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## APPENDIX I

## ACCOUNTANTS’ REPORT

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*The following is the text of a report set out on pages I-1 to I-96, received from the Company’s reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this [document].*

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### ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHENZHEN HUAFU TECHNOLOGY CO., LTD., ABCI CAPITAL LIMITED

#### Introduction

We report on the historical financial information of Shenzhen Huafu Technology Co., Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-3 to I-96, which comprises the consolidated statements of financial position of the Group as at 31 December 2023, 2024 and 2025, the statements of financial position of the Company as at 31 December 2023, 2024 and 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the three years ended 31 December 2025 (the “**Track Record Period**”) and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-3 to I-96 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (the “**[Document]**”) in connection with the initial [REDACTED] of H-shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

#### Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 3 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

#### Reporting accountants’ responsibility

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

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**APPENDIX I****ACCOUNTANTS’ REPORT**

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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 set out in note 3 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 of the Company, 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 Group’s financial position as at 31 December 2023, 2024 and 2025, of the Company’s financial position as at 31 December 2023, 2024 and 2025, and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in note 3 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-3 have been made.

***Dividends***

We refer to note 15 to the Historical Financial Information which states that no dividend has been declared or paid by the Company and its subsidiaries in respect of the Track Record Period.

**[Deloitte Touche Tohmatsu]**  
*Certified Public Accountants*  
Hong Kong  
[Date]

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**APPENDIX I**

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**ACCOUNTANTS’ REPORT**

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**HISTORICAL FINANCIAL INFORMATION OF THE GROUP****Preparation of Historical Financial Information**

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

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by International Accounting Standards Board (the “IASB”) and were audited by us in accordance with International Standards on Auditing issued by International Auditing and Assurance Standards Board (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.

## APPENDIX I

## ACCOUNTANTS’ REPORT

### CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

|                                                                                                                                        |       | Year ended 31 December |                  |                  |
|----------------------------------------------------------------------------------------------------------------------------------------|-------|------------------------|------------------|------------------|
|                                                                                                                                        |       | 2023                   | 2024             | 2025             |
|                                                                                                                                        | Notes | RMB'000                | RMB'000          | RMB'000          |
| Revenue                                                                                                                                | 5     | 390,936                | 385,827          | 463,912          |
| Cost of sales                                                                                                                          |       | <u>(230,496)</u>       | <u>(210,856)</u> | <u>(291,304)</u> |
| <b>Gross profit</b>                                                                                                                    |       | 160,440                | 174,971          | 172,608          |
| Other income                                                                                                                           | 6     | 6,036                  | 1,180            | 568              |
| Other gains and losses                                                                                                                 | 7     | 3,366                  | (1,157)          | 289              |
| Impairment losses under expected credit loss model, net of reversal                                                                    | 8     | (14,941)               | (8,737)          | (18,352)         |
| Selling expenses                                                                                                                       |       | (36,721)               | (23,272)         | (19,376)         |
| Administrative expenses                                                                                                                |       | (27,020)               | (29,257)         | (22,358)         |
| Research and development expenses                                                                                                      |       | (44,779)               | (27,670)         | (22,423)         |
| [REDACTED]                                                                                                                             |       | [REDACTED]             | [REDACTED]       | [REDACTED]       |
| Finance costs                                                                                                                          | 9     | <u>(5,946)</u>         | <u>(9,919)</u>   | <u>(6,249)</u>   |
| <b>Profit before taxation</b>                                                                                                          |       | 40,435                 | 76,139           | 67,471           |
| Income tax expense                                                                                                                     | 10    | <u>(3,636)</u>         | <u>(10,028)</u>  | <u>(8,745)</u>   |
| <b>Profit for the year</b>                                                                                                             | 11    | <u>36,799</u>          | <u>66,111</u>    | <u>58,726</u>    |
| <b>Other comprehensive expense for the year</b>                                                                                        |       |                        |                  |                  |
| <i>Item that will not be reclassified to profit or loss:</i>                                                                           |       |                        |                  |                  |
| Fair value changes on investments in equity instruments at fair value through other comprehensive income (“FVTOCI”), net of income tax |       | <u>—</u>               | <u>(1,234)</u>   | <u>(466)</u>     |
| Other comprehensive expense for the year, net of income tax                                                                            |       | <u>—</u>               | <u>(1,234)</u>   | <u>(466)</u>     |
| Total comprehensive income for the year                                                                                                |       | <u>36,799</u>          | <u>64,877</u>    | <u>58,260</u>    |
| Profit (loss) for the year attributable to:                                                                                            |       |                        |                  |                  |
| Owners of the Company                                                                                                                  |       | 38,386                 | 68,167           | 58,716           |
| Non-controlling interests                                                                                                              |       | <u>(1,587)</u>         | <u>(2,056)</u>   | <u>10</u>        |
|                                                                                                                                        |       | <u>36,799</u>          | <u>66,111</u>    | <u>58,726</u>    |
| Total comprehensive income (expense) for the year attributable to:                                                                     |       |                        |                  |                  |
| Owners of the Company                                                                                                                  |       | 38,386                 | 66,933           | 58,250           |
| Non-controlling interests                                                                                                              |       | <u>(1,587)</u>         | <u>(2,056)</u>   | <u>10</u>        |
|                                                                                                                                        |       | <u>36,799</u>          | <u>64,877</u>    | <u>58,260</u>    |
| Basic earnings per share (RMB)                                                                                                         | 14    | <u>0.68</u>            | <u>1.21</u>      | <u>1.05</u>      |
| Diluted earnings per share (RMB)                                                                                                       | 14    | <u>0.68</u>            | <u>1.21</u>      | <u>1.05</u>      |

## APPENDIX I

## ACCOUNTANTS’ REPORT

### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

|                                                                 | <i>Notes</i> | As at 31 December |                  |                  |
|-----------------------------------------------------------------|--------------|-------------------|------------------|------------------|
|                                                                 |              | 2023              | 2024             | 2025             |
|                                                                 |              | <i>RMB'000</i>    | <i>RMB'000</i>   | <i>RMB'000</i>   |
| <b>Non-current assets</b>                                       |              |                   |                  |                  |
| Equipments and lease improvements                               | 16           | 5,508             | 3,346            | 1,853            |
| Right-of-use assets                                             | 17           | 6,609             | 15,596           | 12,494           |
| Intangible assets                                               | 18           | 1,100             | 720              | 823              |
| Equity instruments at FVTOCI                                    | 19           | 2,000             | 548              | —                |
| Deposits paid for acquisition of properties                     | 23           | 132,400           | 132,400          | 132,400          |
| Prepayments and other receivables                               | 23           | 32,725            | 32,725           | 32,725           |
| Deferred tax assets                                             | 20           | 5,734             | 10,237           | 10,354           |
| Restricted bank deposits                                        | 25           | 652               | 430              | 100              |
| <b>Total non-current assets</b>                                 |              | <u>186,728</u>    | <u>196,002</u>   | <u>190,749</u>   |
| <b>Current assets</b>                                           |              |                   |                  |                  |
| Inventories                                                     | 21           | 28,012            | 45,175           | 32,404           |
| Trade and bills receivables                                     | 22           | 252,046           | 789,701          | 162,940          |
| Prepayments, deposits and other receivables                     | 23           | 225,897           | 276,694          | 285,339          |
| Amounts due from related parties                                | 39           | —                 | 1,180            | —                |
| Financial assets at fair value through profit or loss (“FVTPL”) | 24           | 2,000             | —                | —                |
| Income tax recoverable                                          |              | —                 | —                | 229              |
| Restricted bank deposits                                        | 25           | 2,168             | 2,245            | 1,592            |
| Bank balances and cash                                          | 25           | 183,868           | 104,171          | 477,041          |
| <b>Total current assets</b>                                     |              | <u>693,991</u>    | <u>1,219,166</u> | <u>959,545</u>   |
| <b>Total assets</b>                                             |              | <u>880,719</u>    | <u>1,415,168</u> | <u>1,150,294</u> |
| <b>Current liabilities</b>                                      |              |                   |                  |                  |
| Trade payables                                                  | 26           | 40,317            | 432,501          | 118,922          |
| Other payables                                                  | 26           | 26,483            | 112,157          | 39,769           |
| Amount due to a related party                                   | 39           | 64                | 64               | —                |
| Income tax payable                                              |              | 2,941             | 10,449           | 6,503            |
| Borrowings                                                      | 27           | 176,930           | 133,000          | 217,000          |
| Lease liabilities                                               | 28           | 5,268             | 6,691            | 4,720            |
| Contract liabilities                                            | 29           | 7,573             | 24,514           | 11,811           |
| Redemption liabilities on equity shares                         | 30           | 39,339            | 39,339           | 39,339           |
| <b>Total current liabilities</b>                                |              | <u>298,915</u>    | <u>758,715</u>   | <u>438,064</u>   |
| <b>Net current assets</b>                                       |              | <u>395,076</u>    | <u>460,451</u>   | <u>521,481</u>   |
| <b>Total assets less current liabilities</b>                    |              | <u>581,804</u>    | <u>656,453</u>   | <u>712,230</u>   |

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## APPENDIX I

## ACCOUNTANTS’ REPORT

|                                      |       | As at 31 December     |                       |                       |
|--------------------------------------|-------|-----------------------|-----------------------|-----------------------|
|                                      |       | 2023                  | 2024                  | 2025                  |
|                                      | Notes | RMB'000               | RMB'000               | RMB'000               |
| <b>Non-current liabilities</b>       |       |                       |                       |                       |
| Lease liabilities                    | 28    | 1,271                 | 9,263                 | 7,387                 |
| Deferred tax liabilities             | 20    | <u>695</u>            | <u>2,475</u>          | <u>1,868</u>          |
| <b>Total non-current liabilities</b> |       | <u>1,966</u>          | <u>11,738</u>         | <u>9,255</u>          |
| <b>Net assets</b>                    |       | <u>579,838</u>        | <u>644,715</u>        | <u>702,975</u>        |
| <b>Capital and reserves</b>          |       |                       |                       |                       |
| Share capital                        | 31    | 58,407                | 58,407                | 58,407                |
| Reserves                             |       | <u>527,438</u>        | <u>594,371</u>        | <u>653,076</u>        |
| Equity attributable to:              |       |                       |                       |                       |
| — the owners of the Company          |       | 585,845               | 652,778               | 711,483               |
| — non-controlling interests          |       | <u>(6,007)</u>        | <u>(8,063)</u>        | <u>(8,508)</u>        |
| <b>Total equity</b>                  |       | <u><u>579,838</u></u> | <u><u>644,715</u></u> | <u><u>702,975</u></u> |

## APPENDIX I

## ACCOUNTANTS’ REPORT

### STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

|                                             | <i>Notes</i> | <b>As at 31 December</b> |                  |                  |
|---------------------------------------------|--------------|--------------------------|------------------|------------------|
|                                             |              | <b>2023</b>              | <b>2024</b>      | <b>2025</b>      |
|                                             |              | <i>RMB'000</i>           | <i>RMB'000</i>   | <i>RMB'000</i>   |
| <b>Non-current assets</b>                   |              |                          |                  |                  |
| Equipments and lease improvements           | 16           | 4,867                    | 2,980            | 1,694            |
| Right-of-use assets                         | 17           | 2,185                    | 7,676            | 6,735            |
| Intangible assets                           | 18           | 1,045                    | 720              | 823              |
| Investments in subsidiaries                 | 40           | 13,500                   | 13,500           | 16,343           |
| Equity instruments at FVTOCI                | 19           | 2,000                    | 548              | —                |
| Deposits paid for acquisition of properties | 23           | 132,400                  | 132,400          | 132,400          |
| Amounts due from subsidiaries               | 39           | 145,687                  | 96,665           | 43,170           |
| Deferred tax assets                         | 20           | 7,675                    | 11,328           | 13,233           |
| Restricted bank deposits                    | 25           | <u>322</u>               | <u>100</u>       | <u>100</u>       |
| <b>Total non-current assets</b>             |              | <u>309,681</u>           | <u>265,917</u>   | <u>214,498</u>   |
| <b>Current assets</b>                       |              |                          |                  |                  |
| Inventories                                 | 21           | 14,797                   | 29,697           | 18,388           |
| Trade and bills receivables                 | 22           | 228,601                  | 785,576          | 132,464          |
| Prepayments, deposits and other receivables | 23           | 147,882                  | 263,589          | 276,653          |
| Amounts due from related parties            | 39           | —                        | 1,180            | —                |
| Restricted bank deposits                    | 25           | 2,168                    | 2,245            | 1,592            |
| Bank balances and cash                      | 25           | <u>158,308</u>           | <u>94,191</u>    | <u>459,745</u>   |
| <b>Total current assets</b>                 |              | <u>551,756</u>           | <u>1,176,478</u> | <u>888,842</u>   |
| <b>Total assets</b>                         |              | <u>861,437</u>           | <u>1,442,395</u> | <u>1,103,340</u> |

## APPENDIX I

## ACCOUNTANTS’ REPORT

|                                              |       | As at 31 December |                |                |
|----------------------------------------------|-------|-------------------|----------------|----------------|
|                                              |       | 2023              | 2024           | 2025           |
|                                              | Notes | RMB'000           | RMB'000        | RMB'000        |
| <b>Current liabilities</b>                   |       |                   |                |                |
| Trade payables                               | 26    | 36,477            | 469,952        | 90,553         |
| Other payables                               | 26    | 18,737            | 106,122        | 33,044         |
| Amount due to a related party                | 39    | 64                | 64             | —              |
| Amounts due to subsidiaries                  | 39    | 3,100             | 8,010          | 2,232          |
| Income tax payable                           |       | 2,580             | 9,344          | 4,761          |
| Borrowings                                   | 27    | 176,930           | 133,000        | 217,000        |
| Lease liabilities                            | 28    | 2,183             | 3,075          | 2,573          |
| Contract liabilities                         | 29    | 7,032             | 22,190         | 10,489         |
| Redemption liabilities on equity shares      | 30    | <u>39,339</u>     | <u>39,339</u>  | <u>39,339</u>  |
| <b>Total current liabilities</b>             |       | <u>286,442</u>    | <u>791,096</u> | <u>399,991</u> |
| <b>Net current assets</b>                    |       | <u>265,314</u>    | <u>385,382</u> | <u>488,851</u> |
| <b>Total assets less current liabilities</b> |       | <u>574,995</u>    | <u>651,299</u> | <u>703,349</u> |
| <b>Non-current liabilities</b>               |       |                   |                |                |
| Lease liabilities                            | 28    | —                 | 4,853          | 4,001          |
| Deferred tax liabilities                     | 20    | <u>218</u>        | <u>1,216</u>   | <u>1,010</u>   |
| <b>Total non-current liabilities</b>         |       | <u>218</u>        | <u>6,069</u>   | <u>5,011</u>   |
| <b>Net assets</b>                            |       | <u>574,777</u>    | <u>645,230</u> | <u>698,338</u> |
| <b>Capital and reserves</b>                  |       |                   |                |                |
| Share capital                                | 31    | 58,407            | 58,407         | 58,407         |
| Reserves                                     | 38    | <u>516,370</u>    | <u>586,823</u> | <u>639,931</u> |
| <b>Total equity</b>                          |       | <u>574,777</u>    | <u>645,230</u> | <u>698,338</u> |

## APPENDIX I

## ACCOUNTANTS’ REPORT

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

|                                                                                  | Attributable to owners of the Company |                 |                     |                      |                | (Accumulated losses)/ | Subtotal | Non-controlling interests | Total   |
|----------------------------------------------------------------------------------|---------------------------------------|-----------------|---------------------|----------------------|----------------|-----------------------|----------|---------------------------|---------|
|                                                                                  | Share capital                         | Capital reserve | Statutory reserve   | Other reserve        | FVTOCI reserve | Retained Earnings     |          |                           |         |
|                                                                                  | RMB'000                               | RMB'000         | RMB'000<br>(Note i) | RMB'000<br>(Note 30) | RMB'000        | RMB'000               | RMB'000  | RMB'000<br>(Note iii)     | RMB'000 |
| At 1 January 2023                                                                | 58,407                                | 521,719         | 5,786               | (25,532)             | —              | (12,921)              | 547,459  | (5,470)                   | 541,989 |
| Profit (loss) for the year and total comprehensive income (expense) for the year | —                                     | —               | —                   | —                    | —              | 38,386                | 38,386   | (1,587)                   | 36,799  |
| Capital contribution from a non-controlling interest (Note ii)                   | —                                     | —               | —                   | —                    | —              | —                     | —        | 1,050                     | 1,050   |
| Appropriation                                                                    | —                                     | —               | 5,099               | —                    | —              | (5,099)               | —        | —                         | —       |
| At 31 December 2023                                                              | 58,407                                | 521,719         | 10,885              | (25,532)             | —              | 20,366                | 585,845  | (6,007)                   | 579,838 |
| Profit (loss) for the year                                                       | —                                     | —               | —                   | —                    | —              | 68,167                | 68,167   | (2,056)                   | 66,111  |
| Fair value changes on investments in equity instruments at FVTOCI                | —                                     | —               | —                   | —                    | (1,234)        | —                     | (1,234)  | —                         | (1,234) |
| Total comprehensive (expense) income for the year                                | —                                     | —               | —                   | —                    | (1,234)        | 68,167                | 66,933   | (2,056)                   | 64,877  |
| Appropriation                                                                    | —                                     | —               | 7,899               | —                    | —              | (7,899)               | —        | —                         | —       |
| At 31 December 2024                                                              | 58,407                                | 521,719         | 18,784              | (25,532)             | (1,234)        | 80,634                | 652,778  | (8,063)                   | 644,715 |
| Profit for the year                                                              | —                                     | —               | —                   | —                    | —              | 58,716                | 58,716   | 10                        | 58,726  |
| Fair value changes on investments in equity instruments at FVTOCI                | —                                     | —               | —                   | —                    | (466)          | —                     | (466)    | —                         | (466)   |
| Total comprehensive (expense) income for the year                                | —                                     | —               | —                   | —                    | (466)          | 58,716                | 58,250   | 10                        | 58,260  |
| Appropriation                                                                    | —                                     | —               | 5,506               | —                    | —              | (5,506)               | —        | —                         | —       |
| Partial disposal of interests in a subsidiary without losing control             | —                                     | —               | —                   | 455                  | —              | —                     | 455      | (455)                     | —       |
| At 31 December 2025                                                              | 58,407                                | 521,719         | 24,290              | (25,077)             | (1,700)        | 133,844               | 711,483  | (8,508)                   | 702,975 |

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**APPENDIX I**

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**ACCOUNTANTS’ REPORT**

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*Notes:*

- (i) It represents the statutory reserve of certain entities comprising the Group in the People’s Republic of China (the “**PRC**”). Pursuant to applicable PRC regulations, the PRC entities comprising the Group is required to appropriate 10% of its profit after tax (after offsetting prior year losses) to the statutory reserve until such reserve reaches 50% of its registered capital. Transfers to this reserve must be made before distribution of dividends to shareholders. Upon approval by the shareholders’ meeting or the department authorized by it, the statutory reserve can be utilised to offset the accumulated losses or to increase the paid-up capital of the entities comprising the Group.
- (ii) During the year ended 31 December 2023, certain non-controlling shareholders made capital contributions amounted to RMB1,000,000 and RMB50,000 to Hunan Huafu Xin Chuang Technology Co., Ltd. (湖南華付信創科技有限公司) and Huafu Intelligent Technology Co., Ltd. (華付智能技術有限公司) respectively.
- (iii) During the Track Record Period, non-wholly owned subsidiaries and their non-controlling interests are not material to the Group with insignificant financial contributions. Therefore, no non-wholly owned subsidiary that has material non-controlling interests has been identified.

## APPENDIX I

## ACCOUNTANTS’ REPORT

### CONSOLIDATED STATEMENTS OF CASH FLOWS

|                                                                     | Year ended 31 December |                 |                |
|---------------------------------------------------------------------|------------------------|-----------------|----------------|
|                                                                     | 2023                   | 2024            | 2025           |
|                                                                     | RMB'000                | RMB'000         | RMB'000        |
| <b>OPERATING ACTIVITIES</b>                                         |                        |                 |                |
| Profit before taxation                                              | 40,435                 | 76,139          | 67,471         |
| Adjustments for:                                                    |                        |                 |                |
| Depreciation of equipments and lease improvements                   | 3,009                  | 2,303           | 1,727          |
| Depreciation of right-of-use assets                                 | 8,010                  | 7,486           | 5,756          |
| Amortisation of intangible assets                                   | 530                    | 449             | 364            |
| Loss/(gain) on disposal of equipments                               | 4                      | 4               | (4)            |
| Gain on termination of leases                                       | (168)                  | (53)            | (269)          |
| Impairment losses under expected credit loss model, net of reversal | 14,941                 | 8,737           | 18,352         |
| Inventory write off                                                 | 763                    | —               | 3,295          |
| Finance costs                                                       | 5,946                  | 9,919           | 6,249          |
| Loss on deregistration of subsidiaries                              | 74                     | 194             | —              |
| Foreign exchange (gain)/loss, net                                   | (35)                   | (130)           | 117            |
| Fair value changes of financial assets at FVTPL                     | (978)                  | (126)           | —              |
| Operating cash flows before movement of working capital             | 72,531                 | 104,922         | 103,058        |
| (Increase)/decrease in inventories                                  | (5,047)                | (17,163)        | 10,467         |
| (Increase)/decrease in trade and bills receivables                  | (51,220)               | (546,281)       | 608,710        |
| Increase in prepayments, deposits and other receivables             | (221,122)              | (53,972)        | (8,957)        |
| Increase/(decrease) in trade payables                               | 22,911                 | 392,185         | (313,579)      |
| (Decrease)/increase in contract liabilities                         | (1,134)                | 16,941          | (12,703)       |
| (Increase)/decrease in amounts due from related parties             | —                      | (1,180)         | 1,180          |
| Increase/(decrease) in other payables                               | 2,981                  | 85,674          | (68,211)       |
| Cash (used in) generated from operations                            | (180,100)              | (18,874)        | 319,965        |
| Income tax paid                                                     | (3,027)                | (5,026)         | (13,562)       |
| <b>NET CASH (USED IN) FROM OPERATING ACTIVITIES</b>                 | <b>(183,127)</b>       | <b>(23,900)</b> | <b>306,403</b> |

## APPENDIX I

## ACCOUNTANTS’ REPORT

|                                                             | Year ended 31 December |                   |                   |
|-------------------------------------------------------------|------------------------|-------------------|-------------------|
|                                                             | 2023                   | 2024              | 2025              |
|                                                             | RMB'000                | RMB'000           | RMB'000           |
| <b>INVESTING ACTIVITIES</b>                                 |                        |                   |                   |
| Interest income on financial assets at FVTPL                | 978                    | 126               | —                 |
| Place of restricted bank deposits                           | (2,396)                | (1,044)           | (210)             |
| Withdrawal of restricted bank deposits                      | 1,142                  | 1,189             | 1,193             |
| Purchases of properties and equipments                      | (53,999)               | (146)             | (242)             |
| Refund of deposit paid for acquisition of properties        | 10,000                 | —                 | —                 |
| Proceeds on disposal of equipments                          | 24                     | 1                 | 12                |
| Purchases of intangible assets                              | —                      | (69)              | (467)             |
| Purchases of financial assets at FVTPL                      | —                      | —                 | (5,000)           |
| Redemption of financial assets at FVTPL                     | —                      | 2,000             | 5,000             |
| Proceeds on disposal of equity instruments at FVTOCI        | —                      | 3,000             | —                 |
| Purchases of equity instruments at FVTOCI                   | <u>(2,000)</u>         | <u>—</u>          | <u>—</u>          |
| <b>NET CASH (USED IN) FROM INVESTING ACTIVITIES</b>         | <u>(46,251)</u>        | <u>5,057</u>      | <u>286</u>        |
| <b>FINANCING ACTIVITIES</b>                                 |                        |                   |                   |
| Proceeds from borrowings                                    | 258,580                | 243,000           | 217,000           |
| Repayments of borrowings                                    | (100,680)              | (286,930)         | (133,000)         |
| Bank interests paid                                         | (2,694)                | (9,406)           | (5,394)           |
| Repayments of amount due to a related party                 | —                      | —                 | (64)              |
| Repayments of lease liabilities                             | (8,637)                | (7,005)           | (6,232)           |
| Interests paid on lease liabilities                         | (622)                  | (513)             | (855)             |
| Capital contributions from a non-controlling interest       | 1,050                  | —                 | —                 |
| [REDACTED]                                                  | <u>[REDACTED]</u>      | <u>[REDACTED]</u> | <u>[REDACTED]</u> |
| <b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>         | <u>146,997</u>         | <u>(60,854)</u>   | <u>66,181</u>     |
| <b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b> | <u>(82,381)</u>        | <u>(79,697)</u>   | <u>372,870</u>    |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>   | <u>266,249</u>         | <u>183,868</u>    | <u>104,171</u>    |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>         |                        |                   |                   |
| represented by bank balances and cash                       | <u>183,868</u>         | <u>104,171</u>    | <u>477,041</u>    |

## APPENDIX I

## ACCOUNTANTS’ REPORT

### NOTES TO THE HISTORICAL FINANCIAL INFORMATION

#### 1. GENERAL INFORMATION

Shenzhen Huaifu Technology Co., Ltd. (the “**Company**”) is a company with limited liability established in the People’s Republic of China (the “**PRC,” or “China**”) on 1 July 2015. Its ultimate controlling party is Mr. Zhang Huan, who is also the chairman, chief executive officer and executive director of the Company. The registered address is Room 201, Building A, No. 1 Qianwan Road, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen, and the office address is Floor T2-B, Software Park, Nanshan District, Shenzhen, the PRC.

The Company and its subsidiaries (the “**Group**”) are principally engaged in provision of AI recognition, AI vertical industry applications and AI computing technical services.

The Historical Financial Information is presented in RMB, which is also the functional currency of the Company.

The statutory financial statements of the Company for each of the years ended 31 December 2023, 2024 and 2025 were prepared in accordance with Chinese Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and were audited by CAC CPA limited liability partnership\* (中審華會計師事務所(特殊普通合伙)), a certified public accountants registered in the PRC, for each of the years ended 31 December 2023, 2024 and 2025.

#### 2. APPLICATION OF IFRS ACCOUNTING STANDARDS

For the purpose of preparing the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards issued by the IASB, which are effective for the accounting period beginning on 1 January 2025 throughout the Track Record Period.

##### **New and amendments to IFRS Accounting Standards in issue but not yet effective**

At the date of this report, the Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

|                                         |                                                                                                    |
|-----------------------------------------|----------------------------------------------------------------------------------------------------|
| Amendments to IAS 21                    | Translation to a Hyperinflationary Presentation Currency <sup>3</sup>                              |
| Amendments to IFRS 9 and IFRS 7         | Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>             |
| Amendments to IFRS 9 and IFRS 7         | Contracts Referencing Nature — Dependent Electricity <sup>2</sup>                                  |
| Amendments to IFRS 10 and IAS 28        | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup> |
| Amendments to IFRS Accounting Standards | Annual Improvements to IFRS Accounting Standards — Volume 11 <sup>2</sup>                          |
| IFRS 18                                 | Presentation and Disclosure in Financial Statements <sup>3</sup>                                   |

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027

\* English name is for identification purpose only.

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## APPENDIX I

## ACCOUNTANTS’ REPORT

---

IFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace IAS 1 *Presentation of Financial Statements*. The new standard introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard will not have material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows and disclosures in the future financial statements. The Group will continue to assess the impact of IFRS 18 on the Group’s consolidated financial statements.

Except as described above, the directors of the Company anticipate that the application of the amendments to IFRS will have no material impact on the Historical Financial Information in the foreseeable future.

### 3. BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL INFORMATION AND MATERIAL ACCOUNTING POLICY INFORMATION

#### 3.1 Basis of preparation of the Historical Financial Information

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the Historical Financial Information is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

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## APPENDIX I

## ACCOUNTANTS’ REPORT

---

- Level 2 inputs are inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### 3.2 Material accounting policy information

#### *Basis of consolidation*

The Historical Financial Information incorporates the financial statements of the Company and entities controlled by the Group. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income/expense from the date the Group gains controls until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income/expense are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income/expense of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group’s equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

#### *Changes in the Group’s interests in existing subsidiaries*

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

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## APPENDIX I

## ACCOUNTANTS’ REPORT

---

subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

### *Investments in subsidiaries*

Investment in a subsidiary is included in the Company’s statements of financial position at cost less accumulated losses, if any.

### *Revenue from contracts with customers*

Information about the Group’s accounting policies relating to revenue from contracts with customers is provided in Notes 5 and 29.

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

### *Leases*

#### *The Group as a lessee*

##### *Short-term leases*

The Group applies the short-term lease recognition exemption to leases of workspace 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 expense on a straight-line basis over the lease term.

##### *Right-of-use assets*

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received.

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

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

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

##### *Refundable rental deposits*

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

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## APPENDIX I

## ACCOUNTANTS’ REPORT

---

### *Lease liabilities*

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the commercial bank borrowing rate for the same tenor, plus a floating adjustment based on the entity’s own borrowing rate.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

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

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

### *Foreign currencies*

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

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

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

### *Borrowing costs*

Borrowing costs not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss in the period in which they are incurred.

### *Government grants*

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should

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## APPENDIX I

## ACCOUNTANTS’ REPORT

---

purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statements of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

### *Employee benefits*

#### *Retirement benefit costs*

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees’ salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees’ payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government.

The Group operates defined contribution retirement schemes which are available to Hong Kong employees. The assets of the schemes are held separately from those of the Group in an independently administered fund. The amount of contributions is based on a specified percentage of the basic salary of employees.

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

#### *Short-term employee benefits*

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages, salaries and annual leave) after deducting any amount already paid.

#### *Taxation*

Income tax expense represents the sum of current and deferred income tax expense.

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

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## APPENDIX I

---

## ACCOUNTANTS’ REPORT

---

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

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

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

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

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

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income Taxes requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

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

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

### *Equipments and lease improvements*

Equipments and lease improvements are tangible assets that are held for use in the supply of goods or services, or for administrative purposes (other than construction in progress as described below). Equipments and lease improvements are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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## APPENDIX I

---

## ACCOUNTANTS’ REPORT

---

Depreciation is recognised so as to write off the cost of assets other than properties under construction less than their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

### *Intangible assets*

#### *Intangible assets acquired separately*

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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

#### *Internally-generated intangible assets — research and development expenditure*

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

### *Impairment on equipments and lease improvements, right-of-use assets and intangible assets*

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

The recoverable amount of equipments and lease improvements, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

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## APPENDIX I

---

## ACCOUNTANTS’ REPORT

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Before the Group recognises an impairment loss for assets capitalised as contract costs under IFRS 15, the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### ***Inventories***

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

### ***Financial instruments***

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

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## APPENDIX I

## ACCOUNTANTS’ REPORT

---

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

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

### *Financial assets*

#### Classification and measurement of financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

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

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

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

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

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or

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## APPENDIX I

## ACCOUNTANTS’ REPORT

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- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

(i) Amortised cost and interest income

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

(ii) Financial assets at FVTPL

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

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

Impairment of financial assets and other items subject to impairment assessment under IFRS 9

The Group performs impairment assessment under expected credit losses (“ECL”) model on financial assets (including trade and bills receivables, prepayments, deposits and other receivables, amounts due from related parties, amounts due from subsidiaries, bank balances and restricted bank deposits) which are subject to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade and bills receivables arising from contracts with customers. The ECL on these assets are assessed individually for debtors with significant balances or credit-impaired, and collectively for the remaining balances of debtors based on provision matrix.

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

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## APPENDIX I

## ACCOUNTANTS’ REPORT

---

### (i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the prospects of the industries in which the Group’s debtors operate, obtained from economic expert reports, financial analysts, and governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

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

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

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

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

### (ii) Definition of default

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

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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## APPENDIX I

## ACCOUNTANTS’ REPORT

---

### (iii) Credit-impaired financial assets

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

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

### (iv) Write-off policy

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

### (v) Measurement and recognition of ECL

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

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

Lifetime ECL for trade and bills receivables arising from contracts with customers are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

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

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

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## APPENDIX I

---

## ACCOUNTANTS’ REPORT

---

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

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

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

### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

### *Financial liabilities and equity*

#### Classification as debt or equity

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 a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

#### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

#### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group’s documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

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## APPENDIX I

## ACCOUNTANTS’ REPORT

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- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated at FVTPL.

For financial liabilities that are designated at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, such as shares with preferential rights, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability’s credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to accumulated losses upon derecognition of the financial liability.

### Financial liabilities at amortised cost

Financial liabilities including trade payables, other payables, amount due to a related party, amounts due to subsidiaries and borrowings are subsequently measured at amortised cost, using the effective interest method.

### Redemption liabilities on equity shares

The redemption liabilities are initially measured at the present value of the redemption amount, even if the Group’s obligations to purchase is conditional on the counterparty exercising a right to redeem. Subsequently, the redemption liabilities are measured at amortised cost with interest charged in finance costs. The redemption liabilities are derecognised when, and only when, our redemption obligations are discharged, cancelled, or have expired. When the redemption liabilities expire without the redemption right being exercised by the counterparty, the carrying amount of the redemption liabilities are reclassified to equity.

### Foreign exchange gains and losses

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities.

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial assets measured at amortised cost, exchange differences are recognised in profit or loss in the ‘Other gains and losses’ line item as part of the net foreign exchange gains/(losses).

### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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## APPENDIX I

## ACCOUNTANTS’ REPORT

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### 4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

#### **Critical judgements in applying accounting policies**

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group’s accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

#### ***Principal versus agent consideration***

The Group engages in provision of AI computing technical services with full-stack AI capabilities. The Group identifies its role of each contract by analysing the nature of underlying promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group concluded that it acts as the agent for providing AI computing technical services under certain contracts as detailed in Note 5 as its performance obligation is to arrange for the provision of the specified good by another party. In this case, the Group does not control the specified good provided by another party before that good or service is transferred to the customer after taking into consideration indicators such as the Group is not primarily responsible for fulfilling the promise to provide the goods, is not exposed to inventory risk and has a limited discretion in establishing the price. Taking into consideration of the indicators as above, the Group acts as an agent in this type of business and recognises revenue in the net amount of consideration that it retains after paying the suppliers the consideration received in exchange for the goods provided by the suppliers. The details have been set out in Note 5.

#### **Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each year during the Track Record Period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the following years.

#### ***Provision of ECL for trade receivables, prepayments, deposits and other receivables***

Trade receivables with significant balances or credit-impaired are assessed for ECL individually and remaining are assessed using provision matrix. Prepayments, deposits, and other receivables with significant balances or credit-impaired are assessed individually and remaining are assessed using internal credit rating with appropriate groupings.

In addition, the Group estimates ECL on trade receivables which are not assessed individually using a provision matrix. The provision rates are mainly based on aging of debtors as groupings of various debtors taking into consideration the Group’s aging, historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

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## APPENDIX I

## ACCOUNTANTS’ REPORT

---

The Group estimates ECL on prepayments, deposits, and other receivables which are not assessed individually using internal credit rating with appropriate groupings based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportable and forward-looking information available without undue costs or effort.

The information about the ECL for trade receivables, prepayments, deposits and other receivables are disclosed in Note 35.

### 5. REVENUE AND SEGMENT INFORMATION

#### **Accounting policies of revenue recognition**

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or services.

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

#### ***Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation***

##### ***Output method***

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group’s performance in transferring control of goods or services.

##### ***Principal versus agent***

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

## APPENDIX I

## ACCOUNTANTS’ REPORT

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

### Segment information

For management purpose, the Group does not organise into business units based on their services and only has one reportable operating segment. The executive directors of the Company, being the chief operating decision maker (“CODM”), review the consolidated operating results of the Group for the purpose of making decisions about resources allocation and performance assessment as a whole. In this regard, no segment information is presented.

No other discrete financial information is provided other than the Group’s results and financial position as a whole. Accordingly, only entity-wide disclosures and major customers are presented.

No assets and liabilities are included in the measures of the Group’s segment reporting that are used by the CODM. Accordingly, no segment assets and liabilities are presented.

### Disaggregation of revenue from contracts with customers

The following is an analysis of the Group’s revenue from contracts with customers by major service lines:

|                                   | Year ended 31 December |         |         |
|-----------------------------------|------------------------|---------|---------|
|                                   | 2023                   | 2024    | 2025    |
| Service lines                     | RMB’000                | RMB’000 | RMB’000 |
| AI recognition                    | 119,982                | 103,399 | 125,720 |
| AI vertical industry applications | 265,560                | 178,393 | 225,648 |
| AI computing technical services   | 5,394                  | 104,035 | 112,544 |
| Total                             | 390,936                | 385,827 | 463,912 |

### Timing of revenue recognition

Revenue from contracts with customers within the scope of IFRS 15 recognised at a point in time and over time is analysed as follows:

|                               | Year ended 31 December |         |         |
|-------------------------------|------------------------|---------|---------|
|                               | 2023                   | 2024    | 2025    |
|                               | RMB’000                | RMB’000 | RMB’000 |
| Timing of revenue recognition |                        |         |         |
| — A point in time             | 273,865                | 305,480 | 415,654 |
| — Over time                   | 117,071                | 80,347  | 48,258  |
| Total                         | 390,936                | 385,827 | 463,912 |

## APPENDIX I

## ACCOUNTANTS’ REPORT

### *Information about major customers*

Revenue from major customer accounting for 10% or more of the Group’s revenue for each of the years during the Track Record Period, is set out below:

|                               | Year ended 31 December |            |               |
|-------------------------------|------------------------|------------|---------------|
|                               | 2023                   | 2024       | 2025          |
|                               | RMB’000                | RMB’000    | RMB’000       |
| Customer A ( <i>Note i</i> )  | 70,938                 | 59,980     | N/A           |
| Customer B ( <i>Note ii</i> ) | <u>N/A</u>             | <u>N/A</u> | <u>54,717</u> |

*Notes:*

- (i) The revenue from Customer A is related to AI vertical industry applications which was below 10% of total revenue during the year ended 31 December 2025. Customer A include affiliates and associates of a leading internet and technology company headquartered in Shenzhen and listed on the Hong Kong Stock Exchange.
- (ii) The revenue from Customer B is related to AI computing technical services which was below 10% of total revenue for each of the two years ended 31 December 2023 and 2024.

### *Geographical information*

The Group’s operation is located in the PRC. The Group’s revenues from external customers are divided into the following geographical area:

|                     | Year ended 31 December |                |                |
|---------------------|------------------------|----------------|----------------|
|                     | 2023                   | 2024           | 2025           |
|                     | RMB’000                | RMB’000        | RMB’000        |
| The mainland of PRC | 380,936                | 382,336        | 431,749        |
| Hong Kong           | <u>10,000</u>          | <u>3,491</u>   | <u>32,163</u>  |
| Total               | <u>390,936</u>         | <u>385,827</u> | <u>463,912</u> |

The Group’s revenue information above is based on the delivery destinations of the Group’s products and services requested by the customers. The geographical location of non-current assets is based on the physical location of the assets. As of 31 December 2023, 2024 and 2025, all of the Group’s non-current assets were located in the mainland of PRC.

### **Performance obligations for major sources of revenue**

The Group principally delivers the full-stack AI technology solutions equipped with AI infrastructure, which integrate computer vision algorithms, advanced software-hardware integration capabilities and computing power services. The services are generally categorised into:

- i) Offering AI recognition based on computer vision algorithms, including identity recognition, document authentication and risk prevention across various online scenarios. Revenue are recognised at a point in time when the service is delivered and accepted by the customer.

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## APPENDIX I

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## ACCOUNTANTS’ REPORT

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- ii) Delivering AI vertical industry applications that address the operational difficulties of customers in specific industries, including offering IT technical services and delivering software-hardware products.
  - Revenue from IT technical services provided over time are recognised under output methods, which is to recognise revenue on the basis of direct measurements of the value of these services transferred to the customer to date relative to the remaining services promised under the contract, that best depict the Group’s performance in transferring control of services, and under which the Group’s performance creates or enhances an asset that the customer controls as the Group performs, the performance obligation is satisfied over time.
  - Revenue from sales of software-hardware products related to AI vertical industry applications are recognised at a point in time when the products are delivered, installed and accepted by the customer.
- iii) Providing AI computing technical services, including providing one-stop services covering planning and consulting, construction and deployment, and technical solution, relying on our self-developed technology platform derived from practical experience.
  - AI computing technical services primarily include providing planning and consulting, construction and deployment, and technical solution services. These technical services are provided through integrating the AI computing hardware infrastructures and services, all of which are highly interdependent and interrelated with each other and represent multiple inputs to a combined output that is transferred to the customer. Accordingly, the AI computing technical services, i.e. the integrated solution, is accounted for as a single performance obligation. The Group recognises AI computing technical services at a point in time when services are performed and accepted by the customer.
  - Certain contracts contain provision of procurement consulting service which involves procurement agency services. The Group recognises revenue from procurement agency services on a net basis based on the fact that the Group does not have control over the servers purchased on behalf of customers as agents. While the Group’s role in performing these services include consulting on network architecture design, procurement advisory, procuring the servers and delivering them to customers’ premises to customize, test and integrate them with other components and its proprietary software in accordance with customer specifications, the Group does not control the specified good provided by another party before that good or service is transferred to the customer after taking into consideration indicators such as the Group is not primarily responsible for fulfilling the promise to provide the goods, does not retains inventory risk and has a limited discretion in establishing the price. The related services are usually completed within a very short period of time after the procurement agency services are performed. Revenue for this type of business is recognised at a point in time when the services are performed and accepted by the customer.

The Group’s revenue contracts generally include standard warranty, sales-related warranties associated with AI vertical industry applications serve as an assurance that the products/or service delivered comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, the financial impacts of which have historically been and are expected to continue to be insignificant.

## APPENDIX I

## ACCOUNTANTS’ REPORT

### Transaction price allocated to the remaining performance obligation for contracts with customers

Regarding IT technical services, the Group recognises revenue from the satisfaction of the performance obligation in the amount to which the Group has a right to invoice. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) in relation to sales of software-hardware products of AI vertical industry applications as at 31 December 2023, 2024 and 2025, and the expected timing of recognising revenue are as follows:

|                                                | As at 31 December |               |               |
|------------------------------------------------|-------------------|---------------|---------------|
|                                                | 2023              | 2024          | 2025          |
|                                                | RMB'000           | RMB'000       | RMB'000       |
| Within one year                                | 7,832             | 23,910        | 39,697        |
| More than one year but not more than two years | <u>5,718</u>      | <u>5,718</u>  | <u>10,113</u> |
|                                                | <u>13,550</u>     | <u>29,628</u> | <u>49,810</u> |

All AI recognition services and AI computing technical services are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

### 6. OTHER INCOME

|                                   | Year ended 31 December |              |            |
|-----------------------------------|------------------------|--------------|------------|
|                                   | 2023                   | 2024         | 2025       |
|                                   | RMB'000                | RMB'000      | RMB'000    |
| Government grants ( <i>Note</i> ) | 4,442                  | 697          | 381        |
| Interest on bank deposits         | <u>1,594</u>           | <u>483</u>   | <u>187</u> |
|                                   | <u>6,036</u>           | <u>1,180</u> | <u>568</u> |

*Note:* The amounts represented subsidies received from the local governments for rewarding the Group’s contribution to local economies. There were no specific conditions attached to the grants and the amounts were recognised in profit or loss when the grants were received.

## APPENDIX I

## ACCOUNTANTS’ REPORT

### 7. OTHER GAINS AND LOSSES

|                                                                 | Year ended 31 December |                |            |
|-----------------------------------------------------------------|------------------------|----------------|------------|
|                                                                 | 2023                   | 2024           | 2025       |
|                                                                 | RMB'000                | RMB'000        | RMB'000    |
| Fair value changes of financial assets at FVTPL<br>(Note 36)    | 978                    | 126            | —          |
| Gain on termination of leases, net                              | 168                    | 53             | 269        |
| Compensation from the client for termination of<br>the contract | 2,253                  | —              | —          |
| Loss on deregistration of subsidiaries                          | (74)                   | (194)          | —          |
| (Loss)/gain on disposal of equipments                           | (4)                    | (4)            | 4          |
| Foreign exchange gain/(loss), net                               | 35                     | 130            | (117)      |
| Penalty on non-delivery of goods                                | —                      | (1,164)        | —          |
| Others                                                          | 10                     | (104)          | 133        |
|                                                                 | <u>3,366</u>           | <u>(1,157)</u> | <u>289</u> |

### 8. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

|                                                       | Year ended 31 December |              |               |
|-------------------------------------------------------|------------------------|--------------|---------------|
|                                                       | 2023                   | 2024         | 2025          |
|                                                       | RMB'000                | RMB'000      | RMB'000       |
| Impairment losses (net of reversal)<br>recognised on: |                        |              |               |
| — Prepayments, deposits and other receivables         | 6,065                  | (20)         | 388           |
| — Trade and bills receivables                         | 8,876                  | 8,757        | 17,964        |
|                                                       | <u>14,941</u>          | <u>8,737</u> | <u>18,352</u> |

### 9. FINANCE COSTS

|                                                     | Year ended 31 December |              |              |
|-----------------------------------------------------|------------------------|--------------|--------------|
|                                                     | 2023                   | 2024         | 2025         |
|                                                     | RMB'000                | RMB'000      | RMB'000      |
| Interest on bank borrowings                         | 2,694                  | 9,406        | 5,394        |
| Interest on lease liabilities                       | 622                    | 513          | 855          |
| Interest on redemption liabilities on equity shares | 2,630                  | —            | —            |
|                                                     | <u>5,946</u>           | <u>9,919</u> | <u>6,249</u> |

## APPENDIX I

## ACCOUNTANTS’ REPORT

### 10. INCOME TAX EXPENSE

|                                       | Year ended 31 December |                      |                     |
|---------------------------------------|------------------------|----------------------|---------------------|
|                                       | 2023                   | 2024                 | 2025                |
|                                       | RMB'000                | RMB'000              | RMB'000             |
| Current tax                           |                        |                      |                     |
| PRC Enterprise Income Tax             | 4,225                  | 12,637               | 9,147               |
| Hong Kong Profits Tax                 | 271                    | —                    | 409                 |
| Under (over) provision in prior years | <u>238</u>             | <u>(104)</u>         | <u>(169)</u>        |
|                                       | <u>4,734</u>           | <u>12,533</u>        | <u>9,387</u>        |
| Deferred tax ( <i>Note 20</i> )       | <u>(1,098)</u>         | <u>(2,505)</u>       | <u>(642)</u>        |
|                                       | <u><u>3,636</u></u>    | <u><u>10,028</u></u> | <u><u>8,745</u></u> |

#### PRC

The Company and certain subsidiaries operating in the PRC are eligible for tax concessions.

According to the “Announcement on Corporate Income Tax Policies to Promote High-Quality Development of the Integrated Circuit and Software Industries”(No. 45 [2020]) effective on 1 January 2020, key integrated circuit design enterprises and software enterprises encouraged by the state shall be exempted from enterprise income tax for the first five years starting from the year they make profits, and shall be subject to enterprise income tax at a preferential rate of 10% for subsequent years. The Company was qualified for this preferential tax policy since 2020 and was subject to a preferential income tax rate of 10% for the year ended 31 December 2023.

Under the EIT Law effective on 1 January 2008, the “high and new technology enterprise” (the “HNTE”) status is valid for three years and qualifying entities can re-apply for an additional three years provided their business operations continue to qualify for the new HNTE status. The qualified HNTE are subject to a preferential income tax rate of 15% and the unutilised tax losses incurred by a qualified HNTE can be utilised in 10 years from the year of loss. The Company was qualified as a HNTE on 11 December 2020, and extended its HNTE status for another 3 years on 15 November 2023. The Company was subject to a preferential income tax rate of 15% for the year ended 31 December 2024 and 2025.

Shenzhen Smart Shield Technology Co., Ltd. was qualified as a HNTE since 26 December 2024 and was subject to a preferential income tax rate of 15% thereafter and the unutilised tax losses can be utilised in 10 years from the year of loss.

During the Track Record Period, several subsidiaries in PRC were qualified as small and micro enterprises under the PRC Enterprise Income Tax regime, which enjoyed an effective enterprise income tax rate of 5%, enjoying the combined effect of certain preferential enterprise income tax rate and taxable income amount at a certain reduced rate.

#### Hong Kong

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit during the Track Record Period.

## APPENDIX I

## ACCOUNTANTS’ REPORT

The income tax expense for the Track Record Period can be reconciled to the profit before taxation per the consolidated statements of profit or loss and other comprehensive income as follows:

|                                                                                                      | Year ended 31 December |               |               |
|------------------------------------------------------------------------------------------------------|------------------------|---------------|---------------|
|                                                                                                      | 2023                   | 2024          | 2025          |
|                                                                                                      | RMB'000                | RMB'000       | RMB'000       |
| Profit before taxation                                                                               | <u>40,435</u>          | <u>76,139</u> | <u>67,471</u> |
| Tax at the PRC enterprise income tax rate of 25%                                                     | 10,109                 | 19,035        | 16,868        |
| Tax effect of expenses not deductible for tax purposes ( <i>Note(i)</i> )                            | 1,073                  | 673           | 1,001         |
| Additional deduction of research and development expenses ( <i>Note(ii)</i> )                        | (3,983)                | (3,784)       | (2,989)       |
| Tax effect of deductible temporary differences or tax losses not recognised in the current year      | 1,050                  | 703           | 340           |
| Utilisation of unrecognised deductible tax losses and temporary difference in respect of prior years | (4)                    | (9)           | (198)         |
| Tax effect of differential tax rates                                                                 | (4,847)                | (6,486)       | (6,108)       |
| Under (over) provision in prior years                                                                | <u>238</u>             | <u>(104)</u>  | <u>(169)</u>  |
| Income tax expense for the years                                                                     | <u>3,636</u>           | <u>10,028</u> | <u>8,745</u>  |

*Notes:*

- (i) The expenses not deductible for tax purpose primarily comprised business entertainment expenses that exceed the deductible limit in accordance with the PRC tax law.
- (ii) According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC (“SAT”) that have been effective from 2018 onwards, enterprises engaging in research and development activities are entitled to claim 175% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (the “**Weighted Deduction**”). The SAT announced to increase the weighted deduction rate to 200% with effect from 1 October 2022. Accordingly, the Group adopted the weighted deduction rate of 200% during the Track Record Period. In determining the taxable profits for the year, the Group has made the best estimate of the entitled weighted deduction.

## APPENDIX I

## ACCOUNTANTS’ REPORT

### 11. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

|                                                                                    | Year ended 31 December |                   |                   |
|------------------------------------------------------------------------------------|------------------------|-------------------|-------------------|
|                                                                                    | 2023                   | 2024              | 2025              |
|                                                                                    | RMB'000                | RMB'000           | RMB'000           |
| Profit before taxation has been arrived at after charging:                         |                        |                   |                   |
| Staff costs (including directors’ emoluments as set out <i>Note 12</i> ):          |                        |                   |                   |
| Salaries and other benefits                                                        | 176,712                | 127,811           | 95,504            |
| Retirement benefit scheme contributions                                            | <u>7,669</u>           | <u>6,495</u>      | <u>5,293</u>      |
| Total staff costs                                                                  | 184,381                | 134,306           | 100,797           |
| Capitalised in inventories                                                         | <u>(109,332)</u>       | <u>(75,935)</u>   | <u>(49,844)</u>   |
|                                                                                    | <u>75,049</u>          | <u>58,371</u>     | <u>50,953</u>     |
| Depreciation of equipments and lease improvements                                  | 3,009                  | 2,303             | 1,727             |
| Depreciation of right-of-use assets                                                | 8,010                  | 7,486             | 5,756             |
| Amortisation of intangible assets                                                  | 530                    | 449               | 364               |
| Cost of inventories recognised as an expense (including write-down of inventories) | 188,367                | 136,688           | 187,857           |
| Professional fee                                                                   | 1,664                  | 1,813             | 2,025             |
| Auditors’ remuneration                                                             | 252                    | 354               | 157               |
| [REDACTED]                                                                         | <u>[REDACTED]</u>      | <u>[REDACTED]</u> | <u>[REDACTED]</u> |

## APPENDIX I

## ACCOUNTANTS’ REPORT

### 12. DIRECTORS’ AND CHIEF EXECUTIVE’S EMOLUMENTS

Details of the emoluments paid or payable to the directors of the Company during the Track Record Period for their services rendered to the entities comprising the Group are as follows:

|                                                                            | Salaries and<br>other benefits<br><i>RMB’000</i> | Retirement<br>benefits<br><i>RMB’000</i> | Performance<br>related<br>bonuses and<br>other benefit<br>received<br><i>RMB’000</i> | Total<br><i>RMB’000</i> |
|----------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------------|-------------------------|
| <b>Year ended 31 December 2023</b>                                         |                                                  |                                          |                                                                                      |                         |
| <i>Executive directors</i>                                                 |                                                  |                                          |                                                                                      |                         |
| Mr. Zhang Huan ( <i>Note i</i> )<br>(chairman and chief executive officer) | 508                                              | 52                                       | —                                                                                    | 560                     |
| Mr. Lou Decheng ( <i>Note ii</i> )                                         | 486                                              | 53                                       | —                                                                                    | 539                     |
| Mr. Tang Hong ( <i>Note iii</i> )                                          | 594                                              | 50                                       | —                                                                                    | 644                     |
| Mr. Li Ailin ( <i>Note iv</i> )                                            | 601                                              | 39                                       | —                                                                                    | 640                     |
| Mr. Huang Junwen ( <i>Note v</i> )                                         | 475                                              | 53                                       | —                                                                                    | 528                     |
| Subtotal                                                                   | 2,664                                            | 247                                      | —                                                                                    | 2,911                   |
| <i>Non-executive director</i>                                              |                                                  |                                          |                                                                                      |                         |
| Mr. Huang Yue ( <i>Note vi</i> )                                           | —                                                | —                                        | —                                                                                    | —                       |
| <i>Independent non-executive directors</i>                                 |                                                  |                                          |                                                                                      |                         |
| Mr. Mao Rui ( <i>Note viii</i> )                                           | 110                                              | —                                        | —                                                                                    | 110                     |
| Mr. Shi Shugang ( <i>Note viii</i> )                                       | 110                                              | —                                        | —                                                                                    | 110                     |
| Mr. Huang Dazhan ( <i>Note viii</i> )                                      | 330                                              | —                                        | —                                                                                    | 330                     |
| Subtotal                                                                   | 550                                              | —                                        | —                                                                                    | 550                     |
| Total                                                                      | 3,214                                            | 247                                      | —                                                                                    | 3,461                   |

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## APPENDIX I

## ACCOUNTANTS’ REPORT

|                                            | Salaries and<br>other benefits<br><i>RMB'000</i> | Retirement<br>benefits<br><i>RMB'000</i> | Performance<br>related<br>bonuses and<br>other benefit<br>received<br><i>RMB'000</i> | Total<br><i>RMB'000</i> |
|--------------------------------------------|--------------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------------|-------------------------|
| <b>Year ended 31 December 2024</b>         |                                                  |                                          |                                                                                      |                         |
| <i>Executive directors</i>                 |                                                  |                                          |                                                                                      |                         |
| Mr. Zhang Huan ( <i>Note i</i> )           | 487                                              | 53                                       | —                                                                                    | 540                     |
| Mr. Lou Decheng ( <i>Note ii</i> )         | 475                                              | 53                                       | —                                                                                    | 528                     |
| Mr. Tang Hong ( <i>Note iii</i> )          | 333                                              | 51                                       | —                                                                                    | 384                     |
| Mr. Li Ailin ( <i>Note iv</i> )            | 648                                              | 40                                       | —                                                                                    | 688                     |
| Mr. Huang Junwen ( <i>Note v</i> )         | 356                                              | 53                                       | —                                                                                    | 409                     |
| Subtotal                                   | 2,299                                            | 250                                      | —                                                                                    | 2,549                   |
| <i>Non-executive director</i>              |                                                  |                                          |                                                                                      |                         |
| Mr. Huang Yue ( <i>Note vi</i> )           | —                                                | —                                        | —                                                                                    | —                       |
| <i>Independent non-executive directors</i> |                                                  |                                          |                                                                                      |                         |
| Mr. Mao Rui ( <i>Note viii</i> )           | 120                                              | —                                        | —                                                                                    | 120                     |
| Mr. Shi Shugang ( <i>Note viii</i> )       | 120                                              | —                                        | —                                                                                    | 120                     |
| Mr. Huang Dazhan ( <i>Note viii</i> )      | 300                                              | —                                        | —                                                                                    | 300                     |
| Subtotal                                   | 540                                              | —                                        | —                                                                                    | 540                     |
| Total                                      | 2,839                                            | 250                                      | —                                                                                    | 3,089                   |

## APPENDIX I

## ACCOUNTANTS’ REPORT

|                                            | Salaries and<br>other benefits<br><i>RMB'000</i> | Retirement<br>benefits<br><i>RMB'000</i> | Performance<br>related<br>bonuses and<br>other benefit<br>received<br><i>RMB'000</i> | Total<br><i>RMB'000</i> |
|--------------------------------------------|--------------------------------------------------|------------------------------------------|--------------------------------------------------------------------------------------|-------------------------|
| <b>Year ended 31 December 2025</b>         |                                                  |                                          |                                                                                      |                         |
| <i>Executive directors</i>                 |                                                  |                                          |                                                                                      |                         |
| Mr. Zhang Huan ( <i>Note i</i> )           | 524                                              | 68                                       | —                                                                                    | 592                     |
| Mr. Lou Decheng ( <i>Note ii</i> )         | 487                                              | 68                                       | —                                                                                    | 555                     |
| Mr. Tang Hong ( <i>Note iii</i> )          | 393                                              | 66                                       | —                                                                                    | 459                     |
| Mr. Li Ailin ( <i>Note iv</i> )            | 728                                              | 51                                       | —                                                                                    | 779                     |
| Mr. Huang Junwen ( <i>Note v</i> )         | 150                                              | 39                                       | —                                                                                    | 189                     |
| Subtotal                                   | 2,282                                            | 292                                      | —                                                                                    | 2,574                   |
| <i>Non-executive directors</i>             |                                                  |                                          |                                                                                      |                         |
| Mr. Huang Yue ( <i>Note vi</i> )           | —                                                | —                                        | —                                                                                    | —                       |
| Mr. Zhu Jimin ( <i>Note vii</i> )          | 113                                              | 11                                       | —                                                                                    | 124                     |
| <i>Independent non-executive directors</i> |                                                  |                                          |                                                                                      |                         |
| Mr. Mao Rui ( <i>Note viii</i> )           | 120                                              | —                                        | —                                                                                    | 120                     |
| Mr. Shi Shugang ( <i>Note viii</i> )       | 120                                              | —                                        | —                                                                                    | 120                     |
| Mr. Huang Dazhan ( <i>Note viii</i> )      | —                                                | —                                        | —                                                                                    | —                       |
| Mr. Yuan Man ( <i>Note vii</i> )           | —                                                | —                                        | —                                                                                    | —                       |
| Subtotal                                   | 240                                              | —                                        | —                                                                                    | 240                     |
| Total                                      | 2,635                                            | 303                                      | —                                                                                    | 2,938                   |

*Notes:*

- (i) Mr. Zhang Huan has served as the chief executive officer (“CEO”) of the Company commencing from 23 May 2016 and has been appointed as an executive director since then.
- (ii) Mr. Lou Decheng served as an executive director of the Company from 20 June 2017 throughout the Track Record Period.
- (iii) Mr. Tang Hong served as an executive director of the Company from 30 December 2022 throughout the Track Record Period.
- (iv) Mr. Li Ailin served as an executive director of the Company from 21 June 2019 throughout the Track Record Period.
- (v) Mr. Huang Junwen was appointed as an executive director of the Company on 4 December 2022 and resigned in September 2025.
- (vi) Mr. Huang Yue served as a non-executive director of the Company from 14 June 2022 throughout the Track Record Period.
- (vii) Mr. Zhu Jimin was appointed as a non-executive director and Ms. Yuan Man was appointed as an independent non-executive director on 6 September 2025.

## APPENDIX I

## ACCOUNTANTS’ REPORT

- (viii) Mr. Mao Rui, Mr. Shi Shugang, Mr. Huang Dazhan were appointed as independent non-executive directors of the Company on 30 December 2022. Mr. Huang Dazhan resigned in September 2025.
- (ix) No emoluments were paid by the Group to any directors as an inducement to join or upon joining the Group or as compensation for loss or termination of their office during the Track Record Period.
- (x) The executive directors’ emoluments shown above were for their services in connection with the management of the affairs of the Group and the Company. The non-executive directors and independent non-executive directors’ emoluments shown above were for their services as directors of the Company. None of the directors of the Company waived any emoluments during the Track Record Period.

### 13. FIVE HIGHEST PAID INDIVIDUALS

The five highest paid individuals of the Group for the years ended 31 December 2023, 2024 and 2025 include four, four and four directors, respectively, details of whose remuneration are set out in Note 12 above. Details of the remuneration for the remaining highest paid individual who is not a director of the Company for the years ended 31 December 2023, 2024 and 2025 are as follows:

|                                         | Year ended 31 December |                   |                   |
|-----------------------------------------|------------------------|-------------------|-------------------|
|                                         | 2023                   | 2024              | 2025              |
|                                         | <i>RMB'000</i>         | <i>RMB'000</i>    | <i>RMB'000</i>    |
| Salaries and other benefits             | 528                    | 516               | 809               |
| Retirement benefit scheme contributions | <u>63</u>              | <u>67</u>         | <u>91</u>         |
| Total                                   | <u><u>591</u></u>      | <u><u>583</u></u> | <u><u>900</u></u> |

The number of the highest paid individuals whose remuneration fell within the following bands is as follows:

|                                            | Year ended 31 December |                   |                   |
|--------------------------------------------|------------------------|-------------------|-------------------|
|                                            | 2023                   | 2024              | 2025              |
|                                            | <i>No. of</i>          | <i>No. of</i>     | <i>No. of</i>     |
|                                            | <i>individual</i>      | <i>individual</i> | <i>individual</i> |
| Nil to Hong Kong dollar (“HK\$”) 1,000,000 | 5                      | 5                 | 5                 |

During the Track Record Period, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

## APPENDIX I

## ACCOUNTANTS’ REPORT

### 14. EARNINGS PER SHARE

The following table sets forth the computation of the basic and diluted earnings per share attributable to the owners of the Company during the years ended 31 December 2023, 2024 and 2025:

#### Earnings

|                                                                                                                                             | Year ended 31 December |               |               |
|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------|---------------|---------------|
|                                                                                                                                             | 2023                   | 2024          | 2025          |
|                                                                                                                                             | RMB'000                | RMB'000       | RMB'000       |
| Earnings for the purpose of calculating basic and diluted earnings per share<br>(Profit for the year attributable to owners of the Company) | <u>38,386</u>          | <u>68,167</u> | <u>58,716</u> |

#### Number of shares

|                                                                                                               | Year ended 31 December |                   |                   |
|---------------------------------------------------------------------------------------------------------------|------------------------|-------------------|-------------------|
|                                                                                                               | 2023                   | 2024              | 2025              |
| Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share<br>(Notes) | <u>56,147,844</u>      | <u>56,147,844</u> | <u>56,147,844</u> |

#### Notes:

- (i) The weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been adjusted retrospectively for the effect of the capitalisation issue of shares as disclosed in note (ii) below as if the capitalisation issue had been completed on 1 January 2022.
- (ii) 2,259,358 shares, 2,259,358 shares and 2,259,358 shares in relation to the Company’s obligation to repurchase these shares are excluded from the weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share for the years ended 31 December 2023, 2024 and 2025, respectively. Details of shares with the redemption liabilities are set out in Note 30.
- (iii) The Company did not have any dilutive potential ordinary shares outstanding for the years ended 31 December 2023, 2024 and 2025, as the average fair value of the ordinary shares of the Company was higher than the exercise price of the obligation to repurchase the shares during each of the year of the Track Record Period. Accordingly, diluted earnings per share were equal to basic earnings per share.

### 15. DIVIDENDS

No dividend was paid, declared or proposed by the Group during the Track Record Period, nor has any dividend been proposed since the end of the Track Record Period.

## APPENDIX I

## ACCOUNTANTS’ REPORT

### 16. EQUIPMENTS AND LEASE IMPROVEMENTS

#### The Group

|                                                                        | Server<br>equipment<br><i>RMB'000</i> | Motor<br>vehicles<br><i>RMB'000</i> | Office<br>equipment<br><i>RMB'000</i> | Leasehold<br>improvements<br><i>RMB'000</i> | Construction<br>in progress<br><i>RMB'000</i> | Total<br><i>RMB'000</i> |
|------------------------------------------------------------------------|---------------------------------------|-------------------------------------|---------------------------------------|---------------------------------------------|-----------------------------------------------|-------------------------|
| <b>COST</b>                                                            |                                       |                                     |                                       |                                             |                                               |                         |
| At 1 January 2023                                                      | 9,719                                 | 566                                 | 7,113                                 | 2,851                                       | —                                             | 20,249                  |
| Additions                                                              | 514                                   | —                                   | 572                                   | 113                                         | 800                                           | 1,999                   |
| Disposals                                                              | (53)                                  | —                                   | (446)                                 | —                                           | —                                             | (499)                   |
| Transfer from construction in<br>progress to leasehold<br>improvements | —                                     | —                                   | —                                     | 800                                         | (800)                                         | —                       |
| At 31 December 2023                                                    | 10,180                                | 566                                 | 7,239                                 | 3,764                                       | —                                             | 21,749                  |
| Additions                                                              | 115                                   | —                                   | 31                                    | —                                           | —                                             | 146                     |
| Disposals                                                              | —                                     | —                                   | (165)                                 | —                                           | —                                             | (165)                   |
| At 31 December 2024                                                    | 10,295                                | 566                                 | 7,105                                 | 3,764                                       | —                                             | 21,730                  |
| Additions                                                              | 96                                    | —                                   | 62                                    | 84                                          | —                                             | 242                     |
| Disposals                                                              | —                                     | (203)                               | (267)                                 | —                                           | —                                             | (470)                   |
| At 31 December 2025                                                    | 10,391                                | 363                                 | 6,900                                 | 3,848                                       | —                                             | 21,502                  |
| <b>DEPRECIATION</b>                                                    |                                       |                                     |                                       |                                             |                                               |                         |
| At 1 January 2023                                                      | 4,767                                 | 399                                 | 6,364                                 | 2,173                                       | —                                             | 13,703                  |
| Depreciation provided for the<br>year                                  | 1,588                                 | 109                                 | 646                                   | 666                                         | —                                             | 3,009                   |
| Eliminated on disposals                                                | (52)                                  | —                                   | (419)                                 | —                                           | —                                             | (471)                   |
| At 31 December 2023                                                    | 6,303                                 | 508                                 | 6,591                                 | 2,839                                       | —                                             | 16,241                  |
| Depreciation provided for the<br>year                                  | 1,517                                 | 47                                  | 232                                   | 507                                         | —                                             | 2,303                   |
| Eliminated on disposals                                                | —                                     | —                                   | (160)                                 | —                                           | —                                             | (160)                   |
| At 31 December 2024                                                    | 7,820                                 | 555                                 | 6,663                                 | 3,346                                       | —                                             | 18,384                  |
| Depreciation provided for the<br>year                                  | 1,200                                 | —                                   | 171                                   | 356                                         | —                                             | 1,727                   |
| Eliminated on disposals                                                | —                                     | (203)                               | (259)                                 | —                                           | —                                             | (462)                   |
| At 31 December 2025                                                    | 9,020                                 | 352                                 | 6,575                                 | 3,702                                       | —                                             | 19,649                  |
| <b>CARRYING VALUE</b>                                                  |                                       |                                     |                                       |                                             |                                               |                         |
| At 31 December 2023                                                    | 3,877                                 | 58                                  | 648                                   | 925                                         | —                                             | 5,508                   |
| At 31 December 2024                                                    | 2,475                                 | 11                                  | 442                                   | 418                                         | —                                             | 3,346                   |
| At 31 December 2025                                                    | 1,371                                 | 11                                  | 325                                   | 146                                         | —                                             | 1,853                   |

## APPENDIX I

## ACCOUNTANTS’ REPORT

### The Company

|                                    | Server<br>equipment<br><i>RMB'000</i> | Motor<br>vehicles<br><i>RMB'000</i> | Office<br>equipment<br><i>RMB'000</i> | Leasehold<br>improvements<br><i>RMB'000</i> | Total<br><i>RMB'000</i> |
|------------------------------------|---------------------------------------|-------------------------------------|---------------------------------------|---------------------------------------------|-------------------------|
| <b>COST</b>                        |                                       |                                     |                                       |                                             |                         |
| At 1 January 2023                  | 9,667                                 | 363                                 | 7,042                                 | 2,851                                       | 19,923                  |
| Additions                          | 513                                   | —                                   | 270                                   | 113                                         | 896                     |
| Disposals                          | —                                     | —                                   | (421)                                 | —                                           | (421)                   |
| At 31 December 2023                | 10,180                                | 363                                 | 6,891                                 | 2,964                                       | 20,398                  |
| Additions                          | 115                                   | —                                   | 31                                    | —                                           | 146                     |
| Disposals                          | —                                     | —                                   | (165)                                 | —                                           | (165)                   |
| At 31 December 2024                | 10,295                                | 363                                 | 6,757                                 | 2,964                                       | 20,379                  |
| Additions                          | —                                     | —                                   | 62                                    | 84                                          | 146                     |
| Disposals                          | —                                     | —                                   | (267)                                 | —                                           | (267)                   |
| At 31 December 2025                | 10,295                                | 363                                 | 6,552                                 | 3,048                                       | 20,258                  |
| <b>DEPRECIATION</b>                |                                       |                                     |                                       |                                             |                         |
| At 1 January 2023                  | 4,719                                 | 234                                 | 6,307                                 | 2,174                                       | 13,434                  |
| Depreciation provided for the year | 1,585                                 | 70                                  | 371                                   | 466                                         | 2,492                   |
| Eliminated on disposals            | —                                     | —                                   | (395)                                 | —                                           | (395)                   |
| At 31 December 2023                | 6,304                                 | 304                                 | 6,283                                 | 2,640                                       | 15,531                  |
| Depreciation provided for the year | 1,517                                 | 48                                  | 223                                   | 240                                         | 2,028                   |
| Eliminated on disposals            | —                                     | —                                   | (160)                                 | —                                           | (160)                   |
| At 31 December 2024                | 7,821                                 | 352                                 | 6,346                                 | 2,880                                       | 17,399                  |
| Depreciation provided for the year | 1,171                                 | —                                   | 163                                   | 90                                          | 1,424                   |
| Eliminated on disposals            | —                                     | —                                   | (259)                                 | —                                           | (259)                   |
| At 31 December 2025                | 8,992                                 | 352                                 | 6,250                                 | 2,970                                       | 18,564                  |
| <b>CARRYING VALUE</b>              |                                       |                                     |                                       |                                             |                         |
| At 31 December 2023                | 3,876                                 | 59                                  | 608                                   | 324                                         | 4,867                   |
| At 31 December 2024                | 2,474                                 | 11                                  | 411                                   | 84                                          | 2,980                   |
| At 31 December 2025                | 1,303                                 | 11                                  | 302                                   | 78                                          | 1,694                   |

## APPENDIX I

## ACCOUNTANTS’ REPORT

The above items of equipments, except for construction in progress, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

|                        |                                                                                   |
|------------------------|-----------------------------------------------------------------------------------|
| Server equipment       | 19.40%                                                                            |
| Motor vehicles         | 19.40%–24.25%                                                                     |
| Office equipment       | 19.40%–32.33%                                                                     |
| Leasehold improvements | Over the shorter of the expected life of leasehold improvement and the lease term |

As of 31 December 2023, 2024 and 2025, equipments and leasehold improvement with total costs of RMB7,502,000, RMB10,561,000 and RMB14,008,000 have been fully depreciated and are still in use.

### 17. RIGHT-OF-USE ASSETS

#### The Group

The carrying amounts of the Group’s right-of-use assets and the movements during the Track Record Period are as follows:

|                                               | <b>Leased<br/>properties<br/>RMB’000</b> |
|-----------------------------------------------|------------------------------------------|
| Carrying amount:                              |                                          |
| At 1 January 2023                             | 12,488                                   |
| Additions                                     | 3,478                                    |
| Decreases due to terminations                 | (1,347)                                  |
| Depreciation charges recognised as an expense | <u>(8,010)</u>                           |
| At 31 December 2023                           | 6,609                                    |
| Additions                                     | 17,737                                   |
| Decreases due to terminations                 | (1,264)                                  |
| Depreciation charges recognised as an expense | <u>(7,486)</u>                           |
| At 31 December 2024                           | 15,596                                   |
| Additions                                     | 3,048                                    |
| Decreases due to terminations                 | (394)                                    |
| Depreciation charges recognised as an expense | <u>(5,756)</u>                           |
| At 31 December 2025                           | <u><u>12,494</u></u>                     |

|                                       | <b>Year ended 31 December</b> |                     |                     |
|---------------------------------------|-------------------------------|---------------------|---------------------|
|                                       | <b>2023</b>                   | <b>2024</b>         | <b>2025</b>         |
|                                       | <i>RMB’000</i>                | <i>RMB’000</i>      | <i>RMB’000</i>      |
| Expense relating to short-term leases | <u>62</u>                     | <u>—</u>            | <u>—</u>            |
| Total cash outflow for leases         | <u><u>9,321</u></u>           | <u><u>7,518</u></u> | <u><u>7,087</u></u> |

During the Track Record Period, the Group leases various offices for its operations. Lease contracts are entered into for fixed term of 1 year to 5 years. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

## APPENDIX I

## ACCOUNTANTS’ REPORT

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors. Leased assets may not be used as security for borrowing purposes.

### The Company

The carrying amounts of the Group’s right-of-use assets and the movements during the Track Record Period are as follows:

|                                               | <b>Leased<br/>properties<br/>RMB’000</b> |
|-----------------------------------------------|------------------------------------------|
| Carrying amount:                              |                                          |
| At 1 January 2023                             | 7,507                                    |
| Additions                                     | 204                                      |
| Decreases due to terminations                 | (1,347)                                  |
| Depreciation charges recognised as an expense | <u>(4,179)</u>                           |
| At 31 December 2023                           | 2,185                                    |
| Additions                                     | 8,940                                    |
| Decreases due to terminations                 | (146)                                    |
| Depreciation charges recognised as an expense | <u>(3,303)</u>                           |
| At 31 December 2024                           | 7,676                                    |
| Additions                                     | 2,050                                    |
| Depreciation charges recognised as an expense | <u>(2,991)</u>                           |
| At 31 December 2025                           | <u><u>6,735</u></u>                      |

## APPENDIX I

## ACCOUNTANTS’ REPORT

### 18. INTANGIBLE ASSETS

#### The Group

|                                        | <b>Software</b><br><i>RMB’000</i> |
|----------------------------------------|-----------------------------------|
| <b>COST</b>                            |                                   |
| At 1 January 2023 and 31 December 2023 | 4,127                             |
| Additions                              | <u>69</u>                         |
| At 31 December 2024                    | 4,196                             |
| Additions                              | <u>467</u>                        |
| At 31 December 2025                    | <u>4,663</u>                      |
| <b>AMORTISATION</b>                    |                                   |
| At 1 January 2023                      | 2,497                             |
| Amortisation provided for the year     | <u>530</u>                        |
| At 31 December 2023                    | 3,027                             |
| Amortisation provided for the year     | <u>449</u>                        |
| At 31 December 2024                    | 3,476                             |
| Amortisation provided for the year     | <u>364</u>                        |
| At 31 December 2025                    | <u>3,840</u>                      |
| <b>CARRYING VALUE</b>                  |                                   |
| At 31 December 2023                    | <u><u>1,100</u></u>               |
| At 31 December 2024                    | <u><u>720</u></u>                 |
| At 31 December 2025                    | <u><u>823</u></u>                 |

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over 5 years.

## APPENDIX I

## ACCOUNTANTS’ REPORT

### The Company

|                                        | <b>Software</b><br><i>RMB’000</i> |
|----------------------------------------|-----------------------------------|
| <b>COST</b>                            |                                   |
| At 1 January 2023 and 31 December 2023 | 3,585                             |
| Additions                              | <u>69</u>                         |
| At 31 December 2024                    | 3,654                             |
| Additions                              | <u>467</u>                        |
| At 31 December 2025                    | <u>4,121</u>                      |
| <b>AMORTISATION</b>                    |                                   |
| At 1 January 2023                      | 2,109                             |
| Amortisation provided for the year     | <u>431</u>                        |
| At 31 December 2023                    | 2,540                             |
| Amortisation provided for the year     | <u>394</u>                        |
| At 31 December 2024                    | 2,934                             |
| Amortisation provided for the year     | <u>364</u>                        |
| At 31 December 2025                    | <u>3,298</u>                      |
| <b>CARRYING VALUE</b>                  |                                   |
| At 31 December 2023                    | <u><u>1,045</u></u>               |
| At 31 December 2024                    | <u><u>720</u></u>                 |
| At 31 December 2025                    | <u><u>823</u></u>                 |

### 19. EQUITY INSTRUMENTS AT FVTOCI

#### The Group and the Company

|                                                                                      | <b>As at 31 December</b> |                   |                 |
|--------------------------------------------------------------------------------------|--------------------------|-------------------|-----------------|
|                                                                                      | <b>2023</b>              | <b>2024</b>       | <b>2025</b>     |
|                                                                                      | <i>RMB’000</i>           | <i>RMB’000</i>    | <i>RMB’000</i>  |
| Unlisted:                                                                            |                          |                   |                 |
| — 廣州宇宙起點雲科技有限公司 (Guangzhou Yuzhou Qidian Cloud Technology Co., Ltd.)* (“Investee A”) |                          |                   |                 |
| (Note)                                                                               | <u>2,000</u>             | <u>548</u>        | <u>—</u>        |
|                                                                                      | <u><u>2,000</u></u>      | <u><u>548</u></u> | <u><u>—</u></u> |

\* English name is for identification purpose only.

*Note:*

The above unlisted equity investments represent the Group’s equity interest in private companies established in the PRC. Investee A operates in technical services related to AI culture.

## APPENDIX I

## ACCOUNTANTS’ REPORT

### 20. DEFERRED TAXATION

The following is the analysis of the deferred tax balances for financial reporting purposes:

#### The Group

|                          | As at 31 December |              |              |
|--------------------------|-------------------|--------------|--------------|
|                          | 2023              | 2024         | 2025         |
|                          | RMB'000           | RMB'000      | RMB'000      |
| Deferred tax assets      | 5,734             | 10,237       | 10,354       |
| Deferred tax liabilities | (695)             | (2,475)      | (1,868)      |
|                          | <u>5,039</u>      | <u>7,762</u> | <u>8,486</u> |

The following is the major deferred tax assets (liabilities) recognised by the Group and movements thereon for the Track Record Period:

|                                            | Impairment<br>and ECL<br>provision<br>RMB'000 | Right-of-use<br>assets<br>RMB'000 | Lease<br>liabilities<br>RMB'000 | Unutilised<br>tax loss<br>RMB'000 | Fair value<br>changes on<br>investments<br>in equity<br>instruments<br>at FVOCI<br>RMB'000 | Total<br>RMB'000 |
|--------------------------------------------|-----------------------------------------------|-----------------------------------|---------------------------------|-----------------------------------|--------------------------------------------------------------------------------------------|------------------|
| At 1 January 2023                          | 1,885                                         | (1,483)                           | 1,564                           | 1,975                             | —                                                                                          | 3,941            |
| Credit (charge) to profit<br>or loss       | <u>1,112</u>                                  | <u>788</u>                        | <u>(874)</u>                    | <u>72</u>                         | <u>—</u>                                                                                   | <u>1,098</u>     |
| At 31 December 2023                        | 2,997                                         | (695)                             | 690                             | 2,047                             | —                                                                                          | 5,039            |
| Credit (charge) to profit<br>or loss       | 1,792                                         | (1,780)                           | 1,841                           | 652                               | —                                                                                          | 2,505            |
| Credit to other<br>comprehensive<br>income | <u>—</u>                                      | <u>—</u>                          | <u>—</u>                        | <u>—</u>                          | <u>218</u>                                                                                 | <u>218</u>       |
| At 31 December 2024                        | 4,789                                         | (2,475)                           | 2,531                           | 2,699                             | 218                                                                                        | 7,762            |
| Credit (charge) to profit<br>or loss       | 1,884                                         | 607                               | (721)                           | (1,128)                           | —                                                                                          | 642              |
| Credit to other<br>comprehensive<br>income | <u>—</u>                                      | <u>—</u>                          | <u>—</u>                        | <u>—</u>                          | <u>82</u>                                                                                  | <u>82</u>        |
| At 31 December 2025                        | <u>6,673</u>                                  | <u>(1,868)</u>                    | <u>1,810</u>                    | <u>1,571</u>                      | <u>300</u>                                                                                 | <u>8,486</u>     |

As of 31 December 2023, 2024 and 2025, the Group has deductible temporary differences of RMB31,119,000, RMB51,690,000 and RMB60,572,000 respectively. Deferred tax assets have been recognised in respect of such temporary differences of approximately RMB29,564,000, RMB50,235,000 and RMB58,554,000 and no deferred tax asset has been recognised in respect of the remaining approximately RMB1,555,000, RMB1,455,000 and RMB2,018,000 for the years ended 31 December 2023, 2024 and 2025 which primarily comprised the impairment losses under ECL model, as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised in the foreseeable future.

## APPENDIX I

## ACCOUNTANTS’ REPORT

As of 31 December 2023, 2024 and 2025, the Group has accumulated unused tax losses of approximately RMB44,134,000, RMB57,059,000 and RMB50,774,000 respectively available for offset against future profits. A deferred tax asset has been recognised in respect of such losses of approximately RMB13,647,000, RMB17,992,000 and RMB10,472,000 and no deferred tax asset has been recognised in respect of the remaining approximately RMB30,487,000, RMB39,067,000 and RMB40,302,000 for the years ended 31 December 2023, 2024 and 2025 respectively due to the uncertainty surrounding future profit generation.

The following is the expiration date of unrecognised tax losses:

|                 | As at 31 December |               |               |
|-----------------|-------------------|---------------|---------------|
|                 | 2023              | 2024          | 2025          |
|                 | RMB'000           | RMB'000       | RMB'000       |
| Expired in 2023 | —                 | —             | —             |
| Expired in 2024 | 1,468             | —             | —             |
| Expired in 2025 | 2,969             | 2,969         | —             |
| Expired in 2026 | 4,227             | 2,793         | 2,728         |
| Expired in 2027 | 5,944             | 5,554         | 5,552         |
| Expired in 2028 | 15,578            | 15,578        | 15,234        |
| Expired in 2029 | 211               | 11,098        | 11,099        |
| Expired in 2030 | —                 | —             | 5,650         |
| Indefinitely    | 90                | 1,075         | 39            |
|                 | <u>30,487</u>     | <u>39,067</u> | <u>40,302</u> |

### The Company

|                          | As at 31 December |                |                |
|--------------------------|-------------------|----------------|----------------|
|                          | 2023              | 2024           | 2025           |
|                          | RMB'000           | RMB'000        | RMB'000        |
| Deferred tax assets      | 7,675             | 11,328         | 13,233         |
| Deferred tax liabilities | <u>(218)</u>      | <u>(1,216)</u> | <u>(1,010)</u> |
|                          | <u>7,457</u>      | <u>10,112</u>  | <u>12,223</u>  |

## APPENDIX I

## ACCOUNTANTS’ REPORT

The following is the major deferred tax assets (liabilities) recognised by the Company and movements thereon for the Track Record Period:

|                                            | Impairment<br>and ECL<br>provision<br><i>RMB'000</i> | Right-of-use<br>assets<br><i>RMB'000</i> | Lease<br>liabilities<br><i>RMB'000</i> | Fair value<br>changes on<br>investments in<br>equity<br>instruments<br>at FVOCI<br><i>RMB'000</i> | Total<br><i>RMB'000</i> |
|--------------------------------------------|------------------------------------------------------|------------------------------------------|----------------------------------------|---------------------------------------------------------------------------------------------------|-------------------------|
| At 1 January 2023                          | 3,892                                                | (751)                                    | 809                                    | —                                                                                                 | 3,950                   |
| Credit (charge) to profit<br>or loss       | <u>3,564</u>                                         | <u>533</u>                               | <u>(590)</u>                           | <u>—</u>                                                                                          | <u>3,507</u>            |
| At 31 December 2023                        | 7,456                                                | (218)                                    | 219                                    | —                                                                                                 | 7,457                   |
| Credit (charge) to profit<br>or loss       | 2,400                                                | (998)                                    | 1,035                                  | —                                                                                                 | 2,437                   |
| Credit to other<br>comprehensive<br>income | <u>—</u>                                             | <u>—</u>                                 | <u>—</u>                               | <u>218</u>                                                                                        | <u>218</u>              |
| At 31 December 2024                        | 9,856                                                | (1,216)                                  | 1,254                                  | 218                                                                                               | 10,112                  |
| Credit (charge) to profit<br>or loss       | 2,091                                                | 206                                      | (268)                                  | —                                                                                                 | 2,029                   |
| Credit to other<br>comprehensive<br>income | <u>—</u>                                             | <u>—</u>                                 | <u>—</u>                               | <u>82</u>                                                                                         | <u>82</u>               |
| At 31 December 2025                        | <u>11,947</u>                                        | <u>(1,010)</u>                           | <u>986</u>                             | <u>300</u>                                                                                        | <u>12,223</u>           |

### 21. INVENTORIES

#### The Group

|                                 | As at 31 December      |                        |                        |
|---------------------------------|------------------------|------------------------|------------------------|
|                                 | 2023<br><i>RMB'000</i> | 2024<br><i>RMB'000</i> | 2025<br><i>RMB'000</i> |
| Finished goods                  | 7,194                  | 18,553                 | 7,365                  |
| Goods in transit                | 130                    | —                      | 83                     |
| Work in progress                | 21,451                 | 27,385                 | 24,956                 |
| Less: write-down of inventories | <u>(763)</u>           | <u>(763)</u>           | <u>—</u>               |
|                                 | <u>28,012</u>          | <u>45,175</u>          | <u>32,404</u>          |

## APPENDIX I

## ACCOUNTANTS’ REPORT

### The Company

|                                 | As at 31 December |               |               |
|---------------------------------|-------------------|---------------|---------------|
|                                 | 2023              | 2024          | 2025          |
|                                 | RMB'000           | RMB'000       | RMB'000       |
| Finished goods                  | 7,194             | 18,553        | 6,143         |
| Goods in transit                | 130               | —             | 83            |
| Work in progress                | 8,236             | 11,907        | 12,162        |
| Less: write-down of inventories | <u>(763)</u>      | <u>(763)</u>  | <u>—</u>      |
|                                 | <u>14,797</u>     | <u>29,697</u> | <u>18,388</u> |

Due to the termination of certain projects, the carrying amount of the relevant inventories exceeded their recoverable amount by RMB3,295,000 and accordingly, the Group recognised an impairment loss of RMB3,295,000 on the inventories. Following the disposal of these inventories, the corresponding impairment losses was subsequently written off.

## 22. TRADE AND BILLS RECEIVABLES

### The Group

|                                                                | As at 31 December |                 |                 |
|----------------------------------------------------------------|-------------------|-----------------|-----------------|
|                                                                | 2023              | 2024            | 2025            |
|                                                                | RMB'000           | RMB'000         | RMB'000         |
| Trade receivables                                              |                   |                 |                 |
| — AI computing technical services related                      | 30,570            | 620,732         | 8,500           |
| — AI recognition and AI vertical industry applications related | <u>229,492</u>    | <u>186,966</u>  | <u>185,926</u>  |
|                                                                | 260,062           | 807,698         | 194,426         |
| Bills receivables                                              | <u>2,751</u>      | <u>1,527</u>    | <u>798</u>      |
| Subtotal                                                       | <u>262,813</u>    | <u>809,225</u>  | <u>195,224</u>  |
| Less: allowance for credit losses                              | <u>(10,767)</u>   | <u>(19,524)</u> | <u>(32,284)</u> |
| Trade and bills receivables, net                               | <u>252,046</u>    | <u>789,701</u>  | <u>162,940</u>  |

## APPENDIX I

## ACCOUNTANTS’ REPORT

### The Company

|                                                                | As at 31 December     |                       |                       |
|----------------------------------------------------------------|-----------------------|-----------------------|-----------------------|
|                                                                | 2023                  | 2024                  | 2025                  |
|                                                                | RMB'000               | RMB'000               | RMB'000               |
| Trade receivables                                              |                       |                       |                       |
| — AI computing technical services related                      | 30,570                | 620,732               | 8,500                 |
| — AI recognition and AI vertical industry applications related | <u>204,286</u>        | <u>181,073</u>        | <u>152,970</u>        |
|                                                                | 234,856               | 801,805               | 161,470               |
| Bills receivables                                              | <u>2,751</u>          | <u>1,527</u>          | <u>798</u>            |
| Subtotal                                                       | <u>237,607</u>        | <u>803,332</u>        | <u>162,268</u>        |
| Less: allowance for credit losses                              | <u>(9,006)</u>        | <u>(17,756)</u>       | <u>(29,804)</u>       |
| Trade and bills receivables, net                               | <u><u>228,601</u></u> | <u><u>785,576</u></u> | <u><u>132,464</u></u> |

As at 31 December 2023, 2024 and 2025, included in trade receivables balances of the Company are amounts due from subsidiaries with carrying amount of RMB7,442,000, RMB7,479,000 and RMB36,275,000, net of allowance of nil, nil and nil.

As at 1 January 2023, the Group’s and the Company’s trade and bills receivables from contracts with customers amounted to RMB209,667,000 and RMB180,187,000, respectively.

The Group and the Company generally grants credit period between 0 to 90 days which are agreed with each of its trade customers. The extension of credit period to the customers may be granted on a discretionary basis by considering customer type, the current creditworthiness and the customer’s financial condition and payment history with the Group and the Company.

The following is an aging analysis of the Group’s and Company’s trade and bills receivables, net of allowance, based on dates of delivery of goods or rendering of services at the end of each reporting period:

### The Group

|                   | As at 31 December     |                       |                       |
|-------------------|-----------------------|-----------------------|-----------------------|
|                   | 2023                  | 2024                  | 2025                  |
|                   | RMB'000               | RMB'000               | RMB'000               |
| Trade receivables |                       |                       |                       |
| 0–90 days         | 163,121               | 717,343               | 122,632               |
| 91–365 days       | 49,920                | 32,519                | 14,638                |
| 1–2 years         | 29,887                | 26,402                | 10,877                |
| 2–3 years         | 6,367                 | 9,116                 | 4,752                 |
| Over 3 years      | <u>—</u>              | <u>2,794</u>          | <u>9,243</u>          |
|                   | <u><u>249,295</u></u> | <u><u>788,174</u></u> | <u><u>162,142</u></u> |

## APPENDIX I

## ACCOUNTANTS’ REPORT

|                   | As at 31 December |              |            |
|-------------------|-------------------|--------------|------------|
|                   | 2023              | 2024         | 2025       |
|                   | RMB'000           | RMB'000      | RMB'000    |
| Bills receivables |                   |              |            |
| 0–90 days         | 1,466             | 265          | 218        |
| 91–365 days       | <u>1,285</u>      | <u>1,262</u> | <u>580</u> |
|                   | <u>2,751</u>      | <u>1,527</u> | <u>798</u> |

### The Company

|                   | As at 31 December |                |                |
|-------------------|-------------------|----------------|----------------|
|                   | 2023              | 2024           | 2025           |
|                   | RMB'000           | RMB'000        | RMB'000        |
| Trade receivables |                   |                |                |
| 0–90 days         | 158,382           | 715,115        | 95,922         |
| 91–365 days       | 35,074            | 37,916         | 11,513         |
| 1–2 years         | 26,578            | 19,193         | 10,525         |
| 2–3 years         | 5,816             | 9,031          | 4,463          |
| Over 3 years      | <u>—</u>          | <u>2,794</u>   | <u>9,243</u>   |
|                   | <u>225,850</u>    | <u>784,049</u> | <u>131,666</u> |

|                   | As at 31 December |              |            |
|-------------------|-------------------|--------------|------------|
|                   | 2023              | 2024         | 2025       |
|                   | RMB'000           | RMB'000      | RMB'000    |
| Bills receivables |                   |              |            |
| 0–90 days         | 1,466             | 265          | 218        |
| 91–365 days       | <u>1,285</u>      | <u>1,262</u> | <u>580</u> |
|                   | <u>2,751</u>      | <u>1,527</u> | <u>798</u> |

Included in the Group’s and the Company’s trade receivables balance are debtors with aggregate carrying amount of RMB86,174,000, RMB70,831,000 and RMB39,510,000 and RMB67,468,000, RMB68,934,000 and RMB35,744,000 which are past due but not impaired as at 31 December 2023, 2024 and 2025. All balances past due for more than 90 days are not considered as in default as at 31 December 2023, 2024 and 2025, since the directors of the Company expect that these balances will be recovered based on past experience and the credit quality of these customers has not deteriorated, except in cases that have been individually assessed as detailed in Note 35. The Group and the Company do not hold any collateral over these balances or charge any interest thereon.

Details of impairment assessment of trade and bills receivables are set out in Note 35.

## APPENDIX I

## ACCOUNTANTS’ REPORT

### 23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

#### The Group

|                                                                | As at 31 December |                |                |
|----------------------------------------------------------------|-------------------|----------------|----------------|
|                                                                | 2023              | 2024           | 2025           |
|                                                                | RMB'000           | RMB'000        | RMB'000        |
| Prepayments to suppliers                                       |                   |                |                |
| — AI computing technical service related ( <i>Note i</i> )     | 169,268           | 236,983        | —              |
| — AI recognition and AI vertical industry applications related | 42,492            | 22,158         | 22,013         |
|                                                                | 211,760           | 259,141        | 22,013         |
| Deposits paid for acquisition of properties                    | 132,400           | 132,400        | 132,400        |
| Input value-added-tax (“VAT”) to be recovered                  | 324               | 8,060          | 4,615          |
| Refundable deposits                                            | 5,065             | 4,569          | 4,617          |
| Staff loan                                                     | 4,369             | 3,376          | 855            |
| Other receivables ( <i>Note ii</i> )                           | 46,015            | 46,015         | 46,015         |
| Refundable prepayments to suppliers                            | —                 | —              | 243,615        |
| Prepaid expenses                                               | 420               | 439            | 783            |
| Receivables from disposal of equity instruments at FVTOCI      | 3,000             | —              | —              |
| Deferred [REDACTED]                                            | [REDACTED]        | [REDACTED]     | [REDACTED]     |
| Prepaid [REDACTED]                                             | [REDACTED]        | [REDACTED]     | [REDACTED]     |
| Prepaid [REDACTED]                                             | [REDACTED]        | [REDACTED]     | [REDACTED]     |
| Others                                                         | 1,482             | 1,612          | 743            |
|                                                                | 404,835           | 455,612        | 464,645        |
| Less: allowance for credit losses                              | (13,813)          | (13,793)       | (14,181)       |
|                                                                | <u>391,022</u>    | <u>441,819</u> | <u>450,464</u> |
| Presented under:                                               |                   |                |                |
| — Current                                                      | 225,897           | 276,694        | 285,339        |
| — Non-current                                                  | <u>165,125</u>    | <u>165,125</u> | <u>165,125</u> |
|                                                                | <u>391,022</u>    | <u>441,819</u> | <u>450,464</u> |

## APPENDIX I

## ACCOUNTANTS’ REPORT

### The Company

|                                                                | As at 31 December |            |            |
|----------------------------------------------------------------|-------------------|------------|------------|
|                                                                | 2023              | 2024       | 2025       |
|                                                                | RMB'000           | RMB'000    | RMB'000    |
| Prepayments to suppliers                                       |                   |            |            |
| — AI computing technical service related ( <i>Note i</i> )     | 118,685           | 236,983    | —          |
| — AI recognition and AI vertical industry applications related | 20,934            | 11,727     | 19,807     |
|                                                                | 139,619           | 248,710    | 19,807     |
| Deposits paid for acquisition of properties                    | 132,400           | 132,400    | 132,400    |
| Refundable deposits                                            | 3,635             | 3,004      | 3,074      |
| Staff loan                                                     | 3,450             | 2,641      | 656        |
| Input VAT to be recovered                                      | 323               | 8,060      | 3,474      |
| Refundable prepayments to suppliers                            | —                 | —          | 240,555    |
| Deferred [REDACTED]                                            | [REDACTED]        | [REDACTED] | [REDACTED] |
| Prepaid [REDACTED]                                             | [REDACTED]        | [REDACTED] | [REDACTED] |
| Prepaid [REDACTED]                                             | [REDACTED]        | [REDACTED] | [REDACTED] |
| Others                                                         | 991               | 1,289      | 466        |
|                                                                | 280,418           | 396,104    | 409,421    |
| Less: allowance for credit losses                              | (136)             | (115)      | (368)      |
|                                                                | 280,282           | 395,989    | 409,053    |
| Presented under:                                               |                   |            |            |
| — Current                                                      | 147,882           | 263,589    | 276,653    |
| — Non-current                                                  | 132,400           | 132,400    | 132,400    |
|                                                                | 280,282           | 395,989    | 409,053    |

### Notes:

- (i) It represents the upfront payment for servers procurement on behalf of the Group’s and the Company’s customers to the suppliers as an agent in AI computing procurement agency services before the servers are delivered by the suppliers to the end customers in certain circumstances. Based on the relevant agreements with end customers, the amount is refundable/recoverable from the corresponding customers.
- (ii) It represents prepayments made by the Group to a third party for certain hardware procurement, where the counterparty failed to deliver on schedule as stipulated in the sales and purchase contracts signed. A litigation in relation to the aforesaid transaction is ongoing as at 31 December 2025. As at 31 December 2023, 2024 and 2025, the Group individually assessed the impairment for other receivables from the third party with gross carrying amount of RMB46,015,000, RMB46,015,000 and RMB46,015,000, impairment allowance of RMB13,290,000, RMB13,290,000 and RMB13,290,000 were recognised, respectively.
- (iii) Details of impairment assessment on prepayments, deposits and other receivables are set out in Note 35.

## APPENDIX I

## ACCOUNTANTS’ REPORT

### 24. FINANCIAL ASSETS AT FVTPL

#### The Group

|                                      | As at 31 December |         |         |
|--------------------------------------|-------------------|---------|---------|
|                                      | 2023              | 2024    | 2025    |
|                                      | RMB'000           | RMB'000 | RMB'000 |
| Financial assets at FVTPL            |                   |         |         |
| — Financial products ( <i>Note</i> ) | 2,000             | —       | —       |

*Note:* As at 31 December 2023, the balance represented investment in a financial product issued by a local commercial bank. The investment has been fully redeemed during the year ended 31 December 2024.

### 25. BANK BALANCES AND CASH/RESTRICTED BANK DEPOSITS

For the Group and the Company, restricted bank deposits represent security deposits for projects as at 31 December 2023, 2024 and 2025.

For the Group, bank balances carried interest at prevailing market rates based on daily bank deposit rate for the Track Record Period. As at 31 December 2023, 2024 and 2025, the interest rate of these bank deposits ranged from 0.01% to 1.80%, from 0.01% to 1.05% and from 0.01% to 0.45% per annum, respectively.

For the Company, bank balances carried interest at prevailing market rates based on daily bank deposit rate for the Track Record Period. As at 31 December 2023, 2024 and 2025, the interest rate of these bank deposits ranged from 0.01% to 1.80%, from 0.01% to 1.05% and from 0.01% to 0.45% per annum, respectively.

The bank balances and cash of the Group and the Company at 31 December 2023, 2024 and 2025 are denominated in United States dollar (“USD”), HK\$ and RMB.

Certain bank balances of the Group that are denominated in currencies other than the functional currency of the relevant entities are set out below:

|      | As at 31 December |         |         |
|------|-------------------|---------|---------|
|      | 2023              | 2024    | 2025    |
|      | RMB'000           | RMB'000 | RMB'000 |
| USD  | 2,558             | 1,427   | 2,488   |
| HK\$ | 3,643             | 2,152   | 5,764   |

## APPENDIX I

## ACCOUNTANTS’ REPORT

### 26. TRADE AND OTHER PAYABLES

#### The Group

|                                                                | As at 31 December |            |            |
|----------------------------------------------------------------|-------------------|------------|------------|
|                                                                | 2023              | 2024       | 2025       |
|                                                                | RMB'000           | RMB'000    | RMB'000    |
| Trade payables                                                 |                   |            |            |
| — AI computing technical service related                       | 2,017             | 390,301    | 18,461     |
| — AI recognition and AI vertical industry applications related | 38,300            | 42,200     | 100,461    |
| Subtotal                                                       | 40,317            | 432,501    | 118,922    |
| Other payables                                                 |                   |            |            |
| — Payroll payables                                             | 11,753            | 10,193     | 6,559      |
| — Accrued [REDACTED]                                           | [REDACTED]        | [REDACTED] | [REDACTED] |
| — Accrued [REDACTED]                                           | [REDACTED]        | [REDACTED] | [REDACTED] |
| — Other tax payables ( <i>Note</i> )                           | 14,169            | 96,454     | 26,210     |
| — Accrued expenses                                             | 490               | 5,420      | 543        |
| — Others                                                       | 71                | 90         | 410        |
| Subtotal                                                       | 26,483            | 112,157    | 39,769     |
| Total                                                          | 66,800            | 544,658    | 158,691    |

The aging analysis of the trade payables based on purchase or expense incurrence date at the end of each reporting period is as follows:

|              | As at 31 December |         |         |
|--------------|-------------------|---------|---------|
|              | 2023              | 2024    | 2025    |
|              | RMB'000           | RMB'000 | RMB'000 |
| 0–90 days    | 25,551            | 416,778 | 95,650  |
| 91–365 days  | 7,027             | 2,460   | 13,735  |
| 1–2 years    | 4,949             | 7,098   | 1,958   |
| 2–3 years    | 2,300             | 4,870   | 2,290   |
| Over 3 years | 490               | 1,295   | 5,289   |
|              | 40,317            | 432,501 | 118,922 |

The credit period granted by suppliers is mainly ranging from 0 to 120 days.

## APPENDIX I

## ACCOUNTANTS’ REPORT

### The Company

|                                                                | As at 31 December |            |            |
|----------------------------------------------------------------|-------------------|------------|------------|
|                                                                | 2023              | 2024       | 2025       |
|                                                                | RMB'000           | RMB'000    | RMB'000    |
| Trade payables                                                 |                   |            |            |
| — AI computing technical service related                       | 2,017             | 380,610    | 18,461     |
| — AI recognition and AI vertical industry applications related | 34,460            | 89,342     | 72,092     |
| Subtotal                                                       | 36,477            | 469,952    | 90,553     |
| Other payables                                                 |                   |            |            |
| — Payroll payables                                             | 4,995             | 4,399      | 3,093      |
| — Accrued [REDACTED]                                           | [REDACTED]        | [REDACTED] | [REDACTED] |
| — Accrued [REDACTED]                                           | [REDACTED]        | [REDACTED] | [REDACTED] |
| — Other tax payables ( <i>Note</i> )                           | 13,340            | 96,362     | 23,419     |
| — Accrued expenses                                             | 342               | 5,270      | 256        |
| — Others                                                       | 60                | 91         | 229        |
| Subtotal                                                       | 18,737            | 106,122    | 33,044     |
| Total                                                          | 55,214            | 576,074    | 123,597    |

*Note:* The amounts mainly represent VAT output tax.

As at 31 December 2023, 2024 and 2025, included in trade payables balances of the Company are amounts due to subsidiaries with carrying amount of RMB582,000, RMB49,465,000 and RMB1,010,000, respectively.

The aging analysis of the trade payables based on purchase or expense incurrence date at the end of each reporting period is as follows:

|              | As at 31 December |         |         |
|--------------|-------------------|---------|---------|
|              | 2023              | 2024    | 2025    |
|              | RMB'000           | RMB'000 | RMB'000 |
| 0–90 days    | 21,583            | 454,674 | 68,767  |
| 91–365 days  | 7,596             | 2,557   | 12,838  |
| 1–2 years    | 4,835             | 6,998   | 1,958   |
| 2–3 years    | 1,991             | 4,755   | 2,142   |
| Over 3 years | 472               | 968     | 4,848   |
|              | 36,477            | 469,952 | 90,553  |

The credit period granted by suppliers is mainly ranging from 0 to 120 days.

## APPENDIX I

## ACCOUNTANTS’ REPORT

### 27. BORROWINGS

#### The Group

|                                                         | As at 31 December |                |                |
|---------------------------------------------------------|-------------------|----------------|----------------|
|                                                         | 2023              | 2024           | 2025           |
|                                                         | RMB'000           | RMB'000        | RMB'000        |
| Bank borrowings at fixed rate, unsecured and guaranteed | <u>176,930</u>    | <u>133,000</u> | <u>217,000</u> |

The carrying amounts of the above borrowings are repayable:

|                                                                   | As at 31 December |                  |                  |
|-------------------------------------------------------------------|-------------------|------------------|------------------|
|                                                                   | 2023              | 2024             | 2025             |
|                                                                   | RMB'000           | RMB'000          | RMB'000          |
| Within one year                                                   | <u>176,930</u>    | <u>133,000</u>   | <u>217,000</u>   |
| Less: Amounts due within one year shown under current liabilities | <u>(176,930)</u>  | <u>(133,000)</u> | <u>(217,000)</u> |
| Amounts shown under non-current liabilities                       | <u>—</u>          | <u>—</u>         | <u>—</u>         |

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

|                       | As at 31 December |             |             |
|-----------------------|-------------------|-------------|-------------|
|                       | 2023              | 2024        | 2025        |
| Fixed-rate, per annum | 2.20%–4.00%       | 3.00%–3.95% | 2.50%–3.80% |

#### The Company

|                                         | As at 31 December |                |                |
|-----------------------------------------|-------------------|----------------|----------------|
|                                         | 2023              | 2024           | 2025           |
|                                         | RMB'000           | RMB'000        | RMB'000        |
| Bank borrowing at fixed rate, unsecured | <u>176,930</u>    | <u>133,000</u> | <u>217,000</u> |

The carrying amounts of the above borrowings are repayable:

|                                                                   | As at 31 December |                  |                  |
|-------------------------------------------------------------------|-------------------|------------------|------------------|
|                                                                   | 2023              | 2024             | 2025             |
|                                                                   | RMB'000           | RMB'000          | RMB'000          |
| Within one year                                                   | <u>176,930</u>    | <u>133,000</u>   | <u>217,000</u>   |
| Less: Amounts due within one year shown under current liabilities | <u>(176,930)</u>  | <u>(133,000)</u> | <u>(217,000)</u> |
| Amounts shown under non-current liabilities                       | <u>—</u>          | <u>—</u>         | <u>—</u>         |

## APPENDIX I

## ACCOUNTANTS’ REPORT

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

|                       | As at 31 December |             |             |
|-----------------------|-------------------|-------------|-------------|
|                       | 2023              | 2024        | 2025        |
| Fixed-rate, per annum | 3.00%–4.00%       | 3.00%–3.95% | 2.50%–3.80% |

For the Group and the Company, all bank borrowings were guaranteed by Mr. Zhang Huan, Mr. Huang Junwen (both directors of the Company) and the spouse of Mr. Huang Junwen as at 31 December 2023, 2024 and 2025. [As represented by the directors of the Company, the guarantees from the related parties will be released prior to [REDACTED] of the Company’s shares on the Stock Exchange.]

### 28. LEASE LIABILITIES

#### The Group

|                                                                                   | As at 31 December |                |                |
|-----------------------------------------------------------------------------------|-------------------|----------------|----------------|
|                                                                                   | 2023              | 2024           | 2025           |
|                                                                                   | RMB’000           | RMB’000        | RMB’000        |
| Lease liabilities payable:                                                        |                   |                |                |
| Within one year                                                                   | 5,268             | 6,691          | 4,720          |
| More than one year but not exceeding two years                                    | 1,090             | 5,712          | 4,606          |
| More than two years but not exceeding five years                                  | <u>181</u>        | <u>3,551</u>   | <u>2,781</u>   |
|                                                                                   | <u>6,539</u>      | <u>15,954</u>  | <u>12,107</u>  |
| Less: Amounts due for settlement within 12 months shown under current liabilities | <u>(5,268)</u>    | <u>(6,691)</u> | <u>(4,720)</u> |
| Amounts due for settlement after 12 months shown under non-current liabilities    | <u>1,271</u>      | <u>9,263</u>   | <u>7,387</u>   |

#### The Company

|                                                                                   | As at 31 December |                |                |
|-----------------------------------------------------------------------------------|-------------------|----------------|----------------|
|                                                                                   | 2023              | 2024           | 2025           |
|                                                                                   | RMB’000           | RMB’000        | RMB’000        |
| Lease liabilities payable:                                                        |                   |                |                |
| Within one year                                                                   | 2,183             | 3,075          | 2,573          |
| More than one year but not exceeding two years                                    | —                 | 2,992          | 2,494          |
| More than two years but not exceeding five years                                  | <u>—</u>          | <u>1,861</u>   | <u>1,507</u>   |
|                                                                                   | <u>2,183</u>      | <u>7,928</u>   | <u>6,574</u>   |
| Less: Amounts due for settlement within 12 months shown under current liabilities | <u>(2,183)</u>    | <u>(3,075)</u> | <u>(2,573)</u> |
| Amounts due for settlement after 12 months shown under non-current liabilities    | <u>—</u>          | <u>4,853</u>   | <u>4,001</u>   |

As at 31 December 2023, 2024 and 2025, the weighted average incremental borrowing rates applied to lease liabilities is 4.5%, 4.5%, 4.5% per annum respectively.

## APPENDIX I

## ACCOUNTANTS’ REPORT

### 29. CONTRACT LIABILITIES

#### The Group

|                                     | As at 31 December |               |               |
|-------------------------------------|-------------------|---------------|---------------|
|                                     | 2023              | 2024          | 2025          |
|                                     | RMB'000           | RMB'000       | RMB'000       |
| Advanced payment received for       |                   |               |               |
| — AI vertical industry applications | 7,470             | 18,869        | 7,739         |
| — AI recognition                    | 103               | 125           | 228           |
| — AI computing technical services   | —                 | 5,520         | 3,844         |
| Total                               | <u>7,573</u>      | <u>24,514</u> | <u>11,811</u> |

#### The Company

|                                     | As at 31 December |               |               |
|-------------------------------------|-------------------|---------------|---------------|
|                                     | 2023              | 2024          | 2025          |
|                                     | RMB'000           | RMB'000       | RMB'000       |
| Advanced payment received for       |                   |               |               |
| — AI vertical industry applications | 7,009             | 16,625        | 7,714         |
| — AI recognition                    | 23                | 45            | 133           |
| — AI computing technical services   | —                 | 5,520         | 2,642         |
| Total                               | <u>7,032</u>      | <u>22,190</u> | <u>10,489</u> |

As at 1 January 2023, contract liabilities of the Group and the Company amounted to RMB8,707,000 and RMB8,484,000, respectively.

Contract liabilities primarily arose from the non-refundable advance payments made by customers while the underlying obligations are yet to be settled. Contract liabilities which are expected to be recognised as revenue within normal operating cycle from the respective balance sheet dates, are classified under current liabilities.

Contract liabilities of the Group and the Company amounting to RMB5,400,000 as at 31 December 2024, were subsequently refunded to customers following the termination of relevant contracts dated 1 August 2025. Other than these refunded amounts, the contract liabilities balance at the beginning of the year has been recognised as revenue in the following year.

## APPENDIX I

## ACCOUNTANTS’ REPORT

### 30. REDEMPTION LIABILITIES ON EQUITY SHARES

#### The Group and the Company

|                                                     | Redemption<br>liabilities on<br>equity shares<br>RMB'000 |
|-----------------------------------------------------|----------------------------------------------------------|
| At 1 January 2023                                   | 36,709                                                   |
| Interest on redemption liabilities on equity shares | <u>2,630</u>                                             |
| At 31 December 2023, 2024 and 2025                  | <u><u>39,339</u></u>                                     |

#### Notes:

- (i) During the year ended 31 December 2016, a new investor Shenzhen Shenzhen-Hong Kong Stock Connect Hengying Investment Partnership (Limited Partnership) (深圳市深港通恒盈投資合夥企業(有限合夥)) (“**SZ-HK Stock Connect Hengying**”) invested into the Company by capital injection of RMB5,400,000 for 2% equity interest of the Company and concurrently acquired another 2% equity interest from a then shareholder at a cash consideration of RMB5,400,000 (collectively “**Share Transfer 1**”).

During the year ended 31 December 2019, a new investor Nantong Times Bole Venture Capital Partnership (Limited Partnership) (南通時代伯樂創業投資合夥企業(有限合夥)) (“**Nantong Times Bole**”) invested into the Company by capital injection of RMB10,000,000 for 0.9804% equity interest in the Company and concurrently acquired 1.0526% equity interest from a then shareholder at a cash consideration of RMB10,000,000 (collectively “**Share Transfer 2**”).

SZ-HK Stock Connect Hengying and Nantong Times Bole were granted certain special rights, including anti-dilution rights, pre-emptive rights, right of first offer and co-sale right. Also, pursuant to the agreement entered in respect of Share Transfer 1 and Share Transfer 2 among the shareholders and the Company, SZ-HK Stock Connect Hengying and Nantong Times Bole are entitled to demand the then existing shareholders to repurchase these shares unconditionally at original amount of capital injection/cash consideration for share transfers plus 10% interest rate per annum (“**Redemption Right**”), which is guaranteed by the Company, should the Company is unable to meet certain specified conditions under the agreed timeframe by 2020.

Subsequently SZ-HK Stock Connect Hengying disposed parts of its equity interest of the Company to other independent shareholders during the years ended 31 December 2020 and 2022. Pursuant to the equity interest disposal, the Redemption Right of SZ-HK Stock Connect Hengying on the corresponding equity interest was released.

Since such Redemption Right creates contractual obligation that the Company does not have unconditional ability to avoid, a financial liability has been recognised at initial recognition at the present value of the redemption obligation amount and the corresponding amount has been debited to other reserve.

## APPENDIX I

## ACCOUNTANTS’ REPORT

- (ii) The anti-dilution rights granted to the investors should be measured at fair value. Based on the fair value of 100% its equity value with reference to the recent transaction of its shareholders, the Company has used the “with and without” model based on a bi-nominal model to determine the fair value of anti-dilution rights. The directors of the Company assessed that the fair value of anti-dilution right was insignificant.
- (iii) Pursuant to the supplemental agreements entered into by the Company and investors, all the special rights including redemption rights, granted to investors had been terminated upon filing of the [REDACTED] to the Stock Exchange, on the condition that the terminated special rights shall be reinstated if the [REDACTED] is terminated, withdrawn or otherwise become invalid.

Considering the contingency relating to the reinstatement and restoration of the redemption rights is outside the control of the Company, the relevant financial liabilities are assessed to continue to be accounted for as financial liabilities after the signing of the supplemental agreements to the investors’ rights agreement.

- (iv) SZ-HK Stock Connect Hengying and Nantong Times Bole voluntarily waives its right to the interest calculated at a 10% interest rate per annum for the period from 1 January 2024 to 31 December 2024 and from 1 January 2025 to the date of [REDACTED] pursuant to interest waiver agreements signed by SZ-HK Stock Connect Hengying with the Company on 31 December 2024 and 1 January 2025 and by Nantong Times Bole with the Company on 31 December 2024 and 1 January 2025, respectively.

### 31. SHARE CAPITAL

#### The Group

The balance of the share capital of the Group at 31 December 2023, 2024 and 2025 represented the share capital of the Company.

#### The Company

##### *Authorised and issued and fully paid:*

|                                                       | Number of<br>ordinary<br>shares | Nominal value<br>of total shares<br>and shown in<br>the Historical<br>Financial<br>Information<br>RMB’000 |
|-------------------------------------------------------|---------------------------------|-----------------------------------------------------------------------------------------------------------|
| At 1 January 2023 and 31 December 2023, 2024 and 2025 | <u>58,407,202</u>               | <u>58,407</u>                                                                                             |

##### *Notes:*

- (i) During the year ended 31 December 2022, shareholders of the Company made capital contributions amounted to RMB210,422,000 prior to the implementation of the share reform plan, among which RMB35,679,000 was recognised as share capital and RMB174,743,000 was recognised as “capital reserve.”
- (ii) During the year ended 31 December 2022, the Company was converted into a joint stock with limited liability under the Company Law of the PRC based on the net assets as of 31 August 2022 determined in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC.

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## APPENDIX I

## ACCOUNTANTS’ REPORT

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As a result of the Company’s conversion into a joint stock company, 58,407,202 ordinary shares were converted at a par value of RMB1 each. The difference between the net assets and aggregate of the recognised share capital and the capital reserve prior to the conversion into a joint stock company as at 31 August 2022, amounted to RMB294,727,000, was recognised as “capital reserve” in the consolidated statements of changes in equity.

### 32. RETIREMENT BENEFIT PLANS

The Group participates in the Mandatory Provident Fund Scheme (the “**MPF Scheme**”) established under the Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group and its employees are each required to contribute 5.0% of the employees’ relevant income to the mandatory provident fund scheme. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of an independent trustee. During the years ended 31 December 2023, 2024 and 2025, the retirement benefit scheme contributions arising from the MPF Scheme charged to profit or loss were approximately RMB16,000, RMB52,000 and RMB74,000.

The employees of the Group in the PRC are members of a state-managed retirement benefits scheme operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs as determined by respective local government authority to the retirement benefits scheme to fund the benefits. During the years ended 31 December 2023, 2024 and 2025, the costs charged under such arrangements for the Group’s PRC subsidiaries amounted to approximately RMB7,653,000, RMB6,443,000 and RMB5,219,000.

### 33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to its shareholders through the optimisation of the debt and equity balance. The Group’s overall strategy remained unchanged throughout the Track Record Period.

The capital structure of the Group consists of net debt, which includes redemption liabilities on equity shares, borrowings, lease liabilities, amount due to a related party of non-trade nature, net of cash and cash equivalents and equity of the Group attributable to owners of the Company, comprising the share capital, various reserves and non-controlling interests.

The directors of the Company review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

## APPENDIX I

## ACCOUNTANTS’ REPORT

### 34. CATEGORIES OF FINANCIAL INSTRUMENTS

|                              | The Group         |                  |                |
|------------------------------|-------------------|------------------|----------------|
|                              | As at 31 December |                  |                |
|                              | 2023              | 2024             | 2025           |
|                              | RMB'000           | RMB'000          | RMB'000        |
| <b>Financial assets</b>      |                   |                  |                |
| Financial assets at FVTPL    | 2,000             | —                | —              |
| Equity instruments at FVTOCI | 2,000             | 548              | —              |
| Amortised cost               | 654,120           | 1,176,489        | 923,337        |
|                              | <u>658,120</u>    | <u>1,177,037</u> | <u>923,337</u> |
| <b>Financial liabilities</b> |                   |                  |                |
| Amortised cost               | 257,211           | 610,414          | 382,261        |
|                              | <u>257,211</u>    | <u>610,414</u>   | <u>382,261</u> |
|                              |                   |                  |                |
|                              | The Company       |                  |                |
|                              | As at 31 December |                  |                |
|                              | 2023              | 2024             | 2025           |
|                              | RMB'000           | RMB'000          | RMB'000        |
| <b>Financial assets</b>      |                   |                  |                |
| Equity instruments at FVTOCI | 2,000             | 548              | —              |
| Amortised cost               | 661,711           | 1,223,759        | 881,454        |
|                              | <u>663,711</u>    | <u>1,224,307</u> | <u>881,454</u> |
| <b>Financial liabilities</b> |                   |                  |                |
| Amortised cost               | 256,312           | 655,726          | 355,656        |
|                              | <u>256,312</u>    | <u>655,726</u>   | <u>355,656</u> |

### 35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s and Company’s major financial instruments include trade and bills receivables, prepayments, deposits and other receivables, amount(s) due from/to related parties/a related party, amounts due from/to subsidiaries, equity instruments at FVTOCI, financial assets at FVTPL, restricted bank deposits, bank balances, trade payables, other payables, borrowings and redemption liabilities on equity shares. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk, and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The directors of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely basis and in an effective manner.

#### Currency risk

The Group and the Company have foreign currency financing activities which expose the Group and the Company to foreign currency risk.

The sensitivity analysis below has been determined based on the exposure to foreign currency rates and includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A 5% increase or decrease is used when reporting foreign currency rate risk internally to key management personnel and represents the directors’ assessment of the reasonably possible change in foreign currency rates.

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## APPENDIX I

## ACCOUNTANTS’ REPORT

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### *Foreign currency sensitivity analysis*

If RMB had been appreciated/depreciated 5% against the foreign currency and all other variables were held constant, the Group’s post-tax profit for the years ended 31 December 2023, 2024 and 2025 would have decreased/increased by RMB573,000, RMB525,000 and RMB2,585,000 and the Company’s post-tax profit would have decreased/increased RMB466,000, RMB119,000 and RMB177,000. This is mainly attributable to the Group’s exposure to the foreign currency bank balances, trade receivables and trade payables as at 31 December 2023, 2024 and 2025.

### **Interest rate risk**

The Group and the Company are exposed to fair value interest rate risk in relation to fixed-rate bank borrowings (Note 27), and lease liabilities (Note 28) and redemption liabilities on equity shares (Note 30). The Group and the Company are also exposed to cash flow interest rate risk in relation to variable-rate bank balances and restricted bank deposits (Note 25). The Group’s and the Company’s cash flow interest rate risk are mainly concentrated on the fluctuation of interest rates on bank balances and restricted bank deposits. The Group and the Company manage its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. As at 31 December 2023, 2024 and 2025, the Group and the Company has no variable-rate bank borrowing. The management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances and restricted bank deposits is insignificant.

### **Other price risk**

The Group is exposed to equity price risk through its investments in FVTOCI. The Group invested in certain unquoted equity securities for investees operating in AI industry sector for long term strategic purposes which had been designated as FVTOCI. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise. The amount of equity instruments at FVTOCI is not material and no sensitivity analysis is presented as the exposure is considered to be immaterial.

### **Credit risk and impairment assessment**

Credit risk refers to the risk that the Group’s and the Company’s counterparties default on their contractual obligations resulting in financial losses to the Group and the Company. The Group’s credit risk exposures are primarily attributable to trade and bills receivables, prepayments, deposits and other receivables, amounts due from related parties, restricted bank deposits and bank balances. The Company’s credit risk exposures are primarily attributable to trade and bills receivables, prepayments, deposits and other receivables, amounts due from related parties, amounts due from subsidiaries, restricted bank deposits and bank balances. The Group and the Company do not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

### *Trade and bills receivables*

In order to minimise the credit risk, the management of the Group and the Company has delegated a team responsible for determination of credit limits and credit approvals. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, trade and bills receivables with significant balances or credit impaired are assessed for ECL individually and the remaining balances are grouped based on shared credit risk characteristics by reference to aging of outstanding balances and nature and industry of the debtors. Lifetime ECL has been recognised under the simplified approach. In this regard, the directors of the Company consider that the credit risk is significantly reduced.

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## APPENDIX I

## ACCOUNTANTS’ REPORT

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### *Prepayments, deposits and other receivables, amounts due from related parties and amounts due from subsidiaries*

In order to minimise the credit risk, the Group and the Company will assess the credit quality of parties with outstanding balances of prepayments, deposits and other receivables, amounts due from related parties and amounts due from subsidiaries. Other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. The Group measures the loss allowance at lifetime ECL for trade-related amounts due from related parties/subsidiaries.

Prepayments, deposits and other receivables, amounts due from related parties and amounts due from subsidiaries are assessed individually for significant balances and balances that are credit-impaired based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportable and forward-looking information available without undue costs or effort. The directors of the Company believe that there are no significant increase in credit risk at each reporting date of these amounts and most of the prepayments, deposits and other receivables have been subsequently settled.

Gross amount of RMB330,000, RMB330,000 and RMB330,000, and nil, nil and nil which was assessed individually as credit-impaired and loss allowance of RMB647,000, nil and nil, nil recognised in the profit or loss for the Group and the Company for the years ended 31 December 2023, 2024 and 2025, respectively.

Gross amount of RMB46,015,000, RMB46,015,000 and RMB46,015,000 which was assessed individually as for significant balances and loss allowance of RMB5,380,000, nil and nil recognised in the profit or loss for the Group and no significant balances was assessed individually for the Company for the years ended 31 December 2023, 2024 and 2025, respectively.

Other than those, the Group and the Company assessed the ECL for remaining prepayments, deposits and other receivables, amounts due from related parties and amounts due from subsidiaries using internal credit rating with appropriate groupings, the loss allowance for credit losses was insignificant.

### *Restricted bank deposits and bank balances*

The credit risks on restricted bank deposits and bank balances are limited because the counterparties are reputable international and PRC banks and other financial institutions with high credit ratings assigned by international credit-rating agencies regulated by the PRC government. The Group and the Company assessed 12m ECL for restricted bank deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on restricted bank deposits and bank balances is considered to be insignificant and therefore no loss allowance was recognised.

## APPENDIX I

## ACCOUNTANTS’ REPORT

The Group’s and the Company’s internal credit risk grading assessment comprises the following categories:

| <b>Internal credit rating</b> | <b>Description</b>                                                                                                                                  | <b>Trade and bills receivables</b> | <b>Other financial assets</b>      |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------|
| Low risk                      | The counterparty has a low risk of default and does not have any past-due amounts                                                                   | Lifetime ECL — not credit-impaired | 12m ECL                            |
| Doubtful                      | There have been significant increases in credit risk since initial recognition through information developed internally or external resources       | Lifetime ECL — not credit-impaired | Lifetime ECL — not credit-impaired |
| Loss                          | There is evidence indicating the asset is credit-impaired                                                                                           | Lifetime ECL — credit-impaired     | Lifetime ECL — credit-impaired     |
| Write-off                     | There is evidence indicating that the debtor is in severe financial difficulty and the Group and the Company have no realistic prospect of recovery | Amount is written off              | Amount is written off              |

## APPENDIX I

## ACCOUNTANTS’ REPORT

The tables below detail the credit risk exposures of the Group’s financial assets which are subject to ECL assessment:

*The Group*

**As at 31 December 2023**

|                                             | External/internal<br>credit rating | 12m or lifetime ECL                                         | Average<br>loss rate<br>% | Gross<br>amount<br>RMB'000 | Impairment<br>loss<br>allowance<br>RMB'000 | Carrying<br>amount<br>RMB'000 |
|---------------------------------------------|------------------------------------|-------------------------------------------------------------|---------------------------|----------------------------|--------------------------------------------|-------------------------------|
| <b>Financial assets at amortised cost</b>   |                                    |                                                             |                           |                            |                                            |                               |
| Restricted bank deposits                    | AA and AA +                        | 12m ECL                                                     | —                         | 2,820                      | —                                          | 2,820                         |
| Bank balances                               | AA and AA +                        | 12m ECL                                                     | —                         | 183,868                    | —                                          | 183,868                       |
| Trade and bills receivables                 | N/A                                | Lifetime ECL (collective assessment, not credit-impaired)   | 2.50                      | 258,498                    | 6,452                                      | 252,046                       |
|                                             | Loss                               | Lifetime ECL (credit-impaired)                              | 100.00                    | 4,315                      | 4,315                                      | —                             |
|                                             |                                    |                                                             |                           | <u>262,813</u>             | <u>10,767</u>                              | <u>252,046</u>                |
|                                             |                                    |                                                             |                           |                            |                                            |                               |
| Prepayments, deposits and other receivables | Low risk                           | 12m ECL                                                     | 0.02                      | 177,789                    | 31                                         | 177,758                       |
|                                             | Doubtful                           | Lifetime ECL (collectively assessment, not credit-impaired) | 3.20                      | 5,065                      | 162                                        | 4,903                         |
|                                             | Doubtful                           | Lifetime ECL (individual assessment, not credit-impaired)   | 28.88                     | 46,015                     | 13,290                                     | 32,725                        |
|                                             | Loss                               | Lifetime ECL (credit-impaired)                              | 100.00                    | 330                        | 330                                        | —                             |
|                                             |                                    |                                                             |                           | <u>229,199</u>             | <u>13,813</u>                              | <u>215,386</u>                |

## APPENDIX I

## ACCOUNTANTS’ REPORT

As at 31 December 2024

|                                             | External/internal<br>credit rating | 12m or lifetime ECL                                         | Average<br>loss rate<br>% | Gross<br>amount<br>RMB'000 | Impairment<br>loss<br>allowance<br>RMB'000 | Carrying<br>amount<br>RMB'000 |
|---------------------------------------------|------------------------------------|-------------------------------------------------------------|---------------------------|----------------------------|--------------------------------------------|-------------------------------|
| <b>Financial assets at amortised cost</b>   |                                    |                                                             |                           |                            |                                            |                               |
| Restricted bank deposits                    | AA and AA +                        | 12m ECL                                                     | —                         | 2,675                      | —                                          | 2,675                         |
| Bank balances                               | AA and AA +                        | 12m ECL                                                     | —                         | 104,171                    | —                                          | 104,171                       |
| Trade and bills receivables                 | N/A                                | Lifetime ECL (collective assessment, not credit-impaired)   | 1.78                      | 800,267                    | 14,239                                     | 786,028                       |
|                                             | Doubtful                           | Lifetime ECL (individual assessment, not credit-impaired)   | 20.89                     | 4,643                      | 970                                        | 3,673                         |
|                                             | Loss                               | Lifetime ECL (credit-impaired)                              | 100.00                    | 4,315                      | 4,315                                      | —                             |
|                                             |                                    |                                                             |                           | <u>809,225</u>             | <u>19,524</u>                              | <u>789,701</u>                |
| Prepayments, deposits and other receivables | Low risk                           | 12m ECL                                                     | 0.01                      | 241,641                    | 27                                         | 241,614                       |
|                                             | Doubtful                           | Lifetime ECL (collectively assessment, not credit-impaired) | 3.20                      | 4,569                      | 146                                        | 4,423                         |
|                                             | Doubtful                           | Lifetime ECL (individual assessment, not credit-impaired)   | 28.88                     | 46,015                     | 13,290                                     | 32,725                        |
|                                             | Loss                               | Lifetime ECL (credit-impaired)                              | 100.00                    | 330                        | 330                                        | —                             |
|                                             |                                    |                                                             |                           | <u>292,555</u>             | <u>13,793</u>                              | <u>278,762</u>                |
| Amounts due from related parties            | Low risk                           | 12m ECL                                                     | —                         | 1,180                      | —                                          | 1,180                         |

## APPENDIX I

## ACCOUNTANTS’ REPORT

As at 31 December 2025

|                                             | External/internal<br>credit rating | 12m or lifetime ECL                                         | Average<br>loss rate<br>% | Gross<br>amount<br>RMB'000 | Impairment<br>loss<br>allowance<br>RMB'000 | Carrying<br>amount<br>RMB'000 |
|---------------------------------------------|------------------------------------|-------------------------------------------------------------|---------------------------|----------------------------|--------------------------------------------|-------------------------------|
| <b>Financial assets at amortised cost</b>   |                                    |                                                             |                           |                            |                                            |                               |
| Restricted bank deposits                    | AA and AA +                        | 12m ECL                                                     | —                         | 1,692                      | —                                          | 1,692                         |
| Bank balances                               | AA and AA +                        | 12m ECL                                                     | —                         | 477,041                    | —                                          | 477,041                       |
| Trade and bills receivables                 | N/A                                | Lifetime ECL (collective assessment, not credit-impaired)   | 8.54                      | 160,318                    | 13,691                                     | 146,627                       |
|                                             | Doubtful                           | Lifetime ECL (individual assessment, not credit-impaired)   | 53.27                     | 34,906                     | 18,593                                     | 16,313                        |
|                                             |                                    |                                                             |                           | <u>195,224</u>             | <u>32,284</u>                              | <u>162,940</u>                |
| Prepayments, deposits and other receivables | Low risk                           | 12m ECL                                                     | —                         | 233,458                    | 11                                         | 233,447                       |
|                                             | Doubtful                           | Lifetime ECL (collectively assessment, not credit-impaired) | 3.43                      | 16,042                     | 550                                        | 15,492                        |
|                                             | Doubtful                           | Lifetime ECL (individual assessment, not credit-impaired)   | 28.88                     | 46,015                     | 13,290                                     | 32,725                        |
|                                             | Loss                               | Lifetime ECL (credit-impaired)                              | 100.00                    | 330                        | 330                                        | —                             |
|                                             |                                    |                                                             |                           | <u>295,845</u>             | <u>14,181</u>                              | <u>281,664</u>                |

## APPENDIX I

## ACCOUNTANTS’ REPORT

*The Company*

**As at 31 December 2023**

|                                             | External/internal<br>credit rating | 12m or lifetime ECL                                         | Average<br>loss rate<br>% | Gross<br>amount<br>RMB'000 | Impairment<br>loss<br>allowance<br>RMB'000 | Carrying<br>amount<br>RMB'000 |
|---------------------------------------------|------------------------------------|-------------------------------------------------------------|---------------------------|----------------------------|--------------------------------------------|-------------------------------|
| <b>Financial assets at amortised cost</b>   |                                    |                                                             |                           |                            |                                            |                               |
| Restricted bank deposits                    | AA and AA +                        | 12m ECL                                                     | —                         | 2,490                      | —                                          | 2,490                         |
| Bank balances                               | AA and AA +                        | 12m ECL                                                     | —                         | 158,308                    | —                                          | 158,308                       |
| Trade and bills receivables                 | N/A                                | Lifetime ECL (collective assessment, not credit-impaired)   | 2.01                      | 233,292                    | 4,691                                      | 228,601                       |
|                                             | Loss                               | Lifetime ECL (credit-impaired)                              | 100.00                    | 4,315                      | 4,315                                      | —                             |
|                                             |                                    |                                                             |                           | <u>237,607</u>             | <u>9,006</u>                               | <u>228,601</u>                |
|                                             |                                    |                                                             |                           |                            |                                            |                               |
| Prepayments, deposits and other receivables | Low risk                           | 12m ECL                                                     | 0.02                      | 123,126                    | 20                                         | 123,106                       |
|                                             | Doubtful                           | Lifetime ECL (collectively assessment, not credit-impaired) | 3.19                      | 3,635                      | 116                                        | 3,519                         |
|                                             |                                    |                                                             |                           | <u>126,761</u>             | <u>136</u>                                 | <u>126,625</u>                |
|                                             |                                    |                                                             |                           |                            |                                            |                               |
| Amounts due from subsidiaries               | Low risk                           | 12m ECL                                                     | —                         | 145,687                    | —                                          | 145,687                       |
|                                             | Loss                               | Lifetime ECL (credit-impaired)                              | 100.00                    | 35,988                     | 35,988                                     | —                             |
|                                             |                                    |                                                             |                           | <u>181,675</u>             | <u>35,988</u>                              | <u>145,687</u>                |

## APPENDIX I

## ACCOUNTANTS’ REPORT

As at 31 December 2024

|                                             | External/internal<br>credit rating | 12m or lifetime ECL                                         | Average<br>loss rate<br>% | Gross<br>amount<br>RMB'000 | Impairment<br>loss<br>allowance<br>RMB'000 | Carrying<br>amount<br>RMB'000 |
|---------------------------------------------|------------------------------------|-------------------------------------------------------------|---------------------------|----------------------------|--------------------------------------------|-------------------------------|
| <b>Financial assets at amortised cost</b>   |                                    |                                                             |                           |                            |                                            |                               |
| Restricted bank deposits                    | AA and AA +                        | 12m ECL                                                     | —                         | 2,345                      | —                                          | 2,345                         |
| Bank balances                               | AA and AA +                        | 12m ECL                                                     | —                         | 94,191                     | —                                          | 94,191                        |
| Trade and bills receivables                 | N/A                                | Lifetime ECL (collective assessment, not credit-impaired)   | 1.57                      | 794,374                    | 12,471                                     | 781,903                       |
|                                             | Doubtful                           | Lifetime ECL (individual assessment, not credit-impaired)   | 20.89                     | 4,643                      | 970                                        | 3,673                         |
|                                             | Loss                               | Lifetime ECL (credit-impaired)                              | 100.00                    | 4,315                      | 4,315                                      | —                             |
|                                             |                                    |                                                             |                           | <u>803,332</u>             | <u>17,756</u>                              | <u>785,576</u>                |
| Prepayments, deposits and other receivables | Low risk                           | 12m ECL                                                     | 0.01                      | 240,913                    | 19                                         | 240,894                       |
|                                             | Doubtful                           | Lifetime ECL (collectively assessment, not credit-impaired) | 3.20                      | 3,004                      | 96                                         | 2,908                         |
|                                             |                                    |                                                             |                           | <u>243,917</u>             | <u>115</u>                                 | <u>243,802</u>                |
| Amounts due from subsidiaries               | Low risk                           | 12m ECL                                                     | —                         | 96,665                     | —                                          | 96,665                        |
|                                             | Loss                               | Lifetime ECL (credit-impaired)                              | 100.00                    | 39,430                     | 39,430                                     | —                             |
|                                             |                                    |                                                             |                           | <u>136,095</u>             | <u>39,430</u>                              | <u>96,665</u>                 |
| Amounts due from related parties            | Low risk                           | 12m ECL                                                     | —                         | 1,180                      | —                                          | 1,180                         |

## APPENDIX I

## ACCOUNTANTS’ REPORT

As at 31 December 2025

|                                             | External/internal<br>credit rating | 12m or lifetime ECL                                         | Average<br>loss rate<br>% | Gross<br>amount<br>RMB'000 | Impairment<br>loss<br>allowance<br>RMB'000 | Carrying<br>amount<br>RMB'000 |
|---------------------------------------------|------------------------------------|-------------------------------------------------------------|---------------------------|----------------------------|--------------------------------------------|-------------------------------|
| <b>Financial assets at amortised cost</b>   |                                    |                                                             |                           |                            |                                            |                               |
| Restricted bank deposits                    | AA and AA +                        | 12m ECL                                                     | —                         | 1,692                      | —                                          | 1,692                         |
| Bank balances                               | AA and AA +                        | 12m ECL                                                     | —                         | 459,745                    | —                                          | 459,745                       |
| Trade and bills receivables                 | N/A                                | Lifetime ECL (collective assessment, not credit-impaired)   | 8.80                      | 127,362                    | 11,211                                     | 116,151                       |
|                                             | Doubtful                           | Lifetime ECL individual assessment, not credit-impaired)    | 53.27                     | 34,906                     | 18,593                                     | 16,313                        |
|                                             |                                    |                                                             |                           | <u>162,268</u>             | <u>29,804</u>                              | <u>132,464</u>                |
| Prepayments, deposits and other receivables | Low risk                           | 12m ECL                                                     | —                         | 233,312                    | 7                                          | 233,305                       |
|                                             | Doubtful                           | Lifetime ECL (collectively assessment, not credit-impaired) | 3.16                      | 11,439                     | 361                                        | 11,078                        |
|                                             |                                    |                                                             |                           | <u>244,751</u>             | <u>368</u>                                 | <u>244,383</u>                |
| Amounts due from subsidiaries               | Low risk                           | 12m ECL                                                     | —                         | 43,170                     | —                                          | 43,170                        |
|                                             | Loss                               | Lifetime ECL (credit-impaired)                              | 100.00                    | 41,060                     | 41,060                                     | —                             |
|                                             |                                    |                                                             |                           | <u>84,230</u>              | <u>41,060</u>                              | <u>43,170</u>                 |

### Provision matrix — Debtor’s aging

As part of the Group’s credit risk management, the Group uses debtors’ aging to assess the impairment for its customers in relation to its revenue-generated operations because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers’ abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis by using provision matrix within lifetime ECL (not credit-impaired). Debtors with significant outstanding balances or credit-impaired with gross carrying amounts of RMB4,315,000, RMB8,958,000 and RMB34,906,000 respectively as at 31 December 2023, 2024 and 2025 were assessed individually.

## APPENDIX I

## ACCOUNTANTS’ REPORT

### *The Group*

| As at 31 December 2023 |              |                                                                 |                       |
|------------------------|--------------|-----------------------------------------------------------------|-----------------------|
|                        | Average loss | Gross amount<br>of trade<br>and bills<br>receivables<br>RMB'000 | ECL amount<br>RMB'000 |
|                        | rate         |                                                                 |                       |
| Current                |              |                                                                 |                       |
| 0–90 days              | 0.34%        | 165,148                                                         | 561                   |
| 91–365 days            | 1.82%        | 52,153                                                          | 948                   |
| 1–2 years              | 7.12%        | 32,178                                                          | 2,291                 |
| 2–3 years              | 17.43%       | 7,711                                                           | 1,344                 |
| Over 3 years           | 100.00%      | <u>1,308</u>                                                    | <u>1,308</u>          |
| Total                  |              | <u>258,498</u>                                                  | <u>6,452</u>          |

| As at 31 December 2024 |              |                                                                 |                       |
|------------------------|--------------|-----------------------------------------------------------------|-----------------------|
|                        | Average loss | Gross amount<br>of trade<br>and bills<br>receivables<br>RMB'000 | ECL amount<br>RMB'000 |
|                        | rate         |                                                                 |                       |
| Current                |              |                                                                 |                       |
| 0–90 days              | 0.05%        | 717,953                                                         | 345                   |
| 91–365 days            | 2.72%        | 34,727                                                          | 946                   |
| 1–2 years              | 9.02%        | 29,019                                                          | 2,617                 |
| 2–3 years              | 47.25%       | 15,614                                                          | 7,377                 |
| Over 3 years           | 100.00%      | <u>2,954</u>                                                    | <u>2,954</u>          |
| Total                  |              | <u>800,267</u>                                                  | <u>14,239</u>         |

| As at 31 December 2025 |              |                                                                 |                       |
|------------------------|--------------|-----------------------------------------------------------------|-----------------------|
|                        | Average loss | Gross amount<br>of trade<br>and bills<br>receivables<br>RMB'000 | ECL amount<br>RMB'000 |
|                        | rate         |                                                                 |                       |
| Current                |              |                                                                 |                       |
| 0–90 days              | 1.04%        | 124,120                                                         | 1,296                 |
| 91–365 days            | 4.73%        | 15,733                                                          | 744                   |
| 1–2 years              | 32.91%       | 7,241                                                           | 2,383                 |
| 2–3 years              | 60.04%       | 9,901                                                           | 5,945                 |
| Over 3 years           | 100.00%      | <u>3,323</u>                                                    | <u>3,323</u>          |
| Total                  |              | <u>160,318</u>                                                  | <u>13,691</u>         |

## APPENDIX I

## ACCOUNTANTS’ REPORT

### *The Company*

| As at 31 December 2023 |              |                                                                 |                       |
|------------------------|--------------|-----------------------------------------------------------------|-----------------------|
|                        | Average loss | Gross amount<br>of trade<br>and bills<br>receivables<br>RMB'000 | ECL amount<br>RMB'000 |
|                        | rate         |                                                                 |                       |
| Current                |              |                                                                 |                       |
| 0–90 days              | 0.28%        | 160,296                                                         | 448                   |
| 91–365 days            | 1.79%        | 37,021                                                          | 662                   |
| 1–2 years              | 6.96%        | 28,565                                                          | 1,987                 |
| 2–3 years              | 12.91%       | 6,678                                                           | 862                   |
| Over 3 years           | 100.00%      | <u>732</u>                                                      | <u>732</u>            |
| Total                  |              | <u>233,292</u>                                                  | <u>4,691</u>          |

| As at 31 December 2024 |              |                                                                 |                       |
|------------------------|--------------|-----------------------------------------------------------------|-----------------------|
|                        | Average loss | Gross amount<br>of trade<br>and bills<br>receivables<br>RMB'000 | ECL amount<br>RMB'000 |
|                        | rate         |                                                                 |                       |
| Current                |              |                                                                 |                       |
| 0–90 days              | 0.02%        | 715,490                                                         | 110                   |
| 91–365 days            | 3.15%        | 40,453                                                          | 1,275                 |
| 1–2 years              | 8.40%        | 20,953                                                          | 1,760                 |
| 2–3 years              | 47.37%       | 15,489                                                          | 7,337                 |
| Over 3 years           | 100.00%      | <u>1,989</u>                                                    | <u>1,989</u>          |
| Total                  |              | <u>794,374</u>                                                  | <u>12,471</u>         |

| As at 31 December 2025 |              |                                                                 |                       |
|------------------------|--------------|-----------------------------------------------------------------|-----------------------|
|                        | Average loss | Gross amount<br>of trade<br>and bills<br>receivables<br>RMB'000 | ECL amount<br>RMB'000 |
|                        | rate         |                                                                 |                       |
| Current                |              |                                                                 |                       |
| 0–90 days              | 0.65%        | 96,746                                                          | 632                   |
| 91–365 days            | 4.31%        | 12,398                                                          | 534                   |
| 1–2 years              | 33.44%       | 6,770                                                           | 2,264                 |
| 2–3 years              | 60.29%       | 9,234                                                           | 5,567                 |
| Over 3 years           | 100.00%      | <u>2,214</u>                                                    | <u>2,214</u>          |
| Total                  |              | <u>127,362</u>                                                  | <u>11,211</u>         |

## APPENDIX I

## ACCOUNTANTS’ REPORT

The following table shows the movement in lifetime ECL that has been recognised for trade and bills receivables.

### *The Group*

|                                                                          | <b>Lifetime ECL<br/>(not credit-<br/>impaired)<br/>RMB'000</b> | <b>Lifetime ECL<br/>(credit-<br/>impaired)<br/>RMB'000</b> | <b>Total<br/>RMB'000</b> |
|--------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------|--------------------------|
| At 1 January 2023                                                        | 163                                                            | 4,905                                                      | 5,068                    |
| Changes due to financial instruments recognised as<br>at 1 January 2023: |                                                                |                                                            |                          |
| — Impairment losses recognised                                           | 4,284                                                          | 2,587                                                      | 6,871                    |
| — Written-off                                                            | —                                                              | (3,177)                                                    | (3,177)                  |
| New financial assets originated                                          | <u>2,005</u>                                                   | <u>—</u>                                                   | <u>2,005</u>             |
| At 31 December 2023                                                      | 6,452                                                          | 4,315                                                      | 10,767                   |
| Changes due to financial instruments recognised as<br>at 1 January 2024: |                                                                |                                                            |                          |
| — Impairment losses recognised                                           | 10,927                                                         | —                                                          | 10,927                   |
| — Impairment losses reversed                                             | (2,430)                                                        | —                                                          | (2,430)                  |
| New financial assets originated                                          | <u>260</u>                                                     | <u>—</u>                                                   | <u>260</u>               |
| At 31 December 2024                                                      | 15,209                                                         | 4,315                                                      | 19,524                   |
| Changes due to financial instruments recognised as<br>at 1 January 2025: |                                                                |                                                            |                          |
| — Impairment losses recognised                                           | 22,335                                                         | —                                                          | 22,335                   |
| — Impairment losses reversed                                             | (5,437)                                                        | —                                                          | (5,437)                  |
| — Transfer to credit-impaired                                            | (889)                                                          | 889                                                        | —                        |
| — Written-offs                                                           | —                                                              | (5,204)                                                    | (5,204)                  |
| New financial assets originated                                          | <u>1,066</u>                                                   | <u>—</u>                                                   | <u>1,066</u>             |
| At 31 December 2025                                                      | <u>32,284</u>                                                  | <u>—</u>                                                   | <u>32,284</u>            |

## APPENDIX I

## ACCOUNTANTS’ REPORT

### *The Company*

|                                                                          | <b>Lifetime ECL<br/>(not credit-<br/>impaired)<br/>RMB'000</b> | <b>Lifetime ECL<br/>(credit-<br/>impaired)<br/>RMB'000</b> | <b>Total<br/>RMB'000</b> |
|--------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------|--------------------------|
| At 1 January 2023                                                        | 98                                                             | 4,905                                                      | 5,003                    |
| Changes due to financial instruments recognised as<br>at 1 January 2023: |                                                                |                                                            |                          |
| — Impairment losses recognised                                           | 2,983                                                          | 2,586                                                      | 5,569                    |
| — Written-off                                                            | —                                                              | (3,176)                                                    | (3,176)                  |
| New financial assets originated                                          | <u>1,610</u>                                                   | <u>—</u>                                                   | <u>1,610</u>             |
| At 31 December 2023                                                      | 4,691                                                          | 4,315                                                      | 9,006                    |
| Changes due to financial instruments recognised as<br>at 1 January 2024: |                                                                |                                                            |                          |
| — Impairment losses recognised                                           | 10,298                                                         | —                                                          | 10,298                   |
| — Impairment losses reversed                                             | (1,808)                                                        | —                                                          | (1,808)                  |
| New financial assets originated                                          | <u>260</u>                                                     | <u>—</u>                                                   | <u>260</u>               |
| At 31 December 2024                                                      | 13,441                                                         | 4,315                                                      | 17,756                   |
| Changes due to financial instruments recognised as<br>at 1 January 2025: |                                                                |                                                            |                          |
| — Impairment losses recognised                                           | 21,766                                                         | —                                                          | 21,766                   |
| — Impairment losses reversed                                             | (4,768)                                                        | —                                                          | (4,768)                  |
| — Transfer to credit-impaired                                            | (889)                                                          | 889                                                        | —                        |
| — Written-offs                                                           | —                                                              | (5,204)                                                    | (5,204)                  |
| New financial assets originated                                          | <u>254</u>                                                     | <u>—</u>                                                   | <u>254</u>               |
| At 31 December 2025                                                      | <u>29,804</u>                                                  | <u>—</u>                                                   | <u>29,804</u>            |

The Group and the Company makes full provision for trade and bills receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

## APPENDIX I

## ACCOUNTANTS’ REPORT

The following table shows reconciliation of loss allowances that has been recognised for prepayments, deposits and other receivables.

### *The Group*

|                              | <b>12m ECL</b><br><i>RMB'000</i> | <b>Lifetime ECL<br/>(not credit-<br/>impaired)</b><br><i>RMB'000</i> | <b>Lifetime ECL<br/>(credit-<br/>impaired)</b><br><i>RMB'000</i> | <b>Total</b><br><i>RMB'000</i> |
|------------------------------|----------------------------------|----------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------|
| At 1 January 2023            | 15                               | 8,050                                                                | 1,850                                                            | 9,915                          |
| Impairment losses recognised | 16                               | 5,402                                                                | 647                                                              | 6,065                          |
| Written-off                  | —                                | —                                                                    | (2,167)                                                          | (2,167)                        |
| At 31 December 2023          | 31                               | 13,452                                                               | 330                                                              | 13,813                         |
| Impairment losses reversed   | (4)                              | (16)                                                                 | —                                                                | (20)                           |
| At 31 December 2024          | 27                               | 13,436                                                               | 330                                                              | 13,793                         |
| Impairment losses recognised | —                                | 404                                                                  | —                                                                | 404                            |
| Impairment losses reversed   | (16)                             | —                                                                    | —                                                                | (16)                           |
| At 31 December 2025          | <u>11</u>                        | <u>13,840</u>                                                        | <u>330</u>                                                       | <u>14,181</u>                  |

### *The Company*

|                              | <b>12m ECL</b><br><i>RMB'000</i> | <b>Lifetime ECL<br/>(not credit-<br/>impaired)</b><br><i>RMB'000</i> | <b>Lifetime ECL<br/>(credit-<br/>impaired)</b><br><i>RMB'000</i> | <b>Total</b><br><i>RMB'000</i> |
|------------------------------|----------------------------------|----------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------|
| At 1 January 2023            | 12                               | 103                                                                  | 1,850                                                            | 1,965                          |
| Impairment losses recognised | 8                                | 13                                                                   | —                                                                | 21                             |
| Written-off                  | —                                | —                                                                    | (1,850)                                                          | (1,850)                        |
| At 31 December 2023          | 20                               | 116                                                                  | —                                                                | 136                            |
| Impairment losses reversed   | (1)                              | (20)                                                                 | —                                                                | (21)                           |
| At 31 December 2024          | 19                               | 96                                                                   | —                                                                | 115                            |
| Impairment losses recognised | —                                | 265                                                                  | —                                                                | 265                            |
| Impairment losses reversed   | (12)                             | —                                                                    | —                                                                | (12)                           |
| At 31 December 2025          | <u>7</u>                         | <u>361</u>                                                           | <u>—</u>                                                         | <u>368</u>                     |

## APPENDIX I

## ACCOUNTANTS’ REPORT

The following table shows reconciliation of loss allowances that has been recognised for amounts due from subsidiaries.

### *The Company*

|                              | <b>12m ECL</b><br><i>RMB'000</i> | <b>Lifetime ECL<br/>(not credit-<br/>impaired)</b><br><i>RMB'000</i> | <b>Lifetime ECL<br/>(credit-<br/>impaired)</b><br><i>RMB'000</i> | <b>Total</b><br><i>RMB'000</i> |
|------------------------------|----------------------------------|----------------------------------------------------------------------|------------------------------------------------------------------|--------------------------------|
| At 1 January 2023            | —                                | —                                                                    | 15,169                                                           | 15,169                         |
| Impairment losses recognised | —                                | —                                                                    | 20,819                                                           | 20,819                         |
| At 31 December 2023          | —                                | —                                                                    | 35,988                                                           | 35,988                         |
| Impairment losses recognised | —                                | —                                                                    | 3,442                                                            | 3,442                          |
| At 31 December 2024          | —                                | —                                                                    | 39,430                                                           | 39,430                         |
| Impairment losses recognised | —                                | —                                                                    | 1,630                                                            | 1,630                          |
| At 31 December 2025          | —                                | —                                                                    | 41,060                                                           | 41,060                         |

### *Notes:*

- (i) For the trade and bills receivables, the Group and the Company applied the simplified approach in IFRS 9 to measure loss allowance at lifetime ECL. Except for debtors with significant increase in credit risk or that are credit-impaired, the Group and the Company determines the ECL on these items by using a provision matrix with appropriate groupings.
- (ii) For restricted bank deposits and bank balances, prepayments, deposits, other receivables, amounts due from subsidiaries and amounts due from related parties, the Group and the Company has applied the 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group and the Company recognise lifetime ECL.

### **Liquidity risk**

In management of the liquidity risk, the Group and the Company monitors and maintains levels of bank balances and cash deemed adequate by the management to finance the Group’s operations and mitigate the effects of fluctuations in cash flows. The management monitors forecast and actual cash flows and matching the maturity profiles of financial liabilities and lease liabilities.

## APPENDIX I

## ACCOUNTANTS’ REPORT

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

### *The Group*

|                                         | Weighted<br>average<br>interest rate<br>% | On demand<br>or less than<br>1 year<br>RMB'000 | 1 year to<br>2 years<br>RMB'000 | 2 years to<br>5 years<br>RMB'000 | More than<br>5 years<br>RMB'000 | Total<br>undiscounted<br>cash flows<br>RMB'000 | Carrying<br>amount<br>RMB'000 |
|-----------------------------------------|-------------------------------------------|------------------------------------------------|---------------------------------|----------------------------------|---------------------------------|------------------------------------------------|-------------------------------|
| <b>31 December 2023</b>                 |                                           |                                                |                                 |                                  |                                 |                                                |                               |
| Amount due to a related party           | —                                         | 64                                             | —                               | —                                | —                               | 64                                             | 64                            |
| Trade and other payables                | —                                         | 40,878                                         | —                               | —                                | —                               | 40,878                                         | 40,878                        |
| Borrowings                              | 2.20–4.00                                 | 184,483                                        | —                               | —                                | —                               | 184,483                                        | 176,930                       |
| Lease liabilities                       | 4.50                                      | 5,553                                          | 1,184                           | 187                              | —                               | 6,924                                          | 6,539                         |
| Redemption liabilities on equity shares | 10.00                                     | 39,339                                         | —                               | —                                | —                               | 39,339                                         | 39,339                        |
|                                         |                                           | <u>270,317</u>                                 | <u>1,184</u>                    | <u>187</u>                       | <u>—</u>                        | <u>271,688</u>                                 | <u>263,750</u>                |

|                                         | Weighted<br>average<br>interest rate<br>% | On demand<br>or less than<br>1 year<br>RMB'000 | 1 year to<br>2 years<br>RMB'000 | 2 years to<br>5 years<br>RMB'000 | More than<br>5 years<br>RMB'000 | Total<br>undiscounted<br>cash flows<br>RMB'000 | Carrying<br>amount<br>RMB'000 |
|-----------------------------------------|-------------------------------------------|------------------------------------------------|---------------------------------|----------------------------------|---------------------------------|------------------------------------------------|-------------------------------|
| <b>31 December 2024</b>                 |                                           |                                                |                                 |                                  |                                 |                                                |                               |
| Amount due to a related party           | —                                         | 64                                             | —                               | —                                | —                               | 64                                             | 64                            |
| Trade and other payables                | —                                         | 438,011                                        | —                               | —                                | —                               | 438,011                                        | 438,011                       |
| Borrowings                              | 3.00–3.95                                 | 137,886                                        | —                               | —                                | —                               | 137,886                                        | 133,000                       |
| Lease liabilities                       | 4.50                                      | 7,253                                          | 6,007                           | 3,604                            | —                               | 16,864                                         | 15,954                        |
| Redemption liabilities on equity shares | —                                         | 39,339                                         | —                               | —                                | —                               | 39,339                                         | 39,339                        |
|                                         |                                           | <u>622,553</u>                                 | <u>6,007</u>                    | <u>3,604</u>                     | <u>—</u>                        | <u>632,164</u>                                 | <u>626,368</u>                |

|                                         | Weighted<br>average<br>interest rate<br>% | On demand<br>or less than<br>1 year<br>RMB'000 | 1 year to<br>2 years<br>RMB'000 | 2 years to<br>5 years<br>RMB'000 | More than<br>5 years<br>RMB'000 | Total<br>undiscounted<br>cash flows<br>RMB'000 | Carrying<br>amount<br>RMB'000 |
|-----------------------------------------|-------------------------------------------|------------------------------------------------|---------------------------------|----------------------------------|---------------------------------|------------------------------------------------|-------------------------------|
| <b>31 December 2025</b>                 |                                           |                                                |                                 |                                  |                                 |                                                |                               |
| Trade and other payables                | —                                         | 125,922                                        | —                               | —                                | —                               | 125,922                                        | 125,922                       |
| Borrowings                              | 2.50–3.80                                 | 221,683                                        | —                               | —                                | —                               | 221,683                                        | 217,000                       |
| Lease liabilities                       | 4.50                                      | 5,157                                          | 4,839                           | 2,823                            | —                               | 12,819                                         | 12,107                        |
| Redemption liabilities on equity shares | —                                         | 39,339                                         | —                               | —                                | —                               | 39,339                                         | 39,339                        |
|                                         |                                           | <u>392,101</u>                                 | <u>4,839</u>                    | <u>2,823</u>                     | <u>—</u>                        | <u>399,763</u>                                 | <u>394,368</u>                |

## APPENDIX I

## ACCOUNTANTS’ REPORT

### *The Company*

|                                         | Weighted<br>average<br>interest rate<br>% | On demand<br>or less than<br>1 year<br>RMB'000 | 1 year to<br>2 years<br>RMB'000 | 2 years to<br>5 years<br>RMB'000 | More than<br>5 years<br>RMB'000 | Total<br>undiscounted<br>cash flows<br>RMB'000 | Carrying<br>amount<br>RMB'000 |
|-----------------------------------------|-------------------------------------------|------------------------------------------------|---------------------------------|----------------------------------|---------------------------------|------------------------------------------------|-------------------------------|
| <b>31 December 2023</b>                 |                                           |                                                |                                 |                                  |                                 |                                                |                               |
| Amount due to a related party           | —                                         | 64                                             | —                               | —                                | —                               | 64                                             | 64                            |
| Amounts due to subsidiaries             | —                                         | 3,100                                          | —                               | —                                | —                               | 3,100                                          | 3,100                         |
| Trade and other payables                | —                                         | 36,879                                         | —                               | —                                | —                               | 36,879                                         | 36,879                        |
| Borrowings                              | 3.00–4.00                                 | 184,483                                        | —                               | —                                | —                               | 184,483                                        | 176,930                       |
| Lease liabilities                       | 4.50                                      | 2,215                                          | —                               | —                                | —                               | 2,215                                          | 2,183                         |
| Redemption liabilities on equity shares | 10.00                                     | 39,339                                         | —                               | —                                | —                               | 39,339                                         | 39,339                        |
|                                         |                                           | <u>266,080</u>                                 | <u>—</u>                        | <u>—</u>                         | <u>—</u>                        | <u>266,080</u>                                 | <u>258,495</u>                |
|                                         | Weighted<br>average<br>interest rate<br>% | On demand<br>or less than<br>1 year<br>RMB'000 | 1 year to<br>2 years<br>RMB'000 | 2 years to<br>5 years<br>RMB'000 | More than<br>5 years<br>RMB'000 | Total<br>undiscounted<br>cash flows<br>RMB'000 | Carrying<br>amount<br>RMB'000 |
| <b>31 December 2024</b>                 |                                           |                                                |                                 |                                  |                                 |                                                |                               |
| Amount due to a related party           | —                                         | 64                                             | —                               | —                                | —                               | 64                                             | 64                            |
| Amounts due to subsidiaries             | —                                         | 8,010                                          | —                               | —                                | —                               | 8,010                                          | 8,010                         |
| Trade and other payables                | —                                         | 475,313                                        | —                               | —                                | —                               | 475,313                                        | 475,313                       |
| Borrowings                              | 3.00–3.95                                 | 137,886                                        | —                               | —                                | —                               | 137,886                                        | 133,000                       |
| Lease liabilities                       | 4.50                                      | 3,194                                          | 3,569                           | 2,116                            | —                               | 8,879                                          | 7,928                         |
| Redemption liabilities on equity shares | —                                         | 39,339                                         | —                               | —                                | —                               | 39,339                                         | 39,339                        |
|                                         |                                           | <u>663,806</u>                                 | <u>3,569</u>                    | <u>2,116</u>                     | <u>—</u>                        | <u>669,491</u>                                 | <u>663,654</u>                |
|                                         | Weighted<br>average<br>interest rate<br>% | On demand<br>or less than<br>1 year<br>RMB'000 | 1 year to<br>2 years<br>RMB'000 | 2 years to<br>5 years<br>RMB'000 | More than<br>5 years<br>RMB'000 | Total<br>undiscounted<br>cash flows<br>RMB'000 | Carrying<br>amount<br>RMB'000 |
| <b>31 December 2025</b>                 |                                           |                                                |                                 |                                  |                                 |                                                |                               |
| Amounts due to subsidiaries             | —                                         | 2,232                                          | —                               | —                                | —                               | 2,232                                          | 2,232                         |
| Trade and other payables                | —                                         | 97,085                                         | —                               | —                                | —                               | 97,085                                         | 97,085                        |
| Borrowings                              | 2.50–3.80                                 | 221,683                                        | —                               | —                                | —                               | 221,683                                        | 217,000                       |
| Lease liabilities                       | 4.50                                      | 2,809                                          | 2,621                           | 1,529                            | —                               | 6,959                                          | 6,574                         |
| Redemption liabilities on equity shares | —                                         | 39,339                                         | —                               | —                                | —                               | 39,339                                         | 39,339                        |
|                                         |                                           | <u>363,148</u>                                 | <u>2,621</u>                    | <u>1,529</u>                     | <u>—</u>                        | <u>367,298</u>                                 | <u>362,230</u>                |

## APPENDIX I

## ACCOUNTANTS’ REPORT

### 36. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group’s and the Company’s financial instruments are measured at fair value for financial reporting purposes.

In estimating the fair value, the Group and the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation for significant financial instruments.

#### The Group

| Financial instruments                 | Fair value as at 31 December |                 |                 | Fair value hierarchy | Valuation technique(s) and key input(s)                                                                                                                                                                                                                                                                                                                                                         | Significant unobservable input(s)                                                                                                                                                                                  |
|---------------------------------------|------------------------------|-----------------|-----------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                       | 2023<br>RMB’000              | 2024<br>RMB’000 | 2025<br>RMB’000 |                      |                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                    |
| <b>Financial assets</b>               |                              |                 |                 |                      |                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                    |
| Financial assets at FVTPL             | 2,000                        | —               | —               | Level 3              | Fair values are estimated based on cash flows discounted using the expected yield rate                                                                                                                                                                                                                                                                                                          | Expected yield rate of 2.50% as at 31 December 2023 ( <i>Note (i)</i> )                                                                                                                                            |
| Unlisted equity investments at FVTOCI | 2,000                        | 548             | —               | Level 2/Level 3      | Fair values are estimated with reference to the recent transaction price of the underlying investment for 5% equity interest of the Company as at 31 December 2023; Market approach — guideline public company method with price-to-book (P/B) ratio, market value of the underlying investment and discounts for lack of marketability (“DLOM”) as key inputs as at 31 December 2024 and 2025. | Recent transaction price of RMB 2,000,000 as at 31 December 2023; (P/B) Ratio of 4.37 and DLOM of 43% as at 31 December 2024; and (P/B) Ratio of 5.91 and DLOM of 34% as at 31 December 2025 ( <i>Note (ii)</i> ). |

## APPENDIX I

## ACCOUNTANTS’ REPORT

### The Company

| Financial instrument                  | Fair value as at 31 December |         |         | Fairvalue hierarchy | Valuation technique(s) and key input(s)                                                                                                                                                                                                                                                                                                                | Significant unobservable input(s)                                                                                                                                                                         |
|---------------------------------------|------------------------------|---------|---------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                       | 2023                         | 2024    | 2025    |                     |                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                           |
|                                       | RMB'000                      | RMB'000 | RMB'000 |                     |                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                           |
| <b>Financial asset</b>                |                              |         |         |                     |                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                           |
| Unlisted equity investments at FVTOCI | 2,000                        | 548     | —       | Level 2/Level 3     | Fair values are estimated with reference to the recent transaction price of the underlying investment for 5% equity interest of the Company as at 31 December 2023; Market approach — guideline public company method with price-to-book (P/B) Ratio, market value of the underlying investment and DLOM as key inputs as at 31 December 2024 and 2025 | Recent transaction price of RMB 2,000,000 as at 31 December 2023; (P/B) Ratio of 4.37 and DLOM of 43% as at 31 December 2024; and (P/B) Ratio of 5.91 and DLOM of 34% as at 31 December 2025 (Note (ii)). |

### Notes:

- (i) A 5% increase/decrease in the expected yield rate holding all other variables constant, the impact on the carrying amount of financial assets at FVTPL was insignificant as at 31 December 2023, 2024 and 2025.
- (ii) A 5% increase/decrease in the (P/B) Ratio or DLOM, holding all other variables constant, the impact on the carrying amount of the unlisted equity investments at FVTOCI was insignificant as at 31 December 2023, 2024 and 2025.
- (iii) The Group has held a 5% equity interest in Investee A that is classified as an equity investment at FVTOCI since 28 July 2023. The investment is measured at fair value at each reporting date. The fair values of the investment as at 31 December 2023, 2024 and 2025 were RMB2,000,000, RMB548,000 and Nil, respectively. The fair value as at 31 December 2023 was estimated with reference to the recent transaction price of the underlying investment for a 5% equity interest of the Company. As the inputs and assumptions used in determining the fair value are observable, the fair value of the investment as at 31 December 2023 was classified as Level 2 of the fair value hierarchy. In the absence of a published price quotation or a recent transaction price of the underlying investment, the fair values of the investment as at 31 December 2024 and 2025 were determined using a market approach valuation technique with significant unobservable inputs. Therefore, the fair values of the investment as at 31 December 2024 and 2025 were classified as Level 3 of the fair value hierarchy. Other than the above, there were no transfers between Level 1, 2 or 3 during the Track record period. Details of reconciliation of Level 3 fair value measurement are below.

## APPENDIX I

## ACCOUNTANTS’ REPORT

Details of reconciliation of Level 3 fair value measurement are below.

### The Group

|                        | Financial<br>assets at<br>FVTPL<br>RMB'000 | Equity<br>instruments at<br>FVTOCI<br>RMB'000 |
|------------------------|--------------------------------------------|-----------------------------------------------|
| As at 1 January 2023   | 2,000                                      | —                                             |
| Addition               | —                                          | —                                             |
| As at 31 December 2023 | 2,000                                      | —                                             |
| Redemption             | (2,000)                                    | —                                             |
| Transfers into level 3 | —                                          | 548                                           |
| As at 31 December 2024 | —                                          | 548                                           |
| Fair value change      | —                                          | (548)                                         |
| As at 31 December 2025 | —                                          | —                                             |

### The Company

|                        | Equity<br>instruments at<br>FVTOCI<br>RMB'000 |
|------------------------|-----------------------------------------------|
| As at 31 December 2023 | —                                             |
| Transfers into level 3 | 548                                           |
| As at 31 December 2024 | 548                                           |
| Fair value change      | (548)                                         |
| As at 31 December 2025 | —                                             |

The management considers that the carrying amounts of other financial assets and financial liabilities recognised in the Historical Financial Information approximate their fair values.

## APPENDIX I

## ACCOUNTANTS’ REPORT

### 37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

|                       | Borrowings<br>RMB'000 | Amount due to<br>a related party<br>RMB'000 | Lease<br>liabilities<br>RMB'000 | Redemption<br>liabilities on<br>equity shares<br>RMB'000 | Accrued<br>[REDACTED]<br>RMB'000 | Total<br>RMB'000 |
|-----------------------|-----------------------|---------------------------------------------|---------------------------------|----------------------------------------------------------|----------------------------------|------------------|
| At 1 January 2023     | 19,030                | 64                                          | 13,213                          | 36,709                                                   | [REDACTED]                       | 69,016           |
| Financing cash flows  | 155,206               | —                                           | (9,259)                         | —                                                        | [REDACTED]                       | 145,947          |
| Non-cash changes:     |                       |                                             |                                 |                                                          |                                  |                  |
| Finance costs         | 2,694                 | —                                           | 622                             | 2,630                                                    | [REDACTED]                       | 5,946            |
| New leases entered    |                       |                                             |                                 |                                                          |                                  |                  |
| (Note)                | —                     | —                                           | 3,478                           | —                                                        | [REDACTED]                       | 3,478            |
| Termination of lease  | —                     | —                                           | (1,515)                         | —                                                        | [REDACTED]                       | (1,515)          |
| At 31 December 2023   | 176,930               | 64                                          | 6,539                           | 39,339                                                   | [REDACTED]                       | 222,872          |
| Financing cash flows  | (53,336)              | —                                           | (7,518)                         | —                                                        | [REDACTED]                       | (60,854)         |
| Non-cash changes:     |                       |                                             |                                 |                                                          |                                  |                  |
| Finance costs         | 9,406                 | —                                           | 513                             | —                                                        | [REDACTED]                       | 9,919            |
| New leases entered    |                       |                                             |                                 |                                                          |                                  |                  |
| (Note)                | —                     | —                                           | 17,737                          | —                                                        | [REDACTED]                       | 17,737           |
| Termination of lease  | —                     | —                                           | (1,317)                         | —                                                        | [REDACTED]                       | (1,317)          |
| At 31 December 2024   | 133,000               | 64                                          | 15,954                          | 39,339                                                   | [REDACTED]                       | 188,357          |
| Financing cash flows  | 78,606                | (64)                                        | (7,087)                         | —                                                        | [REDACTED]                       | 66,745           |
| Non-cash changes:     |                       |                                             |                                 |                                                          |                                  |                  |
| Finance costs         | 5,394                 | —                                           | 855                             | —                                                        | [REDACTED]                       | 6,249            |
| New leases entered    |                       |                                             |                                 |                                                          |                                  |                  |
| (Note)                | —                     | —                                           | 3,048                           | —                                                        | [REDACTED]                       | 3,048            |
| Termination of lease  | —                     | —                                           | (663)                           | —                                                        | [REDACTED]                       | (663)            |
| Deferred              |                       |                                             |                                 |                                                          |                                  |                  |
| [REDACTED]            | [REDACTED]            | [REDACTED]                                  | [REDACTED]                      | [REDACTED]                                               | [REDACTED]                       | [REDACTED]       |
| Foreign exchange gain | —                     | —                                           | —                               | —                                                        | [REDACTED]                       | (16)             |
| At 31 December 2025   | 217,000               | —                                           | 12,107                          | 39,339                                                   | [REDACTED]                       | 270,121          |

*Note:* During the years ended 31 December 2023, 2024 and 2025, the Group entered into certain new lease agreements for the use of office premises. On the date of commencement of leases, the Group recognised RMB3,478,000, RMB17,737,000 and RMB3,048,000 right-of-use assets and lease liabilities.

## APPENDIX I

## ACCOUNTANTS’ REPORT

### 38. THE COMPANY’S RESERVES

Below is a table showing the movements of the reserves of the Company during the Track Record Period:

|                                                                       | Capital<br>reserve<br>RMB'000 | Statutory<br>reserve<br>RMB'000 | Other<br>reserve<br>RMB'000 | FVTOCI<br>reserve<br>RMB'000 | (Accumulated<br>losses)/<br>retained<br>earnings<br>RMB'000 | Total<br>RMB'000 |
|-----------------------------------------------------------------------|-------------------------------|---------------------------------|-----------------------------|------------------------------|-------------------------------------------------------------|------------------|
| At 1 January 2023                                                     | 521,719                       | 5,472                           | (25,532)                    | —                            | (14,808)                                                    | 486,851          |
| Profit for the year and<br>total comprehensive<br>income for the year | —                             | —                               | —                           | —                            | 29,519                                                      | 29,519           |
| Transfer to statutory<br>reserve                                      | —                             | 4,911                           | —                           | —                            | (4,911)                                                     | —                |
| At 31 December 2023                                                   | 521,719                       | 10,383                          | (25,532)                    | —                            | 9,800                                                       | 516,370          |
| Profit for the year                                                   | —                             | —                               | —                           | —                            | 71,687                                                      | 71,687           |
| Fair value changes on<br>equity investments at<br>FVOCI, net of tax   | —                             | —                               | —                           | (1,234)                      | —                                                           | (1,234)          |
| Total comprehensive<br>(expense) income for the<br>year               | —                             | —                               | —                           | (1,234)                      | 71,687                                                      | 70,453           |
| Transfer to statutory<br>reserve                                      | —                             | 7,582                           | —                           | —                            | (7,582)                                                     | —                |
| At 31 December 2024                                                   | 521,719                       | 17,965                          | (25,532)                    | (1,234)                      | 73,905                                                      | 586,823          |
| Profit for the year                                                   | —                             | —                               | —                           | —                            | 53,574                                                      | 53,574           |
| Fair value changes on<br>equity investments at<br>FVOCI, net of tax   | —                             | —                               | —                           | (466)                        | —                                                           | (466)            |
| Total comprehensive<br>(expense) income for the<br>year               | —                             | —                               | —                           | (466)                        | 53,574                                                      | 53,108           |
| Transfer to statutory<br>reserve                                      | —                             | 5,496                           | —                           | —                            | (5,496)                                                     | —                |
| At 31 December 2025                                                   | 521,719                       | 23,461                          | (25,532)                    | (1,700)                      | 121,983                                                     | 639,931          |

### 39. RELATED PARTY DISCLOSURES

Save as disclosed in the elsewhere in the Historical Financial Information, details of guarantee received from its related parties, due balances with its related parties and transactions are set out as below:

#### (a) Name and relationship

| Names            | Relationships                                       |
|------------------|-----------------------------------------------------|
| Mr. Zhang Huan   | Controlling shareholder, CEO and executive director |
| Mr. Huang Junwen | Key management personnel                            |
| Mr. Lou Decheng  | Key management personnel                            |
| Mr. Tang Hong    | Key management personnel                            |

## APPENDIX I

## ACCOUNTANTS’ REPORT

### (b) Related parties balances

#### *Amounts due from related parties*

#### *The Group and the Company*

|                                 | As at<br>1 January<br>2023<br>RMB'000 | As at 31 December<br>2023<br>RMB'000 | 2024<br>RMB'000 | 2025<br>RMB'000 |
|---------------------------------|---------------------------------------|--------------------------------------|-----------------|-----------------|
| <i>Non-trade nature (Notes)</i> |                                       |                                      |                 |                 |
| Mr. Zhang Huan                  | —                                     | —                                    | 150             | —               |
| Mr. Lou Decheng                 | —                                     | —                                    | 530             | —               |
| Mr. Tang Hong                   | —                                     | —                                    | 350             | —               |
| Mr. Huang Junwen                | —                                     | —                                    | 150             | —               |
| Total                           | —                                     | —                                    | 1,180           | —               |
| Presented as current            | —                                     | —                                    | 1,180           | —               |

#### *Notes:*

- (i) The balances are unsecured, interest free and repayable on demand. The balances with related parties has been settled as at 31 December 2025.

During the year ended 31 December 2023, the maximum amount outstanding for non-trade nature that is in favour of Mr. Zhang Huan, Mr. Lou Decheng, Mr. Tang Hong and Mr. Huang Junwen was RMB200,000, RMB250,000, nil and RMB200,000, respectively.

During the year ended 31 December 2024, the maximum amount outstanding for non-trade nature that is in favour of Mr. Zhang Huan, Mr. Lou Decheng, Mr. Tang Hong and Mr. Huang Junwen was RMB567,000, RMB530,000, RMB350,000 and RMB350,000, respectively.

During the year ended 31 December 2025, the maximum amount outstanding for non-trade nature that is in favour of Mr. Zhang Huan, Mr. Lou Decheng, Mr. Tang Hong and Mr. Huang Junwen was RMB150,000, RMB650,000, RMB350,000 and RMB350,000, respectively.

- (ii) In September 2025, the Company received the confirmation from Mr. Zhang Huan, the controlling shareholder of the Company, undertaking that in case that the Company incurs economic losses if it is required by the relevant government authorities to make full repayment of the outstanding amounts and/or pay relevant penalties, he will indemnify the Company for such payments so that the Company will not suffer from economic losses in this regard.

## APPENDIX I

## ACCOUNTANTS’ REPORT

### *Amounts due from subsidiaries*

#### *The Company*

|                               | As at 31 December |               |               |
|-------------------------------|-------------------|---------------|---------------|
|                               | 2023              | 2024          | 2025          |
|                               | RMB'000           | RMB'000       | RMB'000       |
| <i>Non-trade nature</i>       |                   |               |               |
| Amounts due from subsidiaries | <u>145,687</u>    | <u>96,665</u> | <u>43,170</u> |
| Presented as non-current      | <u>145,687</u>    | <u>96,665</u> | <u>43,170</u> |

### *Amount due to a related party*

#### *The Group and the Company*

|                                | As at 31 December |           |          |
|--------------------------------|-------------------|-----------|----------|
|                                | 2023              | 2024      | 2025     |
|                                | RMB'000           | RMB'000   | RMB'000  |
| <i>Non-trade nature (Note)</i> |                   |           |          |
| Mr. Zhang Huan                 | <u>64</u>         | <u>64</u> | <u>—</u> |

*Note:* The balances are unsecured, interest free and repayable on demand and were released as at 31 December 2025.

### *Amounts due to subsidiaries*

#### *The Company*

|                             | As at 31 December |              |              |
|-----------------------------|-------------------|--------------|--------------|
|                             | 2023              | 2024         | 2025         |
|                             | RMB'000           | RMB'000      | RMB'000      |
| <i>Non-trade nature</i>     |                   |              |              |
| Amounts due to subsidiaries | <u>3,100</u>      | <u>8,010</u> | <u>2,232</u> |

## APPENDIX I

## ACCOUNTANTS’ REPORT

### (c) Related parties transactions

#### *Sales to subsidiaries*

#### *The Company*

|                                                       | Year ended 31 December |         |         |
|-------------------------------------------------------|------------------------|---------|---------|
|                                                       | 2023                   | 2024    | 2025    |
|                                                       | RMB'000                | RMB'000 | RMB'000 |
| Huafu Technology (Hong Kong) Limited                  | 7,212                  | 3,478   | 706     |
| Jiangsu Huafu Jinke Artificial Intelligence Co., Ltd. | 1,493                  | 16      | —       |
| Shenzhen Smart Shield Technology Co., Ltd.            | 2,902                  | 221     | 34,320  |
| Huafu Technology International Limited                | —                      | —       | 1,768   |
| Shandong Huahong Information Technology Co., Ltd.     | —                      | —       | 96      |

### (d) Compensation of key management personnel

The remuneration of the directors and other members of key management personnel during the Track Record Period was as follows:

|                                         | Year ended 31 December |         |         |
|-----------------------------------------|------------------------|---------|---------|
|                                         | 2023                   | 2024    | 2025    |
|                                         | RMB'000                | RMB'000 | RMB'000 |
| Salaries and other benefits             | 3,742                  | 3,355   | 3,444   |
| Retirement benefit scheme contributions | 310                    | 317     | 394     |
| Total                                   | 4,052                  | 3,672   | 3,838   |

The remuneration of key management personnel is determined by reference to the performance of individuals and market trends.

## APPENDIX I

## ACCOUNTANTS’ REPORT

### 40. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

At 31 December 2023, 2024 and 2025, the investments in subsidiaries of the Company comprise the capital injections to the subsidiaries of RMB21,130,000, RMB21,910,000 and RMB24,753,000, respectively.

As at the date of this report, the Company has direct and indirect equity interest in the following subsidiaries:

| Name of companies                                                         | Place and date of incorporation/<br>establishment | Authorised/<br>issued capital | Equity interest attributable to the Group |                           |                           |                                     | Principal activities                                                    |
|---------------------------------------------------------------------------|---------------------------------------------------|-------------------------------|-------------------------------------------|---------------------------|---------------------------|-------------------------------------|-------------------------------------------------------------------------|
|                                                                           |                                                   |                               | As at 31 December<br>2023                 | 2024                      | 2025                      | As at the<br>date of this<br>report |                                                                         |
| <b>Directly held:</b>                                                     |                                                   |                               |                                           |                           |                           |                                     |                                                                         |
| Zhengzhou Huafu Intelligent Technology Co., Ltd.<br>(鄭州華付智能科技有限公司)        | PRC<br>7 May 2022                                 | RMB2,000,000/<br>Nil          | 100                                       | N/A<br><i>Note (vi)</i>   | N/A<br><i>Note (vi)</i>   | N/A<br><i>Note (vi)</i>             | Information transmission, software, and information technology services |
| Hunan Huafu Information Technology Co., Ltd.<br>(湖南華付信息技術有限公司)            | PRC<br>17 August 2021                             | RMB10,000,000/<br>Nil         | 100                                       | 100                       | 100                       | 100                                 | Information transmission, software, and information technology services |
| Shenzhen Huafu Credit Information Co., Ltd.<br>(深圳市華付微信有限公司)              | PRC<br>24 October 2016                            | RMB5,000,000/<br>RMB502,000   | N/A<br><i>Note (ii)</i>                   | N/A<br><i>Note (ii)</i>   | N/A<br><i>Note (ii)</i>   | N/A<br><i>Note (ii)</i>             | Information transmission, software, and information technology services |
| Shenzhen Smart Shield Technology Co., Ltd.<br>(深圳市智慧盾科技有限公司)              | PRC<br>16 August 2017                             | RMB10,000,000/<br>RMB10,000   | 100<br><i>Note (viii)</i>                 | 100<br><i>Note (viii)</i> | 100<br><i>Note (viii)</i> | 100<br><i>Note (viii)</i>           | Provision of AI technology solutions                                    |
| Shenzhen Huafu Smart Travel Technology Co., Ltd.<br>(深圳華付智行技術有限公司)        | PRC<br>27 April 2021                              | RMB1,000,000/Nil              | 100                                       | N/A<br><i>Note (vi)</i>   | N/A<br><i>Note (vi)</i>   | N/A<br><i>Note (vi)</i>             | Information transmission, software, and information technology services |
| Jiangsu Huafu Jinke Artificial Intelligence Co., Ltd.<br>(江蘇華付金科人工智能有限公司) | PRC<br>13 February 2018                           | RMB10,000,000/Nil             | 100                                       | 100                       | 100                       | 100                                 | Information transmission, software, and information technology services |
| Smart Shield (Nanjing) Technology Co., Ltd.<br>(智慧盾(南京)科技有限公司)            | PRC<br>11 January 2019                            | RMB3,000,000/<br>RMB3,000,000 | 100                                       | 100                       | 100                       | 100                                 | Information transmission, software, and information technology services |
| Hangzhou Huafu Intelligent Technology Co., Ltd.<br>(杭州華付智能科技有限公司)         | PRC<br>01 April 2022                              | RMB2,000,000/Nil              | 100                                       | 100                       | 100                       | 100                                 | Information transmission, software, and information technology services |
| Haimen Huafu Intelligent Technology Co., Ltd.<br>(海門華付智能技術有限公司)           | PRC<br>08 January 2020                            | RMB5,000,000/Nil              | 100                                       | 100                       | N/A<br><i>Note (vii)</i>  | N/A<br><i>Note (vii)</i>            | Information transmission, software, and information technology services |
| Hainan Huafu Information Technology Co., Ltd.<br>(海南華付信息技術有限公司)           | PRC<br>22 November 2018                           | RMB5,000,000/Nil              | N/A<br><i>Note (ii)</i>                   | N/A<br><i>Note (ii)</i>   | N/A<br><i>Note (ii)</i>   | N/A<br><i>Note (ii)</i>             | Information transmission, software, and information technology services |
| Guangzhou Huafu Information Technology Co., Ltd.<br>(廣州華付信息技術有限公司)        | PRC<br>22 December 2021                           | RMB2,000,000/Nil              | 100                                       | 100                       | 100                       | 100                                 | Information transmission, software, and information technology services |
| Beijing Huafu Information Co., Ltd. (北京華付信息有限公司)                          | PRC<br>29 July 2020                               | RMB2,000,000/<br>RMB2,000,000 | 100                                       | 100                       | 100                       | 100                                 | Information transmission, software, and information technology services |
| Hubei Huafu Intelligent Innovation Technology Co., Ltd.<br>(湖北華付智創技術有限公司) | PRC<br>2 April 2021                               | RMB10,000,000/Nil             | 100                                       | 100                       | 100                       | 100                                 | Internet and related services                                           |

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## APPENDIX I

## ACCOUNTANTS’ REPORT

| Name of companies                                                               | Place and date of incorporation/<br>establishment | Authorised/<br>issued capital                                                                                                          | Equity interest attributable to the Group |                                              |                         |                                     | Principal activities                                                    |
|---------------------------------------------------------------------------------|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------|-------------------------|-------------------------------------|-------------------------------------------------------------------------|
|                                                                                 |                                                   |                                                                                                                                        | As at 31 December<br>2023                 | 2024                                         | 2025                    | As at the<br>date of this<br>report |                                                                         |
| Shenzhen Yunteng Chuangzhi Co., Ltd.<br>(深圳市雲騰創智技術有限公司)                         | PRC<br>4 January 2021                             | RMB10,000,000/Nil                                                                                                                      | N/A<br><i>Note (iii)</i>                  | N/A<br><i>Note(iii)</i>                      | N/A<br><i>Note(iii)</i> | N/A<br><i>Note(iii)</i>             | Information transmission, software, and information technology services |
| Shenzhen Huafu Intelligent Technology Co., Ltd.<br>(深圳市華付智能技術有限公司)              | PRC<br>25 March 2021                              | RMB10,000,000/<br>RMB950,000                                                                                                           | 70                                        | 70                                           | 70                      | 70                                  | Information transmission, software, and information technology services |
| Donghua Huizhi Technology (Shenzhen) Co., Ltd.<br>(東華匯智科技(深圳)有限公司)              | PRC<br>26 July 2022                               | RMB5,000,000/Nil                                                                                                                       | N/A<br><i>Note(ii)</i>                    | N/A<br><i>Note(ii)</i>                       | N/A<br><i>Note(ii)</i>  | N/A<br><i>Note(ii)</i>              | Information transmission, software, and information technology services |
| Shenzhen Huajun IoT Technology Co., Ltd.<br>(深圳市華俊物聯科技有限公司)                     | PRC<br>25 November 2022                           | RMB10,000,000/Nil                                                                                                                      | N/A<br><i>Note(ii)</i>                    | N/A<br><i>Note(ii)</i>                       | N/A<br><i>Note(ii)</i>  | N/A<br><i>Note(ii)</i>              | Information transmission, software, and information technology services |
| Huafu Cloud Technology (Shenzhen) Co., Ltd.<br>(華付雲技術(深圳)有限公司)                  | PRC<br>26 June 2017                               | RMB20,000,000/Nil                                                                                                                      | 55                                        | 55                                           | 55                      | 55                                  | Information transmission, software, and information technology services |
| Nanjing Boshu Technology Co., Ltd.<br>(南京博數科技有限公司)                              | PRC<br>12 April 2019                              | RMB10,000,000/<br>RMB5,500,000                                                                                                         | 55                                        | 55                                           | 55                      | 55                                  | Information transmission, software, and information technology services |
| Huafu Technology International Limited (華付技術國際有限公司)                             | Hong Kong<br>7 July 2023                          | RMB910,000/As at<br>31 December 2023:<br>Nil<br>As at<br>31 December 2024:<br>RMB780,000<br>As at<br>31 December 2025:<br>RMB3,911,000 | 100<br><i>Note(viii)</i>                  | 100<br><i>Note(xii)</i><br><i>Note(viii)</i> | 80<br><i>Note(xi)</i>   | 80                                  | Information transmission, software, and information technology services |
| Shandong Huafu Intelligent Technology Development Co., Ltd.<br>(山東華付智能科技發展有限公司) | PRC<br>18 August 2023                             | RMB10,000,000/Nil                                                                                                                      | 100                                       | 100                                          | 100                     | 100                                 | Software and information technology services                            |
| Chengdu Huafu Technology Co., Ltd. (成都華付科技有限公司)                                 | PRC<br>31 May 2023                                | RMB10,000,000/Nil                                                                                                                      | 100                                       | 100                                          | 100                     | 100                                 | Software and information technology services                            |
| Xi'an Huawei Tengcheng Technology Co., Ltd.<br>(西安華微騰成科技有限公司)                   | PRC<br>29 June 2023                               | RMB10,000,000/Nil                                                                                                                      | 100                                       | 100                                          | 100                     | 100                                 | Science and technology promotion and application services               |
| Shanghai Huawei Tengcheng Technology Co., Ltd.<br>(上海華微騰成技術有限公司)                | PRC<br>24 May 2023                                | RMB10,000,000/Nil                                                                                                                      | 100                                       | 100                                          | 100                     | 100                                 | Internet and related services                                           |
| Huafu Technology (Hong Kong) Limited (華付技術(香港)有限公司)                             | Hong Kong<br>11 April 2023                        | RMB8,996,000/Nil                                                                                                                       | 80<br><i>Note(viii)</i>                   | 80<br><i>Note(viii)</i>                      | 80                      | 80                                  | Information transmission, software, and information technology services |
| Shenzhen Huafu Zhilian Technology Co., Ltd. (深圳華付智聯科技有限公司)                      | PRC<br>28 February 2023                           | RMB10,000,000/Nil                                                                                                                      | 60                                        | 60                                           | 60                      | 60                                  | Software and information technology services                            |
| Huafu (Ningxia) Technology Co., Ltd.<br>(華付(寧夏)技術有限公司)                          | PRC<br>5 August 2024                              | RMB10,000,000/Nil                                                                                                                      | N/A<br><i>Note(v)</i>                     | 100                                          | 100                     | N/A<br><i>Note(xiii)</i>            | Information transmission, software, and information technology services |
| Hangzhou Huafu Information Technology Co., Ltd.<br>(杭州華付信息技術有限公司)               | PRC<br>20 December 2021                           | RMB2,000,000/Nil                                                                                                                       | 100                                       | N/A<br><i>Note(vi)</i>                       | N/A<br><i>Note(vi)</i>  | N/A<br><i>Note(vi)</i>              | Software and information technology services                            |

## APPENDIX I

## ACCOUNTANTS’ REPORT

| Name of companies                                                             | Place and date of incorporation/<br>establishment | Authorised/<br>issued capital  | Equity interest attributable to the Group |                        |                               |                         | Principal activities                                                    |
|-------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------|-------------------------------------------|------------------------|-------------------------------|-------------------------|-------------------------------------------------------------------------|
|                                                                               |                                                   |                                | As at 31 December                         |                        | As at the date of this report |                         |                                                                         |
|                                                                               |                                                   |                                | 2023                                      | 2024                   | 2025                          |                         |                                                                         |
| Hubei Huachu Intelligent Technology Development Co., Ltd.<br>(湖北華儲智能技術發展有限公司) | PRC<br>28 October 2024                            | RMB30,000,000/Nil              | N/A<br><i>Note(v)</i>                     | 100                    | N/A<br><i>Note(vii)</i>       | N/A<br><i>Note(vii)</i> | Software and information technology services                            |
| Shenzhen Huafu Kexin Technology Co., Ltd.<br>(深圳華付科芯科技有限公司)                   | PRC<br>20 December 2024                           | RMB10,000,000/Nil              | N/A<br><i>Note(v)</i>                     | 51                     | N/A<br><i>Note(vii)</i>       | N/A<br><i>Note(vii)</i> | Software and information technology services                            |
| <b>Indirectly held:</b>                                                       |                                                   |                                |                                           |                        |                               |                         |                                                                         |
| Shenzhen Huayi Travel Technology Co., Ltd.<br>(深圳華易行科技有限公司)                   | PRC<br>11 May 2021                                | RMB20,000,000/Nil              | 55                                        | N/A<br><i>Note(vi)</i> | N/A<br><i>Note(vi)</i>        | N/A<br><i>Note(vi)</i>  | Information transmission, software, and information technology services |
| Shandong Huahong Information Technology Co., Ltd.<br>(山東華宏信息科技有限公司)           | PRC<br>05 September 2023                          | RMB10,000,000/Nil              | 80                                        | 80                     | 100                           | 100                     | Computer, communication, and other electronic equipment manufacturing   |
| Hunan Huafu Xinchuang Technology Co., Ltd.<br>(湖南華付信創科技有限公司)                  | PRC<br>12 January 2023                            | RMB20,000,000/<br>RMB6,000,000 | 51                                        | 51                     | 51                            | 51                      | Internet and related services                                           |

*Notes:*

- (i) All companies now comprising the Group have adopted 31 December as their financial year end.
- (ii) The entity had been deregistered during the year ended 31 December 2023. The gain or loss arising on the disposal is insignificant.
- (iii) The entity had been disposed of during the year ended 31 December 2023. The gain or loss arising on the disposal is insignificant.
- (iv) The entities were established during the year ended 31 December 2023.
- (v) The entity was established during the year ended 31 December 2024.
- (vi) The entity had been deregistered during the year ended 31 December 2024. The gain or loss arising on the deregistration is insignificant.
- (vii) The entities had been deregistered during the year ended 31 December 2025. The gain or loss arising on the deregistration is insignificant.

## APPENDIX I

## ACCOUNTANTS’ REPORT

- (viii) The financial statements of the Group’s subsidiaries established in the PRC and Hong Kong were prepared in accordance with the relevant accounting principles and regulations in the PRC and Hong Kong. The financial statements for below subsidiaries for the years ended 31 December 2023 and 2024 were audited by the following certified public accountants registered in the PRC and Hong Kong. Other than that, no audited financial statements of other entities comprising the Group have been prepared since there are no statutory audit requirements in those jurisdictions or the corresponding statutory audits have not been completed:

| Name of companies                                            | Year ended 31 December 2023                                                              |
|--------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Shenzhen Huafu Technology Co., Ltd.<br>(深圳華付技術股份有限公司)        | Guangzhou Erxiang Certified Public Accountants (General Partnership)<br>廣州而翔會計師事務所(普通合夥) |
| Shenzhen Smart Shield Technology Co., Ltd.<br>(深圳市智慧盾科技有限公司) | Guangzhou Erxiang Certified Public Accountants (General Partnership)<br>廣州而翔會計師事務所(普通合夥) |
| Huafu Technology International Limited<br>(華付技術國際有限公司)       | Grandwealth & Co. Certified Public Accountants                                           |
| Huafu Technology (Hong Kong) Limited<br>(華付技術(香港)有限公司)       | Grandwealth & Co. Certified Public Accountants                                           |

| Name of companies                                            | Year ended 31 December 2024                                                              |
|--------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Shenzhen Huafu Technology Co., Ltd.<br>(深圳華付技術股份有限公司)        | Guangzhou Erxiang Certified Public Accountants (General Partnership)<br>廣州而翔會計師事務所(普通合夥) |
| Shenzhen Smart Shield Technology Co., Ltd.<br>(深圳市智慧盾科技有限公司) | Guangzhou Erxiang Certified Public Accountants (General Partnership)<br>廣州而翔會計師事務所(普通合夥) |
| Huafu Technology International Limited<br>(華付技術國際有限公司)       | Grandwealth & Co. Certified Public Accountants                                           |
| Huafu Technology (Hong Kong) Limited<br>(華付技術(香港)有限公司)       | Grandwealth & Co. Certified Public Accountants                                           |

- (ix) None of the subsidiaries had issued any debt securities during the Track Record Period.
- (x) Subsidiaries established in the PRC mainland are all limited liability companies.
- (xi) The Company has disposed 20% interest of this subsidiary at a consideration of HKD1 to an independent third party, the gain or loss arising on the disposal is insignificant.

## APPENDIX I

## ACCOUNTANTS’ REPORT

- (xii) The Company has recognised impairment provision for the subsidiaries based on their profitability performance as at 31 December 2023, 2024 and 2025. The impairment provision on the relevant investment costs are set out below:

| <b>Subsidiaries</b>                              | <b>Investment<br/>costs<br/>RMB'000</b> | <b>Impairment<br/>provision<br/>RMB'000</b> | <b>Carrying<br/>amount<br/>RMB'000</b> |
|--------------------------------------------------|-----------------------------------------|---------------------------------------------|----------------------------------------|
| <b>As at 31 December 2023</b>                    |                                         |                                             |                                        |
| Shenzhen Smart Shield Technology Co., Ltd.       | 10,000                                  | —                                           | 10,000                                 |
| Nanjing Boshu Technology Co., Ltd.               | 5,500                                   | (2,000)                                     | 3,500                                  |
| Smart Shield (Nanjing) Technology Co., Ltd.      | 3,000                                   | (3,000)                                     | —                                      |
| Beijing Huaifu Information Co., Ltd.             | 2,000                                   | (2,000)                                     | —                                      |
| Shenzhen Huaifu Intelligent Technology Co., Ltd. | 630                                     | (630)                                       | —                                      |
| Total                                            | <u>21,130</u>                           | <u>(7,630)</u>                              | <u>13,500</u>                          |
| <b>As at 31 December 2024</b>                    |                                         |                                             |                                        |
| Shenzhen Smart Shield Technology Co., Ltd.       | 10,000                                  | —                                           | 10,000                                 |
| Nanjing Boshu Technology Co., Ltd.               | 5,500                                   | (2,000)                                     | 3,500                                  |
| Smart Shield (Nanjing) Technology Co., Ltd.      | 3,000                                   | (3,000)                                     | —                                      |
| Beijing Huaifu Information Co., Ltd.             | 2,000                                   | (2,000)                                     | —                                      |
| Huaifu Technology International Limited          | 780                                     | (780)                                       | —                                      |
| Shenzhen Huaifu Intelligent Technology Co., Ltd. | 630                                     | (630)                                       | —                                      |
| Total                                            | <u>21,910</u>                           | <u>(8,410)</u>                              | <u>13,500</u>                          |
| <b>As at 31 December 2025</b>                    |                                         |                                             |                                        |
| Shenzhen Smart Shield Technology Co., Ltd.       | 10,000                                  | —                                           | 10,000                                 |
| Nanjing Boshu Technology Co., Ltd.               | 5,500                                   | (2,000)                                     | 3,500                                  |
| Smart Shield (Nanjing) Technology Co., Ltd.      | 3,000                                   | (3,000)                                     | —                                      |
| Beijing Huaifu Information Co., Ltd.             | 2,000                                   | (2,000)                                     | —                                      |
| Huaifu Technology International Limited          | 3,623                                   | (780)                                       | 2,843                                  |
| Shenzhen Huaifu Intelligent Technology Co., Ltd. | 630                                     | (630)                                       | —                                      |
| Total                                            | <u>24,753</u>                           | <u>(8,410)</u>                              | <u>16,343</u>                          |

- (xiii) The entities had been deregistered as at the date of this report, the gain or loss arising on the disposal is insignificant.

### 41. CAPITAL COMMITMENTS

At the end of each reporting period, the Group had no capital commitments.

### 42. SUBSEQUENT EVENTS

There is no other significant event subsequent to the end of the Track Record Period that needs to be disclosed.

### 43. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group or the Company or any of its subsidiaries in respect of any period subsequent to 31 December 2025.