	36,479
Written-down of inventories	9,786	3,792	11,800	–	–	25,378
Impairment losses/(reversal of impairment losses) on financial assets, net	13,410	12,217	4,017	(118)	355	29,881

Nine months ended September 30, 2024 (unaudited)

	Electronics & electricity	Wires and cables	New energy products	Wind power	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to property, plant and equipment	100,686	85,973	66,699	2,026	–	255,384
Additions to intangible assets	1,760	–	211	210	–	2,181
Additions to right-of-use assets	66,875	9,785	102,361	–	(2,565)	176,456
Depreciation and amortization	108,232	36,309	29,780	32,575	(5,764)	201,132
Impairment losses on property, plant and equipment	–	–	435	–	–	435
Written-down of inventories	2,490	1,771	2,321	–	–	6,582
Impairment losses/(reversal of impairment losses) on financial assets, net	2,181	6,970	(910)	(23)	(714)	7,504

Nine months ended September 30, 2025

	Electronics & electricity	Wires and cables	New energy products	Wind power	Eliminations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Amounts included in the measure of segment profit or loss or segment assets:						
Additions to property, plant and equipment	194,841	502,921	69,878	513	–	768,153
Additions to intangible assets	528	–	962	92	–	1,582
Additions to right-of-use assets	252,316	7,814	–	–	–	260,130
Depreciation and amortization	120,909	59,118	39,990	32,330	(6,176)	246,171
Impairment losses on property, plant and equipment	–	–	110	–	–	110
Written-down of inventories	7,759	7,351	13,838	–	–	28,948
(Reversal of impairment losses)/impairment losses on financial assets, net	(1,361)	9,883	1,326	(51)	125	9,922

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reporting segments:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Segment assets				
Electronics and electricity	5,064,582	5,283,969	5,933,654	6,720,547
Wires and cables	1,439,329	1,694,528	2,006,429	2,801,707
New energy products	926,612	1,160,677	1,576,187	1,695,303
Wind power	1,047,979	1,073,310	1,112,413	1,101,938
Eliminations	(159,766)	(232,048)	(398,357)	(683,111)
Consolidated assets	8,318,736	8,980,436	10,230,326	11,636,384
Segment liabilities				
Electronics and electricity	2,440,953	2,332,852	2,546,827	3,021,771
Wires and cables	525,777	700,898	961,621	1,797,905
New energy	585,874	595,281	864,139	884,336
Wind power	188,358	177,096	185,724	179,843
Eliminations	(221,620)	(288,195)	(456,314)	(713,167)
Consolidated liabilities	3,519,342	3,517,932	4,101,997	5,170,688

Geographical information

Information about the Group's revenue from continuing operations from external customers is presented based on the location of the external customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers				
	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Mainland China	4,688,295	4,990,212	6,108,050	4,258,989	5,326,830
Others	648,354	728,629	812,052	556,526	749,848
	5,336,649	5,718,841	6,920,102	4,815,515	6,076,678

	Non-current assets (note)		
	As at December 31,		As at September 30,
	2022	2023	

7. OTHER INCOME, GAINS AND LOSSES

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Other income					
Government grants (note a)	57,635	40,997	30,814	19,033	18,618
Interest income	7,781	12,368	16,747	9,137	6,417
Dividend income received from equity instruments at FVTOCI	3,200	1,663	3,313	1,819	1,000
Gross rental income	4,205	4,380	6,430	4,984	5,490
Value added tax refund	3,352	2,790	2,130	1,560	1,716
Additional value added tax deductible (note b)	–	16,200	28,826	19,218	15,967
	76,173	78,398	88,260	55,751	49,208
Other gains and losses					
Loss on disposal of property, plant and equipment, net	(3,025)	(2,582)	(7,632)	(1,569)	(505)
Loss on disposal of right-of-use assets	(8)	–	–	–	–
Gain on early termination of leases	20	–	–	–	–
Gain from changes in fair value of financial assets at FVTPL	93	590	6,330	3,652	2,744
Impairment loss on property, plant and equipment (note 15)	(1,652)	(83)	(5,228)	(435)	(110)
Foreign exchange gains/(loss), net	14,683	4,291	8,530	2,912	(760)
Others	4,861	7,725	1,659	2,591	(1,693)
	14,972	9,941	3,659	7,151	(324)
	91,145	88,339	91,919	62,902	48,884

Notes:

(a) Included in the amount are government grants received by the Group amounting to RMB43,918,000, RMB31,422,000, RMB22,036,000, RMB12,591,000 and RMB12,469,000 for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2024 (unaudited) and 2025, respectively, representing tax refunds, operating subsidies and various industry-specific subsidies granted by the government authorities to reward the Group's effort for technological innovation with no future related costs to be incurred. There are no unfulfilled conditions relating to such government subsidies recognized.

(b) Additional value added tax deductible represents the tax authority allows advanced manufacturing enterprises to deduct an additional 5% of their deductible input tax from payable value added tax.

8. FINANCE COSTS

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest expenses on:					
– bank borrowings	62,724	54,530	49,462	37,672	29,511
– lease liabilities	1,239	2,150	7,079	5,131	6,652
– bond payables	21,584	6,475	–	–	–
– discounted bills	4,048	3,623	3,898	2,130	3,110
	89,595	66,778	60,439	44,933	39,273

9. PROFIT BEFORE TAXATION

Profit before taxation has been carried at after charging/(crediting):

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Auditor's remuneration					
– audit services	2,460	2,370	2,560	1,920	1,920
– non-audit services	430	674	526	–	1,318
	2,890	3,044	3,086	1,920	3,238
Cost of inventories sold	2,605,558	2,796,045	3,474,255	2,400,677	3,045,095
Depreciation of property, plant and equipment (note 15)	194,448	212,432	239,427	168,269	202,064
Depreciation of right-of-use assets (note 16)	22,608	21,618	34,578	25,221	37,040
Amortization of intangible assets included in administrative expenses (note 18)	23,861	5,359	12,688	6,552	5,997
Depreciation of investment properties (note 19)	1,244	1,234	1,379	1,090	1,070
Total depreciation and amortization	242,161	240,643	288,072	201,132	246,171
Capitalized in inventories	(177,024)	(186,394)	(223,521)	(153,268)	(197,102)
	65,137	54,249	64,551	47,864	49,069
Impairment of goodwill (note 17)	–	28,665	36,479	–	–
Written-down of inventories (note 23)	13,766	17,514	25,378	6,582	28,948
Impairment losses/(reversal of impairment losses), net:					
– trade receivables	19,102	21,628	24,302	5,776	8,945
– bills receivables	(1,028)	418	2,147	466	(755)
– other receivables	144	(2,501)	1,894	188	(871)
– contract assets	5,704	(4,111)	1,538	1,074	2,603
	23,922	15,434	29,881	7,504	9,922
Short-term lease payments	10,507	11,187	18,074	12,769	19,654
Gross rental income from investment properties	4,205	4,380	6,430	4,984	5,490
Less: direct operating expenses incurred for investment properties included in administrative expenses	(1,244)	(1,234)	(1,379)	(1,090)	(1,070)
	2,961	3,146	5,051	3,894	4,420
Staff cost (including directors', chief executive's, and supervisors' remuneration):					
Basic salaries, allowances and other benefits in kind	852,907	953,768	1,087,997	757,169	938,198
Retirement benefit expense	59,131	60,436	72,920	53,121	72,579
Equity-settled share-based payments	945	1,662	2,094	(190)	9,368
	912,983	1,015,866	1,163,011	810,100	1,020,145
Listing expenses	–	–	–	–	636

10. INCOME TAX EXPENSE

(a) Taxation in the consolidated statement of profit or loss

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Current income Tax					
Current tax	61,647	103,390	142,826	100,144	124,587
Under/(over) provision in prior years	5,283	(792)	6,082	2,249	2,021
	66,930	102,598	148,908	102,393	126,608
Deferred tax					
Current year/period	179	13,611	3,817	703	26,306
Attributable to a change in tax rate	–	(1,059)	635	6	(131)
	179	12,552	4,452	709	26,175
	67,109	115,150	153,360	103,102	152,783

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

Under the Law of the PRC on Enterprise Income Tax (the **"EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% unless they are subject to preferential tax as set out below.

During the year ended December 31, 2022, the Company, LTK Electric, LTK Electric Wire (Changzhou) Ltd, Shanghai Keter New Materials, Surgwave Electronics (Shanghai) Co., Ltd., Changzhou Varlk Technology Co., Ltd., Shenzhen Woer New Energy Electric Technology, Shanghai Changyuan Electronic Material Co., Ltd., CYG Tefa Co., Ltd., Tianjin Changyuan Electronic Material Co., Ltd., Changyuan Electronics (Dongguan) Co., Ltd., Dongguan Salipt Co., Ltd., Huzhou Changyuan Tefa Technology Co., Ltd., Shenzhen Orbit Systems Inc., Changzhou WOER HEAT-SHRINKABLE Material Co., Ltd., Tianjin Wo'erfa Power Equipment Co., Ltd., WOER HEAT-SHRINKABLE and Shenzhen WOER Electric Technology Co., Ltd. were accredited as the "High and New Technology Enterprise" and therefore were entitled to a preferential income tax rate of 15%. The qualification is subject to review by the relevant tax authority in the PRC every three years.

During the year ended December 31, 2023, the Company, LTK Electric, LTK Electric Wire (Changzhou) Ltd, Shanghai Keter New Materials, Surgwave Electronics (Shanghai) Co., Ltd., Changzhou Varlk Technology Co., Ltd., Shenzhen Woer New Energy Electric Technology, Shanghai Changyuan Electronic Material Co., Ltd., Tianjin Changyuan Electronic Material Co., Ltd., Changyuan Electronics (Dongguan) Co., Ltd., Shenzhen Orbit Systems Inc., Changzhou WOER HEAT-SHRINKABLE Material Co., Ltd., Tianjin Wo'erfa Power Equipment Co., Ltd., WOER HEAT-SHRINKABLE and Shenzhen WOER Electric Technology Co., Ltd. were accredited as the "High and New Technology Enterprise" and therefore were entitled to a preferential income tax rate of 15%. The qualification is subject to review by the relevant tax authority in the PRC every three years.

During the year ended December 31, 2024, the Company, LTK Electric, LTK Electric Wire (Changzhou) Ltd, Shanghai Keter New Materials, Shenzhen Woer New Energy Electric Technology, Shanghai Changyuan Electronic Material Co., Ltd., Tianjin Changyuan Electronic Material Co., Ltd., Changyuan Electronics (Dongguan) Co., Ltd., Changzhou Changyuan Tefa Technology Co., Ltd., Huizhou Changyuan Tefa Technology Co., Ltd., Shenzhen Orbit Systems Inc., Changzhou WOER HEAT-SHRINKABLE Material Co., Ltd., Tianjin Wo'erfa Power Equipment Co., Ltd., WOER HEAT-SHRINKABLE and Shenzhen WOER Electric Technology Co., Ltd., were accredited as the "High and New Technology Enterprise" and therefore were entitled to a preferential income tax rate of 15%. The qualification is subject to review by the relevant tax authority in the PRC every three years.

During the nine months ended September 30, 2024, the Company, LTK Electric, LTK Electric Wire (Changzhou) Ltd, Shanghai Keter New Materials, Shenzhen Woer New Energy Electric Technology, Shanghai Changyuan Electronic Material Co., Ltd., Tianjin Changyuan Electronic Material Co., Ltd., Changyuan Electronics (Dongguan) Co., Ltd., Changzhou Changyuan Tefa Technology Co., Ltd., Huizhou Changyuan Tefa Technology Co., Ltd., Shenzhen Orbit Systems Inc., Changzhou WOER HEAT- SHRINKABLE Material Co., Ltd., Tianjin Wo'erfa Power Equipment Co., Ltd., WOER HEAT-SHRINKABLE, and Shenzhen WOER Electric Technology Co., Ltd. were accredited as the "High and New Technology Enterprise" and therefore were entitled to a preferential income tax rate of 15%. The qualification is subject to review by the relevant tax authority in the PRC every three years.

During the nine months ended September 30, 2025, the Company, LTK Electric, LTK Electric Wire (Changzhou) Ltd, Shanghai Keter New Materials, Shenzhen Woer New Energy Electric Technology, Shanghai Changyuan Electronic Material Co., Ltd., Changyuan Electronics (Dongguan) Co., Ltd., Changzhou Changyuan Tefa Technology Co., Ltd., Huizhou Changyuan Tefa Technology Co., Ltd., Shenzhen Orbit Systems Inc., Changzhou WOER HEAT-SHRINKABLE Material Co., Ltd., Tianjin Wo'erfa Power Equipment Co., Ltd., WOER HEAT-SHRINKABLE, and Shenzhen WOER Electric Technology Co., Ltd. were accredited as the "High and New Technology Enterprise" and therefore were entitled to a preferential income tax rate of 15%. The qualification is subject to review by the relevant tax authority in the PRC every three years.

During the year ended December 31, 2022, LTK CABLE (Chongqing) Ltd., Dalian LTK Trade Ltd, Wuhan Wo'er Nuclear Material Technology Development Co., Ltd., Changchun Wall Nuclear Material Wind Power Generation Co., Ltd., Liangcheng County Xinyuan Wind Power Generation Co., Ltd., Hailin Xinyuan Wind Power Co., Ltd., Shanghai Lante New Material Co., Ltd., Shanghai Lin Tian Functional Materials Co., Ltd., Wuhan Wal New Energy Technology Co., Ltd., CYG Electronics (Group) Co., Ltd., Shanghai Changyuan Radiation Technology Co., Ltd., Changzhou Changyuan Electronic Materials Co., Ltd., Shenzhen Judian Network Technology Co., Ltd., Shenzhen Judian New Energy Technology Co., Ltd., Shenzhen Judian New Energy Automobile Service Co., Ltd., Shanghai Judian New Energy Vehicle Technology Co., Ltd., Beijing Judian Juneng Technology Co., Ltd., Shenzhen Judian Investment Holdings Co., Ltd., Shenzhen Huawo Zhilian Technology Co., Ltd., Beijing Woerfa Electrical Co., Ltd., Shenzhen Wolida Trading Co., Ltd., Shenzhen Guodian Julong Electrical Technology Co., Ltd., Shenzhen Woer Intelligent Equipment Co., Ltd., Changzhou Guodian Julong Electric Technology Co., Ltd., KTG (ChangZhou) New Material Co., Ltd., Wuhan Wal New Material Co., Ltd. and Wuhan Wal Nuclear Power Technology Co., Ltd., were qualified as "Small and Micro-Sized Enterprises" ("**SME**"). For the first RMB1 million of annual taxable income is eligible for 12.5% reduction at the applicable income tax rate of 20%, and the income between RMB1 million and RMB3 million is el igible for 50% reduction at the applicable income tax rate of 20%.

During the year ended December 31, 2023, LTK CABLE (Chongqing) Ltd., Dalian LTK Trade Ltd, Wuhan Wo'er Nuclear Material Technology Development Co., Ltd., Changchun Wall Nuclear Material Wind Power Generation Co., Ltd., Liangcheng County Xinyuan Wind

Power Generation Co., Ltd., Hailin Xinyuan Wind Power Co., Ltd., Shanghai Lante New Material Co., Ltd., Shanghai Lin Tian Functional Materials Co., Ltd., Wuhan Wal New Energy Technology Co., Ltd., Shenzhen Woer New Energy Technology Co., Ltd., CYG Electronics (Group) Co., Ltd., Shanghai Changyuan Radiation Technology Co., Ltd., Changzhou Changyuan Electronic Materials Co., Ltd., Shenzhen Judian Network Technology Co., Ltd., Shenzhen Judian New Energy Technology Co., Ltd., Shenzhen Judian New Energy Automobile Service Co., Ltd., Shanghai Judian New Energy Vehicle Technology Co., Ltd., Beijing Judian Juneng Technology Co., Ltd., Shenzhen Judian Investment Holdings Co., Ltd., Shenzhen Huawo Zhilian Technology Co., Ltd., Beijing Woerfa Electrical Co., Ltd., Shenzhen Wolida Trading Co., Ltd., Shenzhen Guodian Julong Electrical Technology Co., Ltd., Shenzhen Woer Intelligent Equipment Co., Ltd., KTG (ChangZhou) New Material Co., Ltd. and Wuhan Wal Nuclear Power Technology Co., Ltd., were qualified as SME. For the first RMB1 million of annual taxable income is eligible for 25% reduction at the applicable income tax rate of 20%.

During the year ended December 31, 2024, LTK CABLE (Chongqing) Ltd., Dalian LTK Trade Ltd. Changchun Wall Nuclear Material Wind Power Generation Co., Ltd., Shanghai Lante New Material Co., Ltd., Shanghai Lin Tian Functional Materials Co., Ltd., Shanghai Ricoro Film Co., Ltd., Shanghai WoDarun New Materials Co., Ltd., Wuhan Wal New Energy Technology Co., Ltd., Shenzhen Woer New Energy Technology Co., Ltd., CYG Electronics (Group) Co., Ltd., Shanghai Changyuan Radiation Technology Co., Ltd., Changzhou Changyuan Electronic Materials Co., Ltd., Shenzhen Judian Network Technology Co., Ltd., Shenzhen Judian New Energy Technology Co., Ltd., Shenzhen Judian New Energy Automobile Service Co., Ltd., Shanghai Judian New Energy Vehicle Technology Co., Ltd., Beijing Judian Juneng Technology Co., Ltd., Shenzhen Judian Investment Holdings Co., Ltd., Beijing Woerfa Electrical Co., Ltd., Shenzhen Wolida Trading Co., Ltd., Shenzhen Guodian Julong Electrical Technology Co., Ltd., Shenzhen Woer Intelligent Equipment Co., Ltd. and KTG (ChangZhou) New Material Co., Ltd. were qualified as SME. For the first RMB1 million of annual taxable income is eligible for 25% reduction at the applicable income tax rate of 20%.

During the nine months ended September 30, 2024, LTK CABLE (Chongqing) Ltd, Dalian LTK Trade Ltd, Wuhan Wo'er Nuclear Material Technology Development Co., Ltd., Changchun Wall Nuclear Material Wind Power Generation Co., Ltd., Shanghai Lante New Material Co., Ltd., Shanghai LIN TIAN Functional MATERIALS Co., Ltd., Wuhan Wal New Energy Technology Co., Ltd., Shenzhen Woer New Energy Technology Co., Ltd., CYG ELECTRONICS (Group) Co., Ltd., Shanghai Changyuan Radiation Technology Co., Ltd., Changzhou Changyuan Electronic Materials Co., Ltd., Shenzhen Judian Network Technology Co., Ltd., Shenzhen Judian New Energy Technology Co., Ltd., Shenzhen Judian New Energy Automobile Service Co., Ltd., Shanghai Judian New Energy Vehicle Technology Co., Ltd., Beijing Judian Juneng Technology Co., Ltd., Shenzhen Judian Investment Holdings Co., Ltd., Shenzhen Huawo Zhilian Technology Co., Ltd., Beijing Woerfa Electrical Co., Ltd., Shenzhen Wolida Trading Co., Ltd., Shenzhen Guodian Julong Electrical Technology Co., Ltd., Shenzhen Woer Intelligent Equipment Co., Ltd. and KTG (ChangZhou) New Material Co., Ltd. were qualified as SME. For the first RMB1 million of annual taxable income is eligible for 25% reduction at the applicable income tax rate of 20%.

During the nine months ended September 30, 2025, LTK CABLE (Chongqing) Ltd, Dalian LTK Trade Ltd, Changchun Wall Nuclear Material Wind Power Generation Co., Ltd., Shanghai Lante New Material Co., Ltd., Shanghai LIN TIAN Functional MATERIALS Co., Ltd., Shanghai Ricoro Film Co., Ltd., Shanghai WoDarun New Materials Co., Ltd., Shenzhen Woer New Energy Technology Co., Ltd., Shanghai Changyuan Radiation Technology Co., Ltd., Changzhou Changyuan Electronic Materials Co., Ltd., Shenzhen Judian Network Technology Co., Ltd., Shenzhen Judian New Energy Technology Co., Ltd., Shenzhen Judian New Energy Automobile Service Co., Ltd., Shanghai Judian New Energy Vehicle Technology Co., Ltd., Beijing Judian Juneng Technology Co., Ltd., Shenzhen Judian Investment Holdings Co., Ltd., Shenzhen Kenaite Conductive Precision Technology Co., Ltd., Beijing Woerfa Electrical Co., Ltd., Shenzhen Wolida Trading Co., Ltd., Shenzhen Guodian Julong Electrical Technology Co., Ltd., Shenzhen Woer Intelligent Equipment Co., Ltd. and KTG (ChangZhou) New Material Co., Ltd. were qualified as SME. For the first RMB1 million of annual taxable income is eligible for 25% reduction at the applicable income tax rate of 20%.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The tax charge for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2024 (unaudited) and 2025 can be reconciled to the profit before taxation per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Profit before taxation	727,356	872,877	1,073,863	812,345	1,036,086
Tax at the statutory tax rate of 25%	181,839	218,219	268,466	203,086	259,022
Effects of different tax rates applicable to different subsidiaries of the Group	(66,522)	(79,175)	(98,802)	(72,343)	(79,043)
Tax effect of expenses that are not deductible for tax purposes	6,137	11,366	10,196	2,561	3,767
Tax effect of income that is not taxable for tax purposes	(294)	(4,794)	(1,984)	(1,432)	(3,622)
Under/(over) provision of taxation in previous year	5,283	(792)	6,082	2,249	2,021
Tax effect of share of results of associates	(1,515)	(2,469)	(2,452)	(1,404)	(611)
Tax effect of temporary difference not recognized	15,941	10,992	11,643	3,397	16,589
Utilization of deductible temporary differences previously not recognized	(2,779)	(5,204)	(1,350)	(4,333)	(6,439)
Tax effect of additional tax deduction for eligible research and development expenses	(70,981)	(32,993)	(38,439)	(28,679)	(38,901)
Income tax expenses for the year/period	67,109	115,150	153,360	103,102	152,783

(b) Tax effects relating to each component of other comprehensive income

	Before taxation	Taxation credited	Net of taxation
	RMB'000	RMB'000 (Note 32)	RMB'000
For the year ended December 31, 2022			
Fair value change of equity instruments at FVTOCI	(38,603)	5,790	(32,813)

	Before taxation	Taxation charged	Net of taxation
	RMB'000	RMB'000 (Note 32)	RMB'000
For the year ended December 31, 2023			
Fair value change of equity instruments at FVTOCI	13,745	(2,062)	11,683

	Before taxation	Taxation credited	Net of taxation
	RMB'000	RMB'000 (Note 32)	RMB'000
For the year ended December 31, 2024			
Fair value change of equity instruments at FVTOCI	(10,503)	1,577	(8,926)

Before taxation8x162-1TD.0002Ye2901k....B'006,439)

11. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' EMOLUMENTS

Ms. Yi Huarong is the chief executive of the Company and her emolument disclosed below included those for services rendered by her as the chief executive of the Company and other group entities.

Details of the emoluments paid or payable to the individuals who were appointed as the directors, chief executive and supervisors of the Company (including emoluments for services as employees/directors of the group entities prior to becoming the directors of the Company), during the Track Record Period, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, are as follows:

Year ended December 31, 2022	Fee	Salaries, allowances and benefits in kind	Performance related bonuses	Retirement benefit scheme contribution	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors						
Mr. Zhou Wenhe (note (i))	–	748	–	–	–	748
Ms. Yi Huarong (note (iii))	–	239	–	45	–	284
Ms. Deng Yan	–	464	–	29	–	493
Mr. Liu Zhanli	–	729	–	25	–	754
Mr. Xia Chunliang	–	575	–	30	–	605
Ms. Wang Honghui (note (iv))	–	794	–	41	–	835
Sub-total	–	3,549	–	170	–	3,719
Non-executive directors						
Dr. Li Wenyou	120	–	–	–	–	120
Sub-total	120	–	–	–	–	120
Independent non-executive directors						
Ms. Chen Yanyan	120	–	–	–	–	120
Mr. Zeng Fanyue (note (v))	20	–	–	–	–	20
Ms. Dai Bingjie (note (vi))	20	–	–	–	–	20
Ms. Yang Zaifeng (note (vii))	100	–	–	–	–	100
Mr. Liu Guangling (note (viii))	100	–	–	–	–	100
Sub-total	360	–	–	–	–	360
Supervisors						
Mr. Wang Jun	–	224	–	20	–	244
Mr. Zheng Yunfei	–	504	–	18	–	522
Ms. Geng Lian (note (ix))	–	26	–	2	–	28
Mr. Fang Leixiang (note (x))	–	291	–	28	–	319
Sub-total	–	1,045	–	68	–	1,113
Total	480	4,594	–	238	–	5,312

Year ended December 31, 2023	Fee	Salaries, allowances and benefits in kind	Performance related bonuses	Retirement benefit scheme contribution	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors						
Mr. Zhou Wenhe (note (i))	–	745	–	–	–	745
Ms. Yi Huarong (note (iii))	–	1,413	–	46	–	1,459
Ms. Deng Yan	–	548	–	27	–	575
Mr. Liu Zhanli	–	837	–	27	–	864
Mr. Xia Chunliang	–	733	–	38	22	793
Sub-total	–	4,276	–	138	22	4,436
Non-executive directors						
Dr. Li Wenyou	120	–	–	–	–	120
Sub-total	120	–	–	–	–	120
Independent non-executive directors						
Ms. Chen Yanyan	120	–	–	–	–	120
Mr. Zeng Fanyue (note (v))	120	–	–	–	–	120
Ms. Dai Bingjie (note (vi))	120	–	–	–	–	120
Sub-total	360	–	–	–	–	360
Supervisors						
Mr. Wang Jun	–	221	–	19	–	240
Mr. Zheng Yunfei	–	222	–	14	–	236
Ms. Geng Lian (note (ix))	–	151	–	13	–	164
Sub-total	–	594	–	46	–	640
Total	480	4,870	–	184	22	5,556

Year ended December 31, 2024	Fee	Salaries, allowances and benefits in kind	Performance related bonuses	Retirement benefit scheme contribution	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors						
Mr. Zhou Wenhe (note (i))	–	563	–	–	–	563
Ms. Yi Huarong (note (iii))	–	1,493	–	50	–	1,543
Ms. Deng Yan	–	506	–	29	–	535
Mr. Liu Zhanli	–	886	–	28	–	914
Mr. Xia Chunliang	–	474	–	50	21	545
Sub-total	–	3,922	–	157	21	4,100
Non-executive directors						
Dr. Li Wenyou	120	–	–	–	–	120
Sub-total	120	–	–	–	–	120
Independent non-executive directors						
Ms. Chen Yanyan	120	–	–	–	–	120
Mr. Zeng Fanyue (note (v))	120	–	–	–	–	120
Ms. Dai Bingjie (note (vi))	120	–	–	–	–	120
Sub-total	360	–	–	–	–	360
Supervisors						
Mr. Wang Jun	–	225	–	20	–	245
Mr. Zheng Yunfei	–	289	–	15	–	304
Ms. Geng Lian (note (ix))	–	162	–	15	–	177
Sub-total	–	676	–	50	–	726
Total	480	4,598	–	207	21	5,306

Nine months ended September 30, 2024 (unaudited)	Fee	Salaries, allowances and benefits in kind	Performance related bonuses	Retirement benefit scheme contribution	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors						
Mr. Zhou Wenhe (note (i))	–	453	–	–	–	453
Ms. Yi Huarong (note (iii))	–	1,119	–	54	–	1,173
Ms. Deng Yan	–	380	–	21	–	401
Mr. Liu Zhanli	–	664	–	30	–	694
Mr. Xia Chunliang	–	356	–	37	(3)	390
Sub-total	–	2,972	–	142	(3)	3,111
Non-executive directors						
Dr. Li Wenyou	90	–	–	–	–	90
Sub-total	90	–	–	–	–	90
Independent non-executive directors						
Ms. Chen Yanyan	90	–	–	–	–	90
Mr. Zeng Fanyue (note (v))	90	–	–	–	–	90
Ms. Dai Bingjie (note (vi))	90	–	–	–	–	90
Sub-total	270	–	–	–	–	270
Supervisors						
Mr. Wang Jun	–	171	–	22	–	193
Mr. Zheng Yunfei	–	217	–	11	–	228
Ms. Geng Lian (note (ix))	–	121	–	13	–	134
Sub-total	–	509	–	46	–	555
Total	360	3,481	–	188	(3)	4,026

Nine months ended September 30, 2025	Fee	Salaries, allowances and benefits in kind	Performance related bonuses	Retirement benefit scheme contribution	Share-based compensation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors						
Mr. Zhou Wenhe (note (i))	–	67	–	–	–	67
Mr. Zhou Heping (note (ii))	–	3,742	–	–	–	3,742
Ms. Yi Huarong (note (iii))	–	1,486	–	58	–	1,544
Ms. Deng Yan	–	362	–	23	37	422
Mr. Liu Zhanli	–	853	–	32	185	1,070
Mr. Xia Chunliang	–	882	–	41	227	1,150
Sub-total	–	7,392	–	154	449	7,995
Non-executive directors						
Dr. Li Wenyou	90	–	–	–	–	90
Sub-total	90	–	–	–	–	90
Independent non-executive directors						
Ms. Chen Yanyan	90	–	–	–	–	90
Mr. Zeng Fanyue (note (v))	90	–	–	–	–	90
Ms. Dai Bingjie (note (vi))	90	–	–	–	–	90
Sub-total	270	–	–	–	–	270
Supervisors						
Mr. Wang Jun	–	147	–	16	–	163
Mr. Zheng Yunfei	–	188	–	8	8	204
Ms. Geng Lian (note (ix))	–	84	–	12	–	96
Sub-total	–	419	–	36	8	463
Total	360	7,811	–	190	457	8,818

Notes:

(i) Mr. Zhou Wenhe resigned as executive director of the Company with effect from May 10, 2025.

(ii) Mr. Zhou Heping was appointed as executive director of the Company with effect from June 3, 2025.

(iii) Ms. Yi Huarong was appointed as executive director of the Company with effect from November 2, 2022.

(iv) Ms. Wang Honghui resigned as executive director of the Company with effect from November 2, 2022.

(v) Mr. Zeng Fanyue was appointed as independent non-executive director of the Company with effect from November 2, 2022.

(vi) Ms. Dai Bingjie was appointed as independent non-executive director of the Company with effect from November 2, 2022.

(vii) Ms. Yang Zaifeng resigned as independent non-executive director of the Company with effect from November 2, 2022.

(viii) Mr. Liu Guangling resigned as independent non-executive director of the Company with effect from November 2, 2022.

(ix) Ms. Geng Lian was appointed as supervisor of the Company with effect from November 2, 2022.

(x) Mr. Fang Leixiang resigned as supervisor of the Company with effect from November 2, 2022.

The executive directors' and chief executive's emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group during the Track Record Period.

The non-executive directors' emoluments and independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company during the Track Record Period.

During the Track Record Period, there was no arrangement under which a director or the chief executive or a supervisor waived or agreed to waive any emolument, and no emoluments were paid by the Group to any of the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

12. FIVE HIGHEST PAID EMPLOYEES

The individuals whose emoluments were the top 5 highest in the Group for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2024 (unaudited) and 2025, respectively include nil, one, one, two and two directors of the Company whose emoluments are set out in note 11 above. The emoluments paid to the remaining five, four, four, three and three individuals with the highest emoluments in the Group for each of the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2024 (unaudited) and 2025, respectively, are as follows:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries, allowances and benefits in kind	10,825	9,213	9,965	4,751	3,794
Retirement benefit expense	237	175	116	144	163
Equity-settled share-based payments	–	–	–	–	426
	11,062	9,388	10,081	4,895	4,383

The number of the highest paid employees (including the directors or the supervisors) of the Company whose remuneration fell within the following bands is as follows:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
				(unaudited)	
Nil to HK$1,000,000	–	–	–	3	–
HK$1,000,001 to HK$1,500,000	–	–	–	1	1
HK$1,500,001 to HK$2,000,000	3	3	3	–	3
HK$2,000,001 to HK$2,500,000	1	–	1	–	–
HK$2,500,001 to HK$3,000,000	–	1	–	–	–
HK$3,000,001 to HK$3,500,000	–	–	–	–	–
HK$3,500,001 to HK$4,000,000	–	–	–	1	–
HK$4,000,001 to HK$4,500,000	1	1	–	–	1
HK$4,500,001 to HK$5,000,000	–	–	–	–	–
HK$5,000,001 to HK$5,500,000	–	–	1	–	–

During the Track Record Period, 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.

13. DIVIDENDS

On June 13, 2022, the payment of a final dividend of approximately RMB44,096,000 in aggregate (RMB0.35 per 10 ordinary shares) was paid by the Company in respect of the year ended December 31, 2021. On May 29, 2023, the payment of a final dividend of approximately RMB50,396,000 in aggregate (RMB0.40 per 10 ordinary shares) was paid by the Company in respect of the year ended December 31, 2022. On May 29, 2024, the payment of a final dividend of approximately RMB211,877,000 in aggregate (RMB1.70 per 10 ordinary shares) was paid by the Company in respect of the year ended December 31, 2023. On June 23, 2025, the payment of a final dividend of approximately RMB170,748,000 in aggregate (RMB1.37 per 10 ordinary shares) was paid by the Company in respect of the year ended December 31, 2024.

14. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company for the Track Record Period is based on the following data:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Earnings					
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	614,623	700,483	847,551	655,096	821,839
	'000				

15. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Plant and machinery	Motor vehicles	Electricity generation and related equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
COST							
At January 1, 2022	1,223,746	1,092,891	25,955	990,354	94,735	229,599	3,657,280
Additions	47,081	189,837	2,082	15,449	8,069	121,150	383,668
Acquisition of a subsidiary (note 43(a))	73,380	–	–	–	–	–	73,380
Transfers from construction in progress	30,739	36,377	–	–	28,152	(95,268)	–
Disposals	(4,425)	(67,076)	(1,470)	(5,979)	–	–	(78,950)
At December 31, 2022 and January 1, 2023	1,370,521	1,252,029	26,567	999,824	130,956	255,481	4,035,378
Additions	2,657	126,368	2,108	15,381	30,284	186,137	362,935
Transfers from construction in progress	51,124	26,110	–	–	14,077	(91,311)	–
Transferred to investment properties (note 19)	(7,335)	–	–	–	–	–	(7,335)
Disposals	(16,552)	(50,298)	(2,458)	(10,414)	–	–	(79,722)
At December 31, 2023 and January 1, 2024	1,400,415	1,354,209	26,217	1,004,791	175,317	350,307	4,311,256
Additions	2,083	190,532	4,074	33,447	20,190	226,661	476,987
Transfers from construction in progress	160,814	22,077	–	–	14,339	(197,230)	–
Disposals	(7,761)	(27,419)	(819)	(10,544)	–	–	(46,543)
At December 31, 2024 and January 1, 2025	1,555,551	1,539,399	29,472	1,027,694	209,846	379,738	4,741,700
Additions	–	456,305	1,274	51,806	23,707	235,061	768,153
Acquisition of a subsidiary (note 43(b))	–	11	–	–	–	8,067	8,078
Transfers from construction in progress	206	9,504	–	–	18,897	(28,607)	–
Disposals	(309)	(17,866)	(5,161)	(1,008)	(1,397)	–	(25,741)
Exchange adjustments	–	(295)	34	–	–	–	(261)
At September 30, 2025	1,555,448	1,987,058	25,619	1,078,492	251,053	594,259	5,491,929
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
At January 1, 2022	278,320	597,295	15,786	224,342	46,321	–	1,162,064
Depreciation provided for the year	38,235	82,529	2,928	53,494	17,262	–	194,448
Impairment provided for the year	–	1,521	–	131	–	–	1,652
Eliminated on disposals	(3,624)	(34,967)	(1,254)	(4,756)	–	–	(44,601)
At December 31, 2022 and January 1, 2023	312,931	646,378	17,460	273,211	63,583	–	1,313,563
Depreciation provided for the year	43,108	96,295	2,545	49,088	21,396	–	212,432
Transferred to investment properties (note 19)	(4,743)	–	–	–	–	–	(4,743)
Impairment provided for the year	–	76	–	7	–	–	83
Eliminated on disposals	(9,465)	(26,664)	(2,231)	(9,146)	–	–	(47,506)
At December 31, 2023 and January 1, 2024	341,831	716,085	17,774	313,160	84,979	–	1,473,829
Depreciation provided for the year	46,901	100,315	3,536	58,831	29,844	–	239,427
Impairment provided for the year	–	5,223	–	5	–	–	5,228
Eliminated on disposals	(70)	(21,068)	(725)	(10,081)	–	–	(31,944)
At December 31, 2024 and January 1, 2025	388,662	800,555	20,585	361,915	114,823	–	1,686,540
Depreciation provided for the period	35,469	89,318	1,752	42,872	32,653	–	202,064
Impairment provided for the period	–	75	–	35	–	–	110
Eliminated on disposals	(22)	(10,676)	(4,810)	(575)	(870)	–	(16,953)
Exchange adjustments	–	(117)	(1)	(14)	–	–	(132)
At September 30, 2025	424,109	879,155	17,526	404,233	146,606	–	1,871,629
CARRYING AMOUNT							
At December 31, 2022	1,057,590	605,651	9,107	726,613	67,373	255,481	2,721,815
At December 31, 2023	1,058,584	638,124	8,443	691,631	90,338	350,307	2,837,427

As at December 31, 2022, 2023 and 2024 and September 30, 2025, the Group is in the process of obtaining the certificates of ownership in respect of certain buildings of the Group with carrying amounts of RMB170,976,000, RMB215,260,000, RMB6,381,000 and RMB5,913,000, respectively, from the relevant government authorities.

For the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, the management performed impairment assessments on property, plant and equipment, right-of-use assets, intangible assets and goodwill of certain subsidiaries which contains goodwill. The management assessed the recoverable amounts of these assets by assessing the recoverable amounts of the cash-generating units ("**CGUs**"), represented by the respective subsidiaries, to which they belong with reference to the value-in-use calculations of

Property, plant and equipment with an aggregate amounts of RMB186,146,000, RMB180,635,000, RMB121,743,000 and RMB125,916,000 as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively are pledged to secure bank borrowings (note 28) granted to the Company.

16. RIGHT-OF-USE ASSETS

The Group

	Land use rights	Leased properties	Total
	RMB'000	RMB'000	RMB'000
CARRYING AMOUNT			
At January 1, 2022	165,736	34,700	200,436
Additions	106,924	39,804	146,728
Early termination of lease	–	(3,696)	(3,696)
Disposals	(2,677)	(696)	(3,373)
Depreciation charge	(4,551)	(18,057)	(22,608)
Exchange re-alignment	–	450	450
At December 31, 2022 and January 1, 2023	265,432	52,505	317,937
Additions	–	22	22
Early termination of lease	–	(622)	(622)
Depreciation charge	(5,644)	(15,974)	(21,618)
Exchange re-alignment	–	131	131
At December 31, 2023 and January 1, 2024	259,788	36,062	295,850
Additions	9,785	162,996	172,781
Lease modification	–	53,547	53,547
Depreciation charge	(6,172)	(28,406)	(34,578)
Exchange re-alignment	–	22	22
At December 31, 2024 and January 1, 2025	263,401	224,221	487,622
Additions	249,080	11,050	260,130
Acquisition of a subsidiary (note 43(b))	4,291	–	4,291
Lease modification	–	854	854
Depreciation charge	(6,647)	(30,393)	(37,040)
Exchange re-alignment	–	(539)	(539)
At September 30, 2025	510,125	205,193	715,318

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Expense relating to short-term leases	10,507	11,187	18,074	12,769	19,654
Total cash outflow for leases	136,580	29,412	62,310	44,608	296,248

During the Track Record Period, the Group leases various offices, warehouses and factories for its operations. Lease contracts are entered into fixed term of 13 months to 13 years, 2 years to 13 years, 2 years to 10 years and 16 months to 10 years for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Certain land use rights with an aggregate amounts of RMB53,162,000, RMB51,850,000, RMB54,615,000 and RMB96,547,000 as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively are pledged to secure bank borrowings (note 28) granted to the Group.

Details of impairment assessment are disclosed in note 17.

The Company

	Land use rights
	RMB'000
CARRYING AMOUNT	
At January 1, 2022	23,573
Depreciation charge	(642)
At December 31, 2022 and January 1, 2023	22,931
Depreciation charge	(641)
At December 31, 2023 and January 1, 2024	22,290
Depreciation charge	(641)
At December 31, 2024 and January 1, 2025	21,649
Depreciation charge	(481)
At September 30, 2025	21,168

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Expense relating to short-term leases	1,634	1,544	870	853	616
Total cash outflow for leases	1,634	1,544	870	853	616

Certain land use rights with an aggregate amounts of RMB22,931,000, RMB22,290,000 and RMB17,082,000 as at December 31, 2022, 2023 and the nine months ended September 30, 2025 respectively are pledged to secure bank borrowings (note 28) granted to the Company. During the year ended December 31, 2024, the land use rights pledged were released upon the repayment of the relevant bank borrowings.

17. GOODWILL

The Group

	RMB'000
COST	
At January 1, 2022, December 31, 2022, January 1, 2023, December 31, 2023, January 1, 2024, December 31, 2024, January 1, 2025 and September 30, 2025	807,960
IMPAIRMENT	
At January 1, 2022, December 31, 2022 and January 1, 2023	47,988
Impairment loss recognized for the year	28,665
At December 31, 2023 and January 1, 2024	76,653
Impairment loss recognized for the year	36,479
At December 31, 2024, January 1, 2025 and September 30, 2025	113,132
CARRYING AMOUNT	
At December 31, 2022	759,972
At December 31, 2023	731,307
At December 31, 2024	694,828
At September 30, 2025	694,828

For the purpose of impairment testing, the carrying amount of goodwill (net of accumulated impairment losses) is allocated to the Group's cash-generating units ("**CGUs**") as follows:

	At December 31,			At September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Shenzhen Orbit Systems Inc. ("**Shenzhen Orbit CGU**")	65,144	36,479	–	–
CYG Electronics (Group) **("CYG Electronics CGU")**	694,828	694,828	694,828	694,828
	759,972	731,307	694,828	694,828

In addition to goodwill above, property, plant and equipment, intangible assets and right-of-use assets (including allocation of corporate assets) that generate cash flows together with the related goodwill are also included in the respective CGUs for the purposes of impairment assessment.

The recoverable amounts of the CGUs are determined based on value-in-use calculations based on cash flow forecasts derived from the estimated future cash flows covering a 5-year period and with the beyond budgeted period using zero growth rate approved by the directors of the Company.

The key assumptions used in the estimation of value in use are as below:

	At December 31,			At September 30,
	2022	2023	2024	2025
Shenzhen Orbit CGU				
Revenue (average growth rate)	16.36%	9.33%	3.00%	N/A
Pre-tax discount rate	14.87%	13.25%	13.00%	N/A
CYG Electronics CGU				
Revenue (average growth rate)	3.63%	3.53%	3.56%	2.58%
Pre-tax discount rate	12.70%	12.90%	12.80%	12.76%

The directors of the Company have determined the values assigned to each of the key assumptions as follows:

- Average revenue growth rate over the five-year forecast period is based on past performance and management's expectation of market development; and

- Pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the CGUs.

Impact of possible changes in key assumptions

The recoverable amount of Shenzhen Orbit CGU was estimated to exceed its carrying amount as at December 31, 2022 by approximately RMB3,793,000. The recoverable amount of Shenzhen Orbit CGU was estimated to be lower than its carrying amount as at December 31, 2023 and 2024 and impairment of goodwill of RMB28,665,000 and RMB36,479,000 were recognized for the years ended December 31, 2023 and 2024 respectively. No other impairment of assets of Shenzhen Orbit CGU is considered necessary.

The recoverable amount of CYG Electronics CGU is estimated to exceed its carrying amount at December 31, 2022, 2023 and 2024 and September 30, 2025 by approximately RMB116,018,000, RMB317,513,000, RMB526,004,000 and RMB1,148,655,000 respectively.

Management have undertaken sensitivity analysis on the impairment test of goodwill. The recoverable amount of each CGU would equal its carrying amount (net of impairment loss) if each key assumption was to change as follows with all other variables held constant:

	At December 31,			At September 30,
	2022	2023	2024	2025
Shenzhen Orbit CGU				
Revenue (average growth rate)	16.22%	Note (i)	N/A	N/A
Pre-tax discount rate	15.49%	Note (ii)	N/A	N/A
CYG Electronics CGU				
Revenue (average growth rate)	3.47%	3.13%	2.98%	1.90%
Pre-tax discount rate	13.45%	14.92%	15.98%	17.84%

Notes:

(i) As at December 31, 2023, if the revenue average growth rate was changed to 8.33%, while other parameters remain constant, the recoverable amount of Shenzhen Orbit CGU would be reduced to RMB28,999,000 and a further impairment of goodwill of RMB21,691,000 would be recognized.

(ii) As at December 31, 2023, if the discount rate was changed to 14.25%, while other parameters remain constant, the recoverable amount of Shenzhen Orbit CGU would be reduced to RMB58,921,000 and a further impairment of goodwill of RMB3,737,000 would be recognized.

(iii) Apart from the considerations described in determining the value-in-use of the CGUs above, the management of the Group believe that no reasonably possible change in any of the above key assumptions would cause the CGU's recoverable amount to fall below its carrying amount.

18. INTANGIBLE ASSETS

The Group

	Trademark	Patent	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
COST				
At January 1, 2022	20,705	288,129	7,758	316,592
Additions	1,664	5,616	–	7,280
Disposals	(201)	–	–	(201)
At December 31, 2022 and January 1, 2023	22,168	293,745	7,758	323,671
Additions	6,770	16,837	92	23,699
At December 31, 2023 and January 1, 2024	28,938	310,582	7,850	347,370
Additions	2,498	–	–	2,498
Disposals	(108)	–	–	(108)
At December 31, 2024 and January 1, 2025	31,328	310,582	7,850	349,760
Additions	1,579	3	–	1,582
Disposals	(92)	–	–	(92)
At September 30, 2025	32,815	310,585	7,850	351,250
ACCUMULATED AMORTIZATION AND IMPAIRMENT				
At January 1, 2022	19,097	256,227	6,963	282,287
Charge for the year	2,073	21,573	215	23,861
Eliminated on disposals	(201)	–	–	(201)
At December 31, 2022 and January 1, 2023	20,969	277,800	7,178	305,947
Charge for the year	2,879	2,410	70	5,359
At December 31, 2023 and January 1, 2024	23,848	280,210	7,248	311,306
Charge for the year	1,670	10,966	52	12,688
Eliminated on disposals	(108)	–	–	(108)
At December 31, 2024 and January 1, 2025	25,410	291,176	7,300	323,886
Charge for the period	2,364	3,596	37	5,997
Eliminated on disposals	(92)	–	–	(92)
At September 30, 2025	27,682	294,772	7,337	329,791
CARRYING AMOUNT				
At December 31, 2022	1,199	15,945	580	17,724
At December 31, 2023	5,090	30,372	602	36,064
At December 31, 2024	5,918	19,406	550	25,874
At September 30, 2025	5,133	15,813	513	21,459

The Company

	Trademark	Patent	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
COST				
At January 1, 2022	13,394	138,267	439	152,100
Additions	953	5,616	–	6,569
Disposals	(61)	–	–	(61)
At December 31, 2022 and January 1, 2023	14,286	143,883	439	158,608
Additions	3,887	16,837	–	20,724
At December 31, 2023 and January 1, 2024	18,173	160,720	439	179,332
Additions	1,760	–	–	1,760
Disposals	(308)	–	–	(308)
At December 31, 2024 and January 1, 2025	19,625	160,720	439	180,784
Additions	383	–	–	383
At September 30, 2025	20,008	160,720	439	181,167
ACCUMULATED AMORTIZATION				
At January 1, 2022	10,084	129,512	390	139,986
Charge for the year	1,559	2,978	28	4,565
Eliminated on disposals	(61)	–	–	(61)
At December 31, 2022 and January 1, 2023	11,582	132,490	418	144,490
Charge for the year	1,787	2,309	20	4,116
At December 31, 2023 and January 1, 2024	13,369	134,799	438	148,606
Charge for the year	138	10,966	1	11,105
Eliminated on disposals	(161)	–	–	(161)
At December 31, 2024 and January 1, 2025	13,346	145,765	439	159,550
Charge for the period	1,004	3,596	–	4,600
At September 30, 2025	14,350	149,361	439	164,150
CARRYING AMOUNT				
At December 31, 2022	2,704	11,393	21	14,118
At December 31, 2023	4,804	25,921	1	30,726
At December 31, 2024	6,279	14,955	–	21,234
At September 30, 2025	5,658	11,359	–	17,017

Details of impairment assessment are disclosed in note 17.

19. INVESTMENT PROPERTIES

The Group

	Properties located in PRC
	RMB'000
COST	
At January 1, 2022, December 31, 2022 and January 1, 2023	20,762
Transferred from properties, plant and equipment (note 15)	7,335
At December 31, 2023, January 1, 2024, December 31, 2024, January 1, 2025 and September 30, 2025	28,097
ACCUMULATED DEPRECIATION AND IMPAIRMENT	
At January 1, 2022	5,176
Depreciation provided for the year	1,244
At December 31, 2022 and January 1, 2023	6,420
Depreciation provided for the year	1,234
Transferred from properties, plant and equipment (note 15)	4,743
At December 31, 2023 and January 1, 2024	12,397
Depreciation provided for the year	1,379
At December 31, 2024 and January 1, 2025	13,776
Depreciation provided for the period	1,070
At September 30, 2025	14,846
CARRYING AMOUNT	
At December 31, 2022	14,342
At December 31, 2023	15,700
At December 31, 2024	14,321
At September 30, 2025	13,251

As at December 31, 2022, 2023 and 2024 and September 30, 2025, the cost of investment properties is depreciated over their estimated useful lives at an estimated rate of 4.85%, 4.24%, 4.24%, and 4.24% respectively.

Independent valuation of the Group's investment properties were performed by independent third party valuers to determine the fair value of the investment properties as at December 31, 2022, 2023 and 2024 and September 30, 2025. The fair value of these investment properties as at December 31, 2022, 2023 and 2024 and September 30, 2025 as assessed by the valuers by income approach, which were categorized under level 3 fair value hierarchy were approximately RMB21,500,000, RMB55,600,000, RMB54,400,000 and RMB53,900,000, respectively. In estimating the fair value of the investment properties, the highest and best use of the properties is their current use.

The above investment properties are depreciated on a straight-line basis on the following bases:

Properties	Over the term of the lease of investment properties

20. INTERESTS IN SUBSIDIARIES

The Company

(a) Interests in subsidiaries

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Unlisted shares, at cost	2,997,615	3,145,962	3,196,160	3,807,232

The Company tested its investments in subsidiaries for impairment by comparing the recoverable amounts with the carrying amounts. In determining the recoverable amount of the investments in the subsidiaries, the Company estimates its shares of present value of estimated future cash flows expected to generate from the operations of the subsidiaries. The Company tested its investments in subsidiaries for impairment annually or more frequently if events or changes in circumstances indicated that they might be impaired. During the Track Record Period, the estimated recoverable amounts of the investments in subsidiaries were greater than the carrying values and therefore no impairment was recognized.

(b) Amounts due from subsidiaries

As at December 31, 2022, 2023 and 2024 and September 30, 2025, amounts due from subsidiaries of approximately RMB142,748,000, RMB62,237,000, RMB88,688,000 and RMB111,000,000, respectively carrying the fixed interest rate range from 3.50% to 3.65%, 3.50%, 3.00% and 2.50% per annum, respectively. The remaining balances of amounts due from subsidiaries are interest-free and repayment on demand.

(c) Amounts due to subsidiaries

As at December 31, 2022, 2023 and 2024 and September 30, 2025, amounts due to subsidiaries of approximately RMB446,400,000, RMB632,800,000, RMB233,830,000 and RMB207,000,000, respectively carrying the fixed interest rate range from 3.08% to 4.50%, 3.08% to 3.75%, 1.50% to 3.00% and 2.50% per annum, respectively. The remaining balances of amounts due to subsidiaries are interest-free and repayment on demand.

21. INTERESTS IN ASSOCIATES

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cost of unlisted investment	116,091	114,131	108,907	103,057
Share of post-acquisition loss and other comprehensive expense, net of dividends received	(67,667)	(59,667)	(51,534)	(51,826)
	48,424	54,464	57,373	51,231

Details of the Group's major associates at December 31, 2022, 2023 and 2024 and September 30, 2025 are as follows:

Name	Place of establishment and operation	Equity/beneficial interest held by the Group as at December 31, 2022	December 31, 2023	December 31, 2024	September 30, 2025	At date of this report	Principal activities	Note
		%	%	%	%	%		
Shanghai Shi Long Hi-Tech Co., Ltd. ("**Shanghai Shi Long**")	PRC	44.37%	44.37%	44.37%	44.37%	44.37%	Production and sales of battery separators and functional plastics	n/a
Shenzhen Heqiwor Investment Enterprise (Limited Partnership) ("**Heqiwor**")	PRC	48.51%	48.51%	48.51%	48.51%	48.51%	Engaged in venture capital business	(a)
Shenzhen Fujiawor Technology Enterprise (Limited Partnership) ("**Fujiawor**")	PRC	48.51%	48.51%	48.51%	48.51%	48.51%	Engaged in venture capital business	(b)
Guizhou Huier	PRC	N/A	N/A	39.00%	N/A	N/A	Research and development, production and sales of flame retardants	(c)

Notes:

(a) During the year ended December 31, 2023, Hequiwor passed a member's resolution to reduce the paid-up capital from RMB151,500,000 to RMB147,500,000. Accordingly, RMB1,960,000 was refund to the Group.

(b) During the year ended December 31, 2024, Fujiawor passed a member's resolution to reduce the paid-up capital from RMB37,128,000 to RMB14,528,000. Accordingly, RMB11,074,000 was refund to the Group.

(c) During the year ended December 31, 2024, WOER HEAT-SHRINKABLE, a wholly owned subsidiary of the Company entered into an agreement with other two independent third parties, which WOER HEAT-SHRINKABLE contributed cash of RMB5,850,000 into Guizhou Huier and acquired 39.00% of equity interest in Guizhou Huier. In May 2025, WOER HEAT-SHRINKABLE contributed RMB1,000,000 capital into Guizhou Huier. In June 2025, WOER HEAT-SHRINKABLE entered into a sale and purchase agreement with a shareholder of the associate to acquire 21.51% of equity interest in Guizhor Huier at a consideration of RMB3,000,000. Upon the completion of the transaction, Guizhor Huier became a non-wholly owned subsidiary of the Group. Details are set in note 43(b).

Summarized financial information of a material associate

Summarized financial information in respect of the Group's material associate is set out below. The summarized financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRS Accounting Standards.

The associates are accounted for using the equity method in the Historical Financial Information.

Shanghai Shi Long

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets	68,903	70,355	80,837	83,358
Non-current assets	25,132	24,546	22,220	20,786
Current liabilities	(7,483)	(5,463)	(5,649)	(7,864)
Non-current liabilities	(1,885)	(127)	(49)	(47)
Net assets	84,667	89,311	97,359	96,233

	Year ended December 31,			Nine months ended September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	35,207	38,537	42,813	37,403
Profit and total comprehensive income for the year/period	9,954	8,875	11,820	8,922
Dividends received from the associate during the year/period	2,361	1,877	1,674	4,457

Reconciliation of the above summarized financial information to the carrying amount of the interest in the associate recognized in the Historical Financial Information:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Net assets	84,667	89,311	97,359	96,233
Proportion of the Group's ownership interest	44.37%	44.37%	44.37%	44.37%
The Group's share of net assets	37,567	39,627	43,198	42,699

Aggregate information of associates that are not individually material

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
The Group's share of profit and total comprehensive income	1,643	5,939	4,562	205
Aggregate carrying amount of the Group's interests in these associates	10,857	14,837	14,175	8,532

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cost of interest in associates	116,091	114,131	103,057	103,057
Share of post-acquisition loss and other comprehensive expense, net of dividends received	(67,667)	(59,667)	(51,442)	(51,826)
	48,424	54,464	51,615	51,231

22. Equity instruments at FVTOCI/ Financial assets at FVTPL

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Equity instruments at FVTOCI (note a)				
Listed equity investments, at fair value (note b)	141,122	158,789	145,964	107,626
Equity investments listed in NEEQ, at fair value (note c)	–	7,557	9,879	–
Unlisted equity investments, at fair value	20,000	20,000	20,000	17,780
	161,122	186,346	175,843	125,406
Current assets				
Financial assets at FVTPL				
Wealth management products (note d)	–	60,245	145,169	120,000

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Equity instruments at FVTOCI (note a)				
Listed equity investments, at fair value (note b)	141,122	158,789	145,964	107,626
Unlisted equity investments, at fair value	20,000	20,000	20,000	17,780
	161,122	178,789	165,964	125,406

Notes:

(a) The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realizing their performance potential in the long run.

(b) As at December 31, 2022, 2023 and 2024 and September 30, 2025, the fair values of the listed shares in the PRC were determined based on the quoted bid price available on the Shenzhen Stock Exchange or Shanghai Stock Exchange.

(c) During the nine months ended September 30, 2025, the Group disposed of the equity investments listed in NEEQ, at a consideration of RMB15,286,000. A cumulative gain on disposal of RMB3,387,000 has been transferred to retained profits.

(d) The wealth management product was issued by banks in the PRC and were low-risk in nature. The wealth management products are structured fixed deposits with financial institutions with maturities within one year. The principal of the structured fixed deposits will be invested in debt instruments or derivative markets. The Group received variable return depending on the return of the derivative. The returns of these investments were determined by reference to the performance of the expected return rates stated in the contracts.

23. INVENTORIES

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials and consumables	244,221	238,081	292,617	466,146
Work in progress	23,673	22,889	27,532	35,934
Finished goods	433,357	449,307	545,158	636,975
	701,251	710,277	865,307	1,139,055

The written-down of inventories of approximately RMB13,766,000, RMB17,514,000, RMB25,378,000 and RMB28,948,000 are recognized for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively.

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials and consumables	42,163	35,008	38,985	62,160
Work in progress	11,726	10,437	8,420	10,154
Finished goods	103,656	90,128	41,710	51,042
	157,545	135,573	89,115	123,356

The written-down of inventories of approximately RMB1,339,000, RMB3,511,000, RMB2,336,000 and RMB3,888,000 are recognized for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively.

24. CONTRACT ASSETS

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Contract assets arising from:				
Sales of electronics & electricity products	16,658	4,685	18,615	17,693
Sales of new energy products	–	900	–	1,670
MOM and MES software development, sales and implementation services	16,987	21,357	25,734	28,901
	33,645	26,942	44,349	48,264
Less: allowance for credit losses	(6,701)	(2,590)	(4,128)	(6,731)
	26,944	24,352	40,221	41,533
Analysis for reporting purposes:				
Non-current portion	8,216	4,189	8,016	5,282
Current portion	18,728	20,163	32,205	36,251
	26,944	24,352	40,221	41,533

As the amounts of retentions held by customers for contract works included in contract assets were approximately as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Amounts of retentions in contract assets	11,134	5,306	17,684	16,654

The significant increase in contract assets as at December 31, 2024 is the result of increase in sales of electronics & electricity products at the end of the year.

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Contract assets arising from:				
Sales of electronics & electricity products	16,658	4,685	18,615	17,692
Less: allowance for credit losses	(5,524)	(235)	(931)	(2,256)
	11,134	4,450	17,684	15,436
Analysis for reporting purposes:				
Non-current portion	8,216	4,189	8,016	5,081
Current portion	2,918	261	9,668	10,355
	11,134	4,450	17,684	15,436

As the amounts of retentions held by customers for contract works included in contract assets were approximately as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Amounts of retentions in contract assets	11,134	4,450	17,684	15,436

As at January 1, 2022, contract assets of the Group and the Company amounted to RMB12,380,000 and nil, respectively.

Contract assets included retention receivables of the Group and the Company that are consideration withheld by customers which are unsecured, interest-free and recoverable after the completion of defect liability period of the relevant contracts, usually being 1 to 2 years from the date of acceptance of the control of goods transferred to the customers.

Contract assets arising from the MOM and MES software development, sales and implementation services as the receipt of consideration is conditional on successful progress of completion of provision of the services. Upon the progress of completion of provision of the services and acceptance by the customer, the amounts recognized as contract assets are reclassified to trade receivables.

Details of impairment assessment of contract assets of the Group and the Company are set out in note 37(b).

25. TRADE AND OTHER RECEIVABLES

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	1,904,347	2,300,451	2,652,617	2,926,705
Bills receivables	537,350	549,187	701,546	746,894
Other receivables (note)	294,835	265,963	399,824	542,296
	2,736,532	3,115,601	3,753,987	4,215,895
Less: allowance for expected credit losses	(132,704)	(149,140)	(175,319)	(181,614)
	2,603,828	2,966,461	3,578,668	4,034,281
Analysis for reporting purposes:				
Non-current portion	62,480	45,716	113,318	243,242
Current portion	2,541,348	2,920,745	3,465,350	3,791,039
	2,603,828	2,966,461	3,578,668	4,034,281

Note: As at December 31, 2022, 2023 and 2024 and September 30, 2025, other receivables mainly included VAT recoverable amounted to RMB84,729,000, RMB109,683,000, RMB142,009,000 and RMB137,612,000, respectively and prepayment for purchase of property, plant and equipment amounted to RMB39,573,000, RMB35,384,000, RMB104,627,000 and RMB233,533,000, respectively. As at September 30, 2025, the deferred issue costs and prepaid listing expenses amounted to RMB13,606,000.

As at January 1, 2022, trade receivables from contracts with customers amounted to RMB1,740,753,000.

The Group's trading terms with its customers are mainly on credit. The credit period is mainly within three months. The Group seeks to maintain strict control over its outstanding receivables to minimize credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

The following is an aged analysis of trade receivables net of allowance for expected credit losses presented based on revenue recognition date.

	As at December 31,			As at September 30,

As at December 31, 2022, 2023 and 2024 and September 30, 2025, the Group continued to recognize the full carrying amounts of bills receivables endorsed to certain of its suppliers in order to settle the trade payables due to such suppliers amounting to RMB224,682,000, RMB226,393,000, RMB277,516,000 and RMB327,426,000, respectively and carrying amounts of bills receivables discounted to certain banks amounting to RMB93,143,000, RMB106,077,000, RMB110,936,000 and RMB92,000,000, respectively since the Group has not transferred the significant risks and rewards relating to these receivables. The relevant payables are accounted for as "endorsed bills payables" under "bank and other borrowings". All bills received by the Group are with a maturity period of less than one year.

Other than bills discounted and endorsed as disclosed in note 37, carrying amount of trade and other receivables amounted to RMB85,173,000, RMB387,812,000, RMB349,196,000 and RMB361,584,000 have been pledged as security for the Group's bank borrowings as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively.

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	641,010	763,510	704,953	697,910
Bills receivables	145,835	110,967	147,418	119,456
Other receivables	141,495	63,114	59,862	127,113
	928,340	937,591	912,233	944,479
Less: allowance for expected credit losses	(53,184)	(61,198)	(62,417)	(95,101)
	875,156	876,393	849,816	849,378
Analysis for reporting purposes:				
Non-current portion	48,740	28,624	14,513	20,032
Current portion	826,416	847,769	835,303	829,346
	875,156	876,393	849,816	849,378

The Company's trading terms with its customers are mainly on credit. The credit period is generally from one month to three months. The Company seeks to maintain strict control over its outstanding receivables to minimize credit risk. Overdue balances are reviewed regularly by senior management. The Company does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

The following is an aged analysis of trade receivables net of allowance for expected credit losses presented based on revenue recognition date.

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 90 days	319,532	375,900	327,995	370,079
90 to 180 days	99,067	110,424	97,506	152,532
180 to 270 days	40,957	55,929	49,266	41,462
270 days to 1 year	86,196	108,084	95,084	36,899
1 year to 2 years	43,122	52,280	70,569	40,294
2 years to 3 years	4,466	3,315	5,070	4,404
	593,340	705,932	645,490	645,670

As at December 31, 2022, 2023 and 2024 and September 30, 2025, the Company continued to recognize the full carrying amounts of bills receivables endorsed to certain of its suppliers in order to settle the trade payables due to such suppliers amounting to RMB99,276,000, RMB105,033,000, RMB63,074,000 and RMB75,189,000, respectively since the Company has not transferred the significant risks and rewards 4-290.8(maint)-257.5(receivables) TJ..8(payab251.3(beceivat)-247.8(payables)-251(are)-254(accounted)-252.3(for)-252.8(as)-254.5("endorsed)-252.5(bill

26. BANK BALANCES AND CASH, RESTRICTED AND PLEDGED BANK DEPOSITS

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Bank balances and cash				
Cash and cash at banks included in cash and cash equivalents in the consolidated statements of cash flows	799,820	879,070	877,485	931,647
Fixed time deposit	–	–	10,025	–
Non-pledged time deposits with original maturity of more than three months when acquired	–	60,000	80,000	20,000
Bank balances and cash in the consolidated statements of financial position	799,820	939,070	967,510	951,647
Restricted bank deposits	23	4,154	1,264	1,863
Pledged bank deposits	64,721	62,140	59,489	32,989
	864,564	1,005,364	1,028,263	986,499

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Non-pledged time deposits with original maturity of more than three months when acquired carry fixed interest rate at 2.8%, 2.5% and 1.7% as at December 31, 2023, and 2024 and September 30, 2025, respectively.

Fixed time deposit with original maturity within three months when acquired carry interest rate at 2.4% as at December 31, 2024.

Restricted bank deposits amounting to RMB23,000, RMB4,154,000, RMB1,264,000 and RMB1,863,000 as at December 31, 2022, 2023, and 2024, respectively, have been frozen by the PRC court pending the outcome of the legal proceedings initiated by the Group's creditor relating to certain sales or purchases contracts. Restricted bank deposits carry fixed interest rate at 0.25%, 0.2%, 0.1% and 0.1% as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively. During the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, restricted bank deposits amounting to RMB991,000, nil, RMB4,142,000 and RMB3,000 were released from restriction, respectively.

Pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group. Pledged bank deposits amounting to RMB64,721,000, RMB62,140,000, RMB59,489,000 and RMB32,989,000 as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively, have been pledged to secure bills payables and bank borrowings and are therefore classified as current assets. Pledged bank deposits carry fixed interest rate ranged from 0.25% to 2.7%, 0.1% to 2.75%, 0.1% to 1.95% and 0.1% to 2.2% as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively.

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Bank balances and cash				
Cash at banks	155,918	218,765	169,429	181,814
Non-pledged time deposits with original maturity of more than three months when acquired	–	30,000	–	20,000
Cash and bank balances in the statements of financial position of the Company	155,918	248,765	169,429	201,814
Restricted bank deposits	9	2,859	23	23
Pledged bank deposits	33,109	17,354	16,491	23,991
	189,036	268,978	185,943	225,828

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Non-pledged time deposits with original maturity of more than three months when acquired carry fixed interest rate at 2.8% as at December 31, 2023.

Restricted bank deposits amounting to RMB9,000, RMB2,859,000, RMB23,000 and RMB23,000 as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively, have been frozen by the PRC court pending the outcome of the legal proceedings initiated by the Company's creditor relating to certain sales or purchases contracts. Restricted bank deposits carry fixed interest rate at 0.25%, 0.2%, 0.1% and

Pledged bank deposits amounting to RMB33,109,000, RMB17,354,000, RMB16,491,000 and RMB23,991,000 as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively, have been pledged to secure bills payables and bank borrowings and are therefore classified as current assets. Pledged bank deposits carry fixed interest rate ranged from 0.25% to 2.7%, 0.2% to 2.75%, 0.1% to 1.95% and 0.1% to 2.2% as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively.

The conversion of the RMB denominated balances maintained in the PRC into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

Details of impairment assessment of bank balances and restricted and pledged bank deposits of the Group and the Company are set out in note 37(b).

27. TRADE AND OTHER PAYABLES

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	614,332	709,886	975,403	1,050,167
Bills payable	285,912	342,886	369,105	518,416
Other payables (note)	424,560	463,270	555,423	753,413
	1,324,804	1,516,042	1,899,931	2,321,996

Note: As at December 2022, 2023 and 2024 and September 30, 2025, other payables included staff costs payables amounted to RMB169,509,000, RMB197,389,000, RMB234,679,000 and RMB252,884,000, respectively and payable for purchase of property, plant and equipment amounted to RMB82,200,000, RMB138,837,000, RMB168,496,000 and RMB289,490,000, respectively. As at September 30, 2025, the accrued listing expenses amounted to RMB3,853,000.

The following is an aged analysis of trade payables as at December 31, 2022, 2023 and 2024 and September 30, 2025, presented based on the invoice date.

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 180 days	533,265	639,938	732,030	1,025,101
180 days to 1 year	63,620	38,361	168,825	11,472
1 year to 2 years	9,051	15,670	61,004	1,558
2 years to 3 years	3,630	9,023	3,182	2,638
Over 3 years	4,766	6,894	10,362	9,398
	614,332	709,886	975,403	1,050,167

The trade payables are non-interest-bearing and are normally settled on terms range from 30 days to 90 days.

The bills payable are guaranteed by banks in the PRC and have maturities of 6 months to 1 year.

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	89,294	89,242	125,684	124,594
Bills payable	50,362	45,616	26,251	70,285
Other payables (note)	182,619	169,474	196,270	221,224
	322,275	304,332	348,205	416,103

Note: As at December 2022, 2023 and 2024 and September 30, 2025, other payables included staff costs payables amounted to RMB41,199,000, RMB46,703,000, RMB42,870,000 and RMB46,923,000, respectively.

The following is an aged analysis of trade payables as at December 31, 2022, 2023 and 2024 and September 30, 2025, presented based on the invoice date.

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 180 days	65,763	75,526	89,566	120,538
180 days to 1 year	17,795	5,519	31,739	934
1 year to 2 years	3,080	3,447	2,291	336
2 years to 3 years	964	2,816	205	1,777
Over 3 years	1,692	1,934	1,883	1,009
	89,294	89,242	125,684	124,594

The trade payables are non-interest-bearing and are normally settled on terms range from 30 days to 90 days.

The bills payable are guaranteed by banks in the PRC and have maturities of 6 months to 1 year.

28. BANK AND OTHER BORROWINGS

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings				
Secured (note a)	735,576	537,131	621,736	804,495
Unsecured	432,269	794,311	614,688	1,047,947
	1,167,845	1,331,442	1,236,424	1,852,442
Bank borrowings under supplier finance arrangements	94,482	18,653	51,049	40,486
Endorsed bills payable	317,825	332,470	388,452	419,426
Bond payables (note b)	306,794	–	–	–
	1,886,946	1,682,565	1,675,925	2,312,354

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
The carrying amounts of the above bank borrowings are repayable (based on scheduled repayment dates set out in the loan agreements):				
Within one year	613,170	708,810	334,951	1,025,804
Within a period of more than one year but not exceeding two years	356,023	196,173	634,813	284,267
Within a period of more than two years but not exceeding five years	131,196	287,907	237,590	482,701
Within a period of more than five years	67,456	138,552	29,070	59,670
	1,167,845	1,331,442	1,236,424	1,852,442
The carrying amounts of the above bank borrowings under supplier finance arrangements are repayable within one year	94,482	18,653	51,049	40,486
The carrying amounts of the above endorsed bills payable are repayable within one year	317,825	332,470	388,452	419,426
The carrying amounts of the above bond payables are repayable within one year	306,794	–	–	–
	1,886,946	1,682,565	1,675,925	2,312,354
Less: Amounts due within one year shown under current liabilities	(1,332,271)	(1,059,933)	(774,452)	(1,485,716)
Amounts shown under non-current liabilities	554,675	622,632	901,473	826,638

The exposure of the Group's bank borrowings are as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Fixed-rate borrowings	704,166	712,516	417,184	444,635
Variable-rate borrowings	463,679	618,926	819,240	1,407,807
	1,167,845	1,331,442	1,236,424	1,852,442

The Group's variable-rate bank borrowings carry interest at Loan Prime Rate. Interest is reset every six months.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's bank borrowings are as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
Effective interest rate:				
Fixed-rate borrowings	3.65%-4.40%	2.70%-4.40%	2.60%-4.40%	2.35%-2.80%
Variable-rate borrowings	3.35%-5.94%	3.00%-5.94%	2.60%-3.40%	2.25%-2.90%

Notes:

(a) As at December 31, 2022, 2023 and 2024 and September 30, 2025, these bank borrowings were pledged by certain assets, details refer to note 41.

(b) On June 22, 2020, the Company issued bonds with principal amount of RMB300,000,000 with coupon rates of 4.58% per annum. The maturity of the bonds is June 21, 2023. The principal together with interest payables were fully settled on the maturity date.

The Group has entered into certain supplier finance arrangements with banks, under which the Group obtained extended credit in respect of the invoice amounts owed to certain suppliers of raw materials. Under these arrangements, the banks advanced funds to the Group for the settlement to suppliers on the original due dates of the invoices. The Group then settles with the banks between 2 to 360 days, 7 to 359 days, 20 to 359 days and 18 to 364 days after loans granted by the banks with interest rates ranging from 3.60% to 4.35%, 3.20% to 4.00%, 2.90% to 3.75% and 2.60% to 3.50% per annum for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively. These arrangements provide the Group with extended payment terms, compared to the original due dates of the respective invoices. Therefore, the Group classifies the amounts payable to banks as bank borrowings. The interest rates are consistent with the Group's short-term borrowing rates. Information of the Group's supplier finance arrangements is set out in note 45.

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Bank borrowings				
Secured (note a)	325,000	242,255	309,985	380,195
Unsecured	418,901	651,833	547,869	1,037,947
	743,901	894,088	857,854	1,418,142
Bank borrowings under supplier finance arrangements	89,543	16,408	51,049	32,512
Endorsed bills payable	99,276	105,033	63,074	75,189
Bond payables (note b)	306,794	–	–	–
	1,239,514	1,015,529	971,977	1,525,843

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
The carrying amounts of the above bank borrowings are repayable (based on scheduled repayment dates set out in the loan agreements):				
Within one year	331,401	512,513	148,614	859,752
Within a period of more than one year but not exceeding two years	337,500	167,350	599,740	221,590
Within a period of more than two years but not exceeding five years	75,000	214,225	109,500	336,800
	743,901	894,088	857,854	1,418,142
The carrying amounts of the above bank borrowings under supplier finance arrangements are repayable within one year	89,543	16,408	51,049	32,512
The carrying amounts of the above endorsed bills payable are repayable within one year	99,276	105,033	63,074	75,189
The carrying amounts of the above bond payables are repayable within one year	306,794	–	–	–
	1,239,514	1,015,529	971,977	1,525,843
Less: Amounts due within one year shown under current liabilities	(827,014)	(633,954)	(262,737)	(967,453)
Amounts shown under non-current liabilities	412,500	381,575	709,240	558,390

The exposure of the Company's bank borrowings are as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Fixed-rate borrowings	436,401	514,913	148,614	260,672
Variable-rate borrowings	307,500	379,175	709,240	1,157,470
	743,901	894,088	857,854	1,418,142

The Company's variable-rate bank borrowings carry interest at Loan Prime Rate. Interest is reset every six months.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Company's bank borrowings are as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
Effective interest rate:				
Fixed-rate borrowings	3.65%-4.40%	2.70%-4.40%	2.70%-4.40%	2.35%-2.50%
Variable-rate borrowings	3.75%-5.94%	3.90%-5.94%	2.60%-3.35%	2.25%-2.80%

Notes:

(a) As at December 31, 2022, 2023 and 2024 and September 30, 2025, these bank loans were pledged by certain assets, details refer to note 41.

(b) On June 22, 2020, the Company issued bonds with principal amount of RMB300,000,000 with coupon rates of 4.58% per annum. The maturity of the bonds is June 21, 2023. The principal together with interest payables were fully settled on the maturity date.

The Company has entered into certain supplier finance arrangements with banks, under which the Company obtained extended credit in respect of the invoice amounts owed to certain suppliers of raw materials. Under these arrangements, the banks advanced funds to the Company for the settlement to suppliers on the original due dates of the invoices. The Company then settles with the banks between 2 to 360 days, 7 to 359 days, 20 to 359 days and 19 to 364 days after loans granted by the banks with interest rates ranging from 3.60% to 4.35%, 3.20% to 4.00%, 2.90% to 3.75% and 2.60% to 3.50% per annum for the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025 respectively. These arrangements provide the Company with extended payment terms, compared to the original due dates of the respective invoices. Therefore, the Company classifies the amounts payable to banks as bank borrowings. The interest rates are consistent with the Company's short-term borrowing rates. Information of the Company's supplier finance arrangements is set out in note 45.

29. LEASE LIABILITIES

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities payable:				
Within one year	16,372	4,937	32,980	39,710
Within a period of more than one year but not more than two years	5,189	4,158	32,749	40,706
Within a period of more than two years but not more than five years	10,820	11,841	90,148	79,711
Within a period of more than five years	21,534	16,339	70,513	58,016
	53,915	37,275	226,390	218,143
Less: Amounts for settlement with 12 months shown under current liabilities	(16,372)	(4,937)	(32,980)	(39,710)
Amount due for settlement after 12 months shown under non-current liabilities	37,543	32,338	193,410	178,433

The weighted average incremental borrowing rates applied to lease liabilities at 4.5%, 4.5%, 4.1% and 3.8% as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively.

30. CONTRACT LIABILITIES

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Analysis for reporting purposes:				
Non-current portion	70,630	66,266	60,076	54,254
Current portion	8,426	8,325	8,474	7,942
	79,056	74,591	68,550	62,196

The Company

	RMB'000
At January 1, 2022	51,321
Addition during the year	9,983
Recognized in consolidated statement of profit or loss	(6,781)
At December 31, 2022 and January 1, 2023	54,523
Addition during the year	2,210
Recognized in consolidated statement of profit or loss	(7,902)
At December 31, 2023 and January 1, 2024	48,831
Addition during the year	791
Recognized in consolidated statement of profit or loss	(6,580)
At December 31, 2024 and January 1, 2025	43,042
Recognized in consolidated statement of profit or loss	(4,249)
Refunded during the period	(3,850)
At September 30, 2025	34,943

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Analysis for reporting purposes:				
Non-current portion	47,541	42,614	36,688	29,677
Current portion	6,982	6,217	6,354	5,266
	54,523	48,831	43,042	34,943

Deferred income mainly represents the PRC local government grants received from relevant PRC authorities for compensate the Group for investments of property, plant and equipment. Government grants received for compensate for the Group's development costs which has not yet been undertaken are included in deferred income and recognized as income on a systematic basis of over the periods that the cost, which it is intended to compensate, are expensed. Government grants received relates to assets invested in laboratory equipment and plant were credited to deferred income and are recognized as income over the expected useful lives of the relevant assets.

32. DEFERRED TAX

The Group

The following are the Group's major deferred tax assets/(liabilities) recognized and movements thereon during the Track Record Period:

	Impairment of assets	Tax losses	Deferred income	Accelerated tax depreciation	Leases	Fair value adjustment on business combination not under common control	Right-of-use assets	Fair value adjustments of equity instruments at FVTOCI	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2022	27,078	2,860	7,052	342	5,482	(56,576)	(5,482)	15,405	14,400	10,561
Credited/(charged) to profit or loss	4,853	1,922	1,142	(10,036)	2,916	2,079	(2,633)	–	(422)	(179)
Credited to other comprehensive income (note 10 (b))	–	–	–	–	–	–	–	5,790	–	5,790
At December 31, 2022 and January 1, 2023	31,931	4,782	8,194	(9,694)	8,398	(54,497)	(8,115)	21,195	13,978	16,172
(Charged)/credited to profit or loss	(1,422)	(2,009)	1,313	(12,948)	(5,257)	2,079	5,188	–	(555)	(13,611)
Charged to other comprehensive income (note 10 (b))	–	–	–	–	–	–	–	(2,062)	–	(2,062)
Effect of change in tax rate	1,059	–	–	–	–	–	–	–	–	1,059
At December 31, 2023 and January 1, 2024	31,568	2,773	9,507	(22,642)	3,141	(52,418)	(2,927)	19,133	13,423	1,558
Credited/(charged) to profit or loss	2,713	2,581	(885)	(8,150)	34,710	2,043	(36,148)	–	(681)	(3,817)
Credited to other comprehensive income (note 10 (b))	–	–	–	–	–	–	–	1,577	–	1,577
Effect of change in tax rate	(374)	–	–	(535)	1,905	–	(1,631)	–	–	(635)
At December 31, 2024 and January 1, 2025	33,907	5,354	8,622	(31,327)	39,756	(50,375)	(40,706)	20,710	12,742	(1,317)
Credited/(charged) to profit or loss	2,798	21,626	(496)	(57,315)	(1,317)	1,540	4,067	–	2,791	(26,306)
Credited to other comprehensive income (note 10 (b))	–	–	–	–	–	–	–	5,844	–	5,844
Effect of change in tax rate	32	841	–	(753)	87	–	(76)	–	–	131
Exchange realignment	(8)	–	–	–	–	–	(6)	–	–	(14)
At September 30, 2025	36,729	27,821	8,126	(89,395)	38,526	(48,835)	(36,721)	26,554	15,533	(21,662)

For the purpose of presentation in the Historical Financial Information, certain deferred tax assets and liabilities have been offset. The following is the analysis of the net deferred tax balances for financial reporting purposes:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Net deferred tax assets	73,247	55,276	61,081	65,830
Net deferred tax liabilities	(57,075)	(53,718)	(62,398)	(87,492)

As at December 31, 2022, 2023 and 2024 and September 30, 2025, the Group has other deductible temporary differences of RMB70,391,000, RMB19,803,000, RMB48,482,000 and RMB97,157,000, respectively. No deferred tax asset has been recognized in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary difference can be utilised.

The Group has unused tax losses that were not recognized as deferred tax assets due to the unpredictability of future profit streams. The unused tax losses can be carried forward for ten years from the year of the incurrence and an analysis of their expiry dates are as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Unused tax losses expiring in:				
2023	1,080	–	–	–
2024	25,880	24,849	–	–
2025	13,042	12,470	10,643	10,643
2026	28,016	28,081	17,204	16,770
2027	64,703	63,939	45,795	45,795
2028	18,971	56,618	40,049	40,036
2029	2,053	–	26,914	21,256
2030	6,018	4,514	652	12,704
2031	35,561	35,561	48,428	48,428
2032	36,172	8,405	30,714	30,714
2033	–	7,252	32,625	32,625
2034	–	–	29,839	30,150
2035	–	–	–	5,507
	231,496	241,689	282,863	294,628

The Company

The following are the Company's major deferred tax assets/(liabilities) recognized and movements thereon during the Track Record Period:

	Impairment of assets	Tax losses	Deferred income	Accelerated tax depreciation	Fair value adjustments of equity instruments at FVTOCI	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2022	13,433	12,517	5,494	–	15,405	547	47,396
Credited/(charged) to profit or loss	2,381	(12,517)	1,191	(2,019)	–	11,762	798
Credited to other comprehensive income	–	–	–	–	5,790	–	5,790
At December 31, 2022 and January 1, 2023	15,814	–	6,685	(2,019)	21,195	12,309	53,984
Credited/(charged) to profit or loss	300	–	639	(9,995)	–	(615)	(9,671)
Charged to other comprehensive income	–	–	–	–	(2,650)	–	(2,650)
At December 31, 2023 and January 1, 2024	16,114	–	7,324	(12,014)	18,545	11,694	41,663
(Charged)/credited to profit or loss	(249)	–	(975)	6,304	–	13	5,093
Credited to other comprehensive income	–	–	–	–	1,924	–	1,924
At December 31, 2024 and January 1, 2025	15,865	–	6,349	(5,710)	20,469	11,707	48,680
(Charged)/credited to profit or loss	(659)	–	(1,108)	(476)	–	431	(1,812)
Credited to other comprehensive income	–	–	–	–	6,084	–	6,084
At September 30, 2025	15,206	–	5,241	(6,186)	26,553	12,138	52,952

33. SHARE CAPITAL

The Company

	Number of shares	Amount
	'000	RMB'000
Registered, issued and fully paid ordinary shares with par value of RMB1.00 each share		
At January 1, 2022, December 31, 2022, January 1, 2023, December 31, 2023, January 1, 2024, December 31, 2024, January 1, 2025 and September 30, 2025	1,259,899	1,259,899

Notes:

(a) At December 31, 2022, 2023 and 2024 and September 30, 2025, the Company had outstanding treasury shares of nil, 13,565,000, 13,565,000 and 13,565,000 shares respectively.

(b) During the year ended December 31, 2023, the Company repurchased the Company's own ordinary shares on Shenzhen Stock Exchange, 13,565,000 ordinary shares were repurchased with aggregate consideration of approximately RMB100,061,000 for the purpose of the future share award or share option scheme issued to the employee of the Group. The above repurchase of ordinary shares are performed by the Company. No other subsidiaries of the Company purchased, sold or redeemed any of the Company's listed securities during the Track Record Period.

34. RESERVES

The Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statements of changes in equity of the Historical Financial Information.

Capital reserve

Capital reserve mainly comprised the excess/deficiency of the considerations paid for/received from over the changes in the carrying

The Company

	Capital reserve	Treasury share	Share based payment reserve	Fair value reserve	Statutory reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2022	207,148	–	–	(87,295)	179,148	1,121,513	1,420,514
Profit for the year	–	–	–	–	–	360,896	360,896
Fair value loss on investments in equity instruments at FVTOCI	–	–	–	(32,813)	–	–	(32,813)
Total comprehensive income for the year	–	–	–	(32,813)	–	360,896	328,083
Appropriation to statutory reserve	–	–	–	–	36,090	(36,090)	–
Dividend paid	–	–	–	–	–	(44,096)	(44,096)
At December 31, 2022 and January 1, 2023	207,148	–	–	(120,108)	215,238	1,402,223	1,704,501
Profit for the year	–	–	–	–	–	312,815	312,815
Fair value gain on investments in equity instruments at FVTOCI	–	–	–	15,017	–	–	15,017
Total comprehensive income for the year	–	–	–	15,017	–	312,815	327,832
Appropriation to statutory reserve	–	–	–	–	31,282	(31,282)	–
Dividend paid	–	–	–	–	–	(50,396)	(50,396)
Repurchase of shares	(11)	(100,050)	–	–	–	–	(100,061)
At December 31, 2023 and January 1, 2024	207,137	(100,050)	–	(105,091)	246,520	1,633,360	1,881,876
Profit for the year	–	–	–	–	–	338,337	338,337
Fair value loss on investments in equity instruments at FVTOCI	–	–	–	(10,900)	–	–	(10,900)
Total comprehensive income for the year	–	–	–	(10,900)	–	338,337	327,437
Appropriation to statutory reserve	–	–	–	–	33,834	(33,834)	–
Dividend paid	–	–	–	–	–	(211,877)	(211,877)
At December 31, 2024 and January 1, 2025	207,137	(100,050)	–	(115,991)	280,354	1,725,986	1,997,436
Profit for the period	–	–	–	–	–	480,226	480,226
Fair value loss on investments in equity instruments at FVTOCI	–	–	–	(34,475)	–	–	(34,475)
Total comprehensive income for the period	–	–	–	(34,475)	–	480,226	445,751
Appropriation to statutory reserve	–	–	–	–	48,023	(48,023)	–
Dividend paid	–	–	–	–	–	(170,748)	(170,748)
Share-based payment	–	–	8,657	–	–	–	8,657
At September 30, 2025	207,137	(100,050)	8,657	(150,466)	328,377	1,987,441	2,281,096

35. CAPITAL COMMITMENTS

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Capital expenditure in respect of acquisition of property and equipment and intangible assets contracted for but not provided in the Historical Financial Information	19,109	20,259	470,575	1,044,794

36. SHARE-BASED PAYMENT TRANSACTIONS

Share award scheme

Shenzhen Orbit Systems Inc

A non-wholly owned subsidiary, Shenzhen Orbit's share award scheme (the "**Shenzhen Orbit Share Award Scheme**") was adopted pursuant to a resolution in writing passed on December 16, 2019 for the primary purpose of providing incentives to eligible directors and employees of Shenzhen Orbit (the "**Shenzhen Orbit Awardees**"). Under the Shenzhen Orbit Share Award Scheme, it will be implemented in three tranches. The first phase was implemented on December 16, 2019, the second phase to be implemented within 12 months after the first phase is completed, and the third phase to be implemented within 12 months after the second phase is completed.

On December 16, 2019, 550,000 shares of Shenzhen Orbit were granted to the Shenzhen Orbit Awardees ("**2019 Shenzhen Orbit Share Award**"). The Shenzhen Orbit Awardees are required to pay RMB3.74 per 2019 Shenzhen Orbit Share Award at the date of grant. Subject to the acceptance of the Shenzhen Orbit Awardees, that the Shenzhen Orbit Awardees remain as employees of Shenzhen Orbit on the vesting date of the 2019 Shenzhen Orbit Share Award and fulfill certain conditions under the Shenzhen Orbit Share Award Scheme.

On July 24, 2020, a resolution was passed by the Shenzhen Orbit, pursuant to resolution, the implementation of the second and third phases of the Shenzhen Orbit Share Award Scheme will be postponed. The second phase will be postponed to 2021, and the implementation time of third phase will be within 12 months after the completion of second phase. On May 11, 2021, a resolution was passed by the Shenzhen Orbit, pursuant to resolution, the implementation of the second and third phases of the Shenzhen Orbit Share Award Scheme will be postponed. The second phase will be postponed to 2022, and the implementation time of third phase will be within 12 months after the completion of second phase.

On July 13, 2022, 387,000 shares of Shenzhen Orbit were granted to the Shenzhen Orbit Awardees ("**2022 Shenzhen Orbit Share Award**"). The Awardees are required to pay RMB5.63 per 2022 Shenzhen Orbit Share Award at the date of grant. Subject to the acceptance of the Awardees, that the Awardees remain as employees of Shenzhen Orbit on the vesting date of the 2022 Shenzhen Orbit Share Award and fulfill certain conditions under the Shenzhen Orbit Share Award Scheme. Upon the fulfillment of the vesting conditions, the awarded shares were restricted from transfer by the Awardees.

On November 23, 2022, a resolution was passed by the Shenzhen Orbit, pursuant to resolution, no further awarded shares were granted to directors or employees of Shenzhen Orbit, the third phase were lapsed.

The 2019 Shenzhen Orbit Share Award and 2022 Shenzhen Orbit Share Award are granted and forfeited as below:

Date of grant	**Vesting period**
December 16, 2019	December 16, 2019 to December 16, 2022
July 13, 2022	July 13, 2022 to July 13, 2025

The following table discloses movements of the 2019 Shenzhen Orbit Share Award and 2022 Shenzhen Orbit Share Award under the Shenzhen Orbit Share Award Scheme during the Track Record Period:

2019 Shenzhen Orbit Share Award

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	'000	'000	'000	'000
2019 Shenzhen Orbit Share Award under restriction at January 1	512	–	–	–
Issue of 2019 Shenzhen Orbit Share Award	–	–	–	–
Vested during the year/period	(418)	–	–	–
Forfeited during the year/period	(94)	–	–	–
2019 Shenzhen Orbit Share Award under restriction at December 31/September 30	–	–	–	–

2022 Shenzhen Orbit Share Award

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	'000	'000	'000	'000
2022 Shenzhen Orbit Share Award under restriction at January 1	–	387	288	271
Issue of 2022 Shenzhen Orbit Share Award	387	–	–	–
Vested during the year/period	–	–	–	(263)
Forfeited during the year/period	–	(99)	(17)	(8)
2022 Shenzhen Orbit Share Award under restriction at December 31/September 30	387	288	271	–

The share award outstanding at December 31, 2022, 2023 and 2024 and September 30, 2025 had a weighted average remaining contractual life of 3, 2, 1 and nil years, respectively.

During the year ended December 31, 2022, 387,000 shares were issued to Shenzhen Orbit Awardees on July 13, 2022. The fair value of share award granted on the grant date amounted to RMB4,958,000.

These fair values were calculated using income approach. The inputs into the discounted cash flow model were as follows:

Date of grant	**July 13, 2022**
Share price on the date of grant	RMB6.59
Exercise price	RMB 5.63
Pre-tax discount rate	17.81%
Discounts for lack of marketability	15.70%
Contractual life	3
Risk-free rate	3.17%
Weighted average exercise price	RMB 5.63

Shenzhen Orbit recognized share award expenses of RMB945,000, RMB1,240,000, RMB771,000 and RMB617,000 during the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, respectively, in respect of the 2019 Shenzhen Orbit Share Award and 2022 Shenzhen Orbit Share Award granted.

LTK Electric

An indirectly non-wholly owned subsidiary of the Company, LTK Electric's share award scheme (the "**LTK Electric Share Award Scheme**") was adopted on March 1, 2023 for the primary purpose of providing incentives to eligible director and employees of LTK Electric (the "**LTK Electric Awardees**").

On March 1, 2023, 2,622,000 shares of LTK Electric were granted to the LTK Electric Awardees ("**2023 LTK Electric Share Award**"). The LTK Electric Awardees are required to pay RMB7.30 per 2023 LTK Electric Share Award at the date of grant. Subject to the acceptance of the LTK Electric Awardees, that the LTK Electric Awardees remain as employees of LTK Electric on the vesting date of the 2023 LTK Electric Share Award and fulfill certain conditions under the LTK Electric Share Award Scheme. Upon the fulfillment of the vesting conditions, the awarded shares were restricted from transfer by the LTK Electric Awardees.

The 2023 LTK Electric Share Award is granted and forfeited as below:

Date of grant	**Vesting period**
March 1, 2023	March 1, 2023 to March 1, 2028

The following table discloses movements of the 2023 LTK Electric Share Award under the 2023 LTK Electric Share Award Scheme during the Track Record Period:

	As at December 31,			**As at September 30,**
	2022	**2023**	**2024**	**2025**
	'000	**'000**	**'000**	**'000**
2023 LTK Electric Share Award under restriction at January 1	–	–	2,622	831
Issue of 2023 LTK Electric Share Award	–	2,622	–	–
Forfeited during the year/period	–	–	(1,791)	–
2023 LTK Electric Share Award under restriction at December 31/September 30	–	2,622	831	831

The share award outstanding at December 31, 2023 and 2024 and September 30, 2025 had a weighted average remaining contractual life of 4, 3 and 2 years, respectively.

During the year ended December 31, 2023, 2,622,000 shares were issued to LTK Electric Awardees on March 1, 2023. The fair value of share award granted on the grant date amounted to RMB3,645,000.

These fair values were calculated using income approach. The inputs into the discounted cash flow model were as follows:

Date of grant	**March 1, 2023**
Share price on the date of grant	RMB8.69
Exercise price	RMB7.30
Pre-tax discount rate	16.85%
Discounts for lack of marketability	15.70%
Contractual life	5
Risk-free rate	3.13%
Weighted average exercise price	RMB7.30

LTK Electric recognized share award expenses of RMB422,000, RMB1,323,000 and RMB95,000 during the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, respectively, in respect of the 2023 LTK Electric Share Award granted.

2025 Share Award Scheme

On April 9, 2025, the Company's share award scheme (the "**2025 Share Award Scheme**") was adopted pursuant to a resolution passed on March 21, 2025 for the primary purpose incentives to eligible directors and employees of the Company (the "**Company's Awardees**"). Under the 2025 Share Award Scheme, 3,281,400 shares of the Company were granted to the Company's Awardees (collectively referred to as the "**Awarded Shares**"). The Company's Awardees are required to paid RMB10.87 per Awarded Share at the date of grant. Subject to the acceptance of the Company's Awardees, that the Company's Awardees remain as employees of the Company on the vesting date of the Awarded Shares and fulfill certain conditions under the Share Award Scheme, the Awarded Shares shall be vested as below:

Date of grant	Vesting period
April 9, 2025	April 9, 2025 to April 8, 2027

The following table discloses movements of the Awarded Shares under the 2025 Share Award Scheme during the Track Record Period:

	Directors	Employees	Total
	'000	'000	'000
Awarded Shares under restriction at January 1, 2025	–	–	–
Issue of Awarded Shares	240	3,041	3,281
Forfeited during the period	–	(11)	(11)
Awarded Shares under restriction at September 30, 2025	240	3,030	3,270

The share award outstanding at September 30, 2025 had a weighted average remaining contractual life of 2 years.

The fair value of the Awarded Shares was based on the closing price per share of the Company immediately before date of grant. No other feature of the Awarded Shares was incorporated into the measurement of fair values. The fair value of share award granted on the grant date amounted to RMB16,816,000.

The Company recognized share award expenses of RMB6,056,000 during the nine months ended September 30, 2025, in respect of the Awarded Shares.

Share option scheme

2025 Share Option Scheme

The Company's share option scheme (the "**2025 Share Option Scheme**") was adopted pursuant to a resolution in writing passed by all the shareholders of the Company on April 24, 2025 for the primary purpose of recognizing and a knowledging the contribution of the eligible participants had or may have made to the Group. Under the 2025 Share Option Scheme, the board of directors of the Company may grant options to eligible participants, to subscribe for shares of the Company.

On April 25, 2025, the Company granted 8,137,400 share options to the employees, to subscribe for the ordinary shares of the Company at RMB21.73 per share. The closing price of the shares immediately before the date of grant was at RMB17.98 per share.

Vesting of the shares options is conditional upon the fulfilment of certain performance targets as set out in the respective offer letters to the grantees including financial targets of the Group and individuals performance targets for certain periods.

As at September 30, 2025, the number of shares in respect of which options had been granted and remained outstanding under the 2025 Share Option Scheme was 8,137,400, representing approximately 0.65% of the shares of the Company in issue at that date.

Details of the share options are as follows:

Date of grant	Number of share options granted (note) '000	Exercisable period	Vesting period	Exercise price
April 25, 2025	4,069	April 25, 2026 to April 24, 2027	April 25, 2025 to April 24, 2026	RMB21.73 per share
	4,069	April 25, 2027 to April 24, 2028	April 25, 2025 to April 24, 2027	
	8,138			

Note: The options are vested upon the fulfillment of certain performance targets to the grantees including financial targets of the Group and individual performance targets for certain periods.

The following table discloses movement of the Company's share options under 2025 Share Option Scheme during the Track Record Period:

	'000
At January 1, 2025	–
Granted during the period	8,138
Forfeited during the period	(33)
At September 30, 2025	8,105
Exercisable at the end of the period	–

As at September 30, 2025, the weighted average exercise price is RMB21.73 and had a weighted average remaining contractual life of 2 years.

The fair value of the share options were calculated using the Black-Scholes Model. The input into the model were as follows:

Grant date	**April 25, 2025**
Share price on the date of grant	RMB17.98
Exercise price	RMB21.73
Expected volatility	25.49%-29.92%
Contractual life	2-3 years
Risk-free rate	1.45%-1.48%
Expected dividend yield	0.94%

The Group recognized share option expenses of RMB2,600,000 during the nine months ended September 30, 2025, in respect of the 2025 Share Option Scheme.

37. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
At FVTOCI	161,122	186,346	175,843	125,406
At FVTPL	–	60,245	145,169	120,000
At amortized cost	3,225,816	3,746,832	4,285,739	4,542,834
	3,386,938	3,993,423	4,606,751	4,788,240
Financial liabilities				
At amortized cost	3,214,657	3,217,975	3,757,873	4,792,227

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
At FVTOCI	161,122	178,789	165,964	125,406
At amortized cost	1,459,361	1,454,035	1,598,145	1,414,397
	1,620,483	1,632,824	1,764,109	1,539,803
Financial liabilities				
At amortized cost	2,422,494	2,299,946	2,283,671	2,502,880

(b) Financial risk management objectives and policies

The Group's major financial instruments include equity instruments at FVTOCI, financial assets at FVTPL, certain trade and other receivables, restricted and pledged bank deposits, bank balances and cash, certain trade and other payables, bank and other borrowings and lease liabilities. Details of the financial instruments are disclosed in respective notes.

The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

Currency risk

The Group undertakes certain transactions denominated in foreign currencies, which expose the Group to foreign currency risk. The Group currently does not use derivative financial instrument to hedge the foreign exchange risk. The Group manages the foreign currency risk by closely monitoring the movement of the foreign currency rate.

The Group's foreign currency monetary assets are mainly trade and other receivables and bank balances and deposits, and the Group's foreign currency monetary liabilities are mainly trade and other payables.

The carrying amounts of the Group entitles' foreign currency denominated monetary assets and liabilities at the end of each reporting period are as follows:

	December 31, 2022		December 31, 2023		December 31, 2024		September 30, 2025	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
United States dollar ("US$")	240,328	18,834	253,750	78,741	262,410	26,587	304,732	79,628
Hong Kong dollar ("HK$")	4,383	2,454	2,016	149,367	1,223	143,116	5,525	893

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase or decrease in RMB against the relevant currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of reporting period for a 5% change in foreign currency rates. A negative number below indicates a decrease in profit where RMB strengthen 5% against the relevant currency. For a 5% weakening of RMB against the relevant currency, there would be an equal and opposite impact on the profit, and the balances below would be positive.

Effect on profit for the year/period

	December 31,			September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
US$	8,306	6,563	8,778	8,441
HK$	72	(5,526)	(5,321)	174

Interest rate risk

The Group's interest rate risk arises primarily from bank balances and deposits, bank and other borrowings and lease liabilities. Bank

The market equity indices for the following stock exchanges, at the close of business of the nearest trading day during the track record period, and its respective highest and lowest point during the track record period was as follows:

	December 31, 2022	High	Low
	RMB	RMB	RMB
Shenzhen Stock Exchange -Component Index	11,016	14,941	10,088
Shanghai Stock Exchange -Component Index	3,089	3,652	2,864

	December 31, 2023	High	Low
	RMB	RMB	RMB
Shenzhen Stock Exchange -Component Index	9,525	12,246	9,106
Shanghai Stock Exchange -Component Index	2,975	3,419	2,882

	December 31, 2024	High	Low
	RMB	RMB	RMB
Shenzhen Stock Exchange -Component Index	10,415	11,864	7,684
Shanghai Stock Exchange -Component Index	3,352	3,674	2,635

	September 30, 2025	High	Low
	RMB	RMB	RMB
Shenzhen Stock Exchange -Component Index	13,527	13,527	9,365
Shanghai Stock Exchange -Component Index	3,883	3,883	3,097

Sensitivity analysis

The sensitivity analyzes have been determined based on the exposure to equity price risk at the track record period. Sensitivity analyzes for unquoted equity securities with fair value measurement categorized within Level 3 were disclosed in note 37(b).

The following table demonstrates the sensitivity to a reasonably possible change in the fair values of equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period.

	December 31, 2022			
	Carrying amount of equity investments	Increase/ (decrease) in price	Increase/ (decrease) in profit after tax and retained profits	Increase/ (decrease) in other component of equity
	RMB'000	%	RMB'000	RMB'000
Investments listed in:				
Stock Exchanges of Shenzhen and Shanghai	141,122	37.82	–	45,367
		(37.82)	–	(45,367)

	December 31, 2023			
	Carrying amount of equity investments	Increase/ (decrease) in price	Increase/ (decrease) in profit after tax and retained profits	Increase/ (decrease) in other component of equity
	RMB'000	%	RMB'000	RMB'000
Investments listed in:				
Stock Exchanges of Shenzhen and Shanghai	158,789	26.56	–	35,842
		(26.56)	–	(35,842)

	December 31, 2024			
	Carrying amount of equity investments	Increase/ (decrease) in price	Increase/ (decrease) in profit after tax and retained profits	Increase/ (decrease) in other component of equity
	RMB'000	%	RMB'000	RMB'000
Investments listed in:				
Stock Exchanges of Shenzhen and Shanghai	145,964	46.91	–	58,207
		(46.91)	–	(58,207)

	September 30, 2025			
	Carrying amount of equity investments	Increase/ (decrease) in price	Increase/ (decrease) in profit after tax and retained profits	Increase/ (decrease) in other component of equity
	RMB'000	%	RMB'000	RMB'000
Investments listed in:				
Stock Exchanges of Shenzhen and Shanghai	107,626	34.92	–	31,943
		(34.92)	–	(31,943)

Credit risk and impairment assessment

At the end of each reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated statements of financial position.

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade and bills receivables, contract assets, other receivables, restricted and pledged bank deposits and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

In order to minimize the credit risk, the management of the Group assesses the potential customer's credit quality and defines credit limits by customer and the credit limits assigned to each customer is regularly reviewed by the management of the Group. Follow-up actions are taken by the Group to recover overdue debts if any. The Group only accepts bills issued or guaranteed by reputable PRC banks if trade receivables are settled by bills and therefore the management of the Group considers the credit risk arising from the endorsed bills is significantly reduced. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

Trade receivables and contract assets

For trade receivables and contract assets, the management of the Group assesses the collectability of the trade receivables and contract assets regularly individually and/or collectively for the determination of any loss allowance for the trade receivables and contract assets by taking into account the customers' financial condition, current creditworthiness, past settlement history, business relationship with the Group and other factors such as current market conditions.

Certain customers of the Group which has a significant outstanding trade receivables and contract assets balances due to the Group with gross carrying amount of RMB132,901,000, RMB158,883,000, RMB183,987,000 and RMB150,332,000 in aggregate as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively, was assessed for allowance for credit losses individually. The management assessed for the allowance for credit losses for lifetime by estimating default rate taking into account historical and forward looking information. As at December 31, 2022, 2023 and 2024 and September 30, 2025, allowance for expected credit losses of RMB4,540,000, RMB1,113,000, RMB536,000 and RMB44,000 respectively, was made on the trade receivables and contract assets due from these customers. During the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, reversal of impairment losses on trade receivables and contract assets due from these debtors amounted to RMB1,156,000, RMB1,423,000, RMB532,000 and RMB492,000 were recognized and included in the profit or loss, respectively.

For the remaining debtors, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL, as the Group's historical credit loss experience does not indicate significant different loss patterns for different customer segments and the allowance for credit losses based on the past due status is not further distinguished between the Group's customer bases. During the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025, impairment losses on trade receivables and contract assets due from remaining debtors amounted to RMB25,962,000, RMB18,940,000, RMB26,372,000 and RMB12,040,000 were recognized and included in the profit or loss, respectively.

The following table provides information about the Group's exposure to credit risk within lifetime ECL for trade receivables and contract assets due from customers other than the abovementioned individually evaluated customers, which are assessed based on provision matrix as at December 31, 2022, 2023 and 2024 and September 30, 2025, respectively:

	As at December 31, 2022				As at December 31, 2023				As at December 31, 2024				As at September 30, 2025			
	Expected loss rate	Gross carrying amount	Loss allowance	Net carrying amount	Expected loss rate	Gross carrying amount	Loss allowance	Net carrying amount	Expected loss rate	Gross carrying amount	Loss allowance	Net carrying amount	Expected loss rate	Gross carrying amount	Loss allowance	Net carrying amount
		RMB'000	RMB'000	RMB'000		RMB'000	RMB'000	RMB'000		RMB'000	RMB'000	RMB'000		RMB'000	RMB'000	RMB'000
ECL assessed collectively based on debtors' aging																
Within 90 days	5.03%	1,204,474	(60,551)	1,143,923	5.00%	1,497,846	(74,893)	1,422,953	5.00%	1,749,309	(87,464)	1,661,845	5.00%	2,024,440	(101,215)	1,923,225
90 to 180 days	5.01%	317,744	(15,904)	301,840	5.00%	309,365	(15,468)	293,897	5.00%	304,073	(15,203)	288,870	5.00%	538,668	(26,933)	511,735
180 to 270 days	4.58%	63,712	(3,185)	60,527	5.00%	85,389	(4,269)	81,120	5.00%	82,908	(4,146)	78,762	5.00%	95,656	(4,783)	90,873
270 days to 1 year	5.00%	114,862	(5,277)	109,585	5.00%	162,721	(8,136)	154,585	5.00%	219,674	(10,984)	208,690	5.00%	57,699	(2,886)	54,813
1 to 2 years	19.99%	73,043	(14,602)	58,441	19.74%	82,806	(16,348)	66,458	19.11%	122,784	(23,468)	99,316	20.00%	71,132	(14,226)	56,906
2 to 3 years	50.00%	13,638	(6,820)	6,818	40.69%	11,804	(4,804)	7,000	47.98%	16,554	(7,943)	8,611	50.00%	18,989	(9,495)	9,494
Over 3 years	100.00%	17,618	(17,618)	–	97.14%	18,579	(18,046)	533	97.62%	17,677	(17,256)	421	100.00%	18,053	(18,053)	–
		1,805,091	(123,957)	1,681,134		2,168,510	(141,964)	2,026,546		2,512,979	(166,464)	2,346,515		2,824,637	(177,591)	2,647,046
Individually evaluated customers		132,901	(4,540)	128,361		158,883	(1,113)	157,770		183,987	(536)	183,451		150,332	(44)	150,288
Balance as at		1,937,992	(128,497)	1,809,495		2,327,393	(143,077)	2,184,316		2,696,966	(167,000)	2,529,966		2,974,969	(177,635)	2,797,334

Note: The management of the Group determined the ECL rates for portfolio of trade receivables and contract assets due from customers with reference to past-due status of such balances by estimating their default rates taking into account historical information (e.g. historical flow rate of receivables moving into the next aging bucket in the subsequent period, actual historical loss, etc.) and forward-looking information.

Movements in the allowance for expected credit losses in respect of trade receivables and contract assets during the Track Record Period are as follows:

	Lifetime ECL (Not credit impaired)	Lifetime ECL (Credit impaired)	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2022	100,935	20,663	121,598
Transfer to credit-impaired	(2,940)	2,940	–
Impairment loss recognized/(reversed), net	25,962	(1,156)	24,806
Impairment losses written off	–	(17,907)	(17,907)
At December 31, 2022 and January 1, 2023	123,957	4,540	128,497
Transfer to credit-impaired	(933)	933	–
Impairment loss recognized/(reversed), net	18,940	(1,423)	17,517
Impairment losses written off	–	(2,937)	(2,937)
At December 31, 2023 and January 1, 2024	141,964	1,113	143,077
Transfer to credit-impaired	(1,937)	1,937	–
Impairment loss recognized/(reversed), net	26,372	(532)	25,840
Impairment losses written off	–	(1,982)	(1,982)
Exchange re-alignment	65	–	65
At December 31, 2024 and January 1, 2025	166,464	536	167,000
Transfer to credit-impaired	(831)	831	–
Impairment loss recognized/(reversed), net	12,040	(492)	11,548
Impairment losses written off	–	(831)	(831)
Exchange re-alignment	(82)	–	(82)
At September 30, 2025	177,591	44	177,635

Bills receivables

As at December 31, 2022, 2023 and 2024 and September 30, 2025, the Group has exposed to credit risk on bills receivables with gross carrying amount of RMB537,350,000, RMB549,187,000, RMB701,546,000 and RMB746,894,000. As part of the Group's credit risk management, the Group assessed the expected credit losses for bills receivables where RMB418,000, and RMB2,147,000 were recognized in profit or loss for the years ended December 31, 2023 and 2024, and reversal of RMB1,028,000 and RMB755,000 was recognized in profit or loss for the year ended December 31, 2022 and the nine months ended September 30, 2025. The management of the Group considers the historical data, current and forecast of the economic environment of the debtors operate. The credit risk on the bills receivables are insignificant as the probability of default is significantly reduced after assessing the counterparties' financial background and creditability.

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

	12m ECL
	RMB'000
At January 1, 2022	4,552
Impairment loss reversed, net	(1,028)
At December 31, 2022 and January 1, 2023	3,524
Impairment loss recognized, net	418
At December 31, 2023 and January 1, 2024	3,942
Impairment loss recognized, net	2,147
At December 31, 2024 and January 1, 2025	6,089
Impairment loss reversed, net	(755)
At September 30, 2025	5,334

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

	Lifetime ECL (Not credit impaired)	Lifetime ECL (Credit impaired)	Total
	RMB'000	RMB'000	RMB'000
At January 1, 2022	7,981	43	8,024
Transfer to credit-impaired	(784)	784	–
Impairment loss recognized/(reversed), net	154	(10)	144
Impairment losses written off	–	(784)	(784)
At December 31, 2022 and January 1, 2023	7,351	33	7,384
Transfer to credit-impaired	(163)	163	–
Impairment loss (reversed)/recognized, net	(2,523)	22	(2,501)
Impairment losses written off	–	(172)	(172)
At December 31, 2023 and January 1, 2024	4,665	46	4,711
Transfer to credit-impaired	(224)	224	–
Impairment loss recognized, net	1,888	6	1,894
Impairment losses written off	–	(247)	(247)
At December 31, 2024 and January 1, 2025	6,329	29	TJ500.....3.....-Tf19.01250T

The following table details the Group's and the Company's remaining contractual maturity for its financial liabilities and lease liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and lease liabilities based on the earliest date on which the Group can be required to pay.

	Weighted average interest rate	On demand and/or less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total contractual undiscounted cash flow	Total carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At December 31, 2022							
Trade and other payables	–	1,273,796	–	–	–	1,273,796	1,273,796
Bank and other borrowings	3.89%	1,377,239	392,723	147,395	72,016	1,989,373	1,886,946
Lease liabilities	4.52%	18,411	6,899	15,850	23,183	64,343	53,915
		2,669,446	399,622	163,245	95,199	3,327,512	3,214,657
At December 31, 2023							
Trade and other payables	–	1,498,135	–	–	–	1,498,135	1,498,135
Bank and other borrowings	3.61%	1,088,208	231,765	321,570	152,747	1,794,290	1,682,565
Lease liabilities	4.52%	6,431	5,504	15,100	18,447	45,482	37,275
		2,592,774	237,269	336,670	171,194	3,337,907	3,217,975
At December 31, 2024							
Trade and other payables	–	1,855,558	–	–	–	1,855,558	1,855,558
Bank and other borrowings	3.05%	799,093	660,213	273,099	29,867	1,762,272	1,675,925
Lease liabilities	4.07%	41,467	39,976	103,638	76,647	261,728	226,390
		2,696,118	700,189	376,737	106,514	3,879,558	3,757,873
At September 30, 2025							
Trade and other payables	–	2,261,730	–	–	–	2,261,730	2,261,730
Bank and other borrowings	2.54%	1,529,079	286,888	501,619	62,673	2,380,259	2,312,354
Lease liabilities	3.80%	47,556	46,870	90,853	62,136	247,415	218,143
		3,838,365	333,758	592,472	124,809	4,889,404	4,792,227

(c) Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged during the Track Record Period.

The capital structure of the Group consists of net debt, which includes the bank and other borrowings and lease liabilities disclosed in notes 28 and 29 respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, retained profits and other reserves.

The directors of the Company review the capital structure on a regular basis and considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the maturity of lease liabilities as well as new share issues and increase of banking facilities or redemption of existing debt.

(d) Fair value measurements of financial instruments

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the Historical Financial Information approximate their fair values at the end of each reporting period based on discounted cash flow analysis.

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorized (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At December 31, 2022				
Equity instruments at FVTOCI	141,122	–	20,000	161,122
At December 31, 2023				
Equity instruments at FVTOCI	158,789	–	27,557	186,346
Financial assets at FVTPL	–	–	60,245	60,245
	158,789	–	87,802	246,591
At December 31, 2024				
Equity instruments at FVTOCI	145,964	–	29,879	175,843
Financial assets at FVTPL	–	–	145,169	145,169
	145,964	–	175,048	321,012
At September 30, 2025				
Equity instruments at FVTOCI	107,626	–	17,780	125,406
Financial assets at FVTPL	–	–	120,000	120,000
	107,626	–	137,780	245,406

The following table presents the changes in level 3 instruments of equity instruments at FVTOCI and financial assets at FVTPL as at December 31, 2022, 2023 and 2024 and September 30, 2025.

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
FVTOCI (Note (i))				
At the beginning of the year/period	20,000	20,000	27,557	29,879
Additions	–	11,479	–	–
Changes in fair value	–	(3,922)	2,322	2,971
Disposals	–	–	–	(15,070)
At the end of the year/period	20,000	27,557	29,879	17,780
FVTPL (Note (ii))				
At the beginning of the year/period	–	–	60,245	145,169
Additions	80,000	260,000	2,141,000	1,125,000
Disposals	(80,093)	(200,345)	(2,062,406)	(1,152,913)
Changes in fair value	93	590	6,330	2,744
At the end of the year/period	–	60,245	145,169	120,000

Notes:

(i) The fair values of 80e8415534.6449.88(80e8418rc1.8750TD-38-253(s887m34.8418rc1.8731,) TJET372, 2m()-250(anm()-253anm()cial)-74 Sm()cial30

	RMB'000	Valuation Techniques	Key unobservable input(s): Discount for lack of marketability ("DLOM")	Key unobservable input(s): EV/EBITDA Ratio	Relationship of unobservable inputs to fair values
Financial assets					
Equity investments listed in NEEQ at FVTOCI					
At December 31, 2023	7,557	Market approach	15.70%	8.10	An increase in DLOM used would result in a decrease in the fair value measurement of the equity investments listed in NEEQ, and vice versa. An increase in EV/EBITDA ratio used would result in an increase in the fair value measurement of the equity investments listed in NEEQ, and vice versa.
At December 31, 2024	9,879	Market approach	15.60%	9.04	

(ii) As at December 31, 2022, 2023 and 2024 and September 30, 2025, the fair value of financial assets at FVTPL amounting to nil, RMB60,245,000, RMB145,169,000 and RMB120,000,000, respectively, is determined by the spot rate quoted by the issuer of the financial products. These wealth management products are structured fixed deposits with financial institutions with maturities within one year. Details are disclosed in note 22.

If the fair values of the financial assets at FVTPL held by the Group had been 5% higher/lower, the profit before taxation for the years ended December 31, 2022, 2023, 2024 and the nine months ended September 30, 2025 would have been approximately nil, RMB3,012,000, RMB7,258,000 and RMB6,000,000, higher/lower respectively.

There were no transfers between level 1, 2 and 3 of fair value hierarchy classifications during the years ended December 31, 2022, 2023 and 2024 and the nine months ended September 30, 2025.

38. RECONCILIATION OF LIABILITIES GENERATED FROM FINANCING ACTIVITIES

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

	Bank and other borrowings	Lease liabilities	Other payables
	RMB'000	RMB'000	RMB'000
At January 1, 2022	2,219,865	35,467	–
Net financing cash flows	(417,227)	(126,073)	–
Non-cash transactions			
Finance cost recognized	84,308	1,239	–
New leases entered	–	146,728	–
Early termination of lease	–	(3,716)	–
Exchange re-alignment	–	270	–
At December 31, 2022 and January 1, 2023	1,886,946	53,915	–
Net financing cash flows	(265,386)	(18,225)	–
Non-cash transactions			
Finance cost recognized	61,005	2,150	–
New leases entered	–	22	–
Early termination of lease	–	(622)	–
Exchange re-alignment	–	35	–
At December 31, 2023 and January 1, 2024	1,682,565	37,275	–
Net financing cash flows	(56,102)	(44,236)	–
Non-cash transactions			
Finance cost recognized	49,462	7,079	–
New leases entered	–	172,781	–
Lease modification	–	53,547	–
Exchange re-alignment	–	(56)	–

	Bank and other borrowings	Lease liabilities	Other payables
	RMB'000	RMB'000	RMB'000
At December 31, 2024 and January 1, 2025	1,675,925	226,390	–
Net financing cash flows	606,918	(276,594)	(9,753)
Non-cash transactions			
Finance cost recognized	29,511	6,652	–
New leases entered	–	260,130	–
Lease modification	–	854	–
Deferred and accrued listing expenses	–	–	13,606
Exchange re-alignment	–	711	–
At September 30, 2025	2,312,354	218,143	3,853

39. RELATED PARTY TRANSACTIONS

The following significant transactions were carried out between the Group and its related parties during the Track Record Period. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Name and relationship with related parties

The following companies are related parties of the Group that had balances and/or transactions with the Group during the Track Record Period.

Name of related parties	Relationship with the Group
Heqiwor	Associate of the Company
Fujiawor	Associate of the Company

(b) Significant related party transactions

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Rental income from:					
Heqiwor	23	23	23	17	17
Fujiawor	23	23	23	17	17
	46	46	46	34	34

(c) Significant balances with related parties

As disclosed in the consolidated statements of financial position, the Group had outstanding balances with related parties at December 31, 2022, 2023 and 2024 and September 30, 2025 as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and other receivables from (Note (i))				
Heqiwor	–	–	6	–
Fujiawor	–	–	6	–
	–	–	12	–

Note:

(i) The balances with related parties are trade in nature, unsecured, interest-free and repayable on demand.

(d) Key management personnel compensations

The remuneration of directors and other members of key management during the year/period was as follows:

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Short-term employee benefits	10,396	10,563	11,282	8,485	10,613
Retirement benefit expense	357	303	312	310	343
Equity-settled share-based payments	–	22	21	(3)	1,068
	10,753	10,888	11,615	8,792	12,024

40. NON-WHOLLY OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of entities	Proportion of ownership interests and voting rights held by non-controlling interests				Profit allocated to non-controlling interests				Accumulated non-controlling interest			
	As at December 31,			As at September 30,	Year ended December 31,			Nine months ended September 30,	As at December 31,			As at September 30,
	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Shanghai Keter New Materials	21.24%	21.24%	21.24%	21.24%	11,991	11,336	12,135	7,538	51,386	62,773	74,908	82,446
CYG Electronics (Group) (note)	25.00%	25.00%	25.00%	0%	16,427	23,923	31,137	23,496	270,494	294,453	325,590	N/A
Shenzhen Woer New Energy Electric Technology	23.39%	23.29%	23.29%	23.29%	13,624	15,837	20,956	18,265	34,365	74,134	94,780	109,661

Note: In September 2025, the Group acquired additional equity interests in CYG Electronics (Group) and the Group's effective equity interests in CYG Electronics (Group) increased from 75% to 100%.

Summarized financial information in respect of Shanghai Keter New Materials is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets	278,995	356,258	444,053	421,473
Non-current assets	181,760	190,387	326,907	354,953
Current liabilities	(172,429)	(210,678)	(289,585)	(263,113)
Non-current liabilities	(46,398)	(40,425)	(128,701)	(125,149)

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	317,883	385,452	506,301	357,603	355,987
Total expense	(261,426)	(332,079)	(449,169)	(313,932)	(320,497)
Profit and total comprehensive income for the year/period	56,457	53,373	57,132	43,671	35,490
Net cash flows from operating activities	50,538	16,795	25,113	11,245	7,528
Net cash flows used in investing activities	(86,957)	(14,165)	(7,781)	(7,503)	(3,215)
Net cash flows generated from/(used in) financing activities	41,889	(18,150)	3,261	(7,066)	(13,510)
Net increase/(decrease) in cash and cash equivalents	5,470	(15,520)	20,593	(3,324)	(9,197)

Summarized financial information in respect of CYG Electronics (Group) is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets	904,571	989,605	1,206,109	N/A
Non-current assets	528,829	514,726	538,427	N/A
Current liabilities	(294,040)	(268,885)	(345,261)	N/A
Non-current liabilities	(57,385)	(57,635)	(96,915)	N/A

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	964,846	1,027,333	1,186,578	849,231	605,234
Total expense	(899,139)	(931,640)	(1,062,029)	(749,244)	(511,251)
Profit and total comprehensive income for the year/period	65,707	95,693	124,549	99,987	93,983
Net cash flows from operating activities	189,339	171,321	94,902	47,611	N/A
Net cash flows used in investing activities	(62,096)	(45,484)	(165,481)	(251,951)	N/A
Net cash flows (used in)/from financing activities	(28,709)	(68,005)	185,009	188,384	N/A
Net increase/(decrease) in cash and cash equivalents	98,534	57,832	114,430	(15,956)	N/A

Summarized financial information in respect of Shenzhen Woer New Energy Electric Technology is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets	439,870	543,622	688,186	773,090
Non-current assets	26,539	73,526	134,239	172,680
Current liabilities	(316,624)	(251,096)	(372,323)	(444,656)
Non-current liabilities	(2,863)	(47,742)	(43,148)	(30,262)

	Year ended December 31,			Nine months ended September 30,	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue	528,715	712,621	893,470	564,334	806,806
Total expense	(470,469)	(644,623)	(803,490)	(510,825)	(728,380)
Profit and total comprehensive income for the year/period	58,246	67,998	89,980	53,509	78,426
Net cash flows from/(used in) operating activities	26,918	(123,982)	61,611	23,225	(8,363)
Net cash flows used in investing activities	(8,963)	(21,811)	(33,277)	(32,460)	(13,173)
Net cash flows (used in)/from financing activities	(15,328)	151,342	9,812	9,918	(13,745)
Net increase/(decrease) in cash and cash equivalents	2,627	5,549	38,146	683	(35,281)

41. PLEDGE OF ASSETS

The Group's bank borrowings had been secured by the Group's assets and the carrying amounts of the respective assets are as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Property, plant and equipment	368,427	354,836	409,796	468,708
Right-of-use assets	53,162	51,850	54,615	96,547
Trade and other receivables	85,173	387,812	349,196	361,584
Pledge bank deposits	64,721	62,140	59,489	32,989
	571,483	856,638	873,096	959,828

The Company's bank borrowings had been secured by the Company's assets and the carrying amounts of the respective assets are as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Property, plant and equipment	186,146	180,635	121,743	125,916
Right-of-use asset	22,931	22,290	–	17,082
Trade and other receivables	11,526	54,431	79,069	75,188
Pledge bank deposits	33,109	17,354	16,491	23,991
	253,712	274,710	217,303	242,177

As at December 31, 2022, bank borrowings were secured by 75% of equity of a subsidiary with a carrying amount of interests in subsidiaries of RMB1,192,500,000.

42. OPERATING LEASING ARRANGEMENTS

All of the properties held for rental purposes have committed lessees for the next 3 years to 12 years.

Undiscounted lease payments receivable on leases are as follows:

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	1,515	1,448	3,877	3,920
In the second year	1,448	1,265	3,812	3,973
In the third year	1,265	1,201	3,756	2,929
In the fourth year	1,201	900	2,828	2,911
In the fifth year	900	–	2,821	2,877
After five years	–	–	19,101	16,876
	6,329	4,814	36,195	33,486

43. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

(a) Acquisition of Shanghai Ricoro Film Co., Ltd. ("Shanghai Ricoro")

On August 8, 2022, a partially owned subsidiary, Surgwave Electronics (Shanghai) Co., Ltd. entered in an agreement with two independent third parties to acquire 100% equity interest of Shanghai Ricoro at a consideration of RMB73,380,000. The fair value of the consideration was amounted to RMB73,380,000 as at the date of acquisition.

Shanghai Ricoro is an investment holding company incorporated in PRC which own buildings erected on leasehold land in the PRC of which the land use rights will legally expire in 2055. These buildings were built on the piece of leasehold land.

The Group elected to apply the optional concentration test in accordance with IFRS 3 "Business Combinations" and concluded that the land and buildings are considered as single identified asset.

Consequently, the Group determined that substantially all of the fair value of the gross assets acquired is concentrated in a single identified asset and concluded that the acquired set of activities and assets is not a business.

	RMB'000
Assets recognized at the date of acquisition	
Property, plant and equipment	73,380

Net cash outflow arising on acquisition of Shanghai Ricoro

	RMB'000
Consideration paid in cash	73,380
Less: cash and cash equivalents acquired	–
	73,380

(b) Acquisition of Guizhou Huier

On May 16, 2025, a wholly owned subsidiary, WOER HEAT-SHRINKABLE entered into an agreement with an independent third party to acquire 21.51% equity interest of "Guizhou Huier" at a consideration of RMB3,000,000, resulting an increase in shareholding from 49.10% to 70.61%. The fair value of the consideration was amounted to RMB3,000,000 as at the date of acquisition.

Guizhou Huier is principally engaged in research and development, production and sales of flame retardants incorporated in the PRC of which the land use rights will legally expire in 2069. The acquisition was determined by the Directors to be the acquisition of assets and liabilities through acquisition of a subsidiary rather than a business combination as the assets acquired and liabilities assumed did not constitute a business as defined under IFRS 3 "*Business Combinations*".

	RMB'000
Assets recognized at the date of acquisition	
Property, plant and equipment	8,078
Right-of-use asset	4,291
Cash and cash equivalents	875
Prepayment and other receivables	2,767
Trade and other payables	(2,061)
Net assets	13,950
Non-controlling interests	(4,100)
Fair value of interests transferred from interests in associates	(6,850)
Total consideration	3,000

	RMB'000
Net cash outflow arising on acquisition of Guizhou Huier	
Consideration paid in cash	3,000
Less: cash and cash equivalents acquired	(875)
	2,125

44. TRANSACTION WITH NON-CONTROLLING INTERESTS

(a) Deemed partial disposal of interests in subsidiary without losing control

LTK Electric

During the year ended December 31, 2022, LTK Electric, an indirectly wholly owned subsidiary of the Company, entered into a capital injection agreement with a company owned by the founder member of the Company, Mr. Zhou Heping, and a director of the Company, Ms. Yi Huarong, and three partnerships corporates owned by certain employees of the Group ("Purchasers A") ("Agreement A"). Pursuant to Agreement A, Purchasers A agreed to contribute RMB69,774,000 to LTK Electric for 7.11% equity interests of LTK Electric. After that, the Group's effective interests in LTK Electric were diluted from 100% to 92.89%. As a result, the Group recognized an increase in non-controlling interests of approximately RMB53,383,000 and increase in equity attributable to owners of the Company of approximately RMB16,391,000.

During the year ended December 31, 2023, LTK Electric entered into a capital injection agreement with three partnerships corporates owned by certain employees of LTK Electric ("Purchasers B") ("Agreement B"). Pursuant to Agreement B, Purchasers B agreed to contribute RMB19,142,000 to LTK Electric for 1.96% equity interests of LTK Electric. After that, the Group's effective interests in LTK Electric were diluted from 92.89% to 90.93%. As a result, the Group recognized an increase in non-controlling interests of approximately RMB16,882,000 and increase in equity attributable to owners of the Company of approximately RMB2,260,000.

	Year ended December 31,	
	2022	2023
	RMB'000	RMB'000
Carrying amount of equity interests obtained by non-controlling interests	(53,383)	(16,882)
Capital contributed by non-controlling interests	69,774	19,142
Excess of consideration received recognized within equity	16,391	2,260

(b) Acquisition of additional interests in subsidiaries without change in control

Shenzhen Woer New Energy Electric Technology

During the year ended December 31, 2023, the Company, two independent third parties ("Purchasers C") and Shenzhen Woer New Energy Electric Technology, a directly non-wholly owned subsidiary of the Company, entered into capital injection agreement. Pursuant to the agreement, the Company and the Purchasers C agreed to contribute RMB80,000,000 and RMB23,389,000 to Shenzhen Woer New Energy Electric Technology for the equity interests of 10.13% and 2.96% of Shenzhen Woer New Energy Electric Technology, respectively. After that, the Group's effective equity interests in Shenzhen Woer New Energy Electric Technology from 76.61% to 76.71%. As a result, the Group recognized an increase in non-controlling interests of RMB23,866,000 and decrease in equity attributable to owners of the Group of RMB477,000.

	Year ended December 31,
	2023
	RMB'000
Carrying amount of equity interests obtained by non-controlling interests	(23,866)
Capital contributed by non-controlling interests	23,389
Excess of consideration received recognized within equity	(477)

LTK Electric

During the year ended December 31, 2024, the Group acquired additional equity interest of 3.39% of LTK Electric at a consideration of approximately RMB32,566,000 from six partnerships corporate, which owned by certain employees of LTK Electric. After that, the Group's effective equity interests in LTK Electric increased from 90.93% to 94.32%. The carrying amount of the non-controlling interests in this subsidiary on the date of acquisition was approximately RMB30,317,000. The Group recognized a decrease in non-controlling interests of RMB30,317,000 and decrease in equity attributable to owners of the Company of RMB2,249,000.

	Year ended December 31,
	2024
	RMB'000
Carrying amount of non-controlling interests acquired	30,317
Consideration paid to non-controlling interests	(32,566)
Deficit of consideration received recognized within equity	(2,249)

CYG Electronics (Group)

During the nine months ended September 30, 2025, the Group acquired additional equity interest of 25% CYG Electronics (Group) at a consideration of approximately RMB340,000,000 from an non-controlling shareholder of CYG Electronics (Group). After that, the Group's effective equity interests in CYG Electronics (Group) increased from 75% to 100%. The carrying amount of the non-controlling interests in this subsidiary on the date of acquisition was approximately RMB348,970,000. The Group recognized a decrease in non-controlling interests of approximately RMB348,970,000 and an increase in equity attributable to owners of the Company of approximately RMB8,970,000.

	Nine months ended September 30,
	2025
	RMB'000
Carrying amount of non-controlling interests acquired	348,970
Consideration paid to non-controlling interests	(340,000)
Deficit of consideration paid recognized within equity	8,970

Huizhou Dingding Special Cable Co., Ltd.

During the nine months ended September 30, 2025, the Company entered into capital injection agreement with Huizhou Dingding Special Cable Co., Ltd., wholly owned subsidiaries of LTK Electric, pursuant to which the Company, agreed to contribute approximately RMB34,000,000 to Huizhou Dingding Special Cable Co., Ltd., for the equity interests of 97.14% of Huizhou Dingding Special Cable Co., Ltd.. After that, the Group's effective equity interests in Huizhou Dingding Special Cable Co., Ltd. increased from 94.32% to 99.84%. The Group recognized increase in non-controlling interest of approximately RMB49,000 and decrease in equity attributable to owners of the Company of approximately RMB49,000.

Huizhou Dingding Technology Co., Ltd.

During the nine months ended September 30, 2025, the Company entered into capital injection agreement with Huizhou Dingding Technology Co., Ltd., wholly owned subsidiaries of LTK Electric, pursuant to which the Company, agreed to contribute approximately

RMB34,000,000 to Huizhou Dingding Technology Co., Ltd., for the equity interests of 97.14% of Huizhou Dingding Technology Co., Ltd.. After that, the Group's effective equity interests in Huizhou Dingding Technology Co., Ltd. increased from 94.32% to 99.84%. The Group recognized increase in non-controlling interest of approximately RMB48,000 and decrease in equity attributable to owners of the Company of approximately RMB48,000.

Guizhou Huier

During the nine months ended September 30, 2025, WOER HEAT-SHRINKABLE, a wholly owned subsidiary of the Company, acquired additional equity interests in Guizhou Huier for a consideration of approximately RMB4,100,000 from an non-controlling shareholder of Guizhou Huier. After that, the Group's effective equity interests in Guizhou Huier increased from 70.61% to 100%.

45. INFORMATION OF SUPPLIER FINANCE ARRANGEMENTS

The Group

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount of the financial liabilities that are subject to supplier finance arrangements				
Presented as part of "Bank and other borrowings" (note 28)	94,482	18,653	51,049	40,486
- Of which suppliers have already received payment from the finance provider	94,482	18,653	51,049	40,486

The Company

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount of financial liabilities that are subject to supplier finance arrangements				
Presented as part of "Bank and other borrowings" (note 28)	89,543	16,408	51,049	32,512
- Of which suppliers have already received payment from the finance provider	89,543	16,408	51,049	32,512

	As at December 31,			As at September 30,
	2022	2023	2024	2025
	Days	Days	Days	Days
Range of payment due dates				
For liabilities that are part of "Bank and other borrowings"				
- Liabilities that are part of supplier finance arrangements	90-360	90-360	180-360	90-365
- Comparable trade payables that are not part of supplier finance arrangement	30-90	30-90	30-90	30-90

Changes in liabilities that are subject to supplier finance arrangements are primarily attributable to additions resulting from purchases of goods and services and subsequent cash settlements. During the years ended December 31, 2022, 2023 and 2024 and the nine months ended