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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE DIRECTORS OF 蘇州納芯微電子股份有限公司 SUZHOU NOVOSENSE MICROELECTRONICS CO., LTD.

INTRODUCTION

We have reviewed the interim financial information set out on pages IIA-3 to IIA-23 which comprises the consolidated statement of financial position of 蘇州納芯微電子股份有限公司 Suzhou Novosense Microelectronics Co., Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) as at September 30, 2025 and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the condensed consolidated cash flow statement for the nine months ended September 30, 2025 and explanatory notes. The directors are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, *Interim financial reporting*, issued by the International Accounting Standards Board.

Our responsibility is to form a conclusion, based on our review, on this interim financial information and to report our conclusion 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**”), 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 as at and for the nine months ended September 30, 2025 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

KPMG, a Hong Kong (SAR) partnership and a member firm
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firms affiliated with KPMG International Limited.



OTHER MATTER

We draw attention to the fact that the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the condensed consolidated cash flow statement for the nine months ended September 30, 2024 and the relevant explanatory notes disclosed in the interim financial information have not been reviewed in accordance with HKSRE 2410.

K P M G

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
November 28, 2025



CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 – UNAUDITED
(Expressed in Renminbi (“RMB”))

		Nine months ended	
		September 30,	
	<i>Note</i>	2025	2024
		<i>RMB '000</i>	<i>RMB '000</i>
		<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	2	2,365,552	1,365,982
Cost of sales		<u>(1,597,743)</u>	<u>(968,250)</u>
Gross profit		<u>767,809</u>	<u>397,732</u>
Other net income	3	56,280	66,042
Selling and marketing expenses		(175,419)	(135,085)
Administrative expenses		(221,087)	(218,550)
Research and development expenses		(561,639)	(495,662)
Impairment loss on trade receivables		<u>(2,504)</u>	<u>(9,494)</u>
Loss from operations		<u>(136,560)</u>	<u>(395,017)</u>
Finance costs	4	(16,960)	(11,709)
Share of losses and provision for impairment of associates		<u>(4,169)</u>	<u>(2,918)</u>
Loss before taxation	4	<u>(157,689)</u>	<u>(409,644)</u>
Income tax	5	<u>17,203</u>	<u>1,939</u>
Loss for the period		<u><u>(140,486)</u></u>	<u><u>(407,705)</u></u>
Attributable to:			
Equity shareholders of the Company		(140,486)	(407,705)
Non-controlling interests		<u>–</u>	<u>–</u>
Loss for the period		<u><u>(140,486)</u></u>	<u><u>(407,705)</u></u>
Loss per share	6		
Basic and Diluted (<i>RMB</i>)		<u><u>(0.99)</u></u>	<u><u>(2.86)</u></u>

The accompanying notes are integral part of the interim financial information.



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 – UNAUDITED**

(Expressed in Renminbi ("RMB"))

	Nine months ended	
	September 30,	
<i>Note</i>	2025	2024
	<i>RMB '000</i>	<i>RMB '000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Loss for the period	<u>(140,486)</u>	<u>(407,705)</u>
Other comprehensive income for the period		
Item that is or may be reclassified subsequently to profit or loss:		
Exchange differences on translation of:		
– financial statements of overseas subsidiaries	<u>1,807</u>	<u>868</u>
Total comprehensive income for the period	<u><u>(138,679)</u></u>	<u><u>(406,837)</u></u>
Attributable to:		
Equity shareholders of the Company	(138,679)	(406,837)
Non-controlling interests	<u>–</u>	<u>–</u>
Total comprehensive income for the period	<u><u>(138,679)</u></u>	<u><u>(406,837)</u></u>

The accompanying notes are integral part of the interim financial information.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT SEPTEMBER 30, 2025 – UNAUDITED
(Expressed in Renminbi (“RMB”))

	<i>Note</i>	As at September 30, 2025 RMB '000 (unaudited)	As at December 31, 2024 RMB '000
Non-current assets			
Property, plant and equipment	7	1,714,286	1,523,589
Right-of-use assets		20,218	16,440
Intangible assets		347,897	390,732
Goodwill		504,142	504,142
Interest in associates		112,506	96,675
Financial assets measured at fair value through profit or loss (“FVPL”)	8	347,525	290,129
Time deposits	11(c)	80,625	–
Other non-current assets		17,827	137,840
Deferred tax assets		48,622	25,876
		<u>3,193,648</u>	<u>2,985,423</u>
Current assets			
Inventories and other contract costs	9	1,266,554	832,556
Contract assets		285	285
Trade and other receivables	10	1,001,217	646,981
Financial assets measured at FVPL	8	1,508,734	2,080,083
Time deposits	11(c)	70,000	94,334
Restricted bank deposits	11(b)	22,656	20,835
Cash and cash equivalents	11(a)	620,941	1,013,079
		<u>4,490,387</u>	<u>4,688,153</u>
Current liabilities			
Trade and other payables	12	705,104	627,878
Contract liabilities		18,009	16,136
Interest-bearing borrowings		87,369	62,382
Lease liabilities		9,374	7,822
Current taxation		4,506	3,666
Refund liabilities from right of return		36,909	39,178
		<u>861,271</u>	<u>757,062</u>



	<i>Note</i>	As at September 30, 2025 RMB '000 (unaudited)	As at December 31, 2024 RMB '000
Net current assets		3,629,116	3,931,091
Total assets less current liabilities		6,822,764	6,916,514
Non-current liabilities			
Interest-bearing borrowings		779,929	791,421
Lease liabilities		9,433	6,434
Payable for acquisition of subsidiaries		34,978	55,037
Deferred income		35,025	31,244
Deferred tax liabilities		45,208	48,516
Refund liabilities from right of return		5,263	4,393
Financial liability measured at FVPL		33,014	32,355
		942,850	969,400
NET ASSETS		5,879,914	5,947,114
CAPITAL AND RESERVES			
Share capital	13	142,529	142,529
Treasury shares		(14,907)	(14,907)
Reserves		5,747,522	5,814,722
Total equity attributable to equity shareholders of the Company		5,875,144	5,942,344
Non-controlling interests		4,770	4,770
TOTAL EQUITY		5,879,914	5,947,114

The accompanying notes are integral part of the interim financial information.



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 – UNAUDITED**

(Expressed in Renminbi (“RMB”))

(unaudited)

(unaudited)	Attributable to equity shareholders of the Company								
					PRC	Accumulated		Non-	Total
Note	Share capital	Treasury shares	Capital reserve	Exchange reserve	statutory reserve	losses	Sub total	controlling interests	equity
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Balance at January 1, 2025	142,529	(14,907)	6,160,691	(643)	56,817	(402,143)	5,942,344	4,770	5,947,114
Changes in equity for the nine months ended September 30, 2025:									
Loss for the period	—	—	—	—	—	(140,486)	(140,486)	—	(140,486)
Other comprehensive income	—	—	—	1,807	—	—	1,807	—	1,807
Total comprehensive income	—	—	—	1,807	—	(140,486)	(138,679)	—	(138,679)
Equity settled share-based transactions	—	—	65,145	—	—	—	65,145	—	65,145
Tax effect from equity-settled share-based transactions	—	—	6,334	—	—	—	6,334	—	6,334
Balance at September 30, 2025	142,529	(14,907)	6,232,170	1,164	56,817	(542,629)	5,875,144	4,770	5,879,914

The accompanying notes are integral part of the interim financial information.

Attributable to equity shareholders of the Company

	Note	Share capital RMB'000	Treasury shares RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	PRC		Sub total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
						statutory reserve RMB'000	Accumulated Profit/(losses) RMB'000			
Balance at 1 January 2024		142,529	(200,106)	6,206,421	106	56,817	735	6,206,502	1,020	6,207,522
Changes in equity for the nine months ended September 30, 2024:										
Loss for the period		-	-	-	-	-	(407,705)	(407,705)	-	(407,705)
Other comprehensive income		-	-	-	868	-	-	868	-	868
Total comprehensive income		-	-	-	868	-	(407,705)	(406,837)	-	(406,837)
Settlement of equity-settled share-based transactions	13(b)	-	185,199	(113,233)	-	-	-	71,966	-	71,966
Equity settled share-based transactions		-	-	217,902	-	-	-	217,902	-	217,902
Tax effect from equity-settled share-based transactions		-	-	(3,607)	-	-	-	(3,607)	-	(3,607)
Balance at September 30, 2024		142,529	(14,907)	6,307,483	974	56,817	(406,970)	6,085,926	1,020	6,086,946

The accompanying notes are integral part of the interim financial information.



CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 – UNAUDITED
(Expressed in Renminbi (“RMB”))

	Nine months ended	
	September 30,	
<i>Note</i>	2025	2024
	<i>RMB '000</i>	<i>RMB '000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Operating activities		
Cash (used in)/generated from operations	(510,711)	34,028
Tax paid	(1,677)	(1,137)
Net cash (used in)/generated from operating activities	(512,388)	32,891
Investing activities		
Payment for the purchase of property, plant and equipment and intangible assets	(265,259)	(258,715)
Proceeds from disposal of property, plant and equipment	–	14
Acquisition of subsidiary, net of cash outflow	(60,176)	(79,312)
Payment for the purchase of associates	(20,000)	(20,000)
Proceeds from disposal of an associate	–	30,000
Payment for the purchase of time deposit	(150,000)	–
Proceeds from disposal of time deposit	95,175	–
Payment for the purchase of financial asset measured at FVPL	(6,517,000)	(7,777,000)
Proceeds from disposal of financial asset measured at FVPL	7,041,483	7,930,000
Investment income received	25,615	27,323
Dividends received from investments in financial asset measured at FVPL	1,298	–
Net cash generated from/(used in) investing activities	151,136	(147,690)

The accompanying notes are integral part of the interim financial information.



		Nine months ended September 30,	
	Note	2025	2024
		RMB '000	RMB '000
		(unaudited)	(unaudited)
Financing activities			
Capital element of lease rentals paid		(6,993)	(12,860)
Interest element of lease rentals paid		(509)	(693)
Deposit element of lease rentals paid		(385)	(200)
Proceeds from bank loans		63,025	23,430
Repayment of bank loans		(65,981)	(164,544)
Proceeds from settlement of equity-settled share-base transaction		—	71,966
Payment for listing expense		(21,588)	—
Net cash used in financing activities		(32,431)	(82,901)
Net decrease in cash and cash equivalents		(393,683)	(197,700)
Cash and cash equivalents at the beginning of the period		1,012,215	1,751,191
Effect of foreign exchanges rates changes		1,329	(588)
Cash and cash equivalents at the end of the period	11(a)	619,861	1,552,903

The accompanying notes are integral part of the interim financial information.



NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

(Expressed in Renminbi unless otherwise indicated)

1 BASIS OF PREPARATION

Suzhou Novosense Microelectronics Co., Ltd. (蘇州納芯微電子股份有限公司), hereinafter referred to as the “Company”, was established in Suzhou City, Jiangsu Province, People’s Republic of China (the “PRC”) on 17 May 2013 as a limited liability company under the PRC Company Law. In March 2016, the Company was converted into a joint stock limited liability company. In April 2022, the Company’s A shares were listed on the STAR Market of the Shanghai Stock Exchange under the stock code 688052.

The Company and its subsidiaries (together, “the Group”) are principally engaged in design, research and development of various types of chip products.

The interim financial information has been prepared in accordance with IAS 34, interim financial reporting, issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on November 28, 2025.

The interim financial information has been prepared in accordance with the same basis of preparation and presentation and accounting policies adopted in the historical financial information for the years ended December 31, 2022, 2023 and 2024 and six months ended June 30, 2025 (the “Historical Financial Information”) as disclosed in Appendix I to the prospectus dated November 28, 2025 (the “Prospectus”) issued by the Company.

The preparation of an interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since June 30, 2025 in the Historical Financial Information as disclosed in Appendix I to the Prospectus. 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 REVENUE AND SEGMENT REPORTING

(a) Revenue

(i) Disaggregation of revenue

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

	Nine months ended September 30,	
	2025	2024
	RMB '000 (unaudited)	RMB '000 (unaudited)
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products of service lines		
– Sensor Products	640,303	139,255
– Signal Chain Chips	897,994	718,711
– Power Management Chips	818,089	496,663
– Others	9,166	11,353
	<u>2,365,552</u>	<u>1,365,982</u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:



	Nine months ended September 30,	
	2025	2024
	RMB '000 (unaudited)	RMB '000 (unaudited)
Disaggregated by timing of revenue recognition		
Point in time	2,360,782	1,363,862
Over time	4,770	2,120
	<u>2,365,552</u>	<u>1,365,982</u>

(ii) *Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date*

The Group has also applied the practical expedient in paragraph 121(a) of IFRS 15 to its sales contracts for chip products that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of chip products that had an original expected duration of one year or less.

(b) **Segment reporting**

IFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial information that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment which is the sales of chip products.

(i) *Geographic information*

The following table sets out information about the geographical location of the Group's revenue from external customers. All of its non-current assets and capital expenditure were located/incurred in Chinese Mainland. The geographical location of customers is based on the location at which the goods were sold or the services were provided.

	Nine months ended September 30,	
	2025	2024
	RMB '000 (unaudited)	RMB '000 (unaudited)
Chinese Mainland	2,090,244	1,152,923
Other countries and regions	275,308	213,059
	<u>2,365,552</u>	<u>1,365,982</u>



3 OTHER NET INCOME

	Nine months ended September 30,	
	2025	2024
	RMB '000 (unaudited)	RMB '000 (unaudited)
Bank interest income	6,471	29,835
Investment income on wealth management products	25,615	27,323
Changes in fair value of financial assets measured at FVPL	10,530	2,227
Government grants <i>(Note)</i>	7,723	6,627
Interest income on capacity deposit	1,904	3,443
Net foreign exchange losses	(3,196)	(3,874)
Value-added tax deduction	8,855	–
Dividends received from investments in financial asset measured at FVPL	1,298	–
Changes in fair value of contingent consideration payable	(659)	–
Net (losses)/profits on disposal of property, plant and equipment and right-of-use assets	(4,898)	30
Others	2,637	431
	<u>56,280</u>	<u>66,042</u>

Note: Government grants primarily comprise subsidies received from the government for the encouragement of research and development projects.

4 LOSS BEFORE TAXATION

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

	Nine months ended September 30,	
	2025	2024
	RMB '000 (unaudited)	RMB '000 (unaudited)
(a) Finance costs		
Interest on		
– loans	16,451	11,016
– lease liabilities	509	693
	<u>16,960</u>	<u>11,709</u>



	Nine months ended September 30,	
	2025	2024
	RMB '000 (unaudited)	RMB '000 (unaudited)
(b) Other items		
Depreciation charge		
– owned property, plant and equipment	122,586	77,671
– right-of-use assets	7,421	13,705
	<u>130,007</u>	<u>91,376</u>
Amortisation cost of intangible assets	44,975	12,506
Research and development expense	561,639	495,662
Cost of inventories (Note 9(b))	1,597,743	968,250

5 INCOME TAX

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

	Nine months ended September 30,	
	2025	2024
	RMB '000 (unaudited)	RMB '000 (unaudited)
Current tax		
Provision for the period	<u>2,517</u>	<u>1,203</u>
Deferred tax		
Origination and reversal of temporary differences	<u>(19,720)</u>	<u>(3,142)</u>
	<u>(17,203)</u>	<u>(1,939)</u>

Note:

- (i) According to the Corporate Income Tax Law of China (the “Tax Law”), the Group’s subsidiaries in the PRC are subject to statutory income tax rate of 25%, except for those which are entitled to a preferential tax rate applicable to advanced and new technology enterprises of 15%. The Company obtained the certificate of high-technology enterprise in 2024 and is subject to income tax rate at 15% during the nine months ended September 30, 2024 and 2025. The Company’s subsidiaries Shanghai MagnTek Microelectronics Inc. (上海麥歌恩微電子股份有限公司) obtained the certificate of high-technology enterprise in 2024, and is subject to income tax rate at 15% during the nine months ended September 30, 2025. The Company’s subsidiaries Shenzhen MagnTek Technology Co., Ltd (深圳麥歌恩科技有限公司), Shenzhen MagnTek Microelectronics Co., Ltd (深圳麥歌恩微電子有限公司) and Chongqing QstMagnTek Microelectronics Co., Ltd. (重慶睿歌微電子有限公司) qualified as small low-profit enterprises and were subject to income tax rate at 20% during the nine months ended September 30, 2025.
- (ii) The provision for Hong Kong Profits Tax was taxed at 8.25% on taxable income for the first Hong Kong dollar 2,000,000 and the remaining taxable income was taxed at 16.5%.
- (iii) Taxation of subsidiaries are charged at the prevailing rates of respectively in the relevant countries and are calculated on a stand-alone basis.



6 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of RMB140,486,000 (for the nine months ended September 30, 2024: RMB407,705,000) and the weighted average of 142,411,000 ordinary shares (for the nine months ended September 30, 2024: 141,105,000) in issue during the interim period.

	Nine months ended September 30,	
	2025	2024
	'000	'000
	(unaudited)	(unaudited)
<i>Weighted average number of ordinary shares</i>		
Issued ordinary shares at the beginning of the period	142,529	142,529
Effect of treasury shares held	(118)	(1,424)
	<u>142,411</u>	<u>141,105</u>
Weighted average number of ordinary shares at the end of the period	<u>142,411</u>	<u>141,105</u>

(b) Diluted loss per share

During the nine months ended September 30, 2025 and 2024, the restricted share were not included in the calculation of diluted loss per share because their inclusion would have been anti-dilutive. The Company does not have other potential ordinary shares and therefore the amount of diluted loss per share is the same as basic loss per share.

7 PROPERTY, PLANT AND EQUIPMENT

During the nine months ended September 30, 2025, the Group acquired items of property, plant and equipment with a cost of RMB320,543,000 (for the nine months ended September 30, 2024: RMB160,241,000). Items of property, plant and equipment with a net book value of RMB790,000 (for the nine months ended September 30, 2024: RMB578,000) were disposed of during the nine months ended September 30, 2025, resulting in net loss on disposal of RMB790,000 (for the nine months ended September 30, 2024: RMB564,000).

8 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at September 30, 2025 RMB '000 (unaudited)	As at December 31, 2024 RMB '000
Current assets		
Wealth management products	<u>1,508,734</u>	<u>2,080,083</u>
Non-current assets		
Investments not held for trading		
– Unlisted units in investment funds	294,232	266,836
– Unlisted investment	<u>53,293</u>	<u>23,293</u>
	<u>347,525</u>	<u>290,129</u>



9 INVENTORIES AND OTHER CONTRACT COSTS

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

	As at September 30, 2025 <i>RMB '000</i> <i>(unaudited)</i>	As at December 31, 2024 <i>RMB '000</i>
Inventories		
Chip products		
– Raw materials	347,910	202,684
– Work in progress	467,810	296,680
– Finished goods	423,839	313,571
– Goods in transit	366	4,314
– Goods delivered to customers	15,420	5,601
	<u>1,255,345</u>	<u>822,850</u>
Contract costs	<u>11,209</u>	<u>9,706</u>
	<u>1,266,554</u>	<u>832,556</u>

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

	Nine months ended September 30,	
	2025	2024
	<i>RMB '000</i> <i>(unaudited)</i>	<i>RMB '000</i> <i>(unaudited)</i>
Carrying amount of inventories sold	1,564,968	941,999
Write-down of inventories	<u>32,775</u>	<u>26,251</u>
	<u>1,597,743</u>	<u>968,250</u>



10 TRADE AND OTHER RECEIVABLES

	As at September 30, 2025 RMB '000 (unaudited)	As at December 31, 2024 RMB '000
Trade receivables	567,034	392,573
Bills receivables	17,592	30,094
Trade and bills receivables	584,626	422,667
Bills receivables, measures at fair value through other comprehensive income ("FVOCI")	14,633	22,727
Other receivables	24,880	24,168
Capacity deposits	110,750	76,138
Value-added tax recoverable	37,893	22,606
Prepayment	197,587	51,855
Others	30,848	26,820
	1,001,217	646,981

All of trade and other receivables are expected to be recovered or recognized as expense within one year.

Ageing analysis

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

	As at September 30, 2025 RMB '000 (unaudited)	As at December 31, 2024 RMB '000
Within 1 year	584,482	420,527
Over 1 year but less than 2 years	18	2,120
Over 2 years but less than 3 years	126	20
	584,626	422,667



11 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	As at September 30, 2025 RMB '000 (unaudited)	As at December 31, 2024 RMB '000
Deposits with banks and other financial institutions	2	2
Cash at bank and in hand	620,939	1,013,077
Cash and cash equivalents in the statement of financial position	620,941	1,013,079
Accrued bank deposit interest	(1,080)	(864)
Cash and cash equivalents in the cash flow statement	619,861	1,012,215

(b) Restricted bank deposits

	As at September 30, 2025 RMB '000 (unaudited)	As at December 31, 2024 RMB '000
Restricted bank deposits	22,656	20,835

The restricted bank deposits of RMB22,656,000 (as at December 31, 2024: RMB20,835,000) represented deposits placed with banks as at September 30, 2025, which were mainly used as the guarantee for starting a subsidiary or the equipment procurement contracts.

The Group performed impairment assessment on restricted bank deposits and concluded that the probability of defaults of the counterparty banks are insignificant and accordingly, no allowance for credit losses is provided.

(c) Time deposits

	As at September 30, 2025 RMB '000 (unaudited)	As at December 31, 2024 RMB '000
Time deposits held at banks		
Current	70,000	94,334
Non-current	80,625	—
	150,625	94,334

As at September 30, 2025, the time deposits held at banks have annual interest rate ranging from 1.1% to 2.05% (as at December 31, 2024: from 1.25% to 3.45%).



12 TRADE AND OTHER PAYABLES

	As at September 30, 2025 <i>RMB '000</i> <i>(unaudited)</i>	As at December 31, 2024 <i>RMB '000</i>
Trade payables	393,325	271,997
Accrual payroll	207,792	191,372
Other taxes and surcharges payables	20,264	32,971
Other payables	17,864	25,562
Payable for acquisition of subsidiaries	65,859	105,976
	<u>705,104</u>	<u>627,878</u>

All trade and other payables (including amounts due to related parties) are expected to be settled within one year or are repayable on demand.

As of the end of the reporting period, the ageing analysis of trade payables (which are included in trade and other payables) is as follows:

	As at September 30, 2025 <i>RMB '000</i> <i>(unaudited)</i>	As at December 31, 2024 <i>RMB '000</i>
Within 1 year	384,748	268,297
Over 1 year but less than 2 years	6,276	2,797
Over 2 years but less than 3 years	1,398	655
Over 3 years	903	248
	<u>393,325</u>	<u>271,997</u>

13 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

No dividends were declared during the nine months ended September 30, 2025 (for the nine months ended September 30, 2024: nil).

(b) Equity-settled share-based transactions

During the nine months ended September 30, 2025, no restricted shares (for the nine months ended September 30, 2024: nil) was granted and a total number of nil (for the nine months ended September 30, 2024: 2,633,000) had been vested. As at September 30, 2025, a total of 2,418,000 shares was outstanding for vesting (as at December 31, 2024: 2,534,000).



14 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

(i) Fair value hierarchy

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

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

As at September 30, 2025

	Level 1 RMB '000 (unaudited)	Level 2 RMB '000 (unaudited)	Level 3 RMB '000 (unaudited)	Total RMB '000 (unaudited)
Fair value measured on a recurring basis				
Financial assets measured at FVPL (Note 8)				
– Wealth management products	–	1,508,734	–	1,508,734
– Unlisted units in investment funds	–	–	294,232	294,232
– Unlisted investment	–	–	53,293	53,293
	–	1,508,734	347,525	1,856,259
Financial assets measured at FVOCI (Note 10)				
– Bills receivables	–	–	14,633	14,633
Financial liabilities measured at FVPL				
– Contingent consideration payable	–	–	33,014	33,014



As at December 31, 2024				
	Level 1	Level 2	Level 3	Total
	RMB '000	RMB '000	RMB '000	RMB '000
Fair value measured on a recurring basis				
Financial assets measured at FVPL (Note 8)				
– Wealth management products	–	2,080,083	–	2,080,083
– Unlisted units in investment funds	–	–	266,836	266,836
– Unlisted investment	–	–	23,293	23,293
	–	2,080,083	290,129	2,370,212
Financial assets measured at FVOCI (Note 10)				
– Bills receivables	–	–	22,727	22,727
Financial liabilities measured at FVPL				
– Contingent consideration payable	–	–	32,355	32,355

During the nine months ended September 30, 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2024: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(iii) *Information about Level 3 fair value measurements*

	Valuation techniques	Significant unobservable inputs
Unlisted units in investment funds	Net asset value (Note i)	Net asset value of underlying investments
Unlisted investments	Comparable transactions adjusted approach (Note ii)	Changing trend of medium market multiples of comparable companies
Bills receivables	Discounted cash flow method (Note iii)	Expected discount rate
Contingent consideration payable	Discounted cash flow method (Note iii)	Expected discount rate



Note:

- (i) The fair value of unlisted units in investments funds is determined referencing net asset value of underlying investments. The fair value measurement is positively correlated to net asset value of underlying investments. As at September 30, 2025, it is estimated that with all other variables held constant, an increase/decrease in net asset value of underlying investments by 5% would have increased/decreased the Group's profit or loss for the period by RMB11,459,000 (unaudited) (2024: RMB10,387,000).
- (ii) The fair value of certain unlisted investments is determined using comparable transactions adjusted approach adjusted for changing trend of medium market multiple of comparable companies or medium market multiples of comparable companies. The fair value measurement is positively correlated to the changing trend of medium market multiple of comparable companies. As at September 30, 2025, it is estimated that with all other available held constant, an increase/decrease in change of medium market multiple of comparable companies by 5% would have increased/decreased the Group's profit or loss for the period by RMB2,533,000 (unaudited) (2024: RMB986,000).
- (iii) The bills receivables measured at FVOCI and contingent consideration payable measured at FVPL are calculated by discounting the expected future cash flows using market rates of return currently available for other financial instruments with similar credit risk and remaining maturities.

15 COMMITMENTS

Capital commitments outstanding at September 30, 2025 not provided for in the interim financial information were as follows:

	As at September 30, 2025 RMB '000 (unaudited)	As at December 31, 2024 RMB '000
Contracted for acquisition of property, plant and equipment	107,005	38,913

16 MATERIAL RELATED PARTY TRANSACTIONS

(a) Material related parties transactions

The Group entered into the following material related party transactions:

	Nine months ended September 30, 2025 RMB '000 (unaudited)	2024 RMB '000 (unaudited)
Purchase of goods and services		
– Associates	2,880	2,688
Sales of goods and services		
– An associate	4,741	1,005



(b) Balance with related parties

		As at September 30, 2025 RMB '000 (unaudited)	As at December 31, 2024 RMB '000
	Note		
Trade related			
Trade receivables and other receivables, gross amount and prepayment	(i)	3,195	3,552
Trade payables	(i)	(116)	(550)
		<u> </u>	<u> </u>

Note:

- (i) The outstanding balances with these related parties are balances included in “Trade and other receivables” (Note 10) and “Trade and other payables” (Note 12)

17 ULTIMATE CONTROLLING PARTY

As at the date of this report, the Directors consider the ultimate controlling party of the Group to be Mr. Wang Shengyang, Mr. Sheng Yun and Mr. Wang Yifeng.