

The following is the text of a report set out on page IA-1 received from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. The information set out below is the unaudited interim financial information of the Group for the three months ended 31 March 2026, and does not form part of the Accountants' Report from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, as set out in Appendix I, and is included herein for information purpose only.



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REVIEW REPORT ON UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE DIRECTORS OF SG MICRO CORP

Introduction

We have reviewed the interim financial information set out on page IA-3 to IA-45, which comprises the condensed consolidated statement of financial position of SG Micro Corp (the “**Company**”) and its subsidiaries (the “**Group**”) as at 31 March 2026 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2026, and explanatory notes. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance International Accounting Standard 34 *Interim Financial Reporting* (“**IAS 34**”) as issued by the International Accounting Standards Board. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of 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* (“**HKSRE 2410**”) as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Other Matter

We draw attention to the fact that the condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2025 and the related explanatory notes disclosed in the interim financial information have not been reviewed in accordance with HKSRE 2410.

Ernst & Young

Certified Public Accountants

Hong Kong

17 June 2026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Three months ended 31 March	
		2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	3	1,098,131	789,561
Cost of sales		(600,329)	(439,766)
Gross profit		497,802	349,795
Other income and gains	4	37,005	53,840
Selling and marketing expenses		(74,746)	(62,452)
Administrative expenses		(30,502)	(28,797)
Research and development expenses		(293,594)	(245,723)
Reversal of impairment losses on financial assets and contract assets, net	5	814	2,022
Other expenses		(12,698)	—
Finance costs	6	(4,026)	(899)
Share of profits of associates		4,391	701
PROFIT BEFORE TAX	5	124,446	68,487
Income tax expense	7	(1,678)	(9,829)
PROFIT FOR THE PERIOD		<u>122,768</u>	<u>58,658</u>
Attributable to:			
Owners of the parent		123,693	59,767
Non-controlling interests		(925)	(1,109)
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT:			
Basic	9	<u>0.20</u>	<u>0.10</u>
Diluted	9	<u>0.20</u>	<u>0.10</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three months ended 31 March	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	122,768	58,658
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(6,797)	(357)
Others	(63)	(21)
Other comprehensive loss for the period, net of tax	(6,860)	(378)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>115,908</u>	<u>58,280</u>
Attributable to:		
Owners of the parent	116,833	59,389
Non-controlling interests	<u>(925)</u>	<u>(1,109)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 March	As at 31 December
		2026	2025
		RMB'000 (Unaudited)	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	754,541	711,825
Other intangible assets	12	78,367	85,978
Right-of-use assets	11	34,672	38,837
Goodwill	13	301,277	301,277
Deferred tax assets	14	155,129	151,264
Investments in associates	15	561,204	555,364
Time deposits	21	373,739	371,754
Financial assets at fair value through profit or loss, non current	16	121,463	115,991
Other non-current assets	17	29,154	23,371
Total non-current assets		<u>2,409,546</u>	<u>2,355,661</u>
CURRENT ASSETS			
Inventories	18	1,592,087	1,448,216
Trade and bills receivables at amortized cost	19	325,277	362,830
Trade and bills receivables at fair value through other comprehensive income		695	260
Contract assets		1,994	2,084
Prepayments, other receivables and other assets	20	122,430	137,634
Financial assets at fair value through profit or loss	16	1,479,318	1,340,087
Cash and cash equivalents	21	1,183,697	1,181,028
Time deposits	21	27,159	81,810
Restricted cash	21	44,820	44,540
Total current assets		<u>4,777,477</u>	<u>4,598,489</u>
CURRENT LIABILITIES			
Trade payables	22	416,482	400,910
Other payables and accruals	23	363,884	470,629
Interest-bearing bank borrowings	24	502,404	329,729
Lease liabilities	11	9,780	12,752
Contract liabilities	25	26,430	18,389
Total current liabilities		<u>1,318,980</u>	<u>1,232,409</u>
NET CURRENT ASSETS		<u>3,458,497</u>	<u>3,366,080</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,868,043</u>	<u>5,721,741</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	24	34,920	67,172
Lease liabilities	11	6,764	7,767
Deferred tax liabilities	14	60,342	54,799
Other payables and accruals	23	12,142	8,703
Deferred income	26	63,234	68,195
Other non-current liabilities	27	189,307	187,999
Total non-current liabilities		<u>366,709</u>	<u>394,635</u>
NET ASSETS		<u>5,501,334</u>	<u>5,327,106</u>

APPENDIX IA

UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL INFORMATIONINTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
POSITION—continued

	Notes	<u>As at 31 March</u> <u>2026</u> RMB'000 <i>(Unaudited)</i>	<u>As at 31 December</u> <u>2025</u> RMB'000
EQUITY			
Equity attributable to owners of the parent			
Share capital	28	620,361	620,063
Reserves	30	4,848,181	4,674,322
		5,468,542	5,294,385
Non-controlling interests		32,792	32,721
Total equity		<u>5,501,334</u>	<u>5,327,106</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent								Total equity RMB'000		
	Notes	Share capital	Capital reserves*	Share-based payment reserve*	Reserve funds*	Exchange fluctuation reserve*	Other reserves*	Retained profits*		Total	Non-controlling interests RMB'000
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			
Balance at 1 January 2026		620,063	803,880	544,340	291,431	20,147	138,878	2,875,646	5,294,385	32,721	5,327,106
Profit for the period (unaudited)		—	—	—	—	—	—	123,693	123,693	(925)	122,768
Other comprehensive income for the period:											
Share of OCI of associates (unaudited)		—	—	—	—	—	(63)	—	(63)	—	(63)
Exchange differences on translation of the financial statements (unaudited)		—	—	—	—	(6,797)	—	—	(6,797)	—	(6,797)
Total comprehensive income for the period (unaudited)		—	—	—	—	(6,797)	(63)	123,693	116,833	(925)	115,908
Equity-settled share-based payment schemes (unaudited)		298	20,539	(5,767)	—	—	—	—	15,070	—	15,070
Share-based payment compensation (unaudited)	29	—	—	40,742	—	—	—	—	40,742	996	41,738
Share of capital reserve of associates (unaudited)		—	—	—	—	—	1,512	—	1,512	—	1,512
Balance at 31 March 2026 (unaudited)		620,361	824,419	579,315	291,431	13,350	140,327	2,999,339	5,468,542	32,792	5,501,334

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY—continued

	Attributable to owners of the parent										
	Notes	Share capital	Capital reserves	Share-based payment reserve	Reserve funds	Exchange fluctuation reserve	Other reserves	Retained profits	Total	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025		473,450	824,106	467,412	236,725	29,788	99,392	2,478,354	4,609,227	(9,967)	4,599,260
Profit for the period (unaudited)		—	—	—	—	—	—	59,767	59,767	(1,109)	58,658
Other comprehensive income for the period:											
Share of OCI of associates (unaudited)		—	—	—	—	—	(21)	—	(21)	—	(21)
Exchange differences on translation of the financial statements (unaudited)		—	—	—	—	(357)	—	—	(357)	—	(357)
Total comprehensive income for the period (unaudited)		—	—	—	—	(357)	(21)	59,767	59,389	(1,109)	58,280
Equity-settled share-based payment schemes (unaudited)		225	15,187	(1,314)	—	—	—	—	14,098	—	14,098
Share-based payment compensation (unaudited)	29	—	—	10,007	—	—	—	—	10,007	752	10,759
Effect on non-controlling interests of the acquisition of a subsidiary (unaudited)		—	—	—	—	—	—	—	—	4,649	4,649
To acquire non-controlling interests obligations arising from acquisitions of a subsidiary (unaudited)		—	(129,851)	—	—	—	—	—	(129,851)	—	(129,851)
Share of capital reserve of associates (unaudited)		—	—	—	—	—	2,909	—	2,909	—	2,909
Balance at 31 March 2025 (unaudited)		473,675	709,442	476,105	236,725	29,431	102,280	2,538,121	4,565,779	(5,675)	4,560,104

* These reserve accounts comprise the consolidated reserves of RMB4,848,181,000 in the condensed consolidated statement of financial position as at 31 March 2026..

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Three months ended 31 March	
		2026	2025
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		124,446	68,487
Adjustments for:			
Finance costs	6	4,026	899
Listing expense		—	—
Foreign exchange differences, net	4, 5	12,116	(481)
Share of profits of associates		(4,391)	(701)
Gains on disposal of items of property, plant and equipment and right-of-use assets, net	4, 5	(94)	(903)
Depreciation of property, plant and equipment	5	40,246	37,446
Depreciation of right-of-use assets	5	5,486	5,785
Amortization of intangible assets	5	7,217	5,344
Amortization of deferred income		(7,211)	(2,201)
Impairment of contract assets	5	6	—
Impairment losses on financial assets, net		(820)	(2,022)
Fair value gains, net:			
Equity investments at fair value through profit or loss	4,5	(5,658)	(19,156)
Wealth management products	4,5	(6,617)	(2,725)
Interest income	4	(8,380)	(6,004)
Gains on disposal of investments at fair value through profit or loss	4,5	(1,260)	(4,343)
Share-based payment expenses	5,29	41,738	10,759
(Increase)/decrease in inventories		(143,871)	649
Decrease in trade and bills receivables at amortized cost		38,498	93,498
Increase in trade and bills receivables at fair value through other comprehensive income		(435)	—
Decrease in contract assets		84	—
Decrease/(increase) in prepayments, other receivables and other assets		12,445	(40,052)
Increase in trade payables		22,681	25,203
Increase/(decrease) in contract liabilities		8,041	(2,732)
Decrease in other payables and accruals		(98,522)	(79,089)
Increase in restricted cash		(280)	(61)
Cash generated from operations		39,491	87,600
Interest received		5,950	3,607
Net cash flows from operating activities		45,441	91,207

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS—continued

	Notes	Three months ended 31 March	
		2026	2025
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of wealth management products		1,340,000	898,000
Proceeds from disposal of time deposits upon maturity		50,000	—
Proceeds of the income from time deposits		5,096	—
Purchases of items of property, plant and equipment		(96,542)	(68,448)
Additions to other intangible assets		(160)	(1,928)
Dividend from equity investments at fair value through profit or loss		—	311
Dividend from associates		—	1,847
Proceeds of the income from wealth management products		4,646	4,343
Purchases of wealth management products		(1,476,000)	(750,000)
Proceeds from disposal of equity investments at fair value through profit or loss		—	595
Purchase of subsidiaries		—	(123,969)
Withdrawal of intentional deposit of the purchase of an investment		5,000	—
Receipt of government grants for property, plant and equipment		2,250	500
Net cash flows used in investing activities		<u>(165,710)</u>	<u>(38,749)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		15,070	14,098
New bank loans		155,256	21,396
Interest paid		(2,340)	(520)
Payment of lease payments		(5,633)	(5,425)
Payment of bank and other borrowings		(14,966)	—
Payment of listing expense		(2,003)	—
Acquisition of non-controlling interests		(3,703)	—
Net cash flows from financing activities		<u>141,681</u>	<u>29,549</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>21,412</u>	<u>82,007</u>
Cash and cash equivalents at beginning of period		1,181,028	813,194
Effect of foreign exchange rate changes, net		(18,743)	402
CASH AND CASH EQUIVALENTS AT END OF PERIOD		<u><u>1,183,697</u></u>	<u><u>895,603</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		1,228,517	897,419
Restricted cash		(44,820)	(1,816)
Cash and cash equivalents as stated in the consolidated statement of financial position		<u>1,183,697</u>	<u>895,603</u>
Cash and cash equivalents as stated in the consolidated statement of cash flows		<u><u>1,183,697</u></u>	<u><u>895,603</u></u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**1. CORPORATE INFORMATION AND BASIS OF PREPARATION**

SG Micro Corp (hereinafter referred to as “the Company”) is a limited company registered in Beijing, Chinese Mainland on 26 January 2007. The registered address of the Company is Room 4-1106, 11th Floor, No. 87, Xisanhuan North Road, Haidian District, Beijing, the People’s Republic of China (the “PRC”). On 6 June 2017, the Company’s A shares were listed on the Shenzhen Stock Exchange.

During the reporting period, the Company and its subsidiaries (hereinafter collectively referred to as “the Group”) are principally engaged in designing, developing and selling analog ICs and sensors that sense, amplify, convert and power, forming the fundamental building blocks of all electronic systems. These products are widely applied in Industrial & Energy, Automotive, Networking & Computing and Consumer Electronics.

As of 31 March 2026, there have been no material changes to the Company’s principal subsidiaries since 31 December 2025.

The interim condensed consolidated financial information for the three months ended 31 March 2026 has been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The condensed consolidated interim financial information has been prepared in accordance with the same basis of preparation and accounting policies adopted in the historical financial information for the years ended 31 December 2023, 2024 and 2025 (the “Historical Financial Information”) as disclosed in Appendix I to the document dated 17 June 2026 (the “Document”) issued by the Company. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards.

2. OPERATING SEGMENT INFORMATION**(a) Description of segments and principal activities**

Management monitors the operating results of the Group as a whole for the purpose of making decision on resources allocation and preformation assessment. On this basis, the Group has determined that it only has one operating segment which is the sales of ICs products.

(b) Segment information

There was no single customer from which the revenue amounted to 10% or more of the Group’s revenue for the reporting period. The Group’s non-current assets excluding financial instruments and deferred taxes were primarily located in Chinese Mainland as at the end of the reporting period.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION—continued

3. REVENUE

An analysis of revenue is as follows:

	Three months ended 31 March	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue from contracts with customers:		
Disaggregated by major products or service lines		
- Power Management ICs	662,115	466,578
- Signal Chain ICs	423,691	316,547
- Others	12,325	6,436
Total revenue	<u>1,098,131</u>	<u>789,561</u>

Revenue from contracts with customers

(a) Disaggregated revenue information

	Three months ended 31 March	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Geographical information		
Hong Kong	514,712	406,418
Chinese Mainland	515,603	307,422
Taiwan	35,168	31,670
Others	32,648	44,051
Total revenue	<u>1,098,131</u>	<u>789,561</u>
Timing of revenue recognition		
Goods and services transferred at a point in time	1,098,131	789,561
Total revenue	<u>1,098,131</u>	<u>789,561</u>

The following table shows the amounts of revenue recognized during the reporting period that were included in the contract liabilities at the beginning of each of the respective period:

	Three months ended 31 March	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue recognized that was included in contract liabilities at the beginning of the period:		
Sale of products	12,840	13,224
Rendering of services	—	3,396
Total	<u>12,840</u>	<u>16,620</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION—continued

3. REVENUE—continued

(b) Performance obligations

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

Sale of products

The performance obligation is satisfied when the products are delivered or accepted by the customer, and payment is generally due within certain days upon delivery or after acceptance, except for new customers, where payment in advance is normally required.

Rendering of services

The performance obligation is satisfied upon completion and acceptance of the services and payment is generally due upon completion of the services.

For the above contracts with customers, they are rendered in a short period of time, which is generally less than one year.

4. OTHER INCOME AND GAINS

	Three months ended 31 March	
	2026	2025
	RMB'000	RMB'000
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<u>Other income</u>		
Government grants*	14,899	20,192
Bank interest income	8,380	6,004
Subtotal	<u>23,279</u>	<u>26,196</u>
<u>Gains</u>		
Foreign exchange income, net	—	481
Gains on disposal of investments at fair value through profit or loss:		
Wealth management products	1,260	4,343
Gains on disposal of items of property, plant and equipment and right-of-use assets	94	903
Fair value gains on:		
Wealth management products	6,617	2,725
Equity investments at fair value through profit or loss	5,658	19,156
Others	97	36
Subtotal	<u>13,726</u>	<u>27,644</u>
Total other income and gains	<u>37,005</u>	<u>53,840</u>

* The government grants were mainly incentives provided by local government authorities in Chinese Mainland, including various forms of government financial incentives and preferential tax treatments. There were no unfulfilled conditions or contingencies relating to these government grants.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION—continued

5. PROFIT BEFORE TAX

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

	Three months ended 31 March	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Cost of raw materials consumed	247,799	204,354
Cost of packaging testing	251,978	175,098
Research and development expenses	293,594	245,723
Equity-settled share-based payment expense*	41,738	10,759
Depreciation of property, plant and equipment*	40,246	37,446
Depreciation of right-of-use assets*	5,486	5,785
Amortization of intangible assets*	7,217	5,344
Lease payments not included in the measurement of lease liabilities*	723	763
Staff costs (excluding directors' remuneration)*:		
Salaries, wages and bonus	237,890	219,157
Pension scheme contributions**	19,476	16,883
Total	257,366	236,040
Impairment of financial assets and contract assets, net:		
Impairment/ (reversal of impairment losses) of other receivables, net	134	(284)
Reversal of impairment losses of trade and bills receivables, net	(954)	(1,738)
Impairment of contract assets, net	6	—
Impairment of Inventories	66,197	33,298
Gains on disposal of items of property, plant and equipment, intangible assets and right-of-use assets, net	(94)	(903)
Gains on disposal of investments at fair value through profit or loss	(1,260)	(4,343)
Foreign exchange loss/(income), net	12,116	(481)
Fair value gains, net :		
Wealth management products	(6,617)	(2,725)
Equity investments at fair value through profit or loss	(5,658)	(19,156)

* The amounts of these accounts are partially included in the cost of packaging testing and research and development expenses.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Three months ended 31 March	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Amortization of interest expense on redemption financial liabilities	1,308	—
Interest on borrowings	2,473	535
Interest on lease liabilities	245	364
Total	4,026	899

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued

7. INCOME TAX

Income tax expense is recognized based on management's best knowledge of the income tax rates expected for the reporting period.

(i) PRC corporate income tax

The income tax provision of the Group in respect of its operations in Chinese Mainland was calculated at tax rate of 25% on the assessable profits for the periods presented, based on the existing legislation, interpretation and practices in respect thereof.

Pursuant to the Notice of the Ministry of Industry and Information Technology, the Ministry of Finance, the State Taxation Administration and National Development Reform Commission on Relevant Issues Concerning the Preferential Policies on Enterprise Income Tax to promote high quality development of integrated circuit industry and software industry in December 2020, the Company was entitled to apply a reduced tax rate of 10% after passing the qualification verification of Key Integrated Circuit Design Enterprise by relevant authorities during the reporting period.

Certain subsidiaries of the Company in Chinese Mainland were approved as High-tech enterprises, and they were subject to a preferential corporate income tax rate of 15% for the reporting period.

(ii) Hong Kong profits tax

The first HKD2,000,000 of assessable profits of Hong Kong subsidiaries are taxed at 8.25% and the remaining assessable profits are taxed at 16.5% on the estimated assessable profits. SG MICRO (HK) LIMITED was entitled to enjoy offshore tax exemption from the Hong Kong Inland Revenue Department due to its offshore transaction nature for the reporting period.

(iii) Corporate income tax in other jurisdictions

The income tax rates of the subsidiaries in Japan and Germany are 22.39% and 27.9%, respectively.

The major components of income tax expense of the Group are as follows:

	Three months ended 31 March	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax	—	—
Deferred tax (note 14)	1,678	9,829
Total tax charge for the period	<u>1,678</u>	<u>9,829</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued**8. DIVIDENDS**

There was no record of cash dividend distribution for the three months ended 31 March 2026.

The final cash dividend distribution of RMB124,101,000 (tax inclusive) in respect of the year ended 31 December 2025 has been approved by the Annual General Meeting on 20 April 2026.

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

The calculation of the basic earnings per share amounts is based on the profit for the periods attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares outstanding during the reporting period.

The share option and restricted stock granted by the Company have potential dilutive effect on the earnings per share. The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in outstanding during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

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

	Three months ended 31 March	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
<u>Earnings</u>		
Profit attributable to ordinary equity holders of the parent	123,693	59,767
<u>Shares</u>		
Weighted average number of ordinary shares outstanding during the period, used in the basic earnings per share calculation	620,159	615,566
Effect of dilution - weighted average number of ordinary shares:		
Share options	5,985	3,920
Total	<u>626,144</u>	<u>619,486</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued

10. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Motor vehicles	Electronic equipment and others	Leasehold improvements	Office furniture	Special Tooling	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2026							
Cost	340,282	1,419	513,188	41,781	11,979	352,853	1,261,502
Depreciation	(22,373)	(1,413)	(296,369)	(37,372)	(7,415)	(184,735)	(549,677)
Impairment	—	—	—	—	—	—	—
Net carrying amount as at 1 January 2026	<u>317,909</u>	<u>6</u>	<u>216,819</u>	<u>4,409</u>	<u>4,564</u>	<u>168,118</u>	<u>711,825</u>
Cost changes (unaudited)	56,984	22	34,843	4,144	23	(13,065)	82,951
Depreciation changes (unaudited)	<u>(2,838)</u>	<u>(5)</u>	<u>(21,458)</u>	<u>(1,235)</u>	<u>(489)</u>	<u>(14,210)</u>	<u>(40,235)</u>
At 31 March 2026							
Cost (unaudited)	397,266	1,441	548,031	45,925	12,002	339,788	1,344,453
Depreciation (unaudited)	(25,211)	(1,418)	(317,827)	(38,607)	(7,904)	(198,945)	(589,912)
Impairment (unaudited)	—	—	—	—	—	—	—
Net carrying amount as at 31 March 2026 (unaudited)	<u>372,055</u>	<u>23</u>	<u>230,204</u>	<u>7,318</u>	<u>4,098</u>	<u>140,843</u>	<u>754,541</u>

11. LEASES

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements are as follows:

	Land use rights	Parking space use rights	Buildings	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2026	11,996	6,353	20,488	38,837
Additions (unaudited)	—	—	2,888	2,888
Lease cancelation (unaudited)	—	—	(1,561)	(1,561)
Revision of lease payments (unaudited)	—	—	(6)	(6)
Depreciation charge (unaudited)	<u>(65)</u>	<u>(56)</u>	<u>(5,365)</u>	<u>(5,486)</u>
As at 31 March 2026 (unaudited)	<u>11,931</u>	<u>6,297</u>	<u>16,444</u>	<u>34,672</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued

11. LEASES—continued

(b) Lease liabilities

The carrying amounts of the Group's leases liabilities and the movements are as follows:

	<u>As at 31 March</u>
	<u>2026</u>
	<u>RMB'000</u>
Carrying amount at 1 January	20,519
New leases (unaudited)	2,888
Accretion of interest recognized during the period (unaudited)	245
Exchange realignment (unaudited)	(2)
Revision of lease payments (unaudited)	(6)
Lease cancelation (unaudited)	(1,467)
Payments (unaudited)	<u>(5,633)</u>
Carrying amount at 31 March(unaudited)	<u>16,544</u>
Analyzed into:	
Current portion(unaudited)	9,780
Non-current portion (unaudited)	<u>6,764</u>

The maturity analysis of lease liabilities is disclosed in note 37 to the Interim Financial Information.

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

	<u>Three months ended 31 March</u>	
	<u>2026</u>	<u>2025</u>
	<u>RMB'000</u>	<u>RMB'000</u>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Depreciation charge of right-of-use assets	5,486	5,785
Interest on lease liabilities	245	364
Expense relating to short-term leases	723	763
Lease cancelation	94	903
Total amount recognized in profit or loss	<u>6,548</u>	<u>7,815</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION—continued

12. OTHER INTANGIBLE ASSETS

	Software copyright	Certificate of layout rights for integrated circuits	Patented technology	Non-patented technology	Software	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost:						
At 1 January 2026	898	1,483	34,024	17,170	118,364	171,939
Additions (unaudited)	—	—	—	—	160	160
Disposal (unaudited)	(539)	—	—	(64)	—	(603)
At 31 March 2026 (unaudited)	<u>359</u>	<u>1,483</u>	<u>34,024</u>	<u>17,106</u>	<u>118,524</u>	<u>171,496</u>
Amortization:						
At 1 January 2026	70	155	2,613	9,973	73,150	85,961
Provided during the period (unaudited)	9	34	1,024	381	5,769	7,217
Disposal (unaudited)	(49)	—	—	—	—	(49)
At 31 March 2026 (unaudited)	<u>30</u>	<u>189</u>	<u>3,637</u>	<u>10,354</u>	<u>78,919</u>	<u>93,129</u>
Impairment:						
At 1 January 2026	—	—	—	—	—	—
At 31 March 2026 (unaudited)	—	—	—	—	—	—
Net carrying amount as at 31 March 2026 (unaudited)	<u>329</u>	<u>1,294</u>	<u>30,387</u>	<u>6,752</u>	<u>39,605</u>	<u>78,367</u>
Net carrying amount as at 1 January 2026	<u>828</u>	<u>1,328</u>	<u>31,411</u>	<u>7,197</u>	<u>45,214</u>	<u>85,978</u>

13. GOODWILL

	As at 31 March 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000
At beginning of period/year		
Cost	303,460	80,875
Accumulated impairment	(2,183)	(2,183)
Net carrying amount	<u>301,277</u>	<u>78,692</u>
Cost at beginning of period/year, net of accumulated impairment	301,277	78,692
Acquisition of subsidiaries	—	222,585
Cost and carrying amount at end of period/year	<u>301,277</u>	<u>301,277</u>
At end of period/year		
Cost	303,460	303,460
Accumulated impairment	(2,183)	(2,183)
Net carrying amount	<u>301,277</u>	<u>301,277</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued

13. GOODWILL—continued

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the group of Cash-Generating Units (“CGU” or “CGUs”) for impairment testing as below:

- Suzhou Qingxinfang
- Shanghai Fangtai
- Dalian Alpha
- Hangzhou Shenan
- Shanghai Pingsheng
- Changzhou Ganrui
- TeraDevices Inc

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	<u>As at 31 March</u>	<u>As at 31 December</u>
	<u>2026</u>	<u>2025</u>
	<u>RMB'000</u>	<u>RMB'000</u>
	<i>(Unaudited)</i>	
Suzhou Qingxinfang	49,851	49,851
Shanghai Fangtai	16,555	16,555
Dalian Alpha	7,929	7,929
Hangzhou Shenan	4,357	4,357
Changzhou Ganrui	151,360	151,360
TeraDevice Inc	<u>71,225</u>	<u>71,225</u>
Total	<u>301,277</u>	<u>301,277</u>

As at 31 March 2026, the management assessed and concluded that there was no impairment indicator was identified. Accordingly, no quantitative impairment test was performed as at 31 March 2026, as a result that no further loss was recognized.

Impairment reviews on the goodwill of the Group have been conducted by the management as at 31 December 2025, according to IAS 36 “Impairment of assets”. For the purposes of impairment review, the recoverable amounts of CGU or group of CGUs are determined based on value in use (“VIU”) calculations by using the discounted cash flow method covering a 5-year period.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued

14. DEFERRED TAX

The gross amounts of deferred tax assets and liabilities of the Group before offsetting are as follows:

(a) Gross deferred tax assets

	At 1 January 2026	Deferred tax (charged)/credited to the statement of profit or loss during the period	As at 31 March 2026
	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Losses available for offsetting against future taxable profits	67,947	(712)	67,235
Accruals and provision	27,213	3,632	30,845
Impairment of assets	28,595	2,265	30,860
Share-based payment	24,180	1,218	25,398
Payroll payables	9,745	1,387	11,132
Deferred income	4,784	(655)	4,129
Depreciation and amortization	1,676	(626)	1,050
Lease liabilities	623	(120)	503
Total	<u>164,763</u>	<u>6,389</u>	<u>171,152</u>

(b) Gross deferred tax liabilities

	At 1 January 2026	Deferred tax charged/(credited) to the statement of profit or loss during the period	As at 31 March 2026
	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Withholding taxes	53,181	5,616	58,797
Depreciation and amortization	12,214	1,520	13,734
Right-of-use assets	561	(121)	440
Fair value adjustments arising from acquisition of subsidiaries	1,618	(73)	1,545
Changes in fair value	489	1,159	1,648
Others	235	(34)	201
Total	<u>68,298</u>	<u>8,067</u>	<u>76,365</u>

(c) Offsetting

The net amounts of deferred tax assets and liabilities after offsetting are as follows:

	As at 31 March 2026		As at 31 December 2025	
	Offsetting	Net carrying amount	Offsetting	Net carrying amount
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000	RMB'000
Deferred tax assets	16,023	155,129	13,499	151,264
Deferred tax liabilities	16,023	60,342	13,499	54,799

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION—continued

14. DEFERRED TAX—continued

(d) Deferred tax assets not recognized

	<u>As at 31 March</u>	<u>As at 31 December</u>
	<u>2026</u>	<u>2025</u>
	<u>RMB'000</u>	<u>RMB'000</u>
	<i>(Unaudited)</i>	
Deductible temporary difference	164,999	142,168
Tax losses	<u>1,240,798</u>	<u>1,165,029</u>
Total	<u><u>1,405,797</u></u>	<u><u>1,307,197</u></u>

The above tax losses are available in one to ten years for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognized in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilized.

At 31 March 2026 and 31 December 2025, other than the amount recognized in the consolidated financial statements, deferred tax has not been recognized for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Chinese Mainland. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

15. INVESTMENTS IN ASSOCIATES

	<u>As at</u>	<u>As at</u>
	<u>31 March</u>	<u>31 December</u>
	<u>2026</u>	<u>2025</u>
	<u>RMB'000</u>	<u>RMB'000</u>
	<i>(Unaudited)</i>	
Share of net assets	414,198	408,358
Goodwill on acquisition	<u>147,006</u>	<u>147,006</u>
Total	<u><u>561,204</u></u>	<u><u>555,364</u></u>

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	<u>As at</u>	<u>As at</u>
	<u>31 March</u>	<u>31 December</u>
	<u>2026</u>	<u>2025</u>
	<u>RMB'000</u>	<u>RMB'000</u>
	<i>(Unaudited)</i>	
Share of the associates' profit for the period/year	4,391	7,549
Aggregate carrying amount of the Group's investments in the associates	<u><u>561,204</u></u>	<u><u>555,364</u></u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION—continued

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>As at 31 March</u> <u>2026</u> RMB'000 <i>(Unaudited)</i>	<u>As at 31 December</u> <u>2025</u> RMB'000
Non-current:		
Listed equity investments, at fair value	8,290	11,424
Other unlisted investments, at fair value	<u>113,173</u>	<u>104,567</u>
Subtotal	<u>121,463</u>	<u>115,991</u>
Current:		
Wealth management products	<u>1,479,318</u>	<u>1,340,087</u>
Total	<u><u>1,600,781</u></u>	<u><u>1,456,078</u></u>

The above equity investments in unlisted entities were classified as financial assets at fair value through profit or loss as the Group has not designated it as financial assets at fair value through other comprehensive income.

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

17. OTHER NON-CURRENT ASSETS

	<u>As at 31 March</u> <u>2026</u> RMB'000 <i>(Unaudited)</i>	<u>As at 31 December</u> <u>2025</u> RMB'000
Prepayments for packaging and testing	1,800	1,800
Prepayments for software	3,894	4,160
Prepayments for property, plant and equipment	22,854	16,830
Others	<u>606</u>	<u>581</u>
Subtotal	<u>29,154</u>	<u>23,371</u>
Less: Impairment	—	—
Total	<u><u>29,154</u></u>	<u><u>23,371</u></u>

18. INVENTORIES

	<u>As at 31 March</u> <u>2026</u> RMB'000 <i>(Unaudited)</i>	<u>As at 31 December</u> <u>2025</u> RMB'000
Raw materials	969,547	836,639
Finished goods	712,552	686,946
Work in progress	246,169	234,568
Contract costs	<u>493</u>	<u>493</u>
Less: Provision for impairment	<u>(336,674)</u>	<u>(310,430)</u>
Total	<u><u>1,592,087</u></u>	<u><u>1,448,216</u></u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION—continued

19. TRADE AND BILLS RECEIVABLES AT AMORTIZED COST

	<u>As at 31 March</u>	<u>As at 31 December</u>
	<u>2026</u>	<u>2025</u>
	<u>RMB'000</u>	<u>RMB'000</u>
	<i>(Unaudited)</i>	
Trade receivables	334,230	372,289
Bills receivables	654	1,118
Less: Impairment	(9,607)	(10,577)
Total	<u>325,277</u>	<u>362,830</u>

The Group's trading terms with its customers are mainly on credit, except for certain customers, where payment in advance is normally required. The credit period is generally one month. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management.

Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at 31 March 2026 and 31 December 2025, 32.53% and 30.68% of the total trade receivables, respectively, were due from the Group's five largest customers.

Trade and bills receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of each of the reporting period, based on the past due date and net of loss allowance, is as follows:

	<u>As at 31 March</u>	<u>As at 31 December</u>
	<u>2026</u>	<u>2025</u>
	<u>RMB'000</u>	<u>RMB'000</u>
	<i>(Unaudited)</i>	
Not due and within one year	322,343	359,716
Over one year	2,280	1,996
total	<u>324,623</u>	<u>361,712</u>

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

	<u>As at 31 March</u>	<u>As at 31 December</u>
	<u>2026</u>	<u>2025</u>
	<u>RMB'000</u>	<u>RMB'000</u>
	<i>(Unaudited)</i>	
At the beginning of the period/year	10,577	4,329
(Reversal of impairment losses)/ impairment losses, net	(954)	2,173
Exchange realignment	(16)	(37)
Acquisition of a subsidiary	—	4,112
At the end of the period/year	<u>9,607</u>	<u>10,577</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued

19. TRADE AND BILLS RECEIVABLES AT AMORTIZED COST—continued

The Group applies the simplified approach to providing for expected credit losses at the end of the reporting period. In addition, the provision rates are based on aging for groupings of various customer segments with similar loss patterns on a collective basis. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and bills receivables are written off if a customer discontinues operation with no reasonable expectation of recovering the contractual cash flows and are not subject to enforcement activity.

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

	As at 31 March		As at 31 December	
	2026		2025	
	Gross carrying amount	Expected credit losses	Gross carrying amount	Expected credit losses
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000	RMB'000
Individual evaluation of expected credit losses	3,073	3,073	3,401	3,401
Assessment of expected credit losses by credit risk portfolio	331,157	6,534	368,888	7,176
Total	<u>334,230</u>	<u>9,607</u>	<u>372,289</u>	<u>10,577</u>
31 March 2026				
	Gross carrying amount	Expected credit losses	Expected loss rate	
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	(Unaudited)	
Individual evaluation of expected credit losses:	3,073	3,073	100.00%	
Assessment of expected credit losses by credit risk portfolio:				
Not due and within one year	328,190	5,847	1.78%	
From one year to two years	1,343	125	9.31%	
From two years to three years	467	69	14.78%	
From three years to four years	547	172	31.44%	
From four years to five years	610	321	52.62%	
Total	<u>334,230</u>	<u>9,607</u>	<u>2.87%</u>	

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION—continued

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	<u>As at 31 March</u>	<u>As at 31 December</u>
	<u>2026</u>	<u>2025</u>
	<u>RMB'000</u>	<u>RMB'000</u>
	<i>(Unaudited)</i>	
Deductible input value-added tax (“VAT”)	40,087	36,131
Prepaid income tax	11,872	29,885
Listing fees	22,741	20,371
Rights of return assets	16,067	17,018
Prepayments for packaging and testing	10,050	10,050
Deposits	9,491	8,871
Prepayment for raw materials and products	3,755	5,280
Others	<u>10,242</u>	<u>11,769</u>
Less: Impairment allowance	<u>(1,875)</u>	<u>(1,741)</u>
Total	<u>122,430</u>	<u>137,634</u>

21. CASH AND CASH EQUIVALENTS, TIME DEPOSITS AND RESTRICTED CASH

	<u>As at 31 March</u>	<u>As at 31 December</u>
	<u>2026</u>	<u>2025</u>
	<u>RMB'000</u>	<u>RMB'000</u>
	<i>(Unaudited)</i>	
Time deposits:		
Current	27,159	81,810
Non-current	<u>373,739</u>	<u>371,754</u>
Current:		
Cash and bank balances	1,228,517	1,225,568
Less: Restricted cash	<u>(44,820)</u>	<u>(44,540)</u>
Cash and cash equivalents	<u>1,183,697</u>	<u>1,181,028</u>

As at 31 March 2026 and 31 December 2025, the restricted cash mainly consisted of property preservation freeze.

22. TRADE PAYABLES

An aging analysis of the trade payables of the Group as at the end of each of the reporting period, based on the invoice date, is as follows:

	<u>As at 31 March</u>	<u>As at 31 December</u>
	<u>2026</u>	<u>2025</u>
	<u>RMB'000</u>	<u>RMB'000</u>
	<i>(Unaudited)</i>	
Within 1 month	310,095	308,775
1 to 2 months	88,024	71,211
2 to 3 months	18,203	20,869
Over 3 months	160	55
Total	<u>416,482</u>	<u>400,910</u>

The trade payables are non-interest-bearing and are normally settled on 60-day terms.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION—continued

23. OTHER PAYABLES AND ACCRUALS

	<u>As at 31 March</u> <u>2026</u>	<u>As at 31 December</u> <u>2025</u>
	<u>RMB'000</u> <i>(Unaudited)</i>	<u>RMB'000</u>
Payroll and welfare payables	251,082	348,522
Liabilities for expected sales return and warranty	71,030	65,867
Payables for technological development	3,936	7,516
Other tax payable	11,223	13,856
Payables for additions of property, plant and equipment	15,340	14,543
Others	<u>23,415</u>	<u>29,028</u>
Total	<u>376,026</u>	<u>479,332</u>
Analyzed into:		
Non-current portion	12,142	8,703
Current portion	363,884	470,629

24. INTEREST-BEARING BANK BORROWINGS

	<u>As at 31 March</u> <u>2026</u>	<u>As at 31 December</u> <u>2025</u>
	<u>RMB'000</u> <i>(Unaudited)</i>	<u>RMB'000</u>
Current:		
Bank loans - Unsecured	452,476	300,928
Current portion of long-term bank loans - Secured	49,928	28,801
Total	<u>502,404</u>	<u>329,729</u>
Non-current:		
Bank loans - Secured	84,848	95,973
Less: Due within one year	<u>(49,928)</u>	<u>(28,801)</u>
Total	<u>34,920</u>	<u>67,172</u>

- (a) As at 31 March 2026, the annual interest rate of short-term borrowings was 2.11%.
- (b) As at 31 March 2026, the annual interest rates of long-term borrowings was 2.65%.
- (c) As at 31 March 2026, secured bank borrowings were guaranteed by the Company.

At 31 March 2026 and 31 December 2025, the Group's bank loans were repayable as follows:

	<u>As at 31 March</u> <u>2026</u>	<u>As at 31 December</u> <u>2025</u>
	<u>RMB'000</u> <i>(Unaudited)</i>	<u>RMB'000</u>
Within 1 year	502,404	329,729
1 to 2 years	<u>34,920</u>	<u>67,172</u>
Total	<u>537,324</u>	<u>396,901</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued

25. CONTRACT LIABILITIES

An analysis of the contract liabilities arising from short-term advances received from customers are as follows:

	<u>As at 31 March</u> <u>2026</u> RMB'000 <i>(Unaudited)</i>	<u>As at 31 December</u> <u>2025</u> RMB'000
Receipt in advance		
-Sales of products	21,240	13,167
-Rendering of services	5,190	5,222
Total	<u>26,430</u>	<u>18,389</u>

26. DEFERRED INCOME

	<u>As at 31 March</u> <u>2026</u> RMB'000 <i>(Unaudited)</i>	<u>As at 31 December</u> <u>2025</u> RMB'000
At beginning of period/year	68,195	75,701
Additions during the period/year	2,250	31,941
Released to profit or loss	(7,211)	(39,447)
At end of period/year	<u>63,234</u>	<u>68,195</u>

Deferred income is mainly government grants deferred. Government grants will be recognized into profit or loss when conditions attached are fulfilled or on a straight-line basis over the expected lives of the property, plant and equipment.

27. OTHER NON-CURRENT LIABILITIES

	<u>As at 31 March</u> <u>2026</u> RMB'000 <i>(Unaudited)</i>	<u>As at 31 December</u> <u>2025</u> RMB'000
Redemption financial liabilities	44,388	43,916
Financial liabilities related to obligations to acquire non-controlling interests arising from acquisitions of subsidiaries	144,919	144,083
Total	<u>189,307</u>	<u>187,999</u>

28. SHARE CAPITAL

Shares

	<u>As at 31 March</u> <u>2026</u> RMB'000 <i>(Unaudited)</i>	<u>As at 31 December</u> <u>2025</u> RMB'000
Issued and fully paid ordinary shares	<u>620,361</u>	<u>620,063</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued**28. SHARE CAPITAL—continued**

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

	<u>Number of shares in issue</u>	<u>Share capital</u>
	<u>RMB'000</u>	<u>RMB'000</u>
At 1 January 2026	620,063	620,063
Shares issued under share-based payment schemes (unaudited)	298	298
At 31 March 2026 (unaudited)	<u>620,361</u>	<u>620,361</u>

29. SHARE-BASED PAYMENT**(a) Share-based payment expenses during the reporting period are as follows:**

	<u>Three months ended 31 March</u>	
	<u>2026</u>	<u>2025</u>
	<u>RMB'000</u>	<u>RMB'000</u>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Equity settled share-based payment	<u>41,738</u>	<u>10,759</u>

(b) Share Option Incentive Plans

According to the Company's performance evaluation and individual performance evaluation, stock options granted to certain senior management personnel, key management personnel, and key technical personnel in 2026 can be exercised in four installments, with the highest feasible percentage for each exercise period being 22%, 24%, 26%, and 28%, respectively. The first tranche becomes exercisable within 12 to 24 months after the grant date; the second tranche, 24 to 36 months after the grant date; the third tranche, 36 to 48 months after the grant date; and the fourth tranche, within 48 to 60 months after the grant date.

(i) The number and weighted average exercise prices of share options are as follows:

	<u>Weighted average exercise price</u>	<u>Number of options</u>
	<u>RMB</u>	<u>'000</u>
	<u>per share</u>	
At 1 January 2026		23,676
Granted during the period (unaudited)	58.00	6,552
Forfeited during the period (unaudited)	51.21	(312)
Exercised during the period (unaudited)	<u>50.20</u>	<u>(295)</u>
At 31 March 2026		<u>29,621</u>
At 1 January 2025		10,524
Exercised during the period (unaudited)	<u>61.55</u>	<u>(220)</u>
At 31 March 2025		<u>10,304</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued

29. SHARE-BASED PAYMENT—continued

(ii) *The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:*

31 March 2026 (Unaudited) Number of options '000	Exercise price* RMB per share	Exercise period
1,336	78.29	2023-2027
6,150	50.54	2024-2028
2,191	44.46	2025-2029
337	73.69	2026-2030
13,055	55.69	2026-2030
6,552	58.00	2027-2031
29,621		
31 March 2025 (Unaudited) Number of options '000	Exercise price* RMB per share	Exercise period
325	55.14	2021-2025
1,329	101.98	2023-2027
6,585	65.90	2024-2028
2,065	58.00	2025-2029
10,304		

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

(iii) *Fair value of share options and assumptions*

The fair value at grant date is independently determined using an adjusted form of the Black Scholes Model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

Key assumptions used in determining the fair value of share options granted are as follows:

	As at 31 March 2026 (Unaudited)
Fair value at grant date (RMB per share)	12.55-62.74
Dividend yield (%)	0.1192-0.2692
Expected volatility (%)	18.3348-40.0925
Risk-free interest rate (%)	1.2568-2.4156
Expected life of options (year)	1-4.25
Weighted average share price (RMB per share)	55.53

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued

29. SHARE-BASED PAYMENT—continued

(c) Class II Restricted Stock Incentive Plans

The Company operates 2021 Class II restricted stock incentive plan. According to the Company's performance appraisal and individual performance appraisal, the restricted stock granted to certain senior management personnel, key management personnel and key technical personnel are exercisable in four exercise periods commencing after 12 months from the grant date and ends on a date which is not later than five years from the date of offer of the share options or the expiry date of the Scheme, if earlier, with the maximum exercisable percentage for each period being 22%, 24%, 26% and 28%, respectively.

(i) *The number and weighted average subscription prices of restricted stocks are as follows:*

	Weighted average exercise price	Number of restricted stocks
	RMB per share	'000
At 1 January 2026	—	767
Exercised during the period (unaudited)	<u>78.29</u>	<u>(3)</u>
At 31 March 2026 (unaudited)		<u>764</u>
At 1 January 2025	—	2,123
Exercised during the period (unaudited)	<u>101.98</u>	<u>(6)</u>
At 31 March 2025 (unaudited)		<u>2,117</u>

(ii) *The exercise prices and exercise periods of the restricted stocks outstanding as at the end of the reporting period are as follows:*

31 March 2026 (unaudited) Number of options '000	Exercise price* RMB per share	Exercise period
764	78.29	2023-2027
<u>764</u>		
31 March 2025 (unaudited) Number of options '000	Exercise price* RMB per share	Exercise period
1,230	67.62	2022-2026
887	101.98	2023-2027
<u>2,117</u>		

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

**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued****30. RESERVES**

The amounts of the Group's reserves and the movements therein for the current and prior periods are presented in the consolidated statement of changes in equity on pages IA-6 to IA-7 of the financial statements.

(a) Capital reserve

The capital reserve represents (i) the excess of capital contributions from the equity holders of the Company over the share capital; (ii) the acquisition of minority interest of the Group's subsidiaries and the acquisition obligation of minority shareholders; (iii) the increase in capital reserve arising from the exercise of share-based payment schemes. Details of the movement in capital reserve are set out in the consolidated statements of changes in equity.

(b) Reserve funds

In accordance with the Company Law of the PRC, companies registered in Chinese Mainland are required to allocate 10% of the profits after tax to the statutory reserve until the cumulative total of the reserve reaches 50% of the companies' registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the reserve funds may be converted to registered capital, provided that the remaining balance after the conversion is not less than 25% of the registered capital.

(c) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial information of entities of which the functional currency is not RMB.

31. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

During the reporting period, the Company didn't have any subsidiary that has material non-controlling interests individual or in the aggregate material to the Company.

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

During the three months ended 31 March 2026, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB2,888,000 and RMB2,888,000 respectively, in respect of lease arrangements.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION—continued

32. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS—continued

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank borrowings	Finance leases/ Lease liabilities
	RMB'000	RMB'000
At 1 January 2026	396,901	20,519
Changes from financing cash flows (unaudited)	137,950	(5,633)
Lease cancelation (unaudited)	—	(1,467)
Interest on borrowings (Note 6) (unaudited)	2,473	—
Revision of lease payments (unaudited)	—	(6)
New lease liabilities arising from additional leases during the period (unaudited)	—	2,888
Interest element of lease liabilities (unaudited)	—	245
Exchange realignment (unaudited)	—	(2)
At 31 March 2026 (unaudited)	<u>537,324</u>	<u>16,544</u>

(c) Total cash outflow for leases

	Three months ended 31 March	
	2026	2025
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Within operating activities	723	763
Within financing activities	5,633	5,425
Total	<u>6,356</u>	<u>6,188</u>

33. COMMITMENTS

Capital commitments

	As at 31 March 2026	As at 31 December 2025
	RMB'000 (Unaudited)	RMB'000
Property, plant and equipment	<u>132,025</u>	<u>36,717</u>

34. RELATED PARTY

(a) Controlling entity

Name	Type	Place of incorporation	Ownership interest	
			As at 31 March 2026	As at 31 December 2025
			(Unaudited)	
Chongqing Hongshun Xiangtai Enterprise Management Co., Ltd	Controlling shareholder	Chongqing, PRC	18.93%	18.94%

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued**34. RELATED PARTY—continued**

The Company's controlling shareholder entity is Chongqing Hongshun Xiangtai Enterprise Management Co., Ltd, and the ultimate controlling person is Dr. Zhang Shilong.

(b) Names and relationships with related parties

Related parties are those parties that have the ability to control, jointly control or exercise significant influence over the other party in holding power over the investee; exposure or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties maybe individuals or other entities.

The directors of the Company are of the view that the there had no significant related parties of the Group that had transactions or balances with the Group for three months ended 31 March 2026 and 2025.

(c) Compensation of key management personnel of the Group

	Three months ended 31 March	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries, wages and bonus	881	962
Share based compensation	339	217
Pension scheme contributions	52	51
Total	<u>1,272</u>	<u>1,230</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued

35. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 31 March 2026 and 31 December 2025 are as follows:

31 March 2026

Financial asset

	Financial assets at FVTPL	Financial assets at FVTOCI	Financial assets at amortized cost	Total
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Financial assets at fair value through profit or loss	1,600,781	—	—	1,600,781
Cash and cash equivalents	—	—	1,183,697	1,183,697
Time deposits	—	—	400,898	400,898
Trade and bills receivables	—	695	325,277	325,972
Restricted cash	—	—	44,820	44,820
Financial assets included in prepayments, deposits and other receivables	—	—	8,620	8,620
Total	<u>1,600,781</u>	<u>695</u>	<u>1,963,312</u>	<u>3,564,788</u>

Financial liabilities

	Financial liabilities at amortized cost
	RMB'000 (Unaudited)
Trade payables	416,482
Interest-bearing bank borrowings	537,324
Financial liabilities included in other payables and accruals	42,691
Financial liabilities included in other non-current liabilities	189,307
Total	<u>1,185,804</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued

35. FINANCIAL INSTRUMENTS BY CATEGORY—continued

The carrying amounts of each of the categories of financial instruments as at 31 March 2026 and 31 December 2025 are as follows: (continued)

31 December 2025

Financial asset

	Financial assets at FVTPL	Financial assets at FVTOCI	Financial assets at amortized cost	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	1,456,078	—	—	1,456,078
Cash and cash equivalents	—	—	1,181,028	1,181,028
Time deposits	—	—	453,564	453,564
Trade and bills receivables	—	260	362,830	363,090
Restricted cash	—	—	44,540	44,540
Financial assets included in prepayments, deposits and other receivables	—	—	13,686	13,686
Total	<u>1,456,078</u>	<u>260</u>	<u>2,055,648</u>	<u>3,511,986</u>

Financial liabilities

	Financial liabilities at amortized cost
	RMB'000
Trade payables	400,910
Interest-bearing bank borrowings	396,901
Financial liabilities included in other payables and accruals	51,088
Financial liabilities included in other non-current liabilities	187,999
Total	<u>1,036,898</u>

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	<u>As at 31 March</u> <u>2026</u> RMB'000	<u>As at 31 December</u> <u>2025</u> RMB'000
Financial assets:		
Non-current time deposits		
Carrying amount	373,739	371,754
Fair value	<u>384,202</u>	<u>373,851</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL
INSTRUMENTS—continued

	<u>As at 31 March</u>	<u>As at 31 December</u>
	<u>2026</u>	<u>2025</u>
	<u>RMB'000</u>	<u>RMB'000</u>
	<i>(Unaudited)</i>	
Financial liabilities:		
Non-current portion of interest-bearing bank borrowings		
Carrying amount	34,920	67,172
Fair value	<u>35,284</u>	<u>67,861</u>
Financial liabilities included in other non-current liabilities		
Carrying amount	189,307	187,999
Fair value	<u>189,453</u>	<u>188,150</u>

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

The Group's management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the management analyzes the movements in the values of financial instruments and determines the major inputs applied in the valuation.

The fair values of the financial assets included in time deposits and the financial liabilities included in other non-current liabilities and interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for non-current liabilities and interest-bearing bank borrowings as at 31 March 2026 and 31 December 2025 were assessed to be insignificant.

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

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

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL
INSTRUMENTS—continued

Below is a summary of significant unobservable input to the valuation of a financial instrument together with a quantitative sensitivity analysis as at 31 March 2026 and 31 December 2025:

Financial assets	Valuation technique	Significant unobservable input	Sensitivity of fair value to the input
-Unlisted equity investments	Net asset value of underlying investments	Net assets	5% increase/decrease in net assets would result in an increase/decrease in fair value by RMB5,659,000/RMB5,659,000 and RMB5,228,000/RMB5,228,000 as at 31 March 2026 and 31 December 2025
-Wealth management products	Discounted cash flow method	Interest rates	5% increase/decrease in interest rates would result in an increase/decrease in fair value by RMB216,000/RMB216,000 and RMB54,000/RMB54,000 as at 31 March 2026 and 31 December 2025

Fair value hierarchy

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

Assets measured at fair value:

As at 31 March 2026

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	
Financial assets at fair value through profit or loss:				
Listed equity investments	8,290	—	—	8,290
Unlisted equity investments	—	—	113,173	113,173
Wealth management products	—	—	1,479,318	1,479,318
Trade and bills receivables at fair value through other comprehensive income	—	695	—	695
Total	<u>8,290</u>	<u>695</u>	<u>1,592,491</u>	<u>1,601,476</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL
INSTRUMENTS—continued

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss:				
Listed equity investments	11,424	—	—	11,424
Unlisted equity investments	—	—	104,567	104,567
Wealth management products	—	—	1,340,087	1,340,087
Trade and bills receivables at fair value through other comprehensive income	—	260	—	260
Total	<u>11,424</u>	<u>260</u>	<u>1,444,654</u>	<u>1,456,338</u>

The movements in fair value measurements within Level 3 during the reporting period are as follows:

	As at 31 March	As at 31 December
	2026	2025
	RMB'000 (Unaudited)	RMB'000
Financial assets at fair value through profit or loss		
At 1 January	1,444,654	1,464,592
Purchase	1,476,000	5,095,000
Fair value gains	15,223	29,829
Disposal	(1,343,386)	(5,144,767)
At 31 March/31 December	<u>1,592,491</u>	<u>1,444,654</u>

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

Liabilities for which fair values are disclosed:

As at 31 March 2026

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Non-current portion of interest-bearing bank borrowings . . .	—	35,284	—	35,284
Financial liabilities included in other non-current liabilities	—	189,453	—	189,453
Total	<u>—</u>	<u>224,737</u>	<u>—</u>	<u>224,737</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL
INSTRUMENTS—continued

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current portion of interest-bearing bank borrowings	—	67,861	—	67,861
Financial liabilities included in other non-current liabilities . . .	—	188,150	—	188,150
Total	—	256,011	—	256,011

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank loans, and cash and time deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and payables, which arise directly from its operations.

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

Interest rate risk

Interest-bearing financial instruments at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure. The cash flow interest rate risk and fair value interest rate risk that the Group exposed to are not significant.

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from export sales denominated in foreign currencies. Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currency of the Group's subsidiaries.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES—continued

The following table demonstrates the sensitivity to a reasonably possible change in foreign exchange risk, with all other variables held constant, of the Group's profit after tax (through the impact on floating rate borrowings) and the Group's equity.

	Increase/ (decrease) in basis point	Increase/ (decrease) in profit after tax	Increase/ (decrease) in equity
	%	RMB'000	RMB'000
31 March 2026 (unaudited)			
If the RMB weakens against the USD (unaudited)	5.00%	31,670	31,670
If the RMB strengthens against the USD (unaudited)	-5.00%	(31,670)	(31,670)
If the RMB weakens against the HKD (unaudited)	5.00%	987	987
If the RMB strengthens against the HKD (unaudited)	-5.00%	(987)	(987)
If the RMB weakens against the EUR (unaudited)	5.00%	238	238
If the RMB strengthens against the EUR (unaudited)	-5.00%	(238)	(238)
If the RMB weakens against the JPY (unaudited)	5.00%	96	96
If the RMB strengthens against the JPY (unaudited)	-5.00%	(96)	(96)
31 December 2025			
If the RMB weakens against the USD	5.00%	36,370	36,370
If the RMB strengthens against the USD	-5.00%	(36,370)	(36,370)
If the RMB weakens against the HKD	5.00%	1,280	1,280
If the RMB strengthens against the HKD	-5.00%	(1,280)	(1,280)
If the RMB weakens against the EUR	5.00%	52	52
If the RMB strengthens against the EUR	-5.00%	(52)	(52)
If the RMB weakens against the JPY	5.00%	81	81
If the RMB strengthens against the JPY	-5.00%	(81)	(81)

Credit risk

The carrying amounts of cash and cash equivalents, time deposits, trade and bills receivables, and other financial assets at amortized cost included in the consolidated statements of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets. The Group does not provide any guarantees which would expose the Group to credit risk.

Cash and cash equivalents, time deposits and restricted cash are primarily held with state-owned or listed banks and subject to the impairment requirements of IFRS 9, and the identified impairment loss was immaterial as at 31 March 2026 and 31 December 2025.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses ("ECLs"), which uses a lifetime expected loss allowance for all trade and bills receivables. To measure the ECLs, trade and bills receivables have been grouped based on shared credit risk characteristics and aging. The Group has therefore concluded that the expected loss rates for trade and bills receivables are a reasonable approximation of the loss rates for the contract assets. The Group also made individual assessment on the recoverability of its trade and bills receivables for certain customers based on historical settlement records.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES—continued

Maximum exposure and period/year-end staging

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

The amounts presented are gross carrying amounts for financial assets.

As at 31 March 2026

	3-month ECLs		Lifetime ECLs		
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Cash and cash equivalents	1,183,697	—	—	—	1,183,697
Time deposits	400,898	—	—	—	400,898
Restricted cash	44,820	—	—	—	44,820
Trade and bills receivables at amortized cost*	—	—	—	334,884	334,884
Trade and bills receivables at fair value through other comprehensive income	—	—	—	695	695
Financial assets included in prepayments, other receivables and other assets	—	—	—	—	—
-Normal**	10,495	—	—	—	10,495
-Doubtful**	—	—	—	—	—
Total	<u>1,639,910</u>	<u>—</u>	<u>—</u>	<u>335,579</u>	<u>1,975,489</u>

As at 31 December 2025

	12-month ECLs		Lifetime ECLs		
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	1,181,028	—	—	—	1,181,028
Time deposits	453,564	—	—	—	453,564
Restricted cash	44,540	—	—	—	44,540
Trade and bills receivables at amortized cost*	—	—	—	373,407	373,407
Trade and bills receivables at fair value through other comprehensive income	—	—	—	260	260
Financial assets included in prepayments, other receivables and other assets	—	—	—	—	—
-Normal**	15,427	—	—	—	15,427
-Doubtful**	—	—	—	—	—
Total	<u>1,694,559</u>	<u>—</u>	<u>—</u>	<u>373,667</u>	<u>2,068,226</u>

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 to the financial statements.

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

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES—continued

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables are disclosed in note 19 to the financial statements.

The Group had certain concentrations of credit risk as 7.74% and 32.53%, 7.17% and 30.68% of the Group's trade receivables were due from the Group's largest customer and five largest for customers, during the three months ended 31 March 2026 and year ended 31 December 2025, respectively.

Liquidity risk

The Group's approach to managing liquidity risk is to ensure sufficient capital liquidity to meet its due debts without incurring unacceptable losses or causing damage to the Group's reputation. The Group regularly analyzes its liability structure and maturity dates to ensure the maintenance of ample liquidity. The Group's management monitors the utilization of bank borrowings and ensures compliance with borrowing agreements. At the same time, it maintains close cooperation with financial institutions to maintain sufficient credit lines and effectively prevent and to control liquidity risks.

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

As at 31 March 2026

	On demand for less than one year	One to five years	Total
	RMB'000	RMB'000	RMB'000
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Trade payables	416,482	—	416,482
Interest-bearing bank borrowings	510,813	35,276	546,089
Financial liabilities included in other payable and accruals	42,691	—	42,691
Lease liabilities	10,251	6,922	17,173
Other non-current liabilities	—	203,621	203,621
Total	<u>980,237</u>	<u>245,819</u>	<u>1,226,056</u>

As at 31 December 2025

	On demand for less than one year	One to five years	Total
	RMB'000	RMB'000	RMB'000
Trade payables	400,910	—	400,910
Interest-bearing bank borrowings	337,319	67,847	405,166
Financial liabilities included in other payable and accruals	51,088	—	51,088
Lease liabilities	13,272	8,035	21,307
Other non-current liabilities	—	203,621	203,621
Total	<u>802,589</u>	<u>279,503</u>	<u>1,082,092</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION—continued

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES—continued

Capital management

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

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

The Group monitors capital using debt-to-asset ratio, which is total liabilities divided by total assets. The ratios as at 31 March 2026 and 31 December 2025 were as follows:

	<u>As at 31 March</u> <u>2026</u>	<u>As at 31 December</u> <u>2025</u>
	RMB'000 <i>(Unaudited)</i>	RMB'000
Total assets	7,187,023	6,954,150
Total liabilities	1,685,689	1,627,044
Debt-to-asset ratio	23%	23%

38. CONTINGENCIES

Guarantee

As at 31 March 2026 and 31 December 2025 no guarantee was provided by the Group to third parties.

As at 31 March 2026, the Company was involved as defendant in one outstanding contractual dispute litigation, with a claimed amount of RMB 44,000,000, along with overdue payment interest and other expenses. A court hearing was held on 5 February 2026. As at the date of approval of this report, the court had not yet rendered its first-instance judgment. The Company represented that the likelihood of an outflow of economic benefits arising from this matter is remote.

39. SUBSEQUENT FINANCIAL STATEMENT

No audited financial statements have been prepared by the Company, the Group or any of the companies comprising the Group in respect of any period subsequent to 31 March 2026.