QUALITY OF EARNINGS AND ACCOUNTING RISK REPORT

Atlantis Semiconductor Ltd

FISCAL RANGE	INDUSTRY	DOCUMENTS READ
FY2022–FY2025	Semiconductors & Semiconductor Equipment	3



FY2025 RATING

Mixed accounting signals

FY2025 rating · lower accounting risk than 96% of listed companies · score quality highly robust

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AI-written text · figures from the filings or computed in code

Not investment, credit, audit or legal advice

Transparently can make mistakes. Its red flags are a tool: check them against the filings.

Sample study, shown under an invented company name. It illustrates the service and is not investment advice.

AT A GLANCE · FY2025 RATING

Mixed accounting signals

A+

Less risky than 96%

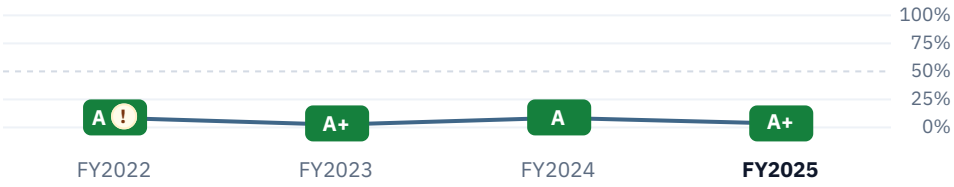
Lower accounting risk — Higher accounting risk

Lower accounting risk than 96% of listed companies
Lower accounting risk than 96% of companies in its industry
Compared with about 227,000 years of accounts from listed companies worldwide, 2019-2023.

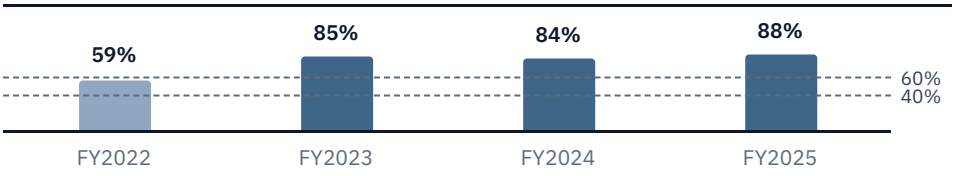
ACCOUNTING RISK VS LISTED COMPANIES	FLAGGED INDICATORS	SERIOUS FINDINGS	CASH COVER
Less risky than **96%**	**9** + 19 watch	**0** of 29	**1.07** ×
From FY2022 (less risky than 91%) to FY2025 (less risky than 96%)	of 106 read for FY2025	0 critical · 0 high · 17 medium	operating cash over profit before tax, FY2025

RISK TRAJECTORY

Accounting risk vs listed companies

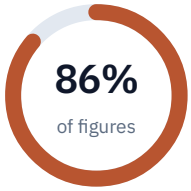


How much of the analysis could be computed



fully rated · rated with a caution · A rating needs 40%; a full reading 60%.

HOW MUCH WAS READ



extraction coverage of the figures the analysis looks for



analysis computed · a rating needs 40% · a full reading 60%

THE FIVE MOST SERIOUS FINDINGS

1	Medium	**Capitalised development costs climb every year** FY2025 · Document review	(atlantis-annual-report-2025.pdf · p.2)
2	Medium	**Auditor flags capitalisation judgement every year** FY2025 · Document review	(atlantis-annual-report-2025.pdf · p.4)
3	Medium	**Distributor stocking terms stretched beyond standard credit** FY2025 · Document review	(atlantis-annual-report-2023.pdf · p.12)
4	Medium	**Equipment lives lengthened, lowering depreciation** FY2025 · Document review	(atlantis-annual-report-2025.pdf · p.3)
5	Medium	**Unusually steady income beside profit-lifting estimates** FY2025 · Indicator analysis	*Reads Volatility of Net Income · Income with Respect to Smoothing*

01

THE ANSWER

Executive summary

The rating for the headline year, the main threads behind it, and the verdict.

VERDICT FOR FY2025

ITEM	VALUE	WHAT IT MEANS
Rating	A+	Accounting risk for the year, from A+ (lowest) to F (highest)
Accounting risk vs listed companies	Less risky than 96% of listed companies	Where the year sits among listed companies worldwide, all industries
Accounting risk within its industry	Less risky than 96% of companies in its industry	Where the year sits among companies in its industry, on the same readings
Financial pressure vs listed companies	Less risky than 83% of listed companies	Strain in the finances (debt, margins, working capital, distress scores), the kind that can push a company to flatter its accounts
Financial pressure within its industry	Less risky than 85% of companies in its industry	Strain in the finances (debt, margins, working capital, distress scores), the kind that can push a company to flatter its accounts
Warning signs in the accounts vs listed companies	Less risky than 92% of listed companies	Signs in the accounts themselves, such as accruals, cash against profit, asset quality, restatements and the audit opinion
Warning signs in the accounts within its industry	Less risky than 90% of companies in its industry	Signs in the accounts themselves, such as accruals, cash against profit, asset quality, restatements and the audit opinion
Years rated	FY2025, FY2024, FY2023, FY2022	
Years not rated	None	
Score quality	Highly robust	The share of the year's indicators that could be computed, each counted once: Highly robust from 75%, Robust from 50%, Fragile from 25%
Extraction coverage	86.0%	The share of the line items Transparently looks for that it found in the filings
Analysis computed	87.5%	Above the 60% a full reading needs
Confidence	High	How far to rely on this reading, from coverage and how the figures were read
Reporting quality	Strong	What the filings themselves show, such as the audit opinion, restatements and whether the statements add up

The rating draws on more than this report shows: alongside the indicators set out here, Transparently's assessment uses other sources and indicators, not all of which appear in the report.

MOST SIGNIFICANT OBSERVATIONS

OBSERVATION	YEAR	SOURCE	PAGE
Capitalised development costs climb every year	2025	atlantis-annual-report-2025.pdf	atlantis-annual-report-2025.pdf · p.2
Auditor flags capitalisation judgement every year	2025	atlantis-annual-report-2025.pdf	atlantis-annual-report-2025.pdf · p.4
Distributor stocking terms stretched beyond standard credit	2025	atlantis-annual-report-2023.pdf	atlantis-annual-report-2023.pdf · p.12

KEY FINDINGS

Each rated year reads at low accounting risk, and the filings name the judgements behind the concerns.

- Intangible Assets climb every year and sit near the top among companies in the industry, a rise the filings explain as capitalised development spending the auditor flags (atlantis-annual-report-2025.pdf · p.2) (atlantis-annual-report-2025.pdf · p.4).
- Credit terms stretch beyond the standard range for stocking distributors, collection days lengthen each computed year, and the loss allowance covers a smaller share of a larger book (atlantis-annual-report-2023.pdf · p.12) (atlantis-annual-report-2023.pdf · p.12).
- Income reads unusually steadily beside profit-lifting estimates: capitalised development across the span, longer equipment lives from 2024 (atlantis-annual-report-2025.pdf · p.3).
- The affiliate reading tops companies in its industry among those reporting the line at all, with associate sales modest against revenue (atlantis-annual-report-2025.pdf · p.13).
- Against those, opinions are unqualified, no figures were restated, digit patterns conform, and operating cash ran ahead of profit throughout.

VERDICT

The latest rated year reads as low accounting risk, and the filings name the judgements behind what concern there is. The earliest rated year carries a reduced-reliability caution: fewer of its checks could be computed, so that reading is indicative rather than conclusive. The filings show capitalised development spending growing every year, a judgement the auditor flags as a key audit matter (atlantis-annual-report-2025.pdf · p.2) (atlantis-annual-report-2025.pdf · p.4). Credit terms stretched for stocking distributors and lengthening collection days sit beside it (atlantis-annual-report-2023.pdf · p.12). Against those, opinions are unqualified, no figures were restated, and operating cash ran ahead of profit throughout.

Transparently removed one statement from this section because it could not be verified against the study's data.

02

IN THE FILINGS

Forensic narrative

What the filings show when they are read together, and the passages the reading rests on.

IN SHORT

The accounts present a clean surface, and the estimates beneath it move reported profit in the company's favour throughout. Unqualified audits, no restatements and operating cash ahead of profit argue the numbers hold up. The rating stays in the top band. The concern is a pattern of profit-lifting judgements, led by capitalised development cost (atlantis-annual-report-2025.pdf · p.2), stretched distributor credit terms (atlantis-annual-report-2023.pdf · p.12) and longer equipment lives (atlantis-annual-report-2025.pdf · p.3).

WHAT THE READING TURNS ON

The reading turns on judgements where the indicator readings and the filings tell the same story.

- Capitalised development cost. The filings show development spending that meets the recognition criteria written into an asset rather than expensed (atlantis-annual-report-2025.pdf · p.2). The capitalised amount climbs in every year the filings cover, keeping product spending off the income statement. The Intangible Assets reading sits near the top of companies in Semiconductors & Semiconductor Equipment. The auditor names management's feasibility and future-benefit judgements as a key audit matter in each year from 2023 (atlantis-annual-report-2025.pdf · p.4).
- Distributor credit terms. Collection days lengthen in every computed year. The filings disclose credit terms stretched well beyond the standard range for stocking distributors, so part of reported growth rests on company-financed channel stock (atlantis-annual-report-2023.pdf · p.12). Receivables against equity sit in the upper range of companies in its industry. The loss allowance covers a smaller share of a larger book over the same span (atlantis-annual-report-2023.pdf · p.12). Neither reading amounts to a finding of misstatement. Each is a reason to look closer.

OTHER PRESSURES

Other readings add to the concern. The filings print no underlying or adjusted profit measure to take at face value.

- Income with Respect to Smoothing reads elevated from 2023, and reported profit sits among the steadiest in its industry. The elevation predates the equipment-life change.
- The Depreciation Index reads elevated where the equipment-life change took effect. The calibration calls it expected, but the change favours the company (atlantis-annual-report-2025.pdf · p.3).
- The Affiliates reading tops companies in its industry only among the few that report the line, and the amounts stay small against profit.

WHAT THE COMPANY'S CONTEXT EXPLAINS

The declared context, a scaling and asset-light semiconductor business under IFRS, explains several readings and sharpens the rest. The calibration reads soft assets, capital spending, investing activity and the bankruptcy score as normal for this model. They do not count against the books. The context also marks intangibles, receivables and margins for a harder look, and the elevated readings land exactly there. Nothing in a scaling, asset-light model calls for credit terms stretched to stocking distributors, longer equipment lives or income this steady. The calibration treats none of those readings as normal. The context does not dispose of the estimates that lift reported profit.

WHAT ARGUES AGAINST CONCERN

Much in the filings argues the books can be trusted. The auditor's opinions are unqualified with full scope in every tested year, and no later filing re-presents any earlier figure. Reported figures conform to the natural digit pattern throughout, with no departure the chance evidence can detect. Operating cash ran ahead of operating profit in every computed year, and the composite manipulation score stays below its warning zones. Each flagged judgement carries its own disclosed explanation. The life change is prospective and follows a stated review of utilisation (atlantis-annual-report-2025.pdf · p.3). The distributor terms are printed in the receivables note. The associate sales are small and stated to be on normal commercial terms (atlantis-annual-report-2025.pdf · p.13).

WHAT THE RECORD CAN'T SETTLE

The filings leave questions the record cannot settle. 2022 stands untested on the auditor's opinion, the audit scope and the standards basis, because no audit report could be read for that year. The receivables and cash-cycle trends have no opening baseline, so the lengthening cannot be traced to where it began. Whether the associate's profits ever return as dividends is untested. Working capital absorbs a widening share of operating cash, and cash tax falls further behind the charge. The tax and receivables notes would settle both. The study's own data limits sit under Reporting quality.

IN THE FILINGS' OWN WORDS

> “Development spending that meets the criteria of HKAS 38 is capitalised and amortised over five years once a product enters production; in 2025 we capitalised HK$132,700 thousand of development cost, compared with HK$98,400 thousand a year earlier.” (atlantis-annual-report-2025.pdf · p.2)

> “The Group grants credit terms of 60 to 90 days; terms of up to 120 days were agreed with two automotive distributors during the year.” (atlantis-annual-report-2023.pdf · p.12)

> “From 1 January 2024 the Group revised the estimated useful life of its wafer test and probe equipment from eight to ten years, following a review of its utilisation; the change is applied prospectively and lowered the depreciation charge for the year.” (atlantis-annual-report-2025.pdf · p.3)

> "The Group capitalises development costs when the criteria of HKAS 38 are met. We assessed management's judgement on technical feasibility and the probability of future economic benefits for the projects capitalised in the year." (atlantis-annual-report-2025.pdf · p.4)

> "Trade receivables, gross 297,207 251,432 Loss allowance (7,451) (6,930)" (atlantis-annual-report-2023.pdf · p.12)

03

TWO READINGS

Auditor & investor theses

The strongest case each way, and the evidence each rests on.

LINE ITEMS THE OBSERVATIONS TOUCH

LINE ITEM	OBSERVATIONS	HIGHEST SEVERITY	YEAR	MOST SEVERE
Additions to Intangible Assets (Note)	3	Medium	2025	Capitalised development costs climb every year
Intangible Assets	3	Medium	2025	The same finding
R&D Expense	3	Medium	2025	The same finding
Depreciation Expense	2	Medium	2025	Equipment lives lengthened, lowering depreciation
Depreciation and Amortisation (Cash Flow)	2	Medium	2025	The same finding
Net Fixed Assets	2	Medium	2025	The same finding
Revenue/Sales	2	Medium	2025	Distributor stocking terms stretched beyond standard credit
Trade Receivables	2	Medium	2025	The same finding
Operating Income	1	Medium	2025	Cost capitalisation policy disclosed, FY2023, FY2024, FY2025 filings
Own Work Capitalised	1	Medium	2025	The same finding
Provision for Bad Debts	1	Medium	2025	Revenue recognition policy disclosed, FY2023, FY2024, FY2025 filings

FIGURES A LATER FILING RESTATED

No restatement moved a core figure or reached medium severity.

THE CONSTRUCTIVE CASE

The filings leave a reading of the books as sound as the flagged items allow. The rating sits in its top band in each year with highly robust score quality. The manipulation screen stays below its warning zones, and the digit tests find no departure. The auditor's opinions are unqualified on fully audited accounts in each year from 2023, and no filing re-presents an earlier figure. Operating cash ran ahead of operating profit in every computed year. Each flagged item carries its own disclosed explanation. The life change is disclosed and prospective (atlantis-annual-report-2025.pdf · p.3). The distributor terms sit printed in the receivables note (atlantis-annual-report-2023.pdf · p.12). Associate sales are small on stated normal commercial terms (atlantis-annual-report-2025.pdf · p.13). A higher Earnings reading and a lower Total Debt to Earnings reading count as risk in the rating's arithmetic while meaning the opposite alone. The Forensic narrative weighs each point.

THE SCEPTICAL CASE

The same record supports a sceptical reading the rating's band does not settle. Capitalised development has grown in every covered year, moving product spend off the income statement (atlantis-annual-report-2025.pdf · p.2). The auditor names that judgement as a key audit matter across the span (atlantis-annual-report-2025.pdf · p.4). Receivables turn more slowly each computed year while collection days lengthen. Credit terms ran beyond the standard range for stocking distributors (atlantis-annual-report-2023.pdf · p.12). The loss allowance covers a thinner share of a larger book (atlantis-annual-report-2023.pdf · p.12). Equipment lives were lengthened in a change the filing says lowered depreciation (atlantis-annual-report-2025.pdf · p.3). Income reads unusually steady beside those profit-lifting estimates. Affiliate income tops a thin reporting population, with dividend returns untested. The Forensic narrative weighs each point, and none is a finding of misstatement.

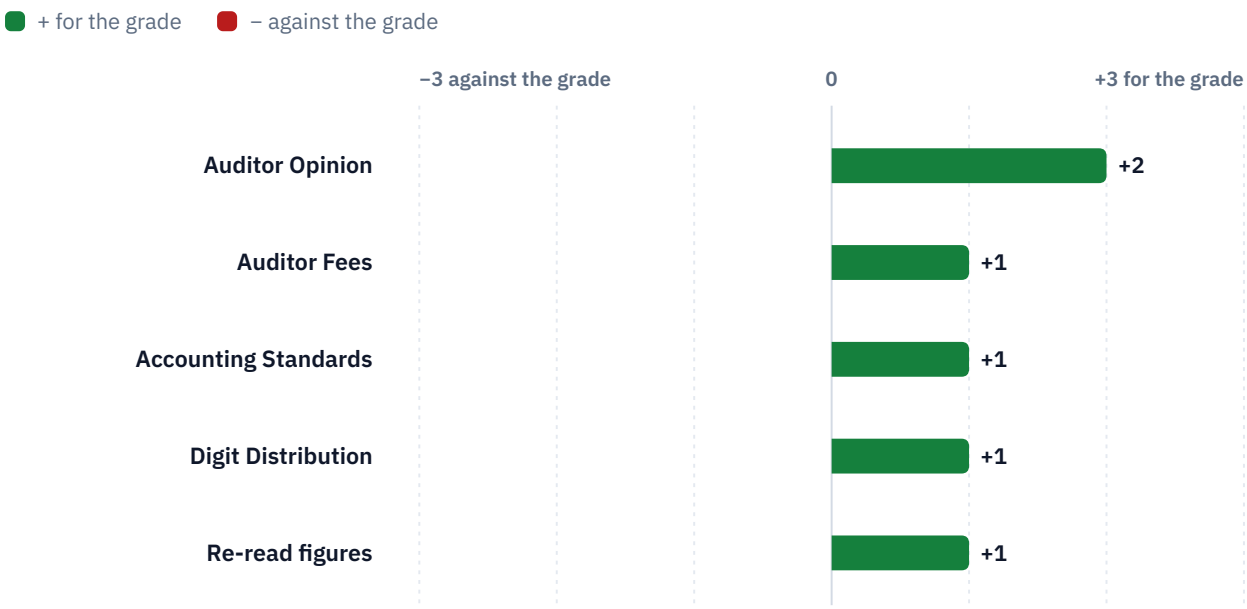
04
REPORTING

Reporting quality

How well the filings report: the observations behind the grade, for and against.

I Strong On a scale from I Strong to V Poor; net points +6. It describes the filings, not the company.

FIGURE 4 **Points for and against the grade** 5 observations



WHAT THE REPORTING QUALITY GRADE WAS READ FROM

ITEM	SOURCE
Reporting quality	I Strong
The audit opinion is unmodified.	Auditor Opinion
Audit fees moved +7% against the prior year.	Auditor Fees
The filings state the accounting framework they were prepared under.	Accounting Standards
No departure from the expected digit distribution is detectable in the 75 figures tested.	Digit Distribution
24 published figures could not be checked against a figure that was not confirmed; every other published figure passes the statement identities it takes part in.	Statement identities
3% of the published figures were not confirmed by a second reading.	Re-read figures

Study quality says how much of the analysis the data allowed; reporting quality describes the filings. Neither is a judgement of the company.

REPORTING INTEGRITY

The filings read Strong on reporting quality, and the study behind this report reads Substantial on study quality. The reporting grade was read from the audit opinion, which is unmodified; from audit fees, which moved against the prior year; from the filings' statement of the accounting framework; and from the digit-distribution check, which found no departure from the expected distribution in the figures tested. The statement identities passed for published figures a second reading confirmed; the remainder could not be checked that way. Neither grade is a judgement of the company.

Extraction coverage is graded Complete and score quality is described as highly robust. Confidence in the result is high, and nothing forces the band down. What the data did not allow is:

- The accrual quality, working capital accrual quality, discretionary accruals and Business Model analyses did not run: they need longer runs of consecutive annual figures than the filings reach back for.
- Growth and Smoothing are partly held back for the same reason.
- The real activity analyses await an industry comparison not yet available.
- Preferred Equity remained unconfirmed, holding back the Asset Sales, Cost of Goods Sold and SG&A Expenses categories and part of the Valuation analysis.

05 Deal implications

FOR THE READER

For a reader who has already decided to make an investment: what to prioritise, what to do and what to look into. Transparently makes no recommendation on whether to make it.

DILIGENCE PRIORITIES

#	OBSERVATION	SEVERITY	SOURCE	PAGE
1	Capitalised development costs climb every year	Medium	atlantis-annual-report-2025.pdf	atlantis-annual-report-2025.pdf · p.2
2	Auditor flags capitalisation judgement every year	Medium	atlantis-annual-report-2025.pdf	atlantis-annual-report-2025.pdf · p.4
3	Distributor stocking terms stretched beyond standard credit	Medium	atlantis-annual-report-2023.pdf	atlantis-annual-report-2023.pdf · p.12
4	Equipment lives lengthened, lowering depreciation	Medium	atlantis-annual-report-2025.pdf	atlantis-annual-report-2025.pdf · p.3

#	OBSERVATION	SEVERITY	SOURCE	PAGE
5	Unusually steady income beside profit-lifting estimates	Medium	Computed from Income with Respect to Smoothing, Volatility of Net Income	—
6	Intangibles climb, mechanism named in filings	Medium	Computed from Combined Risk In Assets Valuation, Intangible Assets, Soft Assets Ratio	—
7	Cost capitalisation policy disclosed, FY2023, FY2024, FY2025 filings	Medium	atlantis-annual-report-2025.pdf	atlantis-annual-report-2025.pdf · p.3
8	Revenue recognition policy disclosed, FY2023, FY2024, FY2025 filings	Medium	atlantis-annual-report-2025.pdf	atlantis-annual-report-2025.pdf · p.3

12 lower-severity findings are not listed; the Findings tab lists every finding.

VALUATION

The capitalised development balance and the receivables book deserve particular care in valuation work built on these accounts.

- Capitalised development has grown in each year the filings cover and rests on management's judgement of future benefits. The auditor names that judgement a key audit matter (atlantis-annual-report-2025.pdf · p.2) (atlantis-annual-report-2025.pdf · p.4).
- Receivables turn more slowly in each computed year, with credit terms for stocking distributors disclosed past the standard range. Some recent revenue growth rests on stock financed by the company's own credit (atlantis-annual-report-2023.pdf · p.12).
- The credit-loss allowance covers a smaller share of a larger book, so a receivables valuation leans on the company's own provisioning (atlantis-annual-report-2023.pdf · p.12).
- Income with Respect to Smoothing reads elevated.

DILIGENCE

Diligence would settle whether the earnings-favourable judgements the filings disclose are backed by cash and by products that earn.

- The capitalisation workings for each development project, which would show how management judged technical feasibility and future economic benefits while the capitalised balance grows (atlantis-annual-report-2025.pdf · p.2) (atlantis-annual-report-2025.pdf · p.4).
- The distributor stocking agreements and collections under them, which would establish how much recent revenue rests on credit terms extended past the company's standard range (atlantis-annual-report-2023.pdf · p.12) (atlantis-annual-report-2025.pdf · p.12).
- The utilisation review behind the lengthened equipment lives, which would show the evidence for a lower depreciation charge applied prospectively (atlantis-annual-report-2025.pdf · p.3) (atlantis-annual-report-2025.pdf · p.3).
- The associate's dividend record and the pricing of sales to it, which would test whether affiliate income returns as cash or stays a carrying value (atlantis-annual-report-2025.pdf · p.13).

- The credit-loss model against the larger receivables book, which would show whether the thinner allowance share reflects risk or arithmetic (atlantis-annual-report-2023.pdf · p.12).

POST-INVESTMENT PRIORITIES

Once invested, the same judgements deserve watching for drift rather than re-examination from the start.

- Capitalised development additions against the research expense charged, where the filings show the additions running ahead (atlantis-annual-report-2023.pdf · p.2) (atlantis-annual-report-2024.pdf · p.2).
- Receivable days and collections from the stocking distributors, against the standard credit range the filings disclose (atlantis-annual-report-2023.pdf · p.12) (atlantis-annual-report-2025.pdf · p.3).
- Any further lengthening of equipment lives or of the amortisation period applied to development cost (atlantis-annual-report-2025.pdf · p.3).
- The cushion of operating cash over operating profit, which narrowed steadily while staying positive.
- Sales to the associate, whose aggregate disclosure makes changes in size or terms visible only slowly (atlantis-annual-report-2025.pdf · p.13).

FIRST HUNDRED DAYS AFTER INVESTING

The first thing to establish is whether the extended-term receivables turned into cash.

- Collections after the latest year end from the stocking distributors, which would confirm or qualify the newest revenue (atlantis-annual-report-2023.pdf · p.12) (atlantis-annual-report-2025.pdf · p.3).
- The newest capitalisation additions, to see whether the balance the auditor flags is still growing (atlantis-annual-report-2025.pdf · p.4).
- Operating cash against operating profit in the newest period, where the cushion has been narrowing.

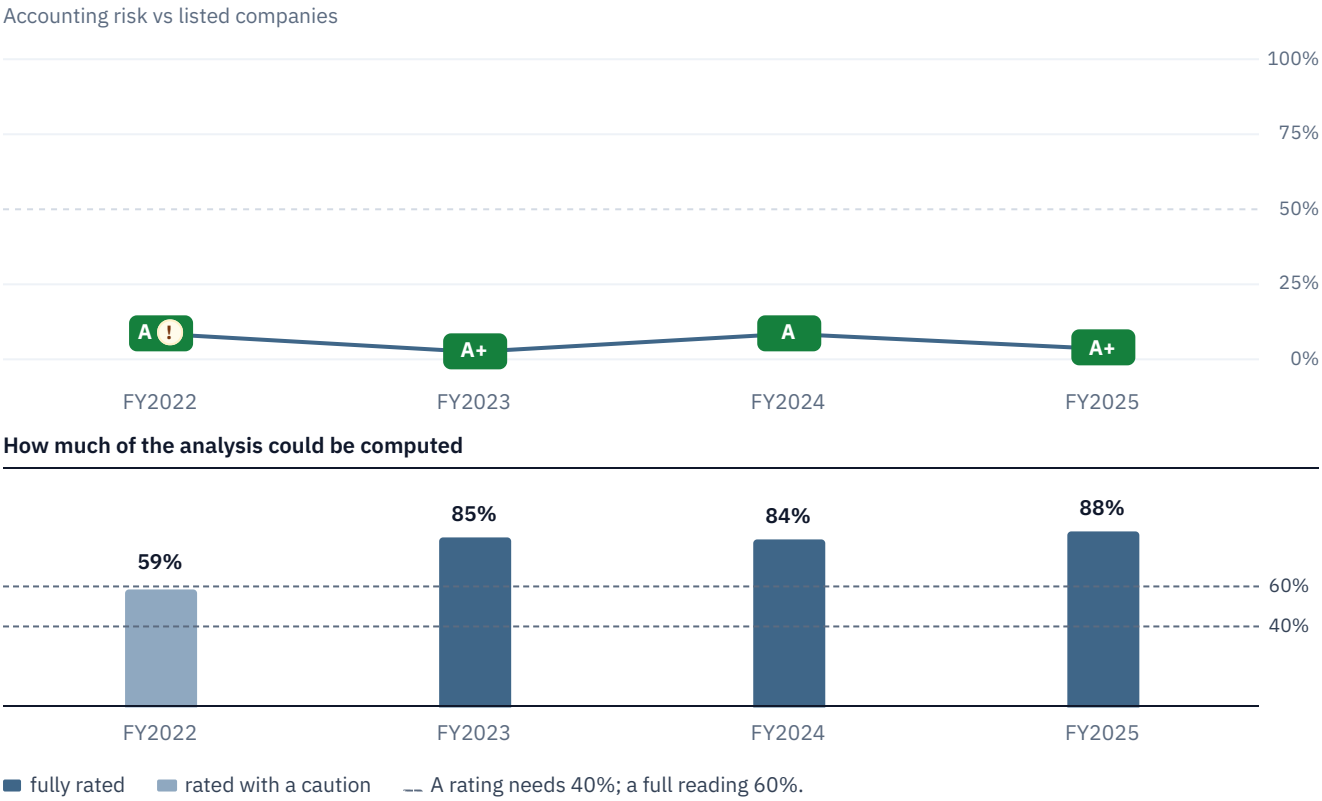
06
OVER TIME

Risk trajectory

Each year's accounting risk vs listed companies, beside how much of the analysis could be computed that year.

FIGURE 6 **Accounting risk vs listed companies and how much of the analysis could be computed, by year**

FY2022–FY2025



RISK BY FISCAL YEAR

YEAR	RATING	ACCOUNTING RISK VS LISTED COMPANIES	ACCOUNTING RISK WITHIN ITS INDUSTRY	SCORE QUALITY	ANALYSIS COMPUTED	LEADING INDICATOR
FY2025	A+	Less risky than 96% of listed companies	Less risky than 96%	Highly robust	87.5%	Earnings (Basic Earnings Power Ratio)
FY2024	A	Less risky than 91% of listed companies	Less risky than 91%	Highly robust	83.5%	Earnings (Basic Earnings Power Ratio)
FY2023	A+	Less risky than 97% of listed companies	Less risky than 98%	Highly robust	84.9%	Earnings (Basic Earnings Power Ratio)
FY2022	A (reduced reliability)	Less risky than 91% of listed companies	Less risky than 91%	Fragile	58.9%	Earnings (Basic Earnings Power Ratio)

Within its industry: compared with companies in Semiconductors & Semiconductor Equipment.

Reduced reliability: the rating for FY2022 (58.9%) rests on fewer indicators computed than the 60% a full reading needs. Read it as indicative, not conclusive.

TREND

The headline rating stays in the top band every year, and what changes is the mix of measures.

FY2022 is the thinnest year, reading A with reduced reliability and a fragile score quality. FY2023 reads A+ as coverage widens, opening the capitalisation and distributor-terms story. FY2024 reads A, the year the useful-life change took effect, with the Depreciation Index elevated and Income with Respect to Smoothing at its highest standing. FY2025 returns to A+ with a highly robust score and the widest coverage. Days Sales Outstanding, receivables against equity and the Digit Distribution Deviation Score edge toward the risky side, though Days Sales Outstanding reads normal that year. The fuller picture is where the filings' questions sit.

07

EVIDENCE

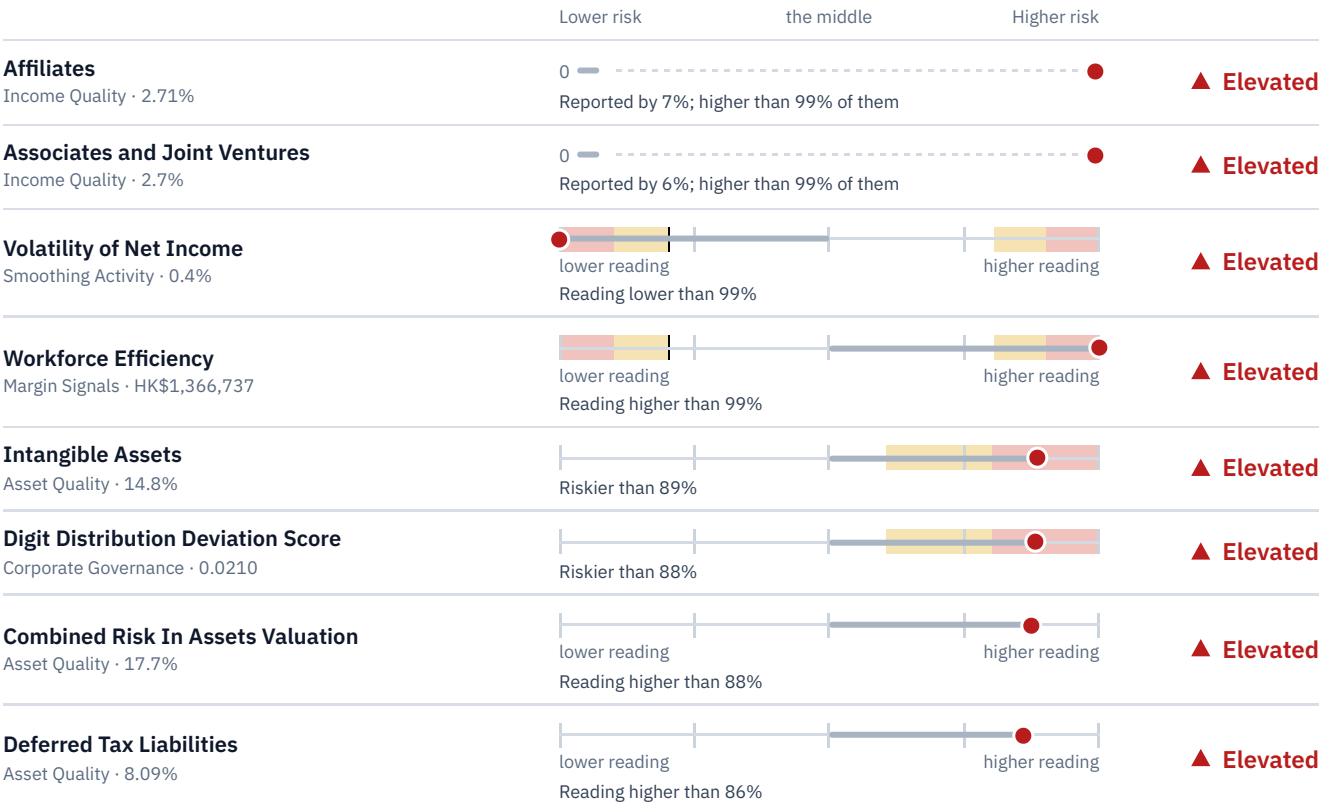
Detailed risk indicator analysis

Where each flagged indicator sits among the companies it is compared with in the headline year.

FIGURE 7 **Where the flagged indicators sit** FY2025 · against companies in Semiconductors & Semiconductor Equipment

The 10 riskiest of the 28 flagged.

Elevated: the riskiest 20% Watch: the next 20% Shaded at both ends: either end can raise risk
No shading: Transparently doesn't state which end of the scale is riskier for this indicator.
Split at 0: placed only among the companies on its side of zero



Leases Level
Gearing · 3.21%



▲ Elevated

Cash Flow From Investing Activities
Investing Activity · 14.8%



◆ Watch

INDICATORS FLAGGED FOR THE HEADLINE YEAR

INDICATOR	CATEGORY	VALUE	POSITION	TREND	RISK LEVEL	STATUS
Affiliates	Income Quality	2.71%	Reported by 7%; higher than 99% of them	Falling over 4 years	Elevated	Computed
Associates and Joint Ventures	Income Quality	2.7%	Reported by 6%; higher than 99% of them	Falling over 4 years	Elevated	Computed
Volatility of Net Income	Smoothing Activity	0.4%	Reading lower than 99%	—	Elevated	Computed
Workforce Efficiency	Margin Signals	HK$1,366,737	Reading higher than 99%	Rising over 3 years	Elevated	Computed
Intangible Assets	Asset Quality	14.8%	Higher risk than 89%	Rising over 4 years	Elevated	Computed
Digit Distribution Deviation Score	Corporate Governance	0.0210	Higher risk than 88%	Rising over 4 years	Elevated	Computed
Combined Risk In Assets Valuation	Asset Quality	17.7%	Reading higher than 88%	Rising over 4 years	Elevated	Computed
Deferred Tax Liabilities	Asset Quality	8.09%	Reading higher than 86%	Rising over 3 years	Elevated	Computed
Leases Level	Gearing	3.21%	Higher risk than 81%	Falling over 4 years	Elevated	Computed
Cash Flow From Investing Activities	Investing Activity	14.8%	Higher risk than 80%	Rising over 3 years	Watch	Computed
Income with Respect to Smoothing	Smoothing Activity	16.0%	Reading higher than 90%	Falling over 3 years	Watch	Computed
Interest Payments	Cash Quality	1.00×	Higher risk than 79%	Stable over 4 years	Watch	Computed
Asset Growth	Growth Signals	17.2%	Reading higher than 78%	Rising over 3 years	Watch	Computed
Interest Receipts	Cash Quality	1.68%	Reading higher than 88%	Rising over 3 years	Watch	Computed
Options	Corporate Governance	HK$0.00613	Reading higher than 75%	Rising over 3 years	Watch	Computed
Accounts Receivable	Working Capital Signals	0.30×	Reading higher than 74%	Rising over 4 years	Watch	Computed

INDICATOR	CATEGORY	VALUE	POSITION	TREND	RISK LEVEL	STATUS
Cash Sales Margin	Income Quality	48.1%	Higher risk than 74%	Falling over 3 years	Watch	Computed
Average Sales Growth	Growth Signals	14.2%	Higher risk than 73%	Rising over 3 years	Watch	Computed
Soft Assets Ratio	Asset Quality	55.3%	Higher risk than 69%	Falling over 4 years	Watch	Computed
Investments In Associates	Asset Quality	2.94%	Reported by 43%; higher than 68% of them	Falling over 4 years	Watch	Computed
Adjusted Financial Strength Score	Credit	56%	Reading lower than 68%	Falling over 3 years	Watch	Computed
Long Term Borrowing	Gearing	0.18×	Reading higher than 67%	Falling over 4 years	Watch	Computed
Change in Accounts Receivable Index	Working Capital Signals	1.08×	Higher risk than 65%	Rising over 3 years	Watch	Computed
Digit Distribution Percentage Deviation	Corporate Governance	1.43	Reading higher than 64%	Falling over 4 years	Watch	Computed
Accounts Payable	Working Capital Signals	0.11×	Higher risk than 63%	Falling over 4 years	Watch	Computed
Accrual Activities	Accruals Management	−1.2%	Reading higher than 62%	Rising over 4 years	Watch	Computed
Net Debt	Gearing	−0.36×	Reading higher than 62%	Falling over 4 years	Watch	Computed
Manipulation Detection Score	Corporate Governance	−2.31	Reading higher than 61%	Rising over 3 years	Watch	Computed

Compared with companies in Semiconductors & Semiconductor Equipment.

78 other indicators were computed for FY2025; 65 read normal, 3 read zero (as do most of the companies compared) and 10 could not be rated (not compared with other companies, or no risk direction); the Indicators tab and the data exports list every indicator computed from the filings.

EARNINGS QUALITY

The earnings flags concentrate on income that leans on investees and steady trends rather than the trading line. Affiliates and Associates and Joint Ventures both read at the top of the companies that report them. Workforce Efficiency reads at the top of its industry, sales per employee rising through the years. Volatility of Net Income reads at the bottom of its industry, elevated because income this steady can mark smoothing, not strength. Income with Respect to Smoothing sits near the top, though easing. Accrual Activities sits above the industry's middle. Cash Sales Margin and Average Sales Growth carry higher-risk standings in the upper range, with Asset Growth there too. Together the flags ask where profit is made and how steadily.

ASSET QUALITY

The asset flags share one subject: balances whose carrying values rest on management's estimates. Intangible Assets reads as higher risk, near the top of its industry, and its share of the balance sheet has risen through the years studied. Combined Risk In Assets Valuation, intangibles and associates together, reads near the top of the industry and rises with intangibles. Deferred Tax Liabilities reads near the top as well, also rising. Soft Assets Ratio and Investments In Associates read as higher risk above the industry's middle, though both have eased. Together the flags place the asset question on valuation judgement, with deferred tax adding a book-versus-tax timing question of its own.

LEVERAGE & LIQUIDITY

The gearing flags read high against a balance sheet that carries little borrowed debt. Leases Level, the category's only elevated reading, reads as higher risk in its industry's upper range, though eased through the years studied. Long Term Borrowing and Net Debt read above the industry's middle, both falling. Net Debt reads negative, which the measure takes as little net debt or net cash where the earnings behind it are positive. Adjusted Financial Strength Score reads below its industry's middle, and has fallen across the years studied. Together the flags put the leverage question in lease commitments and the health score rather than in borrowings.

CASH FLOW QUALITY

The cash flags gather where working capital and investing spending meet reported profit. Cash Flow From Investing Activities reads as higher risk in its industry's upper range, investing outflows large for the company's size and rising. Interest Receipts reads near the top of its industry and rising. Interest Payments read as higher risk, with cash paid holding level against the expense booked. Accounts Receivable reads near the top of its industry and rising. Change in Accounts Receivable Index reads as higher risk above the industry's middle, with receivables taking a larger share of sales than the year before. Accounts Payable reads as higher risk, though easing. Together the flags put receivables between reported profit and cash.

GOVERNANCE & MANAGEMENT

The governance flags read from the shape of the reported numbers and from management's stake in the share price. Digit Distribution Deviation Score reads as

higher risk near the top of its industry, its departure from the natural digit pattern rising. Digit Distribution Percentage Deviation reads above the industry's middle, though easing. Manipulation Detection Score, the composite of receivables, margin, asset, accrual and leverage patterns, reads above the middle and rising. Options reads in the upper range too, with equity-pay expense rising against the share base. The study's reporting-quality checks found no departure from the expected digit distribution detectable in the figures tested. The elevated score therefore sits beside a clean direct reading.

08

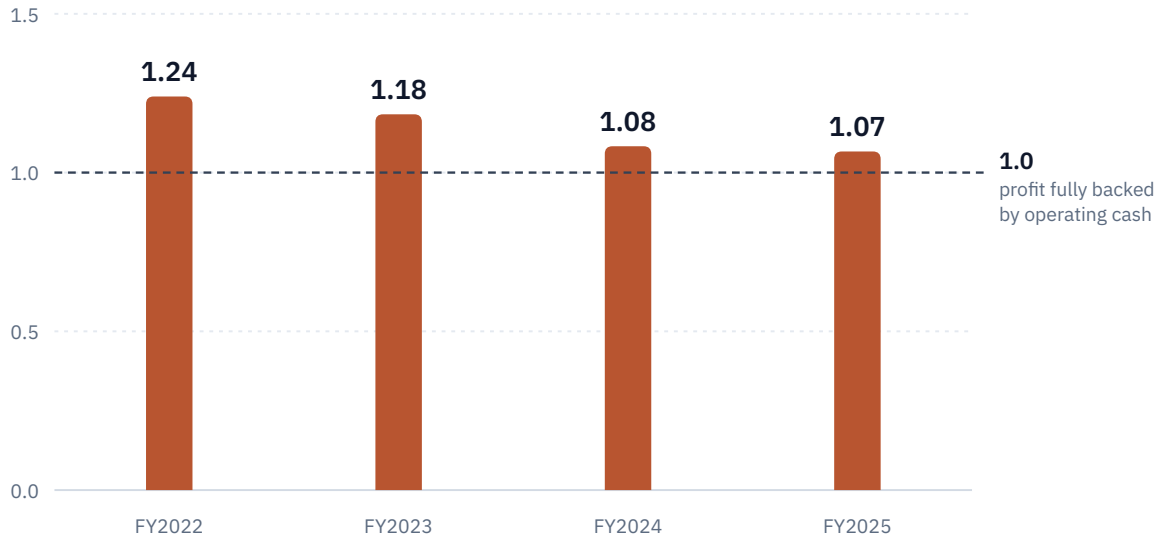
EVIDENCE

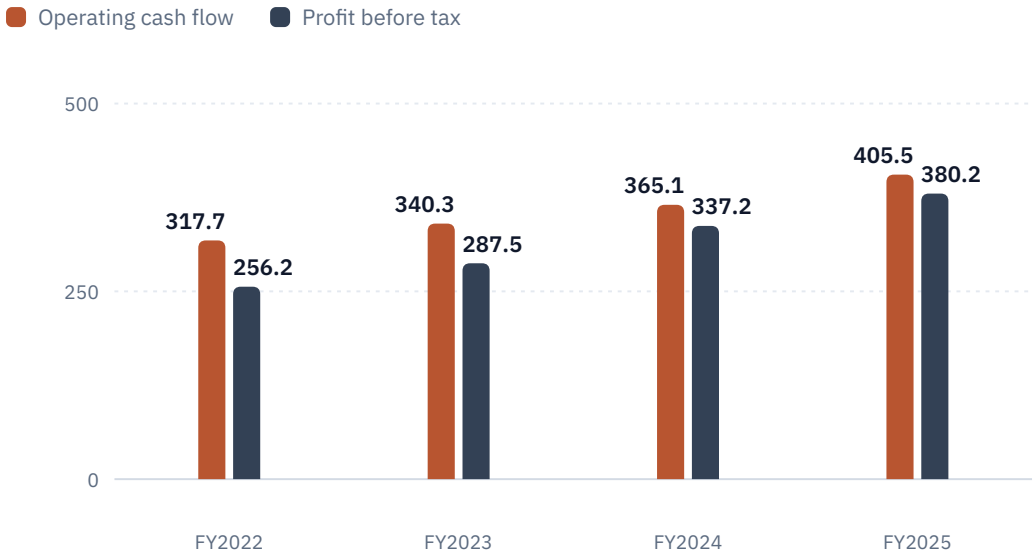
Quality of earnings

Whether reported profit arrives as cash.

FIGURE 8 **Profit before tax and the operating cash behind it**

operating cash flow ÷ profit before tax, and the two figures · HK$ millions · a bar past the scale is broken and keeps its figure





Profit and cash by year HK$ millions · as first reported

YEAR	PROFIT BEFORE TAX	OPERATING CASH FLOW	CASH COVER
FY2025	380.2	405.5	1.07
FY2024	337.2	365.1	1.08
FY2023	287.5	340.3	1.18
FY2022	256.2	317.7	1.24

FROM EBIT TO EBITDA

LINE ITEM	PRINTED IN	FY2025
EBIT	Income Statement	399,906.0
Depreciation and Amortisation (Income Statement)	Income Statement	180,759.0
EBITDA, the sum of the lines above	Computed	580,665.0

FROM EBITDA TO OPERATING CASH FLOW

LINE ITEM	PRINTED IN	FY2025
EBITDA	Reported or Calculated	580,665.0
Less taxes paid	Cash Flow Statement - Supplemental Disclosure	42,372.0
Change in Working Capital	Cash Flow Statement - Operating Section	-126,123.0
Other operating movements, by difference	Not printed as a line	-6,653.0
Operating Cash Flow, as the filings print it	Cash Flow Statement - Operating Section	405,517.0
Capital Expenditures (memo, not part of the bridge)	Cash Flow Statement - Investing Section	167,900.0

WORKING CAPITAL INDICATORS

INDICATOR	FY2022	FY2023	FY2024	FY2025	AVERAGE
Days Sales Outstanding	—	66.38	70.06	75.95	70.80
Days Inventory Outstanding	—	71.22	72.94	77.19	73.79
Days Payable Outstanding	—	52.49	49.96	47.22	49.89
Cash Conversion	—	85.11	93.05	105.91	94.69

SUSTAINABILITY OF EARNINGS

Operating cash covered the year's profit and its capital spending, but working capital absorbed more of the cash each year. The first bridge adds depreciation and amortisation back to EBIT; the second deducts taxes paid and working capital, and operating cash still covered capital expenditure. Every working-capital measure moved against cash: collection days, inventory days and the cash conversion cycle lengthened each computed year, while payables days shortened. The filings name the mechanism: credit terms for stocking distributors stretched well beyond the standard range, so part of reported growth rests on company-financed channel stock (atlantis-annual-report-2023.pdf · p.12)(atlantis-annual-report-2025.pdf · p.12), and receivables have grown faster than revenue each computed year. Operating cash ran ahead of operating profit every computed year, so profit has not outrun cash, though the cushion narrowed steadily.

PERSISTENCE

Reported profit has been unusually steady, and the estimates lifting it persist across the years. Income with Respect to Smoothing reads elevated in every computed year, and reported profit was among the steadiest in its industry in the headline year. Capitalised development has grown in every year the filings cover (atlantis-annual-report-2025.pdf · p.2), and the lengthened equipment lives apply from the middle of the span (atlantis-annual-report-2025.pdf · p.3). The steady path therefore rests on judgements that recur, not on one year's choice.

09

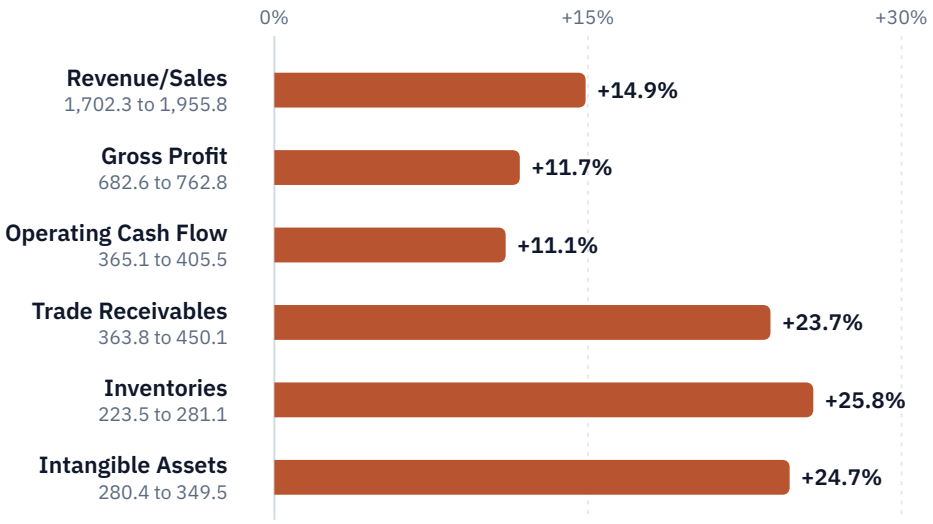
THE CLOSING YEAR

Current period analysis

The headline year against the year before it.

FIGURE 9 **Year-on-year movement**

FY2025 against FY2024, per cent · amounts in HK$ millions



LINE ITEM	FY2025 HK$ millions	FY2024 HK$ millions	MOVEMENT
Revenue/Sales	1,955.8	1,702.3	+14.9%
Gross Profit	762.8	682.6	+11.7%
Operating Cash Flow	405.5	365.1	+11.1%
Trade Receivables	450.1	363.8	+23.7%
Inventories	281.1	223.5	+25.8%
Intangible Assets	349.5	280.4	+24.7%

INCOME STATEMENT, FY2025

LINE ITEM	FY2025	FY2024	CHANGE	ADJUSTMENTS
Revenue/Sales	1,955,800.0	1,702,300.0	253,500.0	Checked; re-read and agreed; not checked against Operating Expenses, which could not be confirmed
Gross Profit	762,762.0	682,622.0	80,140.0	Checked; re-read and agreed
SG&A Expense	260,875.0	231,795.0	29,080.0	Checked; re-read and agreed; not checked against Operating Expenses, which could not be confirmed
Operating Income	380,104.0	335,461.0	44,643.0	Checked; not checked against Operating Expenses, which could not be confirmed
Operating income, benchmark basis	377,004.0	333,061.0	43,943.0	Operating profit as printed, plus the exceptional charges and less the exceptional credits, disposal gains and share of associates booked within it, as the benchmark measures operating income
EBIT	399,906.0	353,418.0	46,488.0	Checked

LINE ITEM	FY2025	FY2024	CHANGE	ADJUSTMENTS
Underlying EBIT	396,806.0	351,018.0	45,788.0	Calculated by Transparently as EBIT excluding fair-value gains and losses recognised in profit, gains and losses on disposal, and items the filing labels exceptional, extraordinary, significant or non-recurring, each cited; not used in any indicator or the rating
Gains and losses on disposals (realised)	3,100.0	2,400.0	700.0	—
Depreciation Expense	117,179.0	103,946.0	13,233.0	Checked
Interest Expense	19,753.0	16,222.0	3,531.0	Checked; re-read and agreed
Pre-Tax Income	380,153.0	337,196.0	42,957.0	Checked
Income Tax Expense	61,026.0	54,037.0	6,989.0	Checked
Net Income	315,297.0	279,761.0	35,536.0	Checked; re-read and agreed

BALANCE SHEET, FY2025

LINE ITEM	FY2025	FY2024	CHANGE	ADJUSTMENTS
Cash and Cash Equivalents	605,006.0	527,890.0	77,116.0	Checked; re-read and agreed
Trade Receivables	450,102.0	363,779.0	86,323.0	Checked; re-read and corrected
Inventories	281,099.0	223,491.0	57,608.0	Checked
Current Assets	1,396,837.0	1,167,931.0	228,906.0	Checked; re-read and agreed
Net Fixed Assets	496,127.0	431,782.0	64,345.0	Checked; re-read and agreed
Intangible Assets	349,520.0	280,400.0	69,120.0	Checked; re-read and agreed
Total Assets	2,361,072.0	1,997,025.0	364,047.0	Checked; re-read and agreed
Accounts Payable	169,967.0	153,650.0	16,317.0	Checked; re-read and agreed
Current Liabilities	518,107.0	456,773.0	61,334.0	Checked; re-read and agreed
Short-term Debt Detailed	145,250.0	—	—	Checked; re-read and agreed
Long-Term Debt	269,750.0	217,750.0	52,000.0	Checked; re-read and agreed
Total Liabilities	882,271.0	756,371.0	125,900.0	Checked; re-read and agreed
Total Equity	1,478,801.0	1,240,654.0	238,147.0	Checked; re-read and agreed

CASH FLOW, FY2025

LINE ITEM	FY2025	FY2024	CHANGE	ADJUSTMENTS
Operating Cash Flow	405,517.0	365,107.0	40,410.0	Checked; re-read and agreed
Change in Working Capital	-126,123.0	-91,385.0	-34,738.0	Checked
Total Other Cash Flow	-29,272.0	-28,550.0	-722.0	Checked
Capital Expenditures	167,900.0	141,200.0	26,700.0	Checked; re-read and agreed
Net Cash from Investing	-296,000.0	-235,500.0	-60,500.0	Checked
Dividends Paid	110,000.0	104,000.0	6,000.0	Checked
Net Cash from Financing	-34,101.0	-57,613.0	23,512.0	Checked
Taxes Paid	42,372.0	38,350.0	4,022.0	Checked; re-read and agreed
Interest Paid	19,753.0	16,222.0	3,531.0	Checked; re-read and agreed

COMMENTARY

The headline year's statements carry a true-and-fair audit opinion, with nearly every line checked. The accounts are prepared under Hong Kong Financial Reporting Standards, the filing states, and the auditor reports a true and fair view (atlantis-annual-report-2025.pdf · p.9) (atlantis-annual-report-2025.pdf · p.4). Trade receivables were re-read and corrected in verification, and the note presents them net of a loss allowance (atlantis-annual-report-2025.pdf · p.12). Revenue and SG&A were not confirmed against Operating Expenses, leaving part of the operating result on unverified groupings. Printed and benchmark operating income differ by exceptional items, disposal gains and associate income booked inside operating profit. Underlying EBIT strips fair-value effects and those items; no indicator or the rating uses it. Earnings converted into cash: operating cash flow ran ahead of net income, though the working-capital outflow widened as receivables, inventories and intangibles grew. Capital expenditure and interest expense rose, and short-term debt appears with no prior-year comparative.

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THE FIGURES

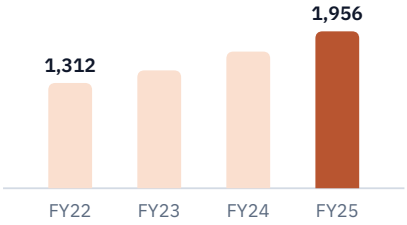
Historical financials

The line items the readings rest on, year by year.

FIGURE 10 **Selected figures**

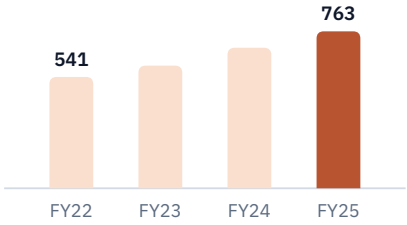
HK$ millions, as first reported · first and last year labelled

Revenue/Sales



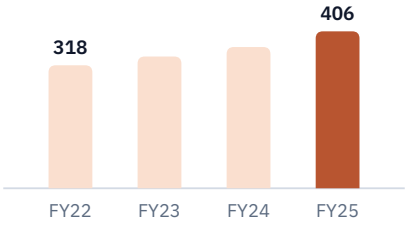
+14.2% a year

Gross Profit



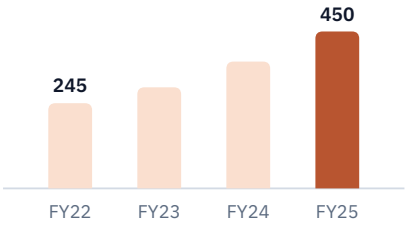
+12.2% a year

Operating Cash Flow



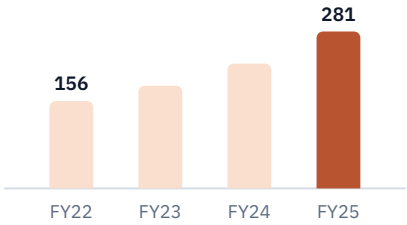
+8.5% a year

Trade Receivables



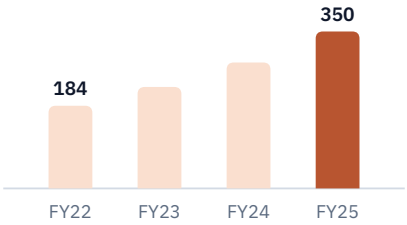
+22.6% a year

Inventories



+21.6% a year

Intangible Assets



+23.8% a year

INCOME STATEMENT

LINE ITEM	FY2022	FY2023	FY2024	FY2025	CAGR	RESTATED Δ
Revenue/Sales	1,312,400.0	1,468,900.0	1,702,300.0	1,955,800.0	14.2%	—
Gross Profit	540,709.0	596,373.0	682,622.0	762,762.0	12.2%	—
SG&A Expense	184,349.0	203,626.0	231,795.0	260,875.0	12.3%	—
Operating Expenses	290,653.0	316,731.0	—	—	—	—
Operating Income	257,056.0	286,342.0	335,461.0	380,104.0	13.9%	—
Operating income, benchmark basis	256,156.0	285,042.0	333,061.0	377,004.0	13.7%	—
EBIT	269,611.0	302,022.0	353,418.0	399,906.0	14.0%	—
Underlying EBIT	268,711.0	300,722.0	351,018.0	396,806.0	13.9%	—
Gains and losses on disposals (realised)	900.0	1,300.0	2,400.0	3,100.0	—	—
Depreciation Expense	97,204.0	108,056.0	103,946.0	117,179.0	6.4%	—
Interest Expense	13,375.0	14,523.0	16,222.0	19,753.0	13.9%	—

LINE ITEM	FY2022	FY2023	FY2024	FY2025	CAGR	RESTATED Δ
Pre-Tax Income	256,236.0	287,499.0	337,196.0	380,153.0	14.1%	—
Income Tax Expense	41,058.0	45,969.0	54,037.0	61,026.0	14.1%	—
Net Income	212,596.0	238,632.0	279,761.0	315,297.0	14.0%	—

Operating income, benchmark basis: operating profit as printed, plus the exceptional charges and less the exceptional credits, disposal gains and share of associates booked within it, as the benchmark measures operating income. Underlying EBIT: calculated by Transparently as EBIT excluding fair-value gains and losses recognised in profit, gains and losses on disposal, and items the filing labels exceptional, extraordinary, significant or non-recurring, each cited; not used in any indicator or the rating.

BALANCE SHEET

LINE ITEM	FY2022	FY2023	FY2024	FY2025	CAGR	RESTATED Δ
Cash and Cash Equivalents	376,690.0	458,696.0	527,890.0	605,006.0	17.1%	—
Trade Receivables	244,502.0	289,756.0	363,779.0	450,102.0	22.6%	—
Inventories	156,452.0	184,067.0	223,491.0	281,099.0	21.6%	—
Current Assets	818,328.0	978,055.0	1,167,931.0	1,396,837.0	19.5%	—
Net Fixed Assets	356,506.0	379,937.0	431,782.0	496,127.0	11.6%	—
Intangible Assets	184,000.0	225,900.0	280,400.0	349,520.0	23.8%	—
Total Assets	1,465,424.0	1,690,695.0	1,997,025.0	2,361,072.0	17.2%	—
Accounts Payable	122,625.0	136,258.0	153,650.0	169,967.0	11.5%	—
Current Liabilities	366,234.0	401,141.0	456,773.0	518,107.0	12.3%	—
Short-term Debt Detailed	89,250.0	—	—	145,250.0	17.6%	—
Long-Term Debt	165,750.0	185,250.0	217,750.0	269,750.0	17.6%	—
Total Liabilities	588,326.0	648,460.0	756,371.0	882,271.0	14.5%	—
Total Equity	877,098.0	1,042,235.0	1,240,654.0	1,478,801.0	19.0%	—

CASH FLOW STATEMENT

LINE ITEM	FY2022	FY2023	FY2024	FY2025	CAGR	RESTATED Δ
Operating Cash Flow	317,710.0	340,317.0	365,107.0	405,517.0	8.5%	—
Change in Working Capital	-23,639.0	-55,735.0	-91,385.0	-126,123.0	—	—
Total Other Cash Flow	-31,291.0	-29,103.0	-28,550.0	-29,272.0	—	—
Capital Expenditures	96,300.0	118,600.0	141,200.0	167,900.0	20.4%	—

LINE ITEM	FY2022	FY2023	FY2024	FY2025	CAGR	RESTATED Δ
Net Cash from Investing	-146,100.0	-188,100.0	-235,500.0	-296,000.0	—	—
Dividends Paid	88,000.0	96,000.0	104,000.0	110,000.0	7.7%	—
Net Cash from Financing	-80,020.0	-72,311.0	-57,613.0	-34,101.0	—	—
Taxes Paid	37,891.0	36,303.0	38,350.0	42,372.0	3.8%	—
Interest Paid	13,375.0	14,523.0	16,222.0	19,753.0	13.9%	—

COMMENTARY

Profit grew steadily across the years, cash conversion lagged it, and no figure was restated. The restatement column is empty on every line and the restatements record carries no entry, so no later filing restated any figure in these statements. From FY2022 to FY2025 revenue, operating income and net income rose on a similar path. Operating cash flow rose more slowly than profit throughout, and the working-capital drag within it widened each year: trade receivables and inventories grew faster than revenue in every year, so a growing share of reported profit sat in working capital rather than cash. Intangible assets also grew faster than revenue. Nothing here points to a restatement, and the years before FY2025 set the base the headline year is measured against; what the widening gap between accruals and cash means for earnings quality is left to Current period analysis.

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SCOPE

About this study

What was read, for which company and years.

STUDY

ITEM	VALUE
Study	Atlantis Semiconductor Ltd
Company	Atlantis Semiconductor Ltd
Fiscal range	FY2022–FY2025
Created	2026-11-19
Reporting unit	HK$ thousands

DOCUMENTS READ

DOCUMENT	TYPE	FISCAL YEAR	PERIODS	PAGES
atlantis-annual-report-2023.pdf	Annual report	2023	2023 HK$'000, 2022 HK$'000, 2023 HK$'000, 2022 HK$'000	10
atlantis-annual-report-2024.pdf	Annual report	2024	2024 HK$'000, 2023 HK$'000	10
atlantis-annual-report-2025.pdf	Annual report	2025	2025 HK$'000, 2024 HK$'000	10

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REFERENCE

Appendix: indicator reference

What each indicator in this report measures.

WHAT THESE INDICATORS MEASURE

INDICATOR	CATEGORY	DEFINITION
Affiliates	Income Quality	The size of income or loss from associates and joint ventures, ignoring sign, divided by the size of pre-tax income, ignoring sign.
Associates and Joint Ventures	Income Quality	The share of pre-tax income that comes from associates and joint ventures, so affiliate profits give a positive reading and affiliate losses a negative one. When pre-tax income is zero or negative, a year with affiliate profits is set by rule to 100% and scored.
Volatility of Net Income	Smoothing Activity	The standard deviation of annual income before extraordinary items, the year's after-tax profit, each scaled by total assets at the start of the year, over the last five years, skipping any year without a value.
Workforce Efficiency	Margin Signals	Sales divided by the number of employees.
Intangible Assets	Asset Quality	Disclosed intangible assets, such as goodwill, patents and brands, as a share of total assets.
Digit Distribution Deviation Score	Corporate Governance	How far the first digits of the year's reported figures depart from the pattern expected in natural financial data, where 1 leads about 30% of the time: the sum of squared differences between observed and expected shares, less what that many figures would show by chance, on a 66-figure scale. Needs 30 or more figures.
Combined Risk In Assets Valuation	Asset Quality	Disclosed intangible assets plus investments in associates and joint ventures, together as a share of total assets. The reading is left blank when either figure is missing.
Deferred Tax Liabilities	Asset Quality	Deferred tax liabilities at year end divided by total liabilities at the prior year end, showing how much of what the company owes is tax deferred to later years through timing differences between book and tax accounting.
Leases Level	Gearing	Capitalized lease liabilities, short-term plus long-term, divided by total shareholders' equity. The reading is left blank when either lease figure is missing.

INDICATOR	CATEGORY	DEFINITION
Cash Flow From Investing Activities	Investing Activity	Net cash flow from investing activities for the year divided by total assets at the prior year end, with the sign turned: positive when the company spends more on investments than it receives, and negative when disposals and other inflows exceed spending.
Income with Respect to Smoothing	Smoothing Activity	Income before extraordinary items for the year, an after-tax profit, divided by total assets at the start of the year, a size-adjusted measure of reported profitability.
Interest Payments	Cash Quality	Cash paid for interest on debt divided by the interest expense in the income statement. A reading near 1 means the expense reported is the interest actually paid.
Asset Growth	Growth Signals	The average of the last three year-on-year percentage changes in total assets, or of the last two, or the latest change alone where the earlier ones are not available. Two consecutive years of total assets give a reading.
Interest Receipts	Cash Quality	Interest income for the year divided by the average of the opening and closing cash balances, an approximate interest rate earned on the company's cash.
Options	Corporate Governance	The year-on-year change in share-based compensation expense, divided by the average number of shares used for basic earnings per share; for an unlisted company, or a year before its listing, by the shares in issue at the year end.
Accounts Receivable	Working Capital Signals	Trade receivables at year end divided by total shareholders' equity.
Cash Sales Margin	Income Quality	One minus the ratio of estimated cash cost of sales to estimated cash sales, held between 0% and 100%. Cash sales are revenue less the rise in receivables; cash cost of sales is cost of sales excluding depreciation and amortisation, less the rise in inventory plus the rise in payables.
Average Sales Growth	Growth Signals	The average of the last three year-on-year percentage changes in revenue, or of the last two, or the latest change alone where the earlier ones are not available. Two consecutive years of revenue give a reading.
Soft Assets Ratio	Asset Quality	The share of total assets that is neither cash nor receivables: total assets less cash and receivables, divided by total assets. What remains, such as inventory, fixed assets, goodwill and other intangibles, depends more on management's valuation judgment. No reading is given when cash and receivables exceed total assets.
Investments In Associates	Asset Quality	Investments in associates and joint ventures as a share of total assets.
Adjusted Financial Strength Score	Credit	The share of the nine yes-or-no financial health tests that the company passes, counted only over the tests the filings allow to be scored. It needs at least five tests scored.
Long Term Borrowing	Gearing	Long-term borrowings, excluding amounts due within one year, divided by total shareholders' equity.
Change in Accounts Receivable Index	Working Capital Signals	Receivables as a share of sales this year, divided by the same share last year.
Digit Distribution Percentage Deviation	Corporate Governance	How far the first digits of the year's reported figures depart from the expected pattern in relative terms: each digit's difference divided by its expected share, squared and summed, less what that many figures would show by chance, on a 66-figure scale. At least 30 figures are needed.
Accounts Payable	Working Capital Signals	Accounts payable at year end divided by total shareholders' equity.

INDICATOR	CATEGORY	DEFINITION
Accrual Activities	Accruals Management	Total accruals: operating income less cash from operations, divided by total assets. It is the part of operating profit not matched by operating cash in the year.
Net Debt	Gearing	Net debt, short-term and long-term borrowings and lease liabilities less cash and cash equivalents, divided by earnings before interest and tax (pre-tax profit plus interest expense, net of capitalised interest). Short-term investments are not subtracted. Net debt is computed from those lines, never taken from a net debt figure the company prints.
Manipulation Detection Score	Corporate Governance	A composite of year-over-year indices covering receivables, gross margin, asset mix, sales growth, depreciation, overhead, accruals and leverage, combined by a fixed linear formula from academic research on earnings manipulation. When the overhead, accruals or leverage index cannot be computed, a five-index version is used.

BACK MATTER

About this report

What the study read, how it was made, and the terms it is supplied under.

Uploaded data quality

The study received an overall grade of "Substantial". That means the study could run most of the checks it was designed to run, but not all of them — it says nothing about how well the company is run or whether its accounts are sound. What was read, was read well. Coverage measures how many of the figures the analysis looks for were actually found in the documents you uploaded, and here that reading is graded "Complete": nearly all the figures were found, most were read with strong confidence, every figure was traced back to its exact wording in the filings, and the arithmetic checks that tie each statement together passed. The rating itself is for the year 2025, and the earlier years in the study were rated too, so no year was left without one. The most recent years carry the strongest ratings and are described as highly robust; the earliest year rated carries a caution of "reduced reliability", because fewer figures could be read for it and its score rests on a more fragile footing. The gap between complete coverage and a "Substantial" grade comes from what the documents could not support, not from anything misread. Several of the planned analyses look for patterns that only appear over long stretches of consecutive annual figures, and the filings uploaded do not reach back far enough for them; others would need a comparison with other companies in the same industry that is not available yet. A few individual line items, such as Preferred Equity, also remained unconfirmed. Because of this, the assessment lists no upload that would help: nothing you could add would unlock the missing analyses, since the gaps lie in history the documents cannot supply or in comparisons not yet available, rather than in anything absent from what you uploaded.

Figures set aside

- Shares Outstanding at Year End FY2024 covers 12 months, not 12, so it is not used.

Methodology note

The rating draws on more than this report shows: alongside the indicators set out here, Transparently's assessment uses other sources and indicators, not all of which appear in the report.

Where this study's arithmetic differs from the paper or the practice it cites, each difference the indicators computed here rest on is described below, beside the indicators it affects.

Differences from the source

ENTRY	INDICATORS	HOW TRANSPARENTLY DIFFERS FROM THE SOURCE
M1	Accrual Activities, Manipulation Detection Score	The manipulation index's accrual term is operating income, with the exceptional items, disposal gains and associates' share booked inside it taken out, less cash from operations over total assets, as the comparison population is built, not the paper's income before extraordinary items.
M2	Long-Term Assets Index	The asset quality reading follows the comparison population: the share of assets other than current assets and net fixed assets, this year over last, with no securities term and no minimum.
M3	Depreciation Index	The depreciation index follows the comparison population: depreciation over gross fixed assets plus depreciation, last year's rate over this year's.
M4	Manipulation Detection Score	The paper publishes a five-variable and an eight-variable form of the manipulation index, and this study chooses between them from the listing status and industry given for the company, naming the form it used.
M5	Composite Bankruptcy Score	The bankruptcy paper publishes versions for listed companies, unlisted ones, and industries where turnover says little about distress; this study scores a listed company with a market value on the listed version, reads the zone on its industry's version, and otherwise uses that version.
M6	Market Value to Total Liabilities	The equity-to-liabilities ratio uses market capitalisation and is left unassessed without one; the bankruptcy reading's equity term falls back to the book-value variant the paper defines for private companies.
M7	Adjusted Financial Strength Score, Financial Strength Score	The financial strength score counts a positive net income and a positive return on assets as two of its nine signals, as the comparison population does, rather than replacing one with the change in return on assets.
M22	Digit Distribution Deviation Score, Digit Distribution Percentage Deviation, Multi-Year Average Digit Distribution Deviation Score, Multi-Year Average Digit Distribution Percentage Deviation	The first-digit test is designed for large sets of transaction records; this study applies it to each year's reported statement lines on their own, judged against how many values there were, and scores each deviation less what that many values would show by chance.
M25	Accruals Relative to Net Income, Accruals with Respect to Smoothing, Cash with Respect to Smoothing, Volatility of Net Income	Accruals follow the published definition, including the change in current taxes payable, as the comparison population computes them; rolling windows cover five years where they exist, or four or three otherwise; and a year missing one of their lines leaves them unassessed.
M34	Adjusted Financial Strength Score, Financial Strength Score	The financial strength score and its average are computed only when at least five of the nine signals can be read, the score counted out of nine in proportion, so a signal that cannot be read is not counted as failed.
M37	Accruals Relative to Net Income, Cash with Respect to Smoothing, Income with Respect to Smoothing, Volatility of Net Income	The smoothing measures read earnings before extraordinary items, an after-tax profit, as the comparison population does, and a year without that line leaves them unassessed.
R1	Price to Earnings Yield	The earnings yield is net income over the company's market value at the year end, so no share count or share price is read for it.

ENTRY	INDICATORS	HOW TRANSPARENTLY DIFFERS FROM THE SOURCE
R3	Not Prepared Under IFRS or US GAAP	The accounting-standard signal is read as a plain yes or no — a recognised standard or not — rather than as a source code whose own numbering could multiply its effect on the score many times over.
R4	EBIT Margin, Operating Margin	Operating margin is operating income over sales, with the exceptional items, disposal gains and associates' share booked inside operating income taken out as the comparison population measures it; it no longer duplicates the margin on earnings before interest and tax.
R5	Above-Sector Profitability Flag, Return on Productive Assets	Return on production assets, published under the return-on-assets name, is operating income, with the exceptional items, disposal gains and associates' share booked inside it taken out, over gross fixed assets plus inventories; its sector median is published beside the operating margin's.
R6	Dividends	The payout ratio divides dividends by income before extraordinary items rather than pre-tax income, and reads negative for a company paying out of a profit, the sign the comparison population uses, while the low-payout flag reads the ratio itself.
R7	Cash Conversion, Days Inventory Outstanding, Days Payable Outstanding, Days Sales Outstanding, Inventory Realization	Days sales outstanding, days inventory and days payable are computed directly as the days in a year times the average balance over the flow, with all of them reported and a pruned set carried into the score.
R8	Extraordinary Charges	An abnormal item and an extraordinary charge are distinct inputs, so each reading takes the line it is defined on instead of both sharing one line.
R9	Non-Operating Income	Non-operating income is operating income, with the exceptional items, disposal gains and associates' share booked inside it taken out, less pre-tax income, over pre-tax income, as the comparison population is built, reading one where pre-tax income is not positive and operating income exceeds it.
R10	Above-Sector Profitability Flag, Cash Sales Margin, Changes in Non-Productive Assets Index, Days Inventory Outstanding, Days Payable Outstanding, Days Sales Outstanding, Non-Productive Asset Growth Flag, Price to Cash Flow yield	A division by a zero denominator yields no reading rather than an unbounded one, with one stated exception: a zero average balance gives a day count of zero, which is what it means.
R11	Asset Growth, Average Sales Growth, Capex Growth	A growth average takes the last three yearly changes, else the last two, else the latest alone, as the comparison population was built; a five-year volatility uses exactly five years; growth keeps its sign rather than being reported as a size alone.
R12	Combined Risk In Assets Valuation, Discontinued Operations, Leases Level	Every component of a summed numerator must be reported: a line that was not reported is not a zero, so a year missing one of them yields no reading.
R13	Price to Book Yield, Price to Cash Flow yield, Price to Earnings Yield, Sales Yield (Inverse of Price-to-Sales)	No yield divides by a share price or a share count; a market value that is not above zero gives no reading, and the equity and revenue conditions are those of the comparison population.
R14	Associates and Joint Ventures	The share of pre-tax income from associates and joint ventures reads a share of their profit as positive, the sign the comparison population uses, so the two readings built on that line agree rather than add.
R16	Discontinued Operations	Discontinued operations are read with a profit as positive and a loss as negative, the sign the comparison population uses, both as a share of total assets and among the gains on asset sales.

ENTRY	INDICATORS	HOW TRANSPARENTLY DIFFERS FROM THE SOURCE
R17	EBITDA Margin, Interest Coverage Ratio with EBIT, Price to Book Yield, Sales Yield (Inverse of Price-to-Sales), Total Borrowings, Total Debt to Earnings	Six ratios on operating profit, earnings before interest, tax, depreciation and amortisation, interest expense, equity or sales go unassessed when that figure is zero or negative, as the comparison population holds no such year; a loss still counts through the other readings.
R18	Cash Flow From Investing Activities	Net cash flow from investing is read positive for an outflow and negative for an inflow, the sign the comparison population uses, so a company investing heavily reads high.
R19	Change in Goodwill	The change in goodwill reads goodwill alone, as the comparison population does, rather than goodwill together with the other intangible assets; goodwill is zero in a year whose printed balance sheet and notes name none, and goodwill otherwise unread leaves the change unassessed.
R20	Cash Sales Margin	The cash-margin indicator takes the cost of goods sold without depreciation and amortisation, as the comparison population does: the income statement's total, else the cash flow's, comes off the cost of revenue, and a year with neither total is not assessed.
R21	Price to Book Yield, Price to Cash Flow yield, Price to Earnings Yield, Sales Yield (Inverse of Price-to-Sales)	The free cash flow, book equity, net income and sales yields divide each figure by the company's market value at the year end, or an unlisted company's estimate of it; free cash flow is operating cash flow before working-capital changes, less capital expenditure.
R22	Options	For an unlisted company, or a year before its listing, the change in share-based pay is divided by the shares in issue at the year end, since an unlisted company need not report the share count used for earnings per share.
R26	Net Cash flow From Investing Activities Related to Financial Instruments	Net purchases of investments are read as purchases less sales, the sign the comparison population uses, so a net buyer of investments reads high and a net seller low.
R27	Deferred Tax Assets	Deferred tax assets are not assessed in a year that shows none, because the comparison population holds only years where the figure is above zero.

How the score and its comparisons are built

- Where an industry or a year has too few companies to compare reliably, the comparison uses other years or all listed companies.
- A comparison must reach a minimum number of companies, and the sample actually used is recorded with every reading.
- A company is placed in its industry through a sector mapping validated against the source data, and a sector the mapping does not cover stops the study rather than passing quietly into the benchmarks.
- Standardisation centres each reading on the average of the comparison sample, counting a company without it at the middle among all listed companies, not within industry groups, divides by the spread about that average, as the weights were built, and caps it at three spreads.
- Two comparison samples are published and kept apart by name: one keeping zero values, for the standardised readings, and one dropping them, for the rankings, where a reading of exactly zero ranks among the companies that report zero.

- The medians are the exact middle of the comparison sample rather than an approximation, because the comparison data is prepared once, offline, and can afford it.
- A ranking is interpolated in a straight line between the recorded points, and a value past the smallest or largest figure in the sample is reported at the bottom or top of the range, except an exact zero, ranked among the companies that report zero.
- The sales growth index is one quantity per company-year, published once by a single analysis, and a start-up check makes a second source of the same quantity impossible.
- The count recorded beside a benchmark statistic is the sample that statistic was computed on, and the wider count that decides whether an industry's comparison may be used at all is published separately.
- A reading whose published value is signed and unbounded is scored on the bounded scale its weight was fitted on, so that the published value and the scored quantity are each what they claim to be.
- Context supplied for a study can only soften a reading that adds risk, never turn a weakness into a strength, while a suppression removes the reading in both directions.
- A context entry that changes nothing is dropped, a declared event never softens an accrual reading but raises a verification question instead, and the stated primary concern adds emphasis and questions rather than any multiplier.
- A reading with no usable value is counted among those absent; the score reads it at its population's median for that year, or a yes-or-no or capped reading as zero, as the model was fitted, and below the coverage floor the rating is withheld.
- A year of comparison data is used only once it has filled to a stated share of the year before it.
- The reading that flags a company more profitable than its sector compares both its operating margin and its return on production assets with their sector medians, either one deciding where the other cannot be read.
- The letter places the year among listed companies worldwide over 2019 to 2023, A+ the lowest-risk twentieth and F the highest, beside the share of listed companies it and each reading are riskier or less risky than; an F is not a finding of misstatement.
- The rating and its rank are measured on all listed companies, whatever the industry; where the industry has enough companies, a second line gives the year's position among them; the rank and letter use the calibrated index, which moves a rank at most four places.

Confidence combines three readings: extraction coverage, how much of the analysis could be computed, and the share of figures read with better than low confidence.

Extraction coverage is the share of the figures the analysis looks for that were found in your documents. **Analysis computed** is the share of the indicators computed from your data.

AI disclosure

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