

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CF PHARMTECH, INC., CITIC SECURITIES (HONG KONG) LIMITED AND CMB INTERNATIONAL CAPITAL LIMITED**Introduction**

We report on the historical financial information of CF PharmTech, Inc. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-78, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2022, 2023 and 2024 and the three months ended 31 March 2025 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2022, 2023 and 2024 and 31 March 2025 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-78 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 26 September 2025 (the "Prospectus") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation sets out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

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

Reporting accountants' responsibility (continued)

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation sets out in note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2022, 2023 and 2024 and 31 March 2025, and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation sets out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the three months ended 31 March 2024 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for preparation of the Interim Comparative Financial Information in accordance with the basis of preparation sets out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation sets out in note 2.1 to the Historical Financial Information.



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

Adjustments

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

Dividends

No dividends have been paid by the Company in respect of the Relevant Periods.

Certified Public Accountants
Hong Kong
26 September 2025

I HISTORICAL FINANCIAL INFORMATION**Preparation of Historical Financial Information**

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

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

		Year ended 31 December			Three months ended 31 March	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)	
Revenue	5	349,127	556,421	607,752	139,764	135,942
Cost of revenue		(81,672)	(98,913)	(116,380)	(24,708)	(28,020)
Gross profit		267,455	457,508	491,372	115,056	107,922
Other income and gains . .	6	16,742	24,437	19,708	3,355	3,567
Selling and distribution expenses		(135,575)	(222,380)	(235,650)	(56,501)	(37,684)
Administrative expenses . .		(110,020)	(100,493)	(129,007)	(23,375)	(28,228)
Research and development expenses		(107,227)	(132,788)	(121,849)	(32,392)	(32,338)
Impairment losses on financial assets		(1,386)	(612)	(1,328)	(105)	(995)
Other expenses		(440)	(2,965)	(2,205)	(371)	(245)
Finance costs	7	(164)	(165)	(1,783)	(189)	(567)
Share of profits and losses of an associate		—	(99)	(74)	(19)	(5)
(LOSS)/PROFIT BEFORE TAX	8	(70,615)	22,443	19,184	5,459	11,427
Income tax credit	11	21,216	9,283	1,904	693	1,388
(LOSS)/PROFIT FOR THE YEAR/PERIOD . .		(49,399)	31,726	21,088	6,152	12,815
Attributable to: Owners of the parent		(49,399)	31,726	21,088	6,152	12,815
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT Basic and diluted (expressed in RMB per share)	13	(0.13)	0.09	0.06	0.02	0.03

For the details of Pre-IPO Investments, please refer to note 30 to this report.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(Unaudited)</i>	
(LOSS)/PROFIT FOR THE YEAR/PERIOD	(49,399)	31,726	21,088	6,152	12,815
OTHER COMPREHENSIVE INCOME/(LOSS)	415	(587)	(294)	(168)	124
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations.	<u>415</u>	<u>(587)</u>	<u>(294)</u>	<u>(168)</u>	<u>124</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR/PERIOD	<u>(48,984)</u>	<u>31,139</u>	<u>20,794</u>	<u>5,984</u>	<u>12,939</u>
Attributable to:					
Owners of the parent	<u>(48,984)</u>	<u>31,139</u>	<u>20,794</u>	<u>5,984</u>	<u>12,939</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 31 March
		2022	2023	2024	2025
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment . . .	14	299,390	402,060	531,132	543,371
Right-of-use assets	15(a)	29,071	28,388	31,165	30,037
Other intangible assets	16	75,513	94,934	121,952	124,862
Investment in an associate	17	—	1,901	1,827	1,822
Deferred tax assets	27	83,685	92,968	94,873	96,261
Other non-current assets	18	43,295	19,851	15,861	18,216
Total non-current assets		530,954	640,102	796,810	814,569
CURRENT ASSETS					
Inventories	19	28,291	36,098	47,180	41,350
Trade receivables	20	8,937	2,870	27,130	47,692
Prepayments, other receivables and other assets	21	20,874	35,451	34,787	32,342
Financial assets at fair value through profit or loss	22	236,389	330,847	266,063	215,850
Restricted cash and time deposits	23	114,935	19,165	5,119	6,176
Cash and cash equivalents	23	74,838	70,612	81,937	90,001
Total current assets		484,264	495,043	462,216	433,411
CURRENT LIABILITIES					
Trade and bills payables	24	13,117	27,206	20,587	21,094
Other payables and accruals	25	122,808	141,546	204,122	174,281
Interest-bearing borrowings	26	—	816	18,466	10,882
Lease liabilities	15(b)	1,264	1,897	2,433	1,685
Total current liabilities		137,189	171,465	245,608	207,942
NET CURRENT ASSETS		347,075	323,578	216,608	225,469
TOTAL ASSETS LESS					
CURRENT LIABILITIES		878,029	963,680	1,013,418	1,040,038

		As at 31 December			As at 31 March
		2022	2023	2024	2025
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES					
Interest-bearing borrowings	26	–	19,200	55,350	63,491
Lease liabilities	15(b)	240	–	2,848	2,745
Deferred income.	28	863	19,457	15,938	15,065
Other non-current liabilities	29	15,000	15,000	–	–
Total non-current liabilities		16,103	53,657	74,136	81,301
Net assets		861,926	910,023	939,282	958,737
EQUITY					
Equity attributable to owners of the parent					
Share capital	30	370,780	370,780	370,780	370,780
Reserves.	31	491,146	539,243	568,502	587,957
Total equity.		861,926	910,023	939,282	958,737

For the details of Pre-IPO Investments, please refer to note 30 to this report.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2022

	Attributable to ordinary equity holders of the parent					
	Share capital	Capital reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022	370,780	1,034,807	297,735	(253)	(808,312)	894,757
Loss for the year	—	—	—	—	(49,399)	(49,399)
Other comprehensive income for the year:						
Exchange differences on translation of foreign operations	—	—	—	415	—	415
Total comprehensive loss for the year	—	—	—	415	(49,399)	(48,984)
Share-based payments	—	—	16,153	—	—	16,153
At 31 December 2022	<u>370,780</u>	<u>1,034,807</u>	<u>313,888</u>	<u>162</u>	<u>(857,711)</u>	<u>861,926</u>

Year ended 31 December 2023

	Attributable to ordinary equity holders of the parent					
	Share capital	Capital reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	370,780	1,034,807	313,888	162	(857,711)	861,926
Profit for the year	—	—	—	—	31,726	31,726
Other comprehensive loss for the year:						
Exchange differences on translation of foreign operations	—	—	—	(587)	—	(587)
Total comprehensive income for the year	—	—	—	(587)	31,726	31,139
Share-based payments	—	—	16,958	—	—	16,958
At 31 December 2023	<u>370,780</u>	<u>1,034,807</u>	<u>330,846</u>	<u>(425)</u>	<u>(825,985)</u>	<u>910,023</u>

Year ended 31 December 2024

	Attributable to ordinary equity holders of the parent					
	Share capital	Capital reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	370,780	1,034,807	330,846	(425)	(825,985)	910,023
Profit for the year	—	—	—	—	21,088	21,088
Other comprehensive loss for the year:						
Exchange differences on translation of foreign operations	—	—	—	(294)	—	(294)
Total comprehensive income for the year	—	—	—	(294)	21,088	20,794
Share-based payments	—	—	8,465	—	—	8,465
At 31 December 2024	<u>370,780</u>	<u>1,034,807</u>	<u>339,311</u>	<u>(719)</u>	<u>(804,897)</u>	<u>939,282</u>

Three months ended 31 March 2024

	Attributable to ordinary equity holders of the parent					
	Share capital	Capital reserve	Share-based payment reserve	Exchange fluctuation reserve	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	370,780	1,034,807	330,846	(425)	(825,985)	910,023
Profit for the period (unaudited)	—	—	—	—	6,152	6,152
Other comprehensive loss for the period:						
Exchange differences on translation of foreign operations (unaudited)	—	—	—	(168)	—	(168)
Total comprehensive income for the period (unaudited)	—	—	—	(168)	6,152	5,984
Share-based payments (unaudited)	—	—	3,338	—	—	3,338
As at 31 March 2024 (unaudited)	<u>370,780</u>	<u>1,034,807</u>	<u>334,184</u>	<u>(593)</u>	<u>(819,833)</u>	<u>919,345</u>

Three months ended 31 March 2025

Attributable to ordinary equity holders of the parent						
	Share capital	Capital reserve*	Share-based payment reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	370,780	1,034,807	339,311	(719)	(804,897)	939,282
Profit for the period	—	—	—	—	12,815	12,815
Other comprehensive income for the period:						
Exchange differences on translation of foreign operations	—	—	—	124	—	124
Total comprehensive income for the period	—	—	—	124	12,815	12,939
Share-based payments	—	—	6,516	—	—	6,516
As at 31 March 2025	<u>370,780</u>	<u>1,034,807</u>	<u>345,827</u>	<u>(595)</u>	<u>(792,082)</u>	<u>958,737</u>

* These reserve accounts comprise the consolidated reserves of RMB491,146,000, RMB539,243,000, RMB568,502,000 and RMB587,957,000 in the consolidated statements of financial position as at 31 December 2022, 2023 and 2024 and 31 March 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Three months ended 31 March	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
CASH FLOWS FROM						
OPERATING ACTIVITIES						
(Loss)/Profit before tax		(70,615)	22,443	19,184	5,459	11,427
Adjustments for:						
Finance costs	7	164	165	1,783	189	567
Share of profits and losses of an associate		–	99	74	19	5
Interest income from bank deposits with original maturity of more than three months when acquired	6	(3,919)	(2,078)	–	–	–
Depreciation of property, plant and equipment	8	29,964	37,784	43,117	9,430	12,179
Depreciation of right-of-use assets	15(a)	3,954	4,590	5,160	1,145	1,128
Amortisation of other intangible assets	16	4,976	11,781	11,915	2,962	2,982
Losses on disposal of items of property, plant and equipment	14	806	385	626	553	23
Gains on early termination of leases		–	(28)	(38)	–	–
Gains on financial assets at fair value through profit or loss	6	(9,379)	(9,291)	(8,381)	(1,951)	(1,680)
Impairment of inventories		66	2,852	1,886	1,240	294
Impairment losses on financial assets		1,386	612	1,328	105	995
Equity-settled share-based payment expenses	32	15,920	16,680	7,823	3,242	6,412
Foreign exchange differences, net		(2,502)	154	91	(193)	218
		(29,179)	86,148	84,568	22,200	34,550
(Increase)/Decrease in inventories		(8,509)	(10,660)	(12,968)	(5,957)	5,536
(Increase)/Decrease in trade receivables		(8,261)	6,386	(25,545)	(1,675)	(21,558)
Decrease/(Increase) in prepayments, other receivables and other assets		34,258	(6,752)	22,653	(4,800)	3,576
Decrease in other non-current assets		134	100	–	–	–
(Decrease)/Increase in trade payables		(5,970)	180	7,428	3,028	(550)
Increase/(Decrease) in other payables and accruals		70,215	22,296	38,842	(22,839)	(27,531)
(Decrease)/Increase in deferred income		(421)	18,594	(3,519)	(874)	(874)
Changes in other non-current liabilities		(6,800)	–	(15,000)	–	–
Cash generated from/(used in) operations		45,467	116,292	96,459	(10,917)	(6,851)
Net cash flows from/(used in) operating activities		45,467	116,292	96,459	(10,917)	(6,851)

	Note	Year ended 31 December			Three months ended 31 March	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)	
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of items of property, plant and equipment		(91,186)	(114,639)	(167,663)	(31,005)	(25,540)
Purchase of and prepayments for right-of-use assets – land use right		(13,675)	–	–	–	–
Purchase of other intangible assets . . .		(15,737)	(23,695)	(32,985)	(6,817)	(4,615)
Purchase of financial assets at fair value through profit or loss		(1,006,000)	(1,100,000)	(1,099,420)	(315,000)	(245,000)
Proceeds from disposal of financial assets at fair value through profit or loss		972,000	1,005,000	1,164,420	370,000	295,000
Gain on financial assets at fair value through profit or loss.		8,431	9,834	8,165	2,089	1,894
Withdrawal of bank deposits with original maturity of more than three months when acquired		–	111,757	–	–	–
Changes in restricted cash		(5,255)	(13,909)	14,046	(3,844)	(1,057)
Capital injection in an associate		–	(2,000)	–	–	–
Net cash flows (used in)/from investing activities		(151,422)	(127,652)	(113,437)	15,423	20,682
CASH FLOWS FROM FINANCING ACTIVITIES						
New bank loans		–	20,000	54,800	30,000	11,591
Repayment of bank loans		–	–	(1,048)	–	(11,048)
Interest paid for interest-bearing borrowings		–	–	(1,519)	(140)	(494)
Principal and interest elements of lease payments		(4,006)	(3,548)	(4,731)	(1,045)	(910)
Changes in prepayments, other receivables and other assets.		(1,403)	(8,577)	(18,812)	(1,717)	(4,812)
Net cash flows (used in)/from financing activities		(5,409)	7,875	28,690	27,098	(5,673)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS.						
Cash and cash equivalents at beginning of year/period.		183,285	74,838	70,612	70,612	81,937
Effect of foreign exchange differences, net		2,917	(741)	(387)	24	(94)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	23	74,838	70,612	81,937	102,240	90,001

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December			As at 31 March
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment . . .	14	247,658	333,329	437,563	446,858
Right-of-use assets		19,418	19,236	20,639	19,775
Other intangible assets	16	58,207	65,969	91,500	94,411
Investments in subsidiaries	1	334,351	396,243	432,760	433,015
Investments in an associate	17	—	1,901	1,827	1,822
Deferred tax assets	27	73,435	77,449	74,688	75,016
Other non-current assets		43,217	13,584	14,703	17,579
Total non-current assets		776,286	907,711	1,073,680	1,088,476
CURRENT ASSETS					
Inventories	19	25,310	30,136	42,586	36,931
Trade receivables		8,438	2,655	33,763	54,314
Prepayments, other receivables and other assets	21	25,607	71,336	108,439	115,119
Financial assets at fair value through profit or loss	22	236,389	330,847	266,063	215,850
Restricted cash and time deposits .	23	114,935	12,242	2,392	2,766
Cash and cash equivalents	23	49,149	55,605	71,327	81,967
Total current assets		459,828	502,821	524,570	506,947
CURRENT LIABILITIES					
Trade and bills payables	24	16,430	21,933	21,743	19,612
Other payables and accruals	25	119,300	137,624	187,679	159,914
Interest-bearing borrowings	26	—	816	18,466	10,882
Lease liabilities		984	1,678	1,563	834
Total current liabilities		136,714	162,051	229,451	191,242
NET CURRENT ASSETS		323,114	340,770	295,119	315,705
TOTAL ASSETS LESS					
CURRENT LIABILITIES		1,099,400	1,248,481	1,368,799	1,404,181

	<i>Note</i>	As at 31 December			As at 31 March
		2022	2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
NON-CURRENT LIABILITIES					
Interest-bearing borrowings	26	–	19,200	55,350	63,491
Lease liabilities		20	–	1,865	1,881
Deferred income		863	19,457	15,938	15,065
Other non-current liabilities		15,000	15,000	–	–
Total non-current liabilities		15,883	53,657	73,153	80,437
NET ASSETS		<u>1,083,517</u>	<u>1,194,824</u>	<u>1,295,646</u>	<u>1,323,744</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					
Share capital		370,780	370,780	370,780	370,780
Reserves		712,737	824,044	924,866	952,964
Total equity		<u>1,083,517</u>	<u>1,194,824</u>	<u>1,295,646</u>	<u>1,323,744</u>

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

CF PharmTech, Inc. (the “Company”) was incorporated in the People’s Republic of China (“PRC”) on 24 January 2013 as a limited liability company. On 8 June 2016, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The registered office of the Company is located at No. 16 Hucundang Road, Xiangcheng Economic Development District, Suzhou, Jiangsu, the PRC.

During the Relevant Periods, the Company and its subsidiaries (the “Group”) are mainly engaged in the research and development of respiratory drugs and other related medical products.

As at the date of this report, the Company had direct interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

Name	Notes	Place and date of incorporation/ registration and place of operations	Issued ordinary shares/registered share capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
CF PharmTech JiangSu Limited* (江蘇長風藥業有 限公司)	(a)	PRC/Chinese Mainland 19 April 2011	RMB140,000,000	100%	–	Sales of respiratory products & Research and development
CF PHARM TECH INTERNATIONAL LIMITED.	(b)	Cayman Islands 20 May 2015	USD50,000	100%	–	Investment financing
CF PharmTech USA, Inc.	(b)	The United States 22 June 2015	USD1,500	–	100%	Research and development
CF PharmTech Wuxi Limited* (無錫長風醫藥科技有限公 司)	(b)	PRC/Chinese Mainland 24 August 2021	RMB10,000,000	100%	–	Research and development
Suzhou CF Health Technology Co., Ltd.* (蘇州長風健康科 技有限公司)	(b)	PRC/Chinese Mainland 28 October 2022	RMB10,000,000	100%	–	Retail of consumer goods
Suzhou CF Pharmaceutical Research and Development Co., Ltd.* (蘇州長風藥物研 發有限公司)	(b)	PRC/Chinese Mainland 9 November 2022	RMB10,000,000	100%	–	Research and development
Suzhou CF Medical Instruments Co., Ltd.* (蘇州長風醫療器械有限 公司)	(b)	PRC/Chinese Mainland 9 November 2022	RMB10,000,000	100%	–	Research and development
CF PHARMTECH HONG KONG LIMITED	(b)	Hong Kong 3 November 2023	HKD100,000	100%	–	Research and development
Suzhou Wusheng Technology Co., Ltd.* (蘇州霧笙科技有 限公司)	(b)	PRC/Chinese Mainland 8 February 2024	RMB1,000,000	–	100%	Online Platform Operation
CF Suyue Pharmaceutical (Guangzhou) Co., Ltd.* (長風蘇粵藥業(廣州)有限公 司)	(b)	PRC/Chinese Mainland 23 April 2024	USD5,000,000	–	100%	Research and development
Hongkong Vista Innovation Limited* (香港遠見創新有 限公司)	(b)	Hong Kong 8 May 2025	HKD10,000	100%	–	Investment financing

- * The English names of these companies represent the best effort made by the directors of the Company (the “Directors”) to translate the Chinese names as these companies have not been registered with any official English names.

Notes:

- (a) The statutory financial statements of this entity for the years ended 31 December 2023 and 2024 prepared under PRC Generally Accepted Accounting Principles were audited by Ernst & Young Hua Ming LLP Shanghai Branch, certified public accountants registered in the PRC. No audited financial statements have been prepared for this entity for the year ended 31 December 2022.
- (b) As at the date of this report, no audited financial statements have been prepared for these entities since their dates of incorporation as these subsidiaries are not required by the local government to prepare statutory accounts.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared on a going concern basis. The directors of the Company (the “Directors”) have considered the Group’s sources of liquidity and believe that adequate funding is available to fulfil the Group’s debt obligations and capital expenditure requirements. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the Historical Financial Information on a going concern basis.

For ordinary shares issued to pre-IPO investors, pursuant to the supplemental agreements entered into between the Company and the pre-IPO Investors in relation to the termination of redemption rights and liquidation preferences rights, which are void ab initio as described in note 30 to this report, having taking into account the legal and regulatory framework of the Company’s jurisdiction and the governing law of the supplementary agreements, the directors considered that it is appropriate to present the pre-IPO Investments as equity throughout the Relevant Periods. For details of the financial impacts, see note 30 to this report.

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards (“IFRS Accounting Standards”), which comprise all standards and interpretations approved by the International Accounting Standards Board (“IASB”).

All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and 31 March 2024.

The Historical Financial Information has been prepared under the historical cost convention except for certain financial instruments which have been measured at fair value at the end of each of the Relevant Periods and 31 March 2024.

Basis of consolidation

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

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

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

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

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

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

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

Amendments to IFRS 10 and IAS 28 . . .	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ¹
Amendments to IFRS 9 and IFRS 7 . . .	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to IFRS 9 and IFRS 7 . . .	<i>Contracts Referencing Nature-dependent Electricity</i> ²
IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ³
Annual Improvements to IFRS Accounting Standards – Volume 11 . .	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7</i> ²

1 No mandatory effective date yet determined but available for adoption

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

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

The Group is in the process of making an assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised IFRS Accounting Standards are unlikely to have a significant impact on the Group's results of operations and financial position.

2.3 MATERIAL ACCOUNTING POLICIES

Investment in an associate

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

The Group's investment in an associate is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognised its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates is eliminated to the extent of the Group's investments in the associate, except where recognised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associate is included as part of the Group's investment in an associate.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognised any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Fair value measurement

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

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

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

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

- | | | |
|---------|---|---|
| Level 1 | – | based on quoted prices (unadjusted) in active markets for identical assets or liabilities |
| Level 2 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly |
| Level 3 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable |

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

Impairment of non-financial assets

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

the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

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

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

Related parties

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

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

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

Property, plant and equipment and depreciation

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

Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

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

Category	Estimated useful life	Estimated residual value
Buildings	5 to 20 years	5%
Machinery	3 to 10 years	5%
Motor vehicles	4 to 5 years	5%
Furniture and fixtures	3 to 5 years	5%
Leasehold improvements	Over the shorter of the lease term and estimated useful lives	0%

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

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

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

Other intangible assets (other than goodwill)

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

Other intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such other intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Software

Acquired computer software is stated at historical cost less amortisation. Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software, and is amortised on a straight-line basis over the useful life of 3 to 10 years.

Patents and licences

Purchased patents and licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 5 to 10 years.

Deferred development costs

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

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

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products, commencing from the date when the products are put into commercial production.

Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

Buildings and warehouses	1 to 6 years
Land use rights	30 to 50 years

(b) Lease liabilities

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

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

(c) Short-term leases

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

Investments and other financial assets*Initial recognition and measurement*

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

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

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

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

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

The Group's financial assets at amortised cost include trade receivables, financial assets included in other receivables and other assets and cash and bank balances.

Financial assets at fair value through profit or loss

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

Derecognition of financial assets

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

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

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

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

Impairment of financial assets

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

General approach

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

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

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

Classification as equity and financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

A financial liability is any liability that is (a) a contractual obligation (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity's own equity instruments and is: (i) a non derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Initial recognition and measurement

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

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

The Group's financial liabilities include trade and bills payables, other payables and accruals, and interest-bearing borrowings.

Subsequent measurement

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

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

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

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

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method and net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

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

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the financial year of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

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

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

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

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

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

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

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

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

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

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

Government grants

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

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

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

Revenue recognition***Revenue from contracts with customers***

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

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

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) Sale of products

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

(i) Volume rebates

Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognized.

(b) Provision of services

Revenue from the provision of entrusted development services and testing services is recognised when the services are rendered.

Other income

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

Contract liabilities

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

Share-based payments

The Group operates share award schemes. Employees (including directors) and consultants of the Group receive remuneration in the form of share-based payments, whereby rendering services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair values at the dates at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 32 to the Historical Financial Information.

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

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

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

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

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

Other employee benefits***Pension scheme***

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

Borrowing costs

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

Dividends

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

Foreign currencies

The Historical Financial Information is presented in RMB. Each entity in the Group uses RMB as its functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

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

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

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Research and development costs

All research expenses are charged to profit or loss as incurred. Expenses incurred on each pipeline to develop new products are capitalised in accordance with the accounting policy for research and development costs in note 2.3. Determining the amounts to be capitalised requires management to make judgements on the technical feasibility of existing pipelines to be successfully commercialised and bring economic benefits to the Company.

Contractual cash flow characteristics

The classification of financial assets at initial recognition depends on the contractual cash flow characteristics of the financial assets. When it is necessary to judge whether the contractual cash flow is only the payment of the principal and the interest based on the outstanding principal, including the assessment of the correction of the time value of money, it is necessary to judge whether there is a significant difference compared with the benchmark cash flow. For financial assets with advanced payment characteristics, it is necessary to judge whether the fair value of the advanced payment characteristics is minimal.

Government grants

Government grants are recognised when they meet the attached conditions and can be received. Management needs to exercise significant judgement to determine the nature of the government grants and the timing of recognition.

Estimation uncertainty

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

Development costs

Determining the amounts to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

Recognition of income taxes and deferred tax assets

Determining income tax provision involves judgement on the future tax treatment of certain transactions and certain matters relating to the income taxes have not been confirmed by the local tax bureau. Management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of such transactions are reconsidered periodically to take into account all changes in tax legislation. Deferred tax assets are recognised in respect of deductible temporary differences and unused tax losses. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and the losses can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is revised as necessary and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered. Further details are included in note 27 to the Historical Financial Information.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for

example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4. OPERATING SEGMENT INFORMATION

Operating segment information

No operating segment information is presented as the Group's revenue and reported results during the Relevant Periods, and the Group's total assets as at the end of each of the Relevant Periods were derived from one single operating segment.

Geographical information

Since approximately all of the Group's non-current assets were located in Mainland China, no geographical segment information is presented in accordance with IFRS 8 Operating Segments.

Information about major customers

The Group has a large number of customers, and no revenue from a single customer accounted for more than 10% of the Group's total revenue during the Relevant Periods and the three months ended 31 March 2024.

5. REVENUE

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue from contracts with customers:					
Sale of products	345,993	553,231	603,225	139,574	135,792
Technical service	3,134	3,190	4,527	190	150
Total	<u>349,127</u>	<u>556,421</u>	<u>607,752</u>	<u>139,764</u>	<u>135,942</u>

An analysis of revenue is as follows:

(i) Disaggregated revenue information

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Revenue from contracts with customers:					
Sale of products	345,993	553,231	603,225	139,574	135,792
Technical service	3,134	3,190	4,527	190	150
Total	<u>349,127</u>	<u>556,421</u>	<u>607,752</u>	<u>139,764</u>	<u>135,942</u>

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Timing of revenue recognition					
At a point in time:					
Sale of products	345,993	553,231	603,225	139,574	135,792
Technical service	3,134	3,190	4,527	190	150
Total revenue from contracts with customers.	<u>349,127</u>	<u>556,421</u>	<u>607,752</u>	<u>139,764</u>	<u>135,942</u>

The following table shows the amounts of revenue recognised that were included in contract liabilities at the beginning of each of the Relevant Periods and the three months ended 31 March 2024:

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Sale of products	10,693	19,735	33,701	29,329	6,328
Technical service	837	1,237	857	—	30
Total	<u>11,530</u>	<u>20,972</u>	<u>34,558</u>	<u>29,329</u>	<u>6,358</u>

(ii) **Performance obligations**

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

Sale of products

The performance obligation is satisfied upon delivery and inspection of products, payment in advance is normally required, except for customers with credit terms, where payment is generally due within 60 days to 90 days from delivery.

Provision of entrusted development services and testing services

The performance obligation is satisfied over time as services are rendered and short-term advances are normally required before rendering the services.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) at the end of each of the Relevant Periods and the three months ended 31 March 2024 are as follows:

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Within one year . . .	44,256	40,973	12,689	32,643	8,457
After one year . . .	1,233	2,017	816	1,826	723
Total	<u>45,489</u>	<u>42,990</u>	<u>13,505</u>	<u>34,469</u>	<u>9,180</u>

6. OTHER INCOME AND GAINS

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

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Government grants	2,998	10,846	10,354	944	1,444
Gain on financial assets at fair value through profit or loss	9,379	9,291	8,381	1,951	1,680
Interest income from bank deposits with original maturity of more than three months when acquired	3,919	2,078	—	—	—
Interest income from cash in bank	369	1,844	608	284	91
Others	77	378	365	176	352
Total	<u>16,742</u>	<u>24,437</u>	<u>19,708</u>	<u>3,355</u>	<u>3,567</u>

The government grants mainly represent the financial award the Group received from the local governments for the purpose of compensation for expenses on research and development activities and incentives for attracting talent. There are no contingencies relating to these grants.

7. FINANCE COSTS

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i>
Finance costs					
Interest on lease liabilities	164	149	216	37	59
Interest on bank loans	—	16	1,567	152	508
Total	<u>164</u>	<u>165</u>	<u>1,783</u>	<u>189</u>	<u>567</u>

For the details of Pre-IPO Investments, please refer to note 30 to this report.

8. (LOSS)/PROFIT BEFORE TAX

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

	Notes	Year ended 31 December			Three months ended 31 March	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Cost of revenue*		14,180	13,653	15,443	3,308	2,562
Promotion expenses		93,588	165,594	181,698	41,919	28,028
Employee benefit expenses		125,078	145,899	149,022	38,525	40,149
Travel expenses		3,339	6,981	7,794	805	512
Business entertainment expenses		5,800	8,551	6,686	1,442	958
Office expenses		8,836	7,069	7,492	1,748	1,515
Utility expenses		14,998	15,630	14,174	3,402	3,426
Depreciation of property, plant and equipment		29,964	37,784	43,117	9,430	12,179
Depreciation of right-of-use assets	15(a)	3,954	4,590	5,160	1,145	1,128
Amortisation of other intangible assets	16	4,976	11,781	11,915	2,962	2,982
Testing and technical service fees		45,611	62,665	47,737	12,572	10,205
Professional services and consultancy fees		25,666	9,042	15,253	2,685	952
Listing expenses		–	–	22,963	–	950
Consumption of raw materials		52,300	56,680	63,586	15,818	17,733
Foreign exchange differences, net		(2,502)	154	91	(193)	218
Impairment losses on trade receivables and other receivables		1,386	612	1,328	105	995
Impairment of inventories		66	2,852	1,886	1,240	294
Loss on disposal of items of property, plant and equipment		806	385	626	553	23
Interest on lease liabilities	15(b)	164	149	216	37	59
Fair value gains on financial assets at fair value through profit or loss		(9,379)	(9,291)	(8,381)	(1,951)	(1,680)
Share of profit and loss of an associate		–	99	74	19	5

* The amount of cost of revenue stated here excludes those included in the depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets, impairment of inventories, employee benefit expenses, testing and technical service fees, consumption of raw materials, office expenses, travel expenses and utility expenses.

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' remuneration for the Relevant Periods and the three months ended 31 March 2024, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Fees:	315	240	275	60	95
Other emoluments:					
Salaries, allowances and benefits in kind	2,799	3,241	3,343	813	827
Share-based payment expense	10,101	3,205	3,831	564	4,722
Pension scheme contributions	140	183	210	50	52
Subtotal.	13,040	6,629	7,384	1,427	5,601
Total fees and other emoluments	13,355	6,869	7,659	1,487	5,696

(a) Independent non-executive directors

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Fees:					
Dr. JIN Jian ^(a)	60	60	60	15	15
Ms. WANG Lijuan ^(b)	60	60	60	15	15
Mr. XU Zheng ^(c)	30	60	45	15	–
Mr. WEI Shirong ^(d)	60	60	60	15	15
Mr. IP Wang Hoi Cliff ^(e) . .	105	–	50	–	50
Total	315	240	275	60	95

(a) Dr. JIN Jian was appointed as an independent director of the Company in September 2020.

(b) Ms. WANG Lijuan was appointed as an independent director of the Company in September 2020.

(c) Mr. XU Zheng was appointed as an independent director of the Company in September 2020 and resigned in December 2021, and reappointed as an independent director of the Company in June 2022 and resigned in September 2024.

(d) Mr. WEI Shirong was appointed as an independent director of the Company in September 2020.

(e) Mr. IP Wang Hoi Cliff was appointed as an independent director of the Company in December 2021 and resigned in June 2022, and was reappointed as an independent director of the Company in September 2024.

(b) Executive directors, non-executive directors and the chief executive

Year ended 31 December 2022

	Fees	Salaries allowances and benefits in kind	Share-based payment expense	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Directors:					
Dr. LIANG Bill					
Wenqing ^(f)	—	671	4,614	54	5,339
Dr. LI LI BOVET ^(g) . . .	—	671	4,614	—	5,285
Dr. LI Qi ^(h)	—	993	293	—	1,286
Ms. ZHU Yuyu ⁽ⁱ⁾	—	464	580	86	1,130
Non-executive directors:					
Mr. CHEN Penghui ^(j) . .	—	—	—	—	—
Mr. CAI Lei ^(k)	—	—	—	—	—
Dr. YI Hua ^(l)	—	—	—	—	—
Total	—	2,799	10,101	140	13,040

Year ended 31 December 2023

	Fees	Salaries allowances and benefits in kind	Share-based payment expense	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Directors:					
Dr. LIANG Bill					
Wenqing ^(f)	—	699	1,224	87	2,010
Dr. LI LI BOVET ^(g) . . .	—	699	1,224	—	1,923
Dr. LI Qi ^(h)	—	1,202	266	—	1,468
Ms. ZHU Yuyu ⁽ⁱ⁾	—	641	491	96	1,228
Non-executive directors:					
Mr. CHEN Penghui ^(j) . .	—	—	—	—	—
Mr. CAI Lei ^(k)	—	—	—	—	—
Dr. YI Hua ^(l)	—	—	—	—	—
Total	—	3,241	3,205	183	6,629

Year ended 31 December 2024

	Fees	Salaries allowances and benefits in kind	Share-based payment expense	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Directors:					
Dr. LIANG Bill					
Wenqing ^(f)	—	732	1,801	104	2,637
Dr. LI LI BOVET ^(g) . . .	—	718	1,801	2	2,521
Dr. LI Qi ^(h)	—	1,224	78	—	1,302
Ms. ZHU Yuyu ⁽ⁱ⁾	—	669	151	104	924
Non-executive directors:					
Mr. CHEN Penghui ^(j) . .	—	—	—	—	—
Mr. CAI Lei ^(k)	—	—	—	—	—
Dr. YI Hua ^(l)	—	—	—	—	—
Total	—	3,343	3,831	210	7,384

Three months ended 31 March 2024 (unaudited)

	Fees	Salaries allowances and benefits in kind	Share-based payment expense	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Directors:					
Dr. LIANG Bill					
Wenqing ^(f)	—	181	255	25	461
Dr. LI LI BOVET ^(g)	—	178	255	—	433
Dr. LI Qi ^(h)	—	296	22	—	318
Ms. ZHU Yuyu ⁽ⁱ⁾	—	158	32	25	215
Non-executive directors:					
Mr. CHEN Penghui ^(j)	—	—	—	—	—
Mr. CAI Lei ^(k)	—	—	—	—	—
Dr. YI Hua ^(l)	—	—	—	—	—
Total	—	813	564	50	1,427

Three months ended 31 March 2025

	Fees	Salaries allowances and benefits in kind	Share-based payment expense	Pension scheme contributions	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Directors:					
Dr. LIANG Bill					
Wenqing ^(f)	—	183	2,333	26	2,542
Dr. LI LI BOVET ^(g)	—	183	2,333	—	2,516
Dr. LI Qi ^(h)	—	298	15	—	313
Ms. ZHU Yuyu ⁽ⁱ⁾	—	163	41	26	230
Non-executive directors:					
Mr. CHEN Penghui ^(j)	—	—	—	—	—
Mr. CAI Lei ^(k)	—	—	—	—	—
Dr. YI Hua ^(l)	—	—	—	—	—
Total	—	827	4,722	52	5,601

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods.

- (f) Dr. LIANG Bill Wenqing was appointed as a director of the Company in January 2013 and redesignated as an executive director in September 2024.
- (g) Dr. LI LI BOVET was appointed as a director of the Company in January 2013 and redesignated as an executive director in September 2024.
- (h) Dr. LI Qi was appointed as a director of the Company in September 2020 and redesignated as an executive director in September 2024.
- (i) Ms. ZHU Yuyu was appointed as a director of the Company in September 2020 and redesignated as an executive director in September 2024.
- (j) Mr. CHEN Penghui was appointed as a director of the Company in June 2020.
- (k) Mr. CAI Lei was appointed as a director of the Company in December 2019.
- (l) Dr. YI Hua was appointed as a director of the Company in December 2021.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods and the three months ended 31 March 2024 included 4, 3, 3 and 3 directors, respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining 1, 2, 2, 2 and 2 highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Salaries, allowances and benefits in kind	1,457	2,524	2,514	1,623	315
Share-based payment expenses	564	1,429	669	229	287
Pension scheme contributions	91	195	207	51	49
Total	<u>2,112</u>	<u>4,148</u>	<u>3,390</u>	<u>1,903</u>	<u>651</u>

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

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
				(Unaudited)	
HK\$0 to HK\$500,000	–	–	–	1	2
HK\$500,001 to HK\$1,000,000	–	–	–	–	–
HK\$1,000,001 to HK\$1,500,000	–	–	–	–	–
HK\$1,500,001 to HK\$2,000,000	–	1	2	1	–
HK\$2,000,001 to HK\$2,500,000	1	1	–	–	–
HK\$2,500,001 to HK\$3,000,000	–	–	–	–	–
HK\$3,000,001 to HK\$3,500,000	–	–	–	–	–
Total	<u>1</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

11. INCOME TAX CREDIT

The Group's principal applicable taxes and tax rates are as follows:

- (a) Under the Law of the PRC on Corporate Income Tax (the "CIT Law") and Implementation Regulation of the CIT Law, the CIT rate of the Group's PRC subsidiaries is 25% unless subject to tax exemption set out below.

Pursuant to Cai Shui [2019] No. 13 "The Announcement of Implementation of the Inclusive Tax Relief Policy of small-scale Minimal Profit Enterprises", [2021] No. 12 "The Announcement on the Implementation of Preferential Income Tax Policies for small-scale Minimal Profit Enterprise and Individual Industrial and Commercial Households" issued by the MOF and the National Tax Bureau, [2022] No. 13 "The Announcement on further implementation of Preferential Income Tax Policies for small-scale Minimal Profit Enterprises" and [2023] No. 6 "The Announcement on Preferential Income Tax Policies for small-scale Minimal Profit Enterprises and Individual Industrial and Commercial Households" issued by the MOF and the National Tax Bureau, for the small-scale Minimal Profit Enterprises with annual taxable income below RMB1,000,000 (RMB1,000,000 included) from 1 January 2021 to 31 December 2022, the taxable income is reduced by 12.5%, and the corporate income tax is paid at the tax rate of 20%; from 1 January 2023 to 31 December 2024, the taxable income is reduced by 25%, and the corporate income tax is paid at the tax rate of 20%. For the small-scale Minimal Profit Enterprises with annual taxable income between RMB1,000,000 and RMB3,000,000, from 1 January 2021 to 31 December 2021, the taxable income is reduced by 50%, and the corporate income tax is paid at the tax rate of 20%; from 1 January 2022 to 31 December 2024, the taxable income is reduced by 25%, and the corporate income tax is paid at the tax rate of 20%.

The Company was accredited as a “High and New Technology Enterprise” in December 2023, and therefore, the Company was entitled to a preferential CIT rate of 15% for the years ended 31 December 2023 and 31 December 2024. This qualification is subject to review by the relevant tax authority in the PRC every three years.

- (b) Pursuant to the rules and regulations of the Cayman Islands, CF PHARM TECH INTERNATIONAL LIMITED is not subject to any income tax in the Cayman Islands.
- (c) No provision for the United States income tax has been provided for at a rate of 21% pursuant to the Corporate Income Tax Law of the United States and the respective regulations (the “US Law”), as the Group’s entity in the United States has no assessable profits.
- (d) Under the Hong Kong tax law, the Company’s subsidiaries in Hong Kong are subject to Hong Kong profits tax at a rate of 8.25% for assessable profits on the first HK\$2 million and 16.5% for any assessable profits in excess of HK\$2 million. No provision for Hong Kong profits tax was made as the subsidiaries did not have any assessable profits arising in or derived from Hong Kong during the Relevant Periods.

The income tax expense/(credit) of the Group for the Relevant Periods and the three months ended 31 March 2024 is analysed as follows:

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Current income tax	—	—	—	—	—
Deferred income tax	(21,216)	(9,283)	(1,904)	(693)	(1,388)
Tax credit for the year/period	(21,216)	(9,283)	(1,904)	(693)	(1,388)

A reconciliation of the tax expense/(credit) applicable to (loss)/profit before tax at the statutory rate applicable in Mainland China to the tax expense/(credit) at the effective tax rate is as follows:

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
(Loss)/profit before tax. . .	(70,615)	22,443	19,184	5,459	11,427
Tax at the statutory tax rate of 25%	(17,654)	5,611	4,796	1,365	2,857
Effect of different tax rates in different jurisdictions .	2,075	(6,349)	(5,956)	(1,712)	(1,710)
Effect of adjusting income tax for previous periods .	(12)	(35,383)	—	—	(109)
Research and development super-deduction	(15,346)	(13,598)	(12,340)	(2,999)	(3,575)
Expenses not deductible for tax	1,700	1,551	927	115	59
Effects of changes in tax rates	—	29,374	—	—	—
Tax losses and temporary differences for which no deferred income tax assets were recognized .	8,021	9,511	10,669	2,538	1,090
Tax credit for the year/period at the Group’s effective rate . .	(21,216)	(9,283)	(1,904)	(693)	(1,388)

12. DIVIDEND

No dividend has been paid or declared by the Company and its subsidiaries during the Relevant Periods.

13. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (loss)/earnings per share amounts is based on the (loss)/profit attributable to ordinary equity holders of the parent, and the weighted average numbers ordinary shares outstanding during the Relevant Periods and the three months ended 31 March 2024.

The Company has no potential common stock or diluted securities during the Relevant Periods and the three months ended 31 March 2024, so diluted (loss)/earnings per share equals basic (loss)/earnings per share.

(Loss)/Earnings per share	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
				<i>(Unaudited)</i>	
(Loss)/Earnings					
(Loss)/Earnings attributable to ordinary equity holders of the parent (RMB'000)	(49,399)	31,726	21,088	6,152	12,815
Shares					
Weighted average number of ordinary shares outstanding during the year/period used in the basic (loss)/earnings per share calculation	370,780,387	370,780,387	370,780,387	370,780,387	370,780,387
(Loss)/Earnings per share (RMB)	<u>(0.13)</u>	<u>0.09</u>	<u>0.06</u>	<u>0.02</u>	<u>0.03</u>

For details of the pre-IPO investments, please refer to Note 30 to this report.

14. PROPERTY, PLANT AND EQUIPMENT**Group**

	Buildings	Leasehold improvements	Machinery	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2022							
At 1 January 2022:							
Cost	106,641	7,675	143,643	6,050	1,562	90,017	355,588
Accumulated depreciation	(20,701)	(4,083)	(50,525)	(4,790)	(1,037)	—	(81,136)
Net carrying amount	<u>85,940</u>	<u>3,592</u>	<u>93,118</u>	<u>1,260</u>	<u>525</u>	<u>90,017</u>	<u>274,452</u>
At 1 January 2022, net of accumulated depreciation	85,940	3,592	93,118	1,260	525	90,017	274,452
Additions	—	—	—	616	464	58,141	59,221
Disposals	—	—	(4,306)	—	—	—	(4,306)
Transfers	47,395	—	29,477	—	—	(76,872)	—
Depreciation provided during the year	<u>(6,665)</u>	<u>(1,949)</u>	<u>(20,050)</u>	<u>(1,109)</u>	<u>(204)</u>	<u>—</u>	<u>(29,977)</u>

	Buildings	Leasehold improvements	Machinery	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December 2022, net of accumulated depreciation	<u>126,670</u>	<u>1,643</u>	<u>98,239</u>	<u>767</u>	<u>785</u>	<u>71,286</u>	<u>299,390</u>
At 31 December 2022							
Cost	154,036	7,675	167,224	6,666	2,026	71,286	408,913
Accumulated depreciation	<u>(27,366)</u>	<u>(6,032)</u>	<u>(68,985)</u>	<u>(5,899)</u>	<u>(1,241)</u>	<u>–</u>	<u>(109,523)</u>
Net carrying amount	<u>126,670</u>	<u>1,643</u>	<u>98,239</u>	<u>767</u>	<u>785</u>	<u>71,286</u>	<u>299,390</u>

	Buildings	Leasehold improvements	Machinery	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2023							
At 1 January 2023:							
Cost	154,036	7,675	167,224	6,666	2,026	71,286	408,913
Accumulated depreciation	<u>(27,366)</u>	<u>(6,032)</u>	<u>(68,985)</u>	<u>(5,899)</u>	<u>(1,241)</u>	<u>–</u>	<u>(109,523)</u>
Net carrying amount	<u>126,670</u>	<u>1,643</u>	<u>98,239</u>	<u>767</u>	<u>785</u>	<u>71,286</u>	<u>299,390</u>

At 1 January 2023, net of accumulated depreciation	126,670	1,643	98,239	767	785	71,286	299,390
Additions	–	–	2,850	1,213	384	141,313	145,760
Disposals	–	–	(384)	(1)	–	–	(385)
Transfers	13,308	6,557	65,416	5,433	–	(94,991)	(4,277)
Depreciation provided during the year	<u>(9,403)</u>	<u>(2,062)</u>	<u>(25,364)</u>	<u>(1,277)</u>	<u>(322)</u>	<u>–</u>	<u>(38,428)</u>
At 31 December 2023, net of accumulated depreciation	<u>130,575</u>	<u>6,138</u>	<u>140,757</u>	<u>6,135</u>	<u>847</u>	<u>117,608</u>	<u>402,060</u>
At 31 December 2023							
Cost	167,344	14,232	233,736	13,301	2,410	117,608	548,631
Accumulated depreciation	<u>(36,769)</u>	<u>(8,094)</u>	<u>(92,979)</u>	<u>(7,166)</u>	<u>(1,563)</u>	<u>–</u>	<u>(146,571)</u>
Net carrying amount	<u>130,575</u>	<u>6,138</u>	<u>140,757</u>	<u>6,135</u>	<u>847</u>	<u>117,608</u>	<u>402,060</u>

	Buildings	Leasehold improvements	Machinery	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2024							
At 1 January 2024:							
Cost	167,344	14,232	233,736	13,301	2,410	117,608	548,631
Accumulated depreciation	<u>(36,769)</u>	<u>(8,094)</u>	<u>(92,979)</u>	<u>(7,166)</u>	<u>(1,563)</u>	<u>–</u>	<u>(146,571)</u>
Net carrying amount	<u>130,575</u>	<u>6,138</u>	<u>140,757</u>	<u>6,135</u>	<u>847</u>	<u>117,608</u>	<u>402,060</u>

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	Buildings	Leasehold improvements	Machinery	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024,							
net of accumulated depreciation	130,575	6,138	140,757	6,135	847	117,608	402,060
Additions	–	–	3,086	3,885	3	167,022	173,996
Disposals	–	–	(596)	(27)	(3)	–	(626)
Transfers	69,125	3,113	26,398	5,057	–	(103,693)	–
Depreciation provided during the year	(13,296)	(1,999)	(24,904)	(3,795)	(304)	–	(44,298)
At 31 December 2024,							
net of accumulated depreciation	186,404	7,252	144,741	11,255	543	180,937	531,132
At 31 December 2024							
Cost	236,469	17,345	262,624	22,216	2,410	180,937	722,001
Accumulated depreciation	(50,065)	(10,093)	(117,883)	(10,961)	(1,867)	–	(190,869)
Net carrying amount	186,404	7,252	144,741	11,255	543	180,937	531,132

	Buildings	Leasehold improvements	Machinery	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 March 2025							
At 1 January 2025:							
Cost	236,469	17,345	262,624	22,216	2,410	180,937	722,001
Accumulated depreciation	(50,065)	(10,093)	(117,883)	(10,961)	(1,867)	–	(190,869)
Net carrying amount	186,404	7,252	144,741	11,255	543	180,937	531,132
At 1 January 2025,							
net of accumulated depreciation	186,404	7,252	144,741	11,255	543	180,937	531,132
Additions	–	–	186	98	3	24,345	24,632
Disposals	–	–	(22)	–	(1)	–	(23)
Transfers	–	–	3,480	264	–	(3,744)	–
Depreciation provided during the period	(4,215)	(553)	(6,389)	(1,159)	(54)	–	(12,370)
At 31 March 2025,							
net of accumulated depreciation	182,189	6,699	141,996	10,458	491	201,538	543,371
At 31 March 2025							
Cost	236,469	17,345	266,268	22,578	2,412	201,538	746,610
Accumulated depreciation	(54,280)	(10,646)	(124,272)	(12,120)	(1,921)	–	(203,239)
Net carrying amount	182,189	6,699	141,996	10,458	491	201,538	543,371

Company

	Buildings	Leasehold improvements	Machinery	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2022							
At 1 January 2022:							
Cost	55,486	4,295	138,439	5,728	1,313	89,829	295,090
Accumulated depreciation	(19,486)	(1,690)	(46,747)	(4,517)	(801)	—	(73,241)
Net carrying amount	36,000	2,605	91,692	1,211	512	89,829	221,849
At 1 January 2022, net of accumulated depreciation	36,000	2,605	91,692	1,211	512	89,829	221,849
Additions	—	—	—	616	464	55,445	56,525
Disposals	—	—	(4,306)	—	—	—	(4,306)
Transfers	47,395	—	30,149	—	—	(77,544)	—
Depreciation provided during the year	(4,236)	(1,344)	(19,520)	(1,106)	(204)	—	(26,410)
At 31 December 2022, net of accumulated depreciation	79,159	1,261	98,015	721	772	67,730	247,658
At 31 December 2022							
Cost	102,881	4,295	162,692	6,344	1,777	67,730	345,719
Accumulated depreciation	(23,722)	(3,034)	(64,677)	(5,623)	(1,005)	—	(98,061)
Net carrying amount	79,159	1,261	98,015	721	772	67,730	247,658
	Buildings	Leasehold improvements	Machinery	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023							
At 1 January 2023:							
Cost	102,881	4,295	162,692	6,344	1,777	67,730	345,719
Accumulated depreciation	(23,722)	(3,034)	(64,677)	(5,623)	(1,005)	—	(98,061)
Net carrying amount	79,159	1,261	98,015	721	772	67,730	247,658
At 1 January 2023, net of accumulated depreciation	79,159	1,261	98,015	721	772	67,730	247,658
Additions	—	—	2,816	882	134	120,804	124,636
Disposals	—	—	(384)	(1)	—	—	(385)
Transfers	13,308	31	64,895	462	—	(82,973)	(4,277)
Depreciation provided during the year	(6,973)	(825)	(25,151)	(1,076)	(278)	—	(34,303)
At 31 December 2023, net of accumulated depreciation	85,494	467	140,191	988	628	105,561	333,329
At 31 December 2023							
Cost	116,189	4,326	228,649	7,676	1,911	105,561	464,312
Accumulated depreciation	(30,695)	(3,859)	(88,458)	(6,688)	(1,283)	—	(130,983)
Net carrying amount	85,494	467	140,191	988	628	105,561	333,329

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	Buildings	Leasehold improvements	Machinery	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024							
At 1 January 2024:							
Cost	116,189	4,326	228,649	7,676	1,911	105,561	464,312
Accumulated depreciation	(30,695)	(3,859)	(88,458)	(6,688)	(1,283)	—	(130,983)
Net carrying amount	85,494	467	140,191	988	628	105,561	333,329
At 1 January 2024, net of accumulated depreciation	85,494	467	140,191	988	628	105,561	333,329
Additions	—	—	3,082	3,474	3	135,262	141,821
Disposals	—	—	(596)	(27)	(3)	—	(626)
Transfers	49,901	1,540	25,709	6,063	—	(83,213)	—
Depreciation provided during the year	(9,344)	(306)	(24,646)	(2,420)	(245)	—	(36,961)
At 31 December 2024, net of accumulated depreciation	126,051	1,701	143,740	8,078	383	157,610	437,563
At 31 December 2024							
Cost	166,090	5,866	256,844	17,186	1,911	157,610	605,507
Accumulated depreciation	(40,039)	(4,165)	(113,104)	(9,108)	(1,528)	—	(167,944)
Net carrying amount	126,051	1,701	143,740	8,078	383	157,610	437,563

	Buildings	Leasehold improvements	Machinery	Furniture and fixtures	Motor vehicles	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 March 2025							
At 1 January 2025:							
Cost	166,090	5,866	256,844	17,186	1,911	157,610	605,507
Accumulated depreciation	(40,039)	(4,165)	(113,104)	(9,108)	(1,528)	—	(167,944)
Net carrying amount	126,051	1,701	143,740	8,078	383	157,610	437,563
At 1 January 2025, net of accumulated depreciation	126,051	1,701	143,740	8,078	383	157,610	437,563
Additions	—	—	186	98	3	18,999	19,286
Disposals	—	—	(22)	—	(1)	—	(23)
Transfers	—	—	1,826	264	—	(2,090)	—
Depreciation provided during the period	(2,694)	(114)	(6,325)	(797)	(38)	—	(9,968)
At 31 March 2025, net of accumulated depreciation	123,357	1,587	139,405	7,643	347	174,519	446,858
At 31 March 2025							
Cost	166,090	5,866	258,834	17,548	1,913	174,519	624,770
Accumulated depreciation	(42,733)	(4,279)	(119,429)	(9,905)	(1,566)	—	(177,912)
Net carrying amount	123,357	1,587	139,405	7,643	347	174,519	446,858

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group's leases consist of its buildings, warehouses and land use rights. The movements in right-of-use assets and lease liabilities during the Relevant Periods are as follows:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
(a) Right-of-use assets				
Carrying amount at the beginning of the year/period	19,269	29,071	28,388	31,165
Additions	13,756	4,120	9,155	–
Depreciation charge	(3,954)	(4,590)	(5,160)	(1,128)
Termination	–	(213)	(1,218)	–
Carrying amount at the end of the year/period	<u>29,071</u>	<u>28,388</u>	<u>31,165</u>	<u>30,037</u>
(b) Lease liabilities				
Carrying amount at the beginning of the year/period	5,271	1,504	1,897	5,281
New leases	75	4,033	9,155	–
Accretion of interest recognised during the year/period	164	149	216	59
Termination	–	(241)	(1,256)	–
Payments	(4,006)	(3,548)	(4,731)	(910)
Carrying amount at the end of the year/period	<u>1,504</u>	<u>1,897</u>	<u>5,281</u>	<u>4,430</u>
Analysed into:				
Current portion	1,264	1,897	2,433	1,685
Non-current portion	240	–	2,848	2,745
Maturity analysis:				
Within 1 year	1,264	1,897	2,433	1,685
1 to 2 years	240	–	1,342	1,283
2 to 5 years	–	–	1,506	1,462
Total	<u>1,504</u>	<u>1,897</u>	<u>5,281</u>	<u>4,430</u>

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

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Interest on lease liabilities	164	149	216	37	59
Depreciation charge of right-of-use assets	3,954	4,590	5,160	1,145	1,128
Expense relating to short term leases	2,682	4,160	2,601	670	392
Termination of leases	–	(28)	(38)	–	–
Total amount recognised in profit or loss	<u>6,800</u>	<u>8,871</u>	<u>7,939</u>	<u>1,852</u>	<u>1,579</u>

16. OTHER INTANGIBLE ASSETS

Group

	Software	Patents and licences	Deferred development costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2022				
At 1 January 2022:				
Cost	6,901	15,268	44,991	67,160
Accumulated amortisation	(1,563)	(2,022)	—	(3,585)
Net carrying amount	<u>5,338</u>	<u>13,246</u>	<u>44,991</u>	<u>63,575</u>
At 1 January 2022, net of accumulated amortisation	5,338	13,246	44,991	63,575
Additions	812	—	16,102	16,914
Transfers	—	37,727	(37,727)	—
Amortisation during the year	(694)	(4,282)	—	(4,976)
At 31 December 2022, net of accumulated amortisation	<u>5,456</u>	<u>46,691</u>	<u>23,366</u>	<u>75,513</u>
At 31 December 2022:				
Cost	7,713	52,995	23,366	84,074
Accumulated amortisation	(2,257)	(6,304)	—	(8,561)
Net carrying amount	<u>5,456</u>	<u>46,691</u>	<u>23,366</u>	<u>75,513</u>
	Software	Patents and licences	Deferred development costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023				
At 1 January 2023:				
Cost	7,713	52,995	23,366	84,074
Accumulated amortisation	(2,257)	(6,304)	—	(8,561)
Net carrying amount	<u>5,456</u>	<u>46,691</u>	<u>23,366</u>	<u>75,513</u>
At 1 January 2023, net of accumulated amortisation	5,456	46,691	23,366	75,513
Additions	273	—	26,652	26,925
Transfers	4,277	—	—	4,277
Amortisation during the year	(1,199)	(10,582)	—	(11,781)
At 31 December 2023, net of accumulated amortisation	<u>8,807</u>	<u>36,109</u>	<u>50,018</u>	<u>94,934</u>
At 31 December 2023:				
Cost	12,263	52,995	50,018	115,276
Accumulated amortisation	(3,456)	(16,886)	—	(20,342)
Net carrying amount	<u>8,807</u>	<u>36,109</u>	<u>50,018</u>	<u>94,934</u>

	Software	Patents and licences	Deferred development costs	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2024				
At 1 January 2024:				
Cost	12,263	52,995	50,018	115,276
Accumulated amortisation	(3,456)	(16,886)	—	(20,342)
Net carrying amount	<u>8,807</u>	<u>36,109</u>	<u>50,018</u>	<u>94,934</u>
At 1 January 2024, net of accumulated amortisation	8,807	36,109	50,018	94,934
Additions	221	—	38,712	38,933
Transfers	—	—	—	—
Amortisation during the year	(1,341)	(10,574)	—	(11,915)
At 31 December 2024, net of accumulated amortisation	<u>7,687</u>	<u>25,535</u>	<u>88,730</u>	<u>121,952</u>
At 31 December 2024:				
Cost	12,484	52,995	88,730	154,209
Accumulated amortisation	(4,797)	(27,460)	—	(32,257)
Net carrying amount	<u>7,687</u>	<u>25,535</u>	<u>88,730</u>	<u>121,952</u>

	Software	Patents and licences	Deferred development costs	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 March 2025				
At 1 January 2025:				
Cost	12,484	52,995	88,730	154,209
Accumulated amortisation	(4,797)	(27,460)	—	(32,257)
Net carrying amount	<u>7,687</u>	<u>25,535</u>	<u>88,730</u>	<u>121,952</u>
At 1 January 2025, net of accumulated amortisation	7,687	25,535	88,730	121,952
Additions	—	—	5,892	5,892
Transfers	—	—	—	—
Amortisation during the period	(338)	(2,644)	—	(2,982)
At 31 March 2025, net of accumulated amortisation	<u>7,349</u>	<u>22,891</u>	<u>94,622</u>	<u>124,862</u>
At 31 March 2025:				
Cost	12,484	52,995	94,622	160,101
Accumulated amortisation	(5,135)	(30,104)	—	(35,239)
Net carrying amount	<u>7,349</u>	<u>22,891</u>	<u>94,622</u>	<u>124,862</u>

Company

	Software	Patents and licences	Deferred development costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2022				
At 1 January 2022:				
Cost	6,897	15,268	34,406	56,571
Accumulated amortisation.	(1,561)	(2,022)	–	(3,583)
Net carrying amount	<u>5,336</u>	<u>13,246</u>	<u>34,406</u>	<u>52,988</u>
At 1 January 2022, net of accumulated amortisation	5,336	13,246	34,406	52,988
Additions	812	–	9,382	10,194
Transfers	–	37,727	(37,727)	–
Amortisation during the year	(693)	(4,282)	–	(4,975)
At 31 December 2022, net of accumulated amortisation	<u>5,455</u>	<u>46,691</u>	<u>6,061</u>	<u>58,207</u>
At 31 December 2022:				
Cost	7,709	52,995	6,061	66,765
Accumulated amortisation.	(2,254)	(6,304)	–	(8,558)
Net carrying amount	<u>5,455</u>	<u>46,691</u>	<u>6,061</u>	<u>58,207</u>
	Software	Patents and licences	Deferred development costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023				
At 1 January 2023:				
Cost	7,709	52,995	6,061	66,765
Accumulated amortisation.	(2,254)	(6,304)	–	(8,558)
Net carrying amount	<u>5,455</u>	<u>46,691</u>	<u>6,061</u>	<u>58,207</u>
At 1 January 2023, net of accumulated amortisation	5,455	46,691	6,061	58,207
Additions	255	–	15,008	15,263
Transfers	4,277	–	–	4,277
Amortisation during the year	(1,196)	(10,582)	–	(11,778)
At 31 December 2023, net of accumulated amortisation	<u>8,791</u>	<u>36,109</u>	<u>21,069</u>	<u>65,969</u>
At 31 December 2023:				
Cost	12,241	52,995	21,069	86,305
Accumulated amortisation.	(3,450)	(16,886)	–	(20,336)
Net carrying amount	<u>8,791</u>	<u>36,109</u>	<u>21,069</u>	<u>65,969</u>

	Software	Patents and licences	Deferred development costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024				
At 1 January 2024:				
Cost	12,241	52,995	21,069	86,305
Accumulated amortisation	(3,450)	(16,886)	—	(20,336)
Net carrying amount	8,791	36,109	21,069	65,969
At 1 January 2024, net of accumulated amortisation	8,791	36,109	21,069	65,969
Additions	221	—	37,218	37,439
Transfers	—	—	—	—
Amortisation during the year	(1,334)	(10,574)	—	(11,908)
At 31 December 2024, net of accumulated amortisation	7,678	25,535	58,287	91,500
At 31 December 2024:				
Cost	12,462	52,995	58,287	123,744
Accumulated amortisation	(4,784)	(27,460)	—	(32,244)
Net carrying amount	7,678	25,535	58,287	91,500
	Software	Patents and licences	Deferred development costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000
31 March 2025				
At 1 January 2025:				
Cost	12,462	52,995	58,287	123,744
Accumulated amortisation	(4,784)	(27,460)	—	(32,244)
Net carrying amount	7,678	25,535	58,287	91,500
At 1 January 2025, net of accumulated amortisation	7,678	25,535	58,287	91,500
Additions	—	—	5,892	5,892
Transfers	—	—	—	—
Amortisation during the period	(336)	(2,645)	—	(2,981)
At 31 March 2025, net of accumulated amortisation	7,342	22,890	64,179	94,411
At 31 March 2025:				
Cost	12,462	52,995	64,179	129,636
Accumulated amortisation	(5,120)	(30,105)	—	(35,225)
Net carrying amount	7,342	22,890	64,179	94,411

Impairment testing of deferred development costs

The management of the Group performed annual impairment testing during the Relevant Periods for deferred development costs. For impairment testing, deferred development costs are allocated to the cash-generating units ("CGUs"), which are supposed to be able to generate cash flows independently from those of the other products.

Impairment review on the deferred development costs of the Group is conducted by the management of the Group by engaging an independent qualified professional valuer, Jiangsu Zhongqihua Zhongtian Asset Appraisal Co., Ltd. ("Appraisal Expert"), to estimate the recoverable amount of the CGUs at the end of each year. For the purpose

of impairment review, the recoverable amount of the CGUs are determined based on the fair value less costs of disposal. The fair value of the deferred development costs was determined using the relief from royalty method, taking into account the nature of the assets, using cash flow projections and the royalty rates. The Group recognises development costs as follows:

CGUs/products	Beginning of capitalisation	Transferred into patents and licences
GW001	February 2021	N/A, has not put into commercial production
CF006/CF043	December 2022	N/A, has not put into commercial production
CF024	August 2024	N/A, has not put into commercial production

The management use ten years commencing from the date when the products are put into commercial production as the period for cash flow projections. The management considers the length of the forecast period is appropriate and consistent with industry practice.

With the assistance of the Appraisal Expert, the management determined the recoverable amount of the above CGUs based on the key assumptions, the carrying amounts of the three products during the Relevant Periods are as follows:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
GW001	17,305	28,950	30,443	30,443
CF006/CF043	6,061	21,068	38,379	39,778
CF024	N/A	N/A	19,908	24,401
Total	23,366	50,018	88,730	94,622

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of development costs:

(a) *The annual revenue growth rates*

	As at 31 December			As at 31 March
	2022	2023	2024	2025
GW001	9.98%-105.97%	17.01%-74.67%	16.64%-74.67%	16.64%-74.67%
CF006/CF043	10.00%-100.00%	15.00%-100.00%	15.00%-100.00%	15.00%-100.00%
CF024	N/A	N/A	2.01%-89.48%	2.01%-89.48%

The annual revenue growth rates for the forecast period were determined by the management based on their expectation for market and product development.

(b) *The royalty rates*

	As at 31 December			As at 31 March
	2022	2023	2024	2025
GW001	10%	12%	13%	13%
CF006/CF043	14%	11%	11%	11%
CF024	N/A	N/A	9%	9%

During the Relevant Periods, the royalty rates are determined according to the royalty rates of the industry and the adjustment coefficient.

(c) *The before-tax discount rates*

	As at 31 December			As at 31 March
	2022	2023	2024	2025
GW001	20.3%	19.7%	20.1%	20.1%
CF006/CF043	21.3%	18.6%	17.5%	17.5%
CF024	N/A	N/A	17.9%	17.9%

The before-tax discount rates used reflect specific risks relating to the CGUs.

Details of the headroom measured by excess of the recoverable amounts over the carrying amounts of the CGUs as of 31 December 2022, 2023 and 2024 and 31 March 2025 are set out as follows:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
GW001	9,695	6,050	7,557	9,557
CF006/CF043	2,939	5,932	12,621	14,222
CF024	N/A	N/A	11,092	11,599

(d) *Sensitivity analysis*

The Group performed the sensitivity analysis based on the assumption that annual revenue growth rates, before-tax discount rates and royalty rates have been changed. The following table sets out the impact of variations in each of the key assumptions. Had these estimated key assumptions been changed as follows, the headroom would have increased/(decreased) as follows:

GW001	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
The annual revenue growth rates increased by 5%	4,550	5,910	6,780	6,521
The annual revenue growth rates decreased by 5%	(3,530)	(5,490)	(5,360)	(6,102)
The royalty rates increased by 1%	3,160	3,920	4,410	4,000
The royalty rates decreased by 1%	(2,620)	(4,220)	(3,710)	(4,366)
The before-tax discount rates increased by 1%	(1,440)	(3,300)	(2,350)	(3,603)
The before-tax discount rates decreased by 1%	2,040	3,220	3,260	3,572
CF006/CF043	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
The annual revenue growth rates increased by 5%	4,510	8,039	8,873	9,821
The annual revenue growth rates decreased by 5%	(4,590)	(4,901)	(8,437)	(7,870)
The royalty rates increased by 1%	2,240	5,889	5,633	6,462
The royalty rates decreased by 1%	(3,450)	(3,821)	(6,267)	(5,694)
The before-tax discount rates increased by 1%	(2,210)	(1,641)	(3,127)	(3,025)
The before-tax discount rates decreased by 1%	2,160	4,809	2,513	4,057

CF024	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
The annual revenue growth rates increased by 5%	N/A	N/A	5,996	6,414
The annual revenue growth rates decreased by 5%	N/A	N/A	(4,814)	(4,931)
The royalty rates increased by 1% . .	N/A	N/A	3,826	4,908
The royalty rates decreased by 1% . .	N/A	N/A	(4,814)	(4,349)
The before-tax discount rates increased by 1%	N/A	N/A	(1,624)	(1,940)
The before-tax discount rates decreased by 1%	N/A	N/A	1,736	2,676

For the years ended 31 December 2022, 2023 and 2024 and the three months ended 31 March 2025, the management considered no reasonably possible change in the key assumptions mentioned above would cause the carrying amounts of the CGUs to exceed their recoverable amounts.

The management determined that there was no impairment of its CGUs as of 31 December 2022, 2023 and 2024 and 31 March 2025.

17. INVESTMENT IN AN ASSOCIATE

Group and Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year/period .	—	—	1,901	1,827
Additions	—	2,000	—	—
Share of profits and losses	—	(99)	(74)	(5)
At the end of the year/period	—	1,901	1,827	1,822

Particulars of the associate as at the end of the Relevant Periods are as follows:

Name	Place of incorporation	Registered share capital	Percentage of ownership interest attributable to the Company	Principal activity
Guangzhou Xingzhe Medical New Technology Co., Ltd* (廣州行者醫學新科技有限公司)	Guangzhou	RMB1,136,000	12	Research and development

* The English name of this company represents the best effort made by the management of the Company to directly translate the Chinese name as they do not register any official English name.

In April 2023, the Group acquired a 12% equity interest in Guangzhou Xingzhe Medical New Technology Co., Ltd ('Guangzhou Xingzhe'). As the Group can appoint one director of Guangzhou Xingzhe under the articles of association, the Group has the power to participate in the financial and operating policy decisions of Guangzhou Xingzhe and therefore can exercise significant influence over Guangzhou Xingzhe.

As at 31 December 2023, 31 December 2024 and 31 March 2025, the carrying amount of Group's investment in an associate were RMB1,901,000, RMB1,827,000 and RMB1,822,000, which are not considered material to the Historical Financial Information of the Group. The investment in an associate is accounted for using the equity method.

18. OTHER NON-CURRENT ASSETS

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments of long-term assets . . .	43,271	19,851	15,806	18,216
Personal loans	488	388	488	358
Impairment allowance	(464)	(388)	(433)	(358)
Total	<u>43,295</u>	<u>19,851</u>	<u>15,861</u>	<u>18,216</u>

19. INVENTORIES

Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	14,158	15,577	23,888	24,594
Work in progress	6,334	5,493	13,645	7,674
Finished goods	<u>7,799</u>	<u>15,028</u>	<u>9,647</u>	<u>9,082</u>
Total	<u>28,291</u>	<u>36,098</u>	<u>47,180</u>	<u>41,350</u>

Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	14,158	15,577	23,380	24,099
Work in progress	6,334	5,493	13,645	7,657
Finished goods	<u>4,818</u>	<u>9,066</u>	<u>5,561</u>	<u>5,175</u>
Total	<u>25,310</u>	<u>30,136</u>	<u>42,586</u>	<u>36,931</u>

20. TRADE RECEIVABLES

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	9,407	3,021	28,567	50,202
Impairment	(470)	(151)	(1,437)	(2,510)
Trade receivables, net	<u>8,937</u>	<u>2,870</u>	<u>27,130</u>	<u>47,692</u>

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

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year.	<u>8,937</u>	<u>2,870</u>	<u>27,130</u>	<u>47,692</u>

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

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year/period	57	470	151	1,437
Impairment losses, net	<u>413</u>	<u>(319)</u>	<u>1,286</u>	<u>1,073</u>
At end of year/period.	<u>470</u>	<u>151</u>	<u>1,437</u>	<u>2,510</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days invoiced for groupings of various customer segments with similar loss patterns (by customer type and rating). 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.

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year				
Expected credit loss rate	5.00%	5.00%	5.00%	5.00%
Gross carrying amount	9,407	3,021	28,567	50,202
Expected credit losses	<u>(470)</u>	<u>(151)</u>	<u>(1,437)</u>	<u>(2,510)</u>

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

Group

		As at 31 December			As at 31 March
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Prepayments		14,065	18,645	22,164	19,911
Deposits and other receivables	(a)	5,561	5,500	6,102	5,403
Value-Added Tax ("VAT") recoverable.		–	1,900	3,382	3,714
Others		2,714	11,803	5,145	5,317
Impairment allowance		<u>(1,466)</u>	<u>(2,397)</u>	<u>(2,006)</u>	<u>(2,003)</u>
Total		<u>20,874</u>	<u>35,451</u>	<u>34,787</u>	<u>32,342</u>

(a) Deposits and other receivables are unsecured, non-interest-bearing and repayable on demand.

Except for certain loss allowance provided for other receivables, the financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. In calculating the expected credit loss rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data. During the Relevant Periods, the Group estimated that the expected credit loss rate for other receivables and deposits was minimal.

Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments	6,979	9,021	12,615	10,700
Deposits and other receivables	1,678	2,087	2,252	1,750
Value-Added Tax ("VAT") recoverable	—	—	—	—
Due from subsidiaries	14,832	49,248	89,206	98,206
Others	2,712	11,804	5,144	5,316
Impairment allowance	(594)	(824)	(778)	(853)
Total	<u>25,607</u>	<u>71,336</u>	<u>108,439</u>	<u>115,119</u>

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

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	<u>236,389</u>	<u>330,847</u>	<u>266,063</u>	<u>215,850</u>

Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	<u>236,389</u>	<u>330,847</u>	<u>266,063</u>	<u>215,850</u>

The financial assets at fair value through profit or loss above were structured deposits issued by commercial banks. They were classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest and they were held for trading.

23. CASH, BANK BALANCES AND RESTRICTED CASH

Group

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Cash and cash equivalents	74,838	70,612	81,937	90,001
Time deposits with maturities over three months	109,679	–	–	–
Restricted cash-current portion:				
Restricted for bills payable	5,255	19,164	5,118	6,175
Restricted for others	1	1	1	1
Total	<u>189,773</u>	<u>89,777</u>	<u>87,056</u>	<u>96,177</u>
Denominated in:				
RMB	158,561	78,609	82,299	93,137
HKD	10	–	45	42
CHF	–	13	–	–
EUR	–	–	395	2
USD	31,202	11,155	4,317	2,996
Total	<u>189,773</u>	<u>89,777</u>	<u>87,056</u>	<u>96,177</u>

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Cash and cash equivalents	49,149	55,605	71,327	81,967
Time deposits with maturities over three months	109,679	–	–	–
Restricted cash-current portion:				
Restricted for bills payable	5,255	12,241	2,391	2,765
Restricted for others	1	1	1	1
Total	<u>164,084</u>	<u>67,847</u>	<u>73,719</u>	<u>84,733</u>
Denominated in:				
RMB	151,235	64,395	73,709	84,397
CHF	–	13	–	–
USD	12,849	3,439	10	336
Total	<u>164,084</u>	<u>67,847</u>	<u>73,719</u>	<u>84,733</u>

24. TRADE AND BILLS PAYABLES**Group**

The trade payables are non-interest-bearing and are normally settled within two months.

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	7,862	8,042	15,469	14,920
Bills payable	5,255	19,164	5,118	6,174
Total	<u>13,117</u>	<u>27,206</u>	<u>20,587</u>	<u>21,094</u>

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year.	12,480	26,132	19,576	20,811
Over 1 year.	637	1,074	1,011	283
Total	<u>13,117</u>	<u>27,206</u>	<u>20,587</u>	<u>21,094</u>

Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	11,175	9,692	19,352	16,847
Bills payable	5,255	12,241	2,391	2,765
Total	<u>16,430</u>	<u>21,933</u>	<u>21,743</u>	<u>19,612</u>

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year.	16,041	21,524	21,396	19,333
Over 1 year.	389	409	347	279
Total	<u>16,430</u>	<u>21,933</u>	<u>21,743</u>	<u>19,612</u>

25. OTHER PAYABLES AND ACCRUALS**Group**

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Contract liability.	21,795	35,354	6,459	5,512
Payroll and welfare payable.	23,804	30,392	31,819	18,835
Other tax payable	5,830	2,411	4,120	2,742
Payable for purchase of property, plant and equipment	16,714	20,889	50,711	51,101

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Service fee payable	33,943	42,298	85,130	72,537
Others	20,722	10,202	25,883	23,554
Total	<u>122,808</u>	<u>141,546</u>	<u>204,122</u>	<u>174,281</u>

Other payables and accruals were trade in nature, non-interest-bearing and repayable on demand.

Company

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Contract liability	21,790	35,353	6,459	5,512
Payroll and welfare payable	22,750	28,663	29,846	17,067
Other tax payable	5,572	2,384	3,907	2,627
Payable for purchase of property, plant and equipment	14,989	19,077	37,387	39,172
Service fee payable	33,548	42,186	85,130	72,537
Others	20,651	9,961	24,950	22,999
Total	<u>119,300</u>	<u>137,624</u>	<u>187,679</u>	<u>159,914</u>

26. INTEREST-BEARING BORROWINGS

Group and Company

As at 31 December 2023			
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans – unsecured	3	2024	816
Non-current			
Bank loans – unsecured	3	2026	19,200
Total			<u>20,016</u>

As at 31 December 2024			
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans – unsecured	2.45-2.95	2025	18,466
Non-current			
Bank loans – unsecured	2.45-2.85	2026-2027	55,350
Total			<u>73,816</u>

As at 31 March 2025			
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank loans – unsecured	2.45-2.95	2025	10,882
Non-current			
Bank loans – unsecured	2.45-2.85	2026-2027	63,491
Total			<u>74,373</u>

Note: During the Relevant Periods, the unsecured bank loan of RMB20,000,000, with a maturity date on 27 March 2027, is subject to three covenants that require:

- (1) Gearing ratio less than 75%. The gearing ratio was 23.18% as at 31 March 2025.
- (2) Contingent liability ratio less than 200%. The contingent liability ratio was 0% as at 31 March 2025.
- (3) Net cash flows generated from operating activities must not be negative for three consecutive years. Net cash flows generated from operating activities were positive in 2022, 2023 and 2024.

The Group considers there is no indication that it will have difficulties in complying with these covenants.

27. DEFERRED TAX

Group

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

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Tax losses	356,653	163,423	225,107	223,341
Deductible temporary differences	—	408	5,082	5,129
Total	<u>356,653</u>	<u>163,831</u>	<u>230,189</u>	<u>228,470</u>

The Group had tax losses of RMB356,653,000, RMB163,423,000, RMB225,107,000 and RMB223,341,000 at 31 December 2022, 2023 and 2024 and 31 March 2025, respectively, mainly arising from subsidiaries in the United States. The tax losses of the subsidiaries in the United States will not expire for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that sufficient taxable profits will be available against which the tax losses can be utilised.

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

	Provision and accruals	Government grants	Lease liabilities	Share-Based payments	Losses available for offsetting against future taxable profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022 and 31 December 2021	576	5,771	1,120	3,570	54,102	65,139
Deferred tax credited to profit or loss during the year	<u>741</u>	<u>1,145</u>	<u>(769)</u>	<u>4,002</u>	<u>16,676</u>	<u>21,795</u>
As at 1 January 2023 and 31 December 2022	1,317	6,916	351	7,572	70,778	86,934
Deferred tax credited to profit or loss during the year	<u>1,353</u>	<u>(1,747)</u>	<u>(56)</u>	<u>(269)</u>	<u>7,212</u>	<u>6,493</u>
As at 1 January 2024 and 31 December 2023	2,670	5,169	295	7,303	77,990	93,427

	Provision and accruals	Government grants	Lease liabilities	Share-Based payments	Losses available for offsetting against future taxable profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Deferred tax credited to profit or loss during the year	1,526	(528)	219	1,393	(423)	2,187
As at 1 January 2025 and 31 December 2024	4,196	4,641	514	8,696	77,567	95,614
Deferred tax credited to profit or loss during the period	235	(131)	(107)	1,002	236	1,235
As at 31 March 2025 . .	4,431	4,510	407	9,698	77,803	96,849

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

	Right-of-use assets	Changes in fair value of financial assets	Accrued interest on time deposits	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022 and 31 December 2021	1,120	110	1,440	2,670
Deferred tax credited to profit or loss during the year	(638)	237	980	579
As at 1 January 2023 and 31 December 2022	482	347	2,420	3,249
Deferred tax credited to profit or loss during the year	(150)	(220)	(2,420)	(2,790)
As at 1 January 2024 and 31 December 2023	332	127	–	459
Deferred tax credited to profit or loss during the year	250	32	–	282
As at 1 January 2025 and 31 December 2024	582	159	–	741
Deferred tax credited to profit or loss during the period	(108)	(45)	–	(153)
As at 31 March 2025	474	114	–	588

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Net deferred tax assets recognised in the consolidated statements of financial position	83,685	92,968	94,873	96,261
Net deferred tax liabilities recognised in the consolidated statements of financial position . .	–	–	–	–

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 August 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

As at the end of each of the Relevant Periods, no deferred tax has been recognised for withholding taxes as the Group's subsidiaries incorporated in Mainland China have no such earnings to distribute to their foreign investors from 1 January 2008.

Company

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

	Provision and accruals	Government grants	Lease liabilities	Share-Based payments	Losses available for offsetting against future taxable profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022 and 31 December 2021	568	5,771	1,120	3,428	49,259	60,146
Deferred tax credited to profit or loss during the year	<u>493</u>	<u>1,145</u>	<u>(869)</u>	<u>3,848</u>	<u>11,819</u>	<u>16,436</u>
As at 1 January 2023 and 31 December 2022	1,061	6,916	251	7,276	61,078	76,582
Deferred tax credited to profit or loss during the year	<u>661</u>	<u>(1,747)</u>	<u>1</u>	<u>(540)</u>	<u>2,905</u>	<u>1,280</u>
As at 1 January 2024 and 31 December 2023	1,722	5,169	252	6,736	63,983	77,862
Deferred tax credited to profit or loss during the year	<u>(150)</u>	<u>(528)</u>	<u>262</u>	<u>1,086</u>	<u>(3,103)</u>	<u>(2,433)</u>
As at 1 January 2025 and 31 December 2024	1,572	4,641	514	7,822	60,880	75,429
Deferred tax credited to profit or loss during the period	<u>37</u>	<u>(131)</u>	<u>(107)</u>	<u>939</u>	<u>(563)</u>	<u>175</u>
As at 31 March 2025 . .	<u>1,609</u>	<u>4,510</u>	<u>407</u>	<u>8,761</u>	<u>60,317</u>	<u>75,604</u>

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

	Right-of-use assets	Changes in fair value of financial assets	Accrued interest on time deposits	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022 and 31 December 2021	1,120	110	1,440	2,670
Deferred tax credited to profit or loss during the year	(740)	237	980	477
As at 1 January 2023 and 31 December 2022	380	347	2,420	3,147
Deferred tax credited to profit or loss during the year	(94)	(220)	(2,420)	(2,734)
As at 1 January 2024 and 31 December 2023	286	127	–	413
Deferred tax credited to profit or loss during the year	296	32	–	328
As at 1 January 2025 and 31 December 2024	582	159	–	741
Deferred tax credited to profit or loss during the period	(108)	(45)	–	(153)
As at 31 March 2025	<u>474</u>	<u>114</u>	<u>–</u>	<u>588</u>

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Company for financial reporting purposes:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Net deferred tax assets recognised in the statements of financial position of the Company	73,435	77,449	74,688	75,016
Net deferred tax liabilities recognised in the statements of financial position of the Company	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

28. DEFERRED INCOME

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Government grants	<u>863</u>	<u>19,457</u>	<u>15,938</u>	<u>15,065</u>

29. OTHER NON-CURRENT LIABILITIES

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Government grants	<u>15,000</u>	<u>15,000</u>	<u>–</u>	<u>–</u>

The Group's other non-current liabilities mainly represented government grants related to long-term assets in production and research with attached conditions and government acceptance requirements. The other non-current liabilities were mainly transferred to deferred income upon the compliance of the Group with the conditions attached to the grants and the government acknowledgement of acceptance.

30. SHARE CAPITAL

A summary of movements in the Company's issued share capital during the Relevant Periods is as follows:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Issued and fully paid:				
Ordinary shares	370,780	370,780	370,780	370,780
Total	<u>370,780</u>	<u>370,780</u>	<u>370,780</u>	<u>370,780</u>

Prior to the Relevant Periods, the Company entered into respective shareholders' agreements and share subscription agreements (collectively, the "Pre-IPO Investors Agreements") with various pre-IPO Investors (collectively, the "Pre-IPO Investors") and issued ordinary shares thereto with a total consideration of approximately RMB1,462.2 million (collectively, the "Pre-IPO Investments") with the respective par value being recorded as share capital and the remainder as reserves. Pursuant to the Pre-IPO Investors Agreements, the Pre-IPO Investors were granted by the Company with redemption rights and liquidation preferences rights.

There was no exercise of redemption rights and liquidation preferences rights granted by the Company throughout the Relevant Periods.

On 31 March 2023, the Company and the Pre-IPO Investors subsequently entered into supplemental agreements (the "Supplemental Agreements"), agreeing that the redemption rights and liquidation preferences rights granted by the Company have been irrecoverably terminated and shall be void ab initio. Taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the Supplemental Agreements, the directors considered that it is appropriate to present the Pre-IPO Investments as equity throughout the Relevant Periods.

Had the redemption rights and liquidation preferences rights granted by the Company to the Pre-IPO Investors been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the Supplemental Agreements in March 2023, (i) the redemption financial liabilities, total non-current liabilities and net assets would have been:

	As at 31 December 2022
	RMB'000
Redemption financial liabilities	1,972,023
Total non-current liabilities	1,988,126
Net assets	(1,110,097)

; and (ii) the finance costs associated with the redemption financial liabilities, and the net loss for the year, basic and diluted loss per share would have been:

	For the year ended 31 December	
	2022	2023
	RMB'000	RMB'000
Finance costs associated with the redemption financial liabilities	154,196	39,990
Total net loss	203,595	8,264
Basic and diluted loss per share (expressed in RMB)	0.55	0.02

31. RESERVES

The amounts of the Group's reserves and the movements therein are presented in the consolidated statements of changes in equity on pages I-9 to I-11 of the Historical Financial Information.

32. SHARE-BASED PAYMENTS

The Company established five employee incentive platforms and adopted share award schemes (the "Schemes") for the purpose of providing incentives and rewards to eligible employees who contribute to the success of the Group's operations. During the Relevant Periods, the Group granted the shares of the Company under the Schemes through Suzhou Minmei Investment Management Enterprise (Limited Partnership) ("Suzhou Minmei"), Suzhou Wolun Enterprise Management Center (Limited Partnership) ("Suzhou Wolun"), Suzhou Yuanchen Enterprise Management Center (Limited Partnership) ("Suzhou Yuanchen"), Suzhou Yuansheng Enterprise Management Partnership (Limited Partnership) ("Suzhou Yuansheng") and Suzhou Dachen Enterprise Management Partnership (Limited Partnership) ("Suzhou Dachen") which were set up in the PRC in April 2017, September 2020, September 2020, May 2023 and May 2023, respectively.

In 2022, the Company transferred the shares held by the resigned employees of the year to other employees designated by the Company, and recognised the share-based payment amounting to RMB9,924,000 based on the stock price of the Company evaluated by the evaluation agency on 31 December 2022 after deducting the cash payment received from the selected employees.

The Group implemented a new round of equity incentive plan on 25 May 2023, and the grant amount and waiting period are determined according to the employees' positions and special contributions. In the first half of 2023, the Group transferred the shares held by the resigned employees of the period to other employees designated by the Company, and recognised the share-based payment after deducting the cash payment received from the selected employees based on the share price of the Company assessed by the evaluation agency on 31 December 2022. In the second half of 2023, the Group transferred the shares held by the resigned employees of the period to other employees designated by the Company, and recognised the share-based payment after deducting the cash payment received from the selected employees based on the share price of the Company assessed by the evaluation agency on 31 December 2023.

In the first half of 2024, the Group transferred the shares held by the resigned employees of the period to other employees designated by the Company, and recognised the share-based payment after deducting the cash payment received from the selected employees based on the share price of the Company assessed by the evaluation agency on 31 December 2023. In the second half of 2024, the Group transferred the shares held by the resigned employees of the period to other employees designated by the Company, and recognised the share-based payment after deducting the cash payment received from the selected employees based on the share price of the Company assessed by the evaluation agency on 31 December 2024.

In the first quarter of 2025, the Group transferred the shares held by the resigned employees of the period to other employees designated by the Company, and recognised the share-based payment after deducting the cash payment received from the selected employees based on the share price of the Company assessed by the evaluation agency on 31 December 2024.

Restricted share units ("RSUs") granted to directors and employees

	Weighted average fair value	Number of RSUs
	<i>RMB per share</i>	<i>'000</i>
At 1 January 2022.		2,292
Granted	30	336
Vested	27	(429)
Forfeited	22	(283)
At 31 December 2022		<u>1,916</u>

	Weighted average fair value	Number of RSUs
	RMB per share	'000
Exercisable as of 31 December 2022		
At 1 January 2023.		1,916
Granted	33	1,459
Vested	22	(302)
Forfeited	22	(50)
At 31 December 2023		3,023
Exercisable as of 31 December 2023		
At 1 January 2024.		3,023
Granted	35	104
Vested	26	(312)
Forfeited	27	(401)
At 31 December 2024		2,414
Exercisable as of 31 December 2024		
At 1 January 2025.		2,414
Granted	33	143
Vested	32	(152)
Forfeited	34	(77)
At 31 March 2025.		2,328
Exercisable as of 31 March 2025		

The fair value of the restricted shares as at the grant date was determined using the discounted cash flow model. Major inputs used for the determination of the fair value of shares are listed as follows:

	At grant date
The annual revenue growth rates	3.3-94.9%
The before-tax discount rates	15.1-17.5%

During the Relevant Periods and the three months ended 31 March 2024, the share-based payment costs charged into consolidated statements of profit or loss were amounted to RMB15,920,000, RMB16,680,000, RMB7,823,000, RMB6,412,000 and RMB3,242,000, respectively, the share-based payment costs capitalised in deferred development costs were amounted to RMB233,000, RMB278,000, RMB642,000, RMB104,000 and RMB96,000, respectively.

33. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods and the three months ended 31 March 2024, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB75,000, RMB4,033,000, RMB9,155,000, nil and nil, respectively, in respect of lease arrangements for plant and equipment.

(b) Changes in liabilities arising from financing activities

Year ended 31 December 2022

	Interest-bearing borrowings	Lease liabilities
	RMB'000	RMB'000
At 1 January 2022.	—	5,271
Changes from financing cash flows	—	(4,006)

	Interest-bearing borrowings	Lease liabilities
	RMB'000	RMB'000
New leases	—	75
Interest expense (<i>note 7</i>)	—	164
At 31 December 2022	—	1,504

Year ended 31 December 2023

	Interest-bearing borrowings	Lease liabilities
	RMB'000	RMB'000
At 1 January 2023.	—	1,504
Changes from financing cash flows	20,000	(3,548)
New leases	—	4,033
Interest expense (<i>note 7</i>)	16	149
Termination of lease contracts	—	(241)
At 31 December 2023	20,016	1,897

Year ended 31 December 2024

	Interest-bearing borrowings	Lease liabilities
	RMB'000	RMB'000
At 1 January 2024.	20,016	1,897
Changes from financing cash flows	52,233	(4,731)
New leases	—	9,155
Interest expense (<i>note 7</i>)	1,567	216
Termination of lease contracts	—	(1,256)
At 31 December 2024	73,816	5,281

Three months ended 31 March 2024

	Interest-bearing borrowings	Lease liabilities
	RMB'000 (unaudited)	RMB'000 (unaudited)
At 1 January 2024.	20,016	1,897
Changes from financing cash flows	29,860	(1,045)
New leases	—	—
Interest expense (<i>note 7</i>)	152	37
Termination of lease contracts	—	—
At 31 March 2024.	50,028	889

Three months ended 31 March 2025

	Interest-bearing borrowings	Lease liabilities
	RMB'000	RMB'000
At 1 January 2025.	73,816	5,281
Changes from financing cash flows	49	(910)
New leases	—	—
Interest expense (<i>note 7</i>).	508	59
Termination of lease contracts	—	—
At 31 March 2025.	<u>74,373</u>	<u>4,430</u>

(c) Total cash outflow for leases

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

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Within operating activities.	2,682	4,160	2,601	670	392
Within financing activities.	<u>4,006</u>	<u>3,548</u>	<u>4,731</u>	<u>1,045</u>	<u>910</u>
Total	<u>6,688</u>	<u>7,708</u>	<u>7,332</u>	<u>1,715</u>	<u>1,302</u>

34. COMMITMENTS

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

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Contracted, but not provided for:				
Property, plant and equipment	<u>143,051</u>	<u>134,366</u>	<u>108,710</u>	<u>81,728</u>

The Group has no lease contracts that have not yet commenced as at 31 March 2025.

The Group has various lease contracts that have not yet commenced as at 31 December 2024, The future lease payments for these non-cancellable lease contracts are RMB689 due within one year, RMB0 due in the second to fifth years, inclusive and RMB0 due after five years.

The Group has various lease contracts that have not yet commenced as at 31 December 2023, The future lease payments for these non-cancellable lease contracts are RMB2,725 due within one year, RMB1,164 due in the second to fifth years, inclusive and RMB0 due after five years.

The Group has various lease contracts that have not yet commenced as at 31 December 2022, The future lease payments for these non-cancellable lease contracts are RMB2,215 due within one year, RMB0 due in the second to fifth years, inclusive and RMB0 due after five years.

35. RELATED PARTY TRANSACTIONS

Related parties during the Relevant Periods were as follows:

Name	Relationship with the Company
Kalliste Systems, Inc. ("Kalliste")	Significantly influenced by the spouse of Dr. LI LI BOVET, a member of the Company's single largest group of shareholders
Chengdu Shangyi Information Technology Co., Ltd. ("Chengdu Shangyi")	The company whose chairman Mr. LEI Zhen served as a director of the Company until his departure in October 2020
Jiangsu Jintai Medical Equipment Co., Ltd. ("Jiangsu Jintai")	A subsidiary of a company whose shareholder and former director Ms. WANG Simian, was also a director of the Company until her departure in July 2020
Etienne Bovet	Immediate family of Dr. LI LI BOVET, a member of the Company's single largest group of shareholders
Jean-Marc Bovet.	Immediate family of Dr. LI LI BOVET, a member of the Company's single largest group of shareholders

In addition to the transactions detailed elsewhere in the Historical Financial Information, the Group had the following transactions with related parties during the Relevant Periods and the three months ended 31 March 2024:

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Purchases of services:					
Jiangsu Jintai	3,389	3,177	—	—	—
Chengdu Shangyi	—	410	—	—	—
Etienne Bovet	66	—	—	—	—
Purchases of other intangible assets:					
Kalliste	220	—	—	—	—

Outstanding balances with related parties

Amounts due from related parties:

	As at 31 December			As at 31 March	
	2022	2023	2024	2025	
	RMB'000	RMB'000	RMB'000	RMB'000	
Trade related:					
Jiangsu Jintai	2,476	—	—	—	—
Total	2,476	—	—	—	—

Amounts due to related parties:

	As at 31 December			As at 31 March	
	2022	2023	2024	2025	
	RMB'000	RMB'000	RMB'000	RMB'000	
Trade related:					
Chengdu Shangyi	250	660	660	660	
Total	250	660	660	660	

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Non-trade related:				
Jean-Marc Bovet	1,250	—	—	—
Total	1,250	—	—	—

Compensation of key management personnel of the Group

Compensation of key management personnel of the Group, which comprises the directors' and chief executive's remuneration as disclosed in note 9 to the Historical Financial Information, is as follows:

	Year ended 31 December			Three months ended 31 March	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Salaries, allowances and benefits in kind	4,941	5,765	5,854	2,436	1,031
Share-based payment expense	10,819	4,634	4,500	793	4,871
Pension scheme contributions	322	378	420	101	78
Total	16,082	10,777	10,774	3,330	5,980

Redemption rights of the Pre-IPO Investors granted by the Single Largest Group of Shareholders as defined in Prospectus

Prior to the Relevant Periods, the Pre-IPO Investors had been granted the redemption right by certain members of the Single Largest Group of Shareholders (collectively, the "SLS Redemption Right"). The Company is not a party to the SLS Redemption Right. Pursuant to another supplemental agreement entered into by the Company and the Shareholders in November 2024, the SLS Redemption right was terminated prior to the first submission of the listing application to the Stock Exchange.

The Company has not provided any form of guarantee in connection with any potential default or failure by the Single Largest Group of Shareholders to fulfill their obligations relating to SLS redemption right. Accordingly, no financial liability regarding SLS Redemption Right was recorded during the Relevant Periods.

36. FINANCIAL INSTRUMENTS BY CATEGORY

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

As at 31 December 2022

Financial assets

	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
	RMB'000	RMB'000	RMB'000
Financial assets included in other non-current assets	24	—	24
Trade receivables	8,937	—	8,937

	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
	RMB'000	RMB'000	RMB'000
Financial assets included in other receivables and other assets	4,567	—	4,567
Financial assets at fair value through profit or loss	—	236,389	236,389
Restricted cash and Time deposits	114,935	—	114,935
Cash and cash equivalents	74,838	—	74,838
Total	<u>203,301</u>	<u>236,389</u>	<u>439,690</u>

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	13,117
Financial liabilities included in other payables and accruals	56,189
Lease liabilities	1,504
Total	<u>70,810</u>

For the details of Pre-IPO Investments, please refer to note 30 to this report.

As at 31 December 2023**Financial assets**

	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
	RMB'000	RMB'000	RMB'000
Trade receivables	2,870	—	2,870
Financial assets included in other receivables and other assets	3,591	—	3,591
Financial assets at fair value through profit or loss	—	330,847	330,847
Restricted cash and Time deposits	19,165	—	19,165
Cash and cash equivalents	70,612	—	70,612
Total	<u>96,238</u>	<u>330,847</u>	<u>427,085</u>

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	27,206
Financial liabilities included in other payables and accruals	68,209
Interest-bearing borrowings	20,016
Lease liabilities	1,897
Total	<u>117,328</u>

As at 31 December 2024

Financial assets

	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	–	266,063	266,063
Trade receivables	27,130	–	27,130
Financial assets included in other receivables and other assets	4,139	–	4,139
Restricted cash and time deposits	5,119	–	5,119
Cash and cash equivalents	81,937	–	81,937
Total	<u>118,325</u>	<u>266,063</u>	<u>384,388</u>

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	20,587
Financial liabilities included in other payables and accruals	143,865
Interest-bearing borrowings	73,816
Lease liabilities	<u>5,281</u>
Total	<u>243,549</u>

As at 31 March 2025

Financial assets

	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	–	215,850	215,850
Trade receivables	47,692	–	47,692
Financial assets included in other receivables and other assets	3,444	–	3,444
Restricted cash and time deposits	6,176	–	6,176
Cash and cash equivalents	90,001	–	90,001
Total	<u>147,313</u>	<u>215,850</u>	<u>363,163</u>

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables	21,094
Financial liabilities included in other payables and accruals	131,447
Interest-bearing borrowings	74,373
Lease liabilities	<u>4,430</u>
Total	<u>231,344</u>

37. 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 their fair values, are as follows:

	Carrying amounts				Fair values			
	2022	2023	2024	31 March 2025	2022	2023	2024	31 March 2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets								
Financial assets at fair value through profit or loss	236,389	330,847	266,063	215,850	236,389	330,847	266,063	215,850

Management has assessed that the fair values of cash and cash equivalents, financial assets included in prepayments, other receivables and other assets, 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 fair values of interest-bearing 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 Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the directors of the Company periodically for financial reporting.

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

The Group invests in structured deposit products issued by banks in Mainland China. The Group has estimated the fair values 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.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

As at 31 December 2022:

	Fair value measurement categorized into			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	Total
	(Level 1)	(Level 2)	(Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	–	236,389	–	236,389
	=	=	=	=

As at 31 December 2023:

	Fair value measurement categorized into			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	
	RMB'000	RMB'000	RMB'000	
Financial assets at fair value through profit or loss	—	330,847	—	330,847
	=	=	=	=

As at 31 December 2024:

	Fair value measurement categorized into			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	
	RMB'000	RMB'000	RMB'000	
Financial investments at fair value through profit or loss	—	266,063	—	266,063
	=	=	=	=

As at 31 March 2025:

	Fair value measurement categorized into			Total
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	
	RMB'000	RMB'000	RMB'000	
Financial investments at fair value through profit or loss	—	215,850	—	215,850
	=	=	=	=

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise financial assets at fair value through profit or loss, cash and cash equivalents and financial liabilities such as interest-bearing borrowings. 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 other receivables and other 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 summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's loss before tax (through the impact on floating rate borrowings) and the Group's equity.

	Increase/(decrease) in basis points	Increase/(decrease) in loss before tax	Increase/(decrease) in equity
		RMB'000	RMB'000
Year ended 31 December 2023	100/(100)	6/(6)	6/(6)
Year ended 31 December 2024	100/(100)	449/(449)	449/(449)
Three months ended 31 March 2025.	100/(100)	184/(184)	184/(184)

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from purchases by operating units in currencies other than the units' functional currencies.

The following table demonstrates the sensitivity at the end of the relevant periods to a reasonably possible change in the USD and RMB exchange rate, with all other variables held constant, of the Group's loss before tax (due to changes in the fair values of monetary assets and liabilities) and the Group's equity.

	Increase/(decrease) in rate of foreign currency	Increase/(decrease) in loss before tax	Increase/(decrease) in equity
	%	RMB'000	RMB'000
Year ended 31 December 2022			
If RMB weakens against US\$	5	1,560	1,560
If RMB strengthens against US\$	(5)	(1,560)	(1,560)
Year ended 31 December 2023			
If RMB weakens against US\$	5	558	558
If RMB strengthens against US\$	(5)	(558)	(558)
Year ended 31 December 2024			
If RMB weakens against US\$	5	216	216
If RMB strengthens against US\$	(5)	(216)	(216)
Three months ended 31 March 2025.			
If RMB weakens against US\$	5	150	150
If RMB strengthens against US\$	(5)	(150)	(150)

Credit risk

The Group trades only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods. The amounts presented are gross carrying amounts for financial assets.

31 December 2022

	12 months ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets included in					
other non-current assets . . .	488	—	—	—	488
Trade receivables	—	—	—	9,407	9,407

	12 months ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets included in other receivables and other assets	4,034	—	2,000	—	6,034
Restricted cash and time deposits	114,935	—	—	—	114,935
Cash and cash equivalents . . .	74,838	—	—	—	74,838
Total	<u>194,295</u>	<u>—</u>	<u>2,000</u>	<u>9,407</u>	<u>205,702</u>

31 December 2023

	12 months ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets included in other non-current assets . . .	388	—	—	—	388
Trade receivables	—	—	—	3,021	3,021
Financial assets included in other receivables and other assets	2,989	—	3,000	—	5,989
Restricted cash and time deposits	19,165	—	—	—	19,165
Cash and cash equivalents . . .	70,612	—	—	—	70,612
Total	<u>93,154</u>	<u>—</u>	<u>3,000</u>	<u>3,021</u>	<u>99,175</u>

31 December 2024

	12 months ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets included in other non-current assets . . .	488	—	—	—	488
Trade receivables	—	—	—	28,567	28,567
Financial assets included in other receivables and other assets	3,145	—	3,000	—	6,145
Restricted cash and time deposits	5,119	—	—	—	5,119
Cash and cash equivalents . . .	81,937	—	—	—	81,937
Total	<u>90,689</u>	<u>—</u>	<u>3,000</u>	<u>28,567</u>	<u>122,256</u>

31 March 2025

	12 months ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets included in other non-current assets . . .	358	—	—	—	358
Trade receivables	—	—	—	50,202	50,202
Financial assets included in other receivables and other assets	2,447	—	3,000	—	5,447
Restricted cash and time deposits	6,176	—	—	—	6,176
Cash and cash equivalents . . .	90,001	—	—	—	90,001
Total	<u>98,982</u>	<u>—</u>	<u>3,000</u>	<u>50,202</u>	<u>152,184</u>

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

Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

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

31 December 2022

	Within 1 year	1 to 2 years	2 to 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills payables	13,117	—	—	13,117
Financial liabilities included in other payables and accruals	56,189	—	—	56,189
Lease liabilities	1,301	244	—	1,545
Total	<u>70,607</u>	<u>244</u>	<u>—</u>	<u>70,851</u>

31 December 2023

	Within 1 year	1 to 2 years	2 to 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills payables	27,206	—	—	27,206
Financial liabilities included in other payables and accruals	68,209	—	—	68,209
Interest-bearing borrowings	816	2,126	18,070	21,012
Lease liabilities	2,475	—	—	2,475
Total	<u>98,706</u>	<u>2,126</u>	<u>18,070</u>	<u>118,902</u>

31 December 2024

	Within 1 year	1 to 2 years	2 to 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills payables	20,587	–	–	20,587
Financial liabilities included in other payables and accruals	143,865	–	–	143,865
Interest-bearing borrowings	18,466	20,717	37,916	77,099
Lease liabilities	2,472	1,398	1,621	5,491
Total	<u>185,390</u>	<u>22,115</u>	<u>39,537</u>	<u>247,042</u>

31 March 2025

	Within 1 year	1 to 2 years	2 to 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills payables	21,094	–	–	21,094
Financial liabilities included in other payables and accruals	131,447	–	–	131,447
Interest-bearing borrowings	11,035	42,739	24,414	78,188
Lease liabilities	2,403	1,382	1,524	5,309
Total	<u>165,979</u>	<u>44,121</u>	<u>25,938</u>	<u>236,038</u>

Capital management

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

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

The Group monitors capital using a gearing ratio, which is total liabilities divided by total assets. The gearing ratio as at the end of each of the Relevant Periods is as follows:

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Total assets	<u>1,015,218</u>	<u>1,135,145</u>	<u>1,259,026</u>	<u>1,247,980</u>
Total liabilities	<u>153,292</u>	<u>225,122</u>	<u>319,744</u>	<u>289,243</u>
Gearing ratio	<u>15.10%</u>	<u>19.83%</u>	<u>25.40%</u>	<u>23.18%</u>

39. EVENTS AFTER THE RELEVANT PERIODS

The Group has evaluated the events subsequent to 31 March 2025 and noted there were no significant subsequent events.

40. SUBSEQUENT FINANCIAL STATEMENTS

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