

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report received from the Company’s reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document.

[To insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF MAKESENSE ENERGY TECHNOLOGY CO., LIMITED AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

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

Directors’ responsibility for the Historical Financial Information

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

Reporting accountants’ responsibility

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

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 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

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Opinion

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

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

Adjustments

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

Dividends

We refer to note 13 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

[●]

Certified Public Accountants

Hong Kong

[Date]

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I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

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

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

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

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Notes | Year ended 31 December | | |
|--|-------|------------------------|------------------|------------------|
| | | 2023 | 2024 | 2025 |
| | | RMB'000 | RMB'000 | RMB'000 |
| CONTINUING OPERATIONS | | | | |
| REVENUE | 5 | 174,152 | 124,618 | 519,976 |
| Cost of sales | | (169,644) | (119,429) | (468,092) |
| Gross profit | | 4,508 | 5,189 | 51,884 |
| Other income and gains | 5 | 5,149 | 12,150 | 49,798 |
| Selling and distribution expenses | | (58,764) | (49,571) | (47,605) |
| Administrative expenses | | (63,360) | (74,947) | (76,006) |
| Research and development expenses | | (48,264) | (42,400) | (19,447) |
| Impairment losses on financial assets, net | 8 | (7,191) | (9,162) | (2,630) |
| Other expenses | 6 | (394) | (73) | (20,162) |
| Changes on unlisted investments at fair value through profit or loss (“FVTPL”) | | – | (5,034) | (4,742) |
| Interest expenses on borrowings and lease liabilities | 7 | (2,732) | (8,170) | (13,767) |
| Interest expenses on redemption liabilities on ordinary shares | 28 | (80,668) | (97,721) | (143,260) |
| Changes on financial liabilities due to fund investors | 29 | (18,894) | (5,609) | (5,834) |
| Share of profits and losses of associates | | – | (4) | (194) |
| LOSS BEFORE TAX FROM CONTINUING OPERATIONS | 8 | (270,610) | (275,352) | (231,965) |
| Income tax expense | 11 | – | (2,321) | (3,417) |
| LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR FROM CONTINUING OPERATIONS | | (270,610) | (277,673) | (235,382) |
| DISCONTINUED OPERATION | | | | |
| Loss and total comprehensive loss for the year from a discontinued operation | 12 | (20,584) | (20,989) | – |
| LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR | | (291,194) | (298,662) | (235,382) |
| Attributable to: | | | | |
| Owners of the parent | | (291,192) | (298,705) | (235,719) |
| Non-controlling interests | | (2) | 43 | 337 |
| | | <u>(291,194)</u> | <u>(298,662)</u> | <u>(235,382)</u> |
| LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT | 14 | | | |
| Basic and diluted (RMB) | | | | |
| – For loss for the year | | [(52.50)] | [(29.67)] | [(19.02)] |
| – For loss from continuing operations | | [(48.79)] | [(27.58)] | [(19.02)] |

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | Notes | As at 31 December | | |
|--|-------|-------------------|------------------|--------------------|
| | | 2023 | 2024 | 2025 |
| | | RMB'000 | RMB'000 | RMB'000 |
| NON-CURRENT ASSETS | | | | |
| Property, plant and equipment | 15 | 49,037 | 13,049 | 9,031 |
| Right-of-use assets | 16 | 25,439 | 13,509 | 8,731 |
| Intangible assets | 17 | – | 1,058 | 963 |
| Prepayments, other receivables and other assets | 21 | 13,384 | 29,688 | 38,125 |
| Investments in associates | 18 | 480 | 8,504 | 9,349 |
| Financial assets at FVTPL | 22 | 2,000 | 16,734 | 35,827 |
| Total non-current assets | | 90,340 | 82,542 | 102,026 |
| CURRENT ASSETS | | | | |
| Inventories | 19 | 111,982 | 426,115 | 342,738 |
| Trade and bills receivables | 20 | 151,847 | 105,894 | 285,177 |
| Prepayments, other receivables and other assets | 21 | 90,726 | 114,471 | 62,183 |
| Amounts due from related parties | 38 | 242 | – | 4,478 |
| Financial assets at FVTPL | 22 | 40,000 | 40,000 | 10,000 |
| Pledged and restricted deposits | 23 | 38,974 | 46,720 | 70,610 |
| Cash and cash equivalents | 23 | 232,417 | 266,445 | 224,745 |
| Total current assets | | 666,188 | 999,645 | 999,931 |
| CURRENT LIABILITIES | | | | |
| Redemption liabilities on ordinary shares | 28 | 1,035,605 | 1,313,326 | 1,456,586 |
| Financial liabilities due to fund investors | 29 | 26,191 | 43,558 | 3,650 |
| Trade and bills payables | 24 | 57,877 | 108,036 | 182,376 |
| Other payables and accruals | 25 | 29,665 | 27,499 | 26,777 |
| Interest-bearing bank and other borrowings | 27 | 68,693 | 286,250 | 387,071 |
| Lease liabilities | 16 | 7,901 | 4,461 | 5,070 |
| Contract liabilities | 26 | 7,390 | 34,385 | 4,606 |
| Tax payable | | – | 2,321 | 3,995 |
| Total current liabilities | | 1,233,322 | 1,819,836 | 2,070,131 |
| NET CURRENT LIABILITIES | | (567,134) | (820,191) | (1,070,200) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | (476,794) | (737,649) | (968,174) |
| NON-CURRENT LIABILITIES | | | | |
| Interest-bearing bank and other borrowings | 27 | 18,027 | 50,117 | 49,546 |
| Deferred income | 30 | – | 3,812 | 3,890 |
| Lease liabilities | 16 | 19,353 | 9,160 | 4,515 |
| Total non-current liabilities | | 37,380 | 63,089 | 57,951 |
| Net liabilities | | (514,174) | (800,738) | (1,026,125) |
| EQUITY | | | | |
| Equity attributable to owners of the parent | | | | |
| Paid-in capital | 32 | 9,478 | 12,394 | 12,394 |
| Reserves | 33 | (524,380) | (815,539) | (1,040,963) |
| | | (514,902) | (803,145) | (1,028,569) |
| Non-controlling interests | | 728 | 2,407 | 2,444 |
| Total deficits | | (514,174) | (800,738) | (1,026,125) |

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

| | Attributable to owners of the parent | | | | | | Non-controlling interests | Total deficits |
|--|--------------------------------------|----------------------|------------------------------|----------------------|---------------------|------------------|---------------------------|------------------|
| | Paid-in capital | Capital reserve* | Share-based payment reserve* | Other reserve* | Accumulated losses* | Total | | |
| | RMB'000 (note 32) | RMB'000 (note 33) | RMB'000 (note 34) | RMB'000 (note 33) | RMB'000 | RMB'000 | | |
| As at 1 January 2023 | 5,913 | 610,998 | 6,269 | (616,485) | (236,259) | (229,564) | 610 | (228,954) |
| Loss and total comprehensive loss for the year | - | - | - | - | (291,192) | (291,192) | (2) | (291,194) |
| Capital contribution from non-controlling interests | - | - | - | - | - | - | 730 | 730 |
| Disposal of subsidiaries (note 35) | - | - | - | - | - | - | (610) | (610) |
| Capital contribution from shareholders (note 32) | 3,565 | 249,010 | - | - | - | 252,575 | - | 252,575 |
| Recognition of redemption liabilities on ordinary shares (note 28) | - | - | - | (250,000) | - | (250,000) | - | (250,000) |
| Equity-settled share award arrangements (note 34) | - | - | 3,279 | - | - | 3,279 | - | 3,279 |
| As at 31 December 2023 | <u>9,478</u> | <u>860,008</u> | <u>9,548</u> | <u>(866,485)</u> | <u>(527,451)</u> | <u>(514,902)</u> | <u>728</u> | <u>(514,174)</u> |

Year ended 31 December 2024

| | Attributable to owners of the parent | | | | | | Non-controlling interests | Total deficits |
|--|--------------------------------------|----------------------|------------------------------|----------------------|---------------------|------------------|---------------------------|------------------|
| | Paid-in capital | Capital reserve* | Share-based payment reserve* | Other reserve* | Accumulated losses* | Total | | |
| | RMB'000 (note 32) | RMB'000 (note 33) | RMB'000 (note 34) | RMB'000 (note 33) | RMB'000 | RMB'000 | | |
| As at 1 January 2024 | 9,478 | 860,008 | 9,548 | (866,485) | (527,451) | (514,902) | 728 | (514,174) |
| Loss and total comprehensive loss for the year | - | - | - | - | (298,705) | (298,705) | 43 | (298,662) |
| Capital contribution from non-controlling interests | - | - | - | - | - | - | 1,636 | 1,636 |
| Capital contribution from shareholders (note 32) | 2,916 | 179,287 | - | - | - | 182,203 | - | 182,203 |
| Recognition of redemption liabilities on ordinary shares (note 28) | - | - | - | (180,000) | - | (180,000) | - | (180,000) |
| Equity-settled share award arrangements (note 34) | - | - | 8,259 | - | - | 8,259 | - | 8,259 |
| As at 31 December 2024 | <u>12,394</u> | <u>1,039,295</u> | <u>17,807</u> | <u>(1,046,485)</u> | <u>(826,156)</u> | <u>(803,145)</u> | <u>2,407</u> | <u>(800,738)</u> |

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Year ended 31 December 2025

| | Attributable to owners of the parent | | | | | | Non-controlling interests | Total deficits |
|---|--------------------------------------|----------------------|------------------------------|----------------------|---------------------|--------------------|---------------------------|--------------------|
| | Paid-in capital | Capital reserve* | Share-based payment reserve* | Other reserve* | Accumulated losses* | Total | | |
| | RMB'000 (note 32) | RMB'000 (note 33) | RMB'000 (note 34) | RMB'000 (note 33) | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| As at 1 January 2025 | 12,394 | 1,039,295 | 17,807 | (1,046,485) | (826,156) | (803,145) | 2,407 | (800,738) |
| Loss and total comprehensive loss for the year | - | - | - | - | (235,719) | (235,719) | 337 | (235,382) |
| Dividends paid to non-controlling shareholders | - | - | - | - | - | - | (300) | (300) |
| Equity-settled share award arrangements (note 34) | - | - | 10,295 | - | - | 10,295 | - | 10,295 |
| As at 31 December 2025 | <u>12,394</u> | <u>1,039,295</u> | <u>28,102</u> | <u>(1,046,485)</u> | <u>(1,061,875)</u> | <u>(1,028,569)</u> | <u>2,444</u> | <u>(1,026,125)</u> |

* These reserve accounts comprised the consolidated negative reserves of RMB(524,380,000), RMB(815,539,000) and RMB(1,040,963,000) in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

| | <i>Notes</i> | Year ended 31 December | | |
|---|--------------|------------------------|----------------|----------------|
| | | 2023 | 2024 | 2025 |
| | | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Loss before tax: | | | | |
| From continuing operations | | (270,610) | (275,352) | (231,965) |
| From discontinued operations | 12 | (20,582) | (20,956) | – |
| Adjustments for: | | | | |
| Interest income | 5 | (2,241) | (2,432) | (1,764) |
| Interest expenses on borrowings and lease liabilities | | 3,637 | 8,489 | 13,767 |
| Interest on redemption liabilities on ordinary shares | 28 | 80,668 | 97,721 | 143,260 |
| Share of profits and losses of associates . . . | 18 | – | 4 | 194 |
| Changes on financial liabilities due to fund investors | 29 | 18,894 | 5,609 | 5,834 |
| Impairment losses on financial assets, net . . | | 7,486 | 14,713 | 2,630 |
| Impairment loss on prepayment | | – | – | 9,746 |
| Impairment loss on property, plant and equipment | 15 | 11,372 | – | – |
| Impairment of inventories | 8 | 3,006 | 14,852 | 7,473 |
| Depreciation of property, plant and equipment | 15 | 24,203 | 16,483 | 6,367 |
| Depreciation of right-of-use assets | 16 | 8,838 | 7,825 | 4,872 |
| Amortisation of intangible assets | 8, 17 | – | 56 | 225 |
| Loss on disposal of items of property, plant and equipment | 6 | – | 40 | 267 |
| Gain on disposal of subsidiaries | 35 | (522) | (30) | (44,696) |
| Changes on unlisted investments at FVTPL . | | – | 5,034 | 4,742 |
| Investment income on wealth management products | 5 | (706) | (1,150) | (461) |
| Foreign exchange differences, net | 8 | 325 | 13 | – |
| Unrealized internal profit on associates . . . | 18 | – | – | 3,461 |
| Share-based payment expenses | 8 | 3,279 | 8,259 | 10,295 |
| | | (132,953) | (120,822) | (65,753) |
| (Increase)/decrease in inventories | | (17,763) | (328,985) | 24,078 |
| (Increase)/decrease in trade and bills receivables | | (133,739) | 29,082 | (176,105) |
| Increase in amounts due from related parties . . | | – | – | (4,478) |
| (Increase)/decrease in prepayment, other receivables and other assets | | (38,417) | (62,550) | 24,832 |
| Increase in deferred income | | – | 3,812 | 78 |
| (Decrease)/increase in trade and bills payables | | (10,323) | 65,053 | 78,413 |
| Increase/(decrease) in other payables and accruals | | 12,977 | (3,157) | 3,366 |
| Increase/(decrease) in contract liabilities | | (10,919) | 27,808 | (29,779) |
| (Increase)/decrease in pledged and restricted deposits | | (1,392) | 4,255 | (33,890) |
| Cash used in operations | | (332,529) | (385,504) | (179,238) |
| Income tax paid | | (9) | (33) | (1,743) |
| Net cash flows used in operating activities . . . | | (332,538) | (385,537) | (180,981) |

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| | Notes | Year ended 31 December | | |
|--|-------|------------------------|----------------|----------------|
| | | 2023 | 2024 | 2025 |
| | | RMB'000 | RMB'000 | RMB'000 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest received | | 2,241 | 2,432 | 1,764 |
| Purchases of items of property, plant and equipment | | (16,790) | (6,475) | (4,562) |
| Additions to intangible assets | | – | (1,114) | (130) |
| Proceeds from disposal of items of property, plant and equipment | | 2,779 | 5,770 | 933 |
| Disposal of subsidiaries, net | 35 | (1,206) | 18,050 | (5,711) |
| Investment in associates | | (480) | (8,028) | (4,500) |
| Advance to a third party | | (11,000) | – | – |
| Repayment from a third party | | – | 11,000 | – |
| Repayment from a related party | | – | 242 | – |
| Placement of pledged and restricted deposits | | – | (10,000) | – |
| Purchase of financial assets at FVTPL | | (417,000) | (305,492) | (177,233) |
| Proceeds from disposal of financial assets at FVTPL | | 458,095 | 286,873 | 209,071 |
| Net cash flows from/(used in) investing activities | | 16,639 | (6,742) | 19,632 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| New bank loans and other borrowings | | 105,471 | 457,566 | 542,265 |
| Repayment of bank loans and other borrowings | | (67,980) | (209,086) | (406,541) |
| Interest paid | | (2,165) | (6,507) | (9,996) |
| Issue costs paid | | – | – | (1,133) |
| Contribution from fund investors | | 7,510 | 12,810 | – |
| Distribution to fund investors | | (213) | (1,052) | – |
| Payment of lease payments | 36(b) | (8,747) | (9,250) | (4,646) |
| Contribution from shareholders | 32 | 252,575 | 182,203 | – |
| Contribution from non-controlling shareholders | | 730 | 1,636 | – |
| Dividends paid to non-controlling shareholders | | – | – | (300) |
| Placement of pledged and restricted deposits for bank loans | | – | (2,000) | (2,000) |
| Withdrawal of pledged and restricted deposits for bank loans | | – | – | 2,000 |
| Net cash flows from financing activities | | 287,181 | 426,320 | 119,649 |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | | (28,718) | 34,041 | (41,700) |
| Cash and cash equivalents at beginning of the year | | 261,460 | 232,417 | 266,445 |
| Effect of foreign exchange rate changes, net | | (325) | (13) | – |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 23 | <u>232,417</u> | <u>266,445</u> | <u>224,745</u> |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | | | |
| Cash and cash equivalents as stated in the statement of financial position | | <u>232,417</u> | <u>266,445</u> | <u>224,745</u> |
| Cash and cash equivalents as stated in the statement of cash flows | | <u>232,417</u> | <u>266,445</u> | <u>224,745</u> |

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

| | Notes | As at 31 December | | |
|---|-------|-------------------|--------------------|--------------------|
| | | 2023 | 2024 | 2025 |
| | | RMB'000 | RMB'000 | RMB'000 |
| NON-CURRENT ASSETS | | | | |
| Property, plant and equipment | 15 | 14,212 | 8,263 | 4,632 |
| Right-of-use assets | 16 | 1,248 | 6,233 | 3,241 |
| Intangible assets | 17 | – | 1,058 | 963 |
| Prepayments, other receivables and other assets | 21 | 363 | 331 | 6,276 |
| Investments in subsidiaries | 1 | 265,156 | 597,635 | 788,772 |
| Financial assets at FVTPL | 22 | 2,000 | 15,788 | 30,597 |
| Investment in associates | 18 | – | 4,500 | 9,101 |
| Total non-current assets | | <u>282,979</u> | <u>633,808</u> | <u>843,582</u> |
| CURRENT ASSETS | | | | |
| Inventories | 19 | 9,737 | 7,592 | 3,560 |
| Trade and bills receivables | 20 | 53,168 | 32,657 | 34,073 |
| Prepayments, other receivables and other assets | 21 | 60,516 | 25,920 | 43,526 |
| Amounts due from subsidiaries and other related parties | | 95,716 | 171,943 | 136,707 |
| Financial assets at FVTPL | 22 | 40,000 | 40,000 | 10,000 |
| Pledged and restricted deposits | 23 | 29,761 | 22,604 | 5,000 |
| Cash and cash equivalents | 23 | 218,083 | 197,350 | 121,792 |
| Total current assets | | <u>506,981</u> | <u>498,066</u> | <u>354,658</u> |
| CURRENT LIABILITIES | | | | |
| Redemption liabilities on ordinary shares | 28 | 1,035,605 | 1,313,326 | 1,456,586 |
| Trade and bills payables | 24 | 41,349 | 23,434 | 63,975 |
| Other payables and accruals | 25 | 19,906 | 16,032 | 18,436 |
| Contract liabilities | 26 | 4,682 | 507 | 901 |
| Amounts due to subsidiaries | | 66,040 | 168,888 | 106,902 |
| Interest-bearing bank and other borrowings | 27 | 19,920 | 160,893 | 304,016 |
| Lease liabilities | 16 | 1,091 | 1,590 | 3,260 |
| Financial liabilities at FVTPL | | 2,133 | 4,764 | 4,382 |
| Total current liabilities | | <u>1,190,726</u> | <u>1,689,434</u> | <u>1,958,458</u> |
| NET CURRENT LIABILITIES | | <u>(683,745)</u> | <u>(1,191,368)</u> | <u>(1,603,800)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>(400,766)</u> | <u>(557,560)</u> | <u>(760,218)</u> |
| NON-CURRENT LIABILITIES | | | | |
| Lease liabilities | 16 | – | 3,675 | 417 |
| Deferred Income | 30 | – | 3,812 | 3,890 |
| Total non-current liabilities | | – | <u>7,487</u> | <u>4,307</u> |
| Net liabilities | | <u>(400,766)</u> | <u>(565,047)</u> | <u>(764,525)</u> |
| EQUITY | | | | |
| Paid-in capital | 32 | 9,478 | 12,394 | 12,394 |
| Reserves | 33 | (410,244) | (577,441) | (776,919) |
| Total deficits | | <u>(400,766)</u> | <u>(565,047)</u> | <u>(764,525)</u> |

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Makesense Energy Technology Co., Limited (the “Company”) was established as a limited liability company in the People’s Republic of China (the “PRC”) on 19 January 2018 and was converted into a joint-stock company with limited liability on 5 February 2026. The registered office address of the Company is located at Building 2, Lane 288, Qianfan Road, Songjiang District, Shanghai, PRC.

The Company and its subsidiaries (the “Group”) are principally engaged in the development of distributed energy storage (“DES”) assets and other assets and the provision of electricity services.

As at the date of this report, the Company had direct and indirect interests in its principal subsidiaries as below:

| Name | Place and date of incorporation/ registration and place of operations | Nominal value of issued ordinary/ registered share capital | Percentage of equity attributable to the Company | | Principal activities |
|---|---|--|--|----------|---|
| | | | Direct | Indirect | |
| Zhongyue Architecture (Shanghai) Co., Ltd.* 中岳建築(上海)有限公司 (note a) | PRC/Chinese mainland 28 Oct 2019 | RMB50,000,000 | 100.00% | – | Provision of intelligent electricity services |
| Zhejiang Makesense Energy Technology Co., Ltd.* 浙江美克生能源科技有限公司 (note a) | PRC/Chinese mainland 26 Oct 2022 | RMB50,000,000 | 100.00% | – | Provision of intelligent electricity services |
| Beijing Makesense Energy Technology Co., Ltd.* 北京美克生能源科技有限公司 (note b) | PRC/Chinese mainland 21 Nov 2024 | RMB30,000,000 | 100.00% | – | Provision of intelligent electricity services |

Notes:

- (a) The statutory financial statements of these entities for the years ended 31 December 2023 and 2024 prepared in accordance with the Generally Accepted Accounting Principles in PRC (“PRC GAAP”) were audited by BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC.
- (b) The statutory financial statements of the entity for the period ended 31 December 2024 prepared in accordance with the PRC GAAP were audited by BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC.

The statutory financial statements of these entities for the year ended 31 December 2025 have not yet been issued as of the date of this report.

* The English names of these entities registered in the PRC represent the best efforts made by the directors of the Company to directly translate their Chinese names as they did not register any official English names.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the Relevant Periods or formed a substantial portion of the net assets of the Group.

The Company

The carrying amounts of the Company’s investments in subsidiaries:

| | As at 31 December | | |
|---|-------------------|----------------|----------------|
| | 2023 | 2024 | 2025 |
| | RMB’000 | RMB’000 | RMB’000 |
| Investment, at cost | 92,855 | 115,544 | 99,794 |
| Impairment on subsidiaries | (2,600) | – | – |
| Guarantee for subsidiaries | 2,369 | 5,761 | 5,519 |
| Deemed investments arising from loans to subsidiaries | 172,532 | 473,655 | 679,795 |
| Deemed investments arising from share-based payments | – | 2,675 | 3,664 |
| Total | <u>265,156</u> | <u>597,635</u> | <u>788,772</u> |

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (“IASB”). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been consistently adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

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The Historical Financial Information has been prepared on a going concern basis notwithstanding that, as at 31 December 2025, the Group had net current liabilities of RMB1,070,200,000, primarily due to the significant amount of the redemption liabilities on ordinary shares of RMB1,456,586,000 arising from the financing with redemption feature from [REDACTED] investors. The redemption liabilities on ordinary shares will not result in future cash payments within the next twelve months from 31 December 2025 because the redemption feature has been irrevocably terminated in April 2026. In this regard, the directors of the Company are of the opinion that the Company is not obligated to settle the redemption liabilities in next twelve months from 31 December 2025.

In addition, the directors have reviewed the Group’s cash flow projections, which cover a period of at least twelve months from 31 December 2025. The directors are of the opinion that the Group will have sufficient working capital to meet its financial liabilities and obligations when they fall due and to sustain its operations for the next 12 months from 31 December 2025.

The Historical Financial Information has been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value.

Basis of consolidation

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

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

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

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

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

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

| | |
|---|---|
| IFRS 18 | <i>Presentation and Disclosure in Financial Statements</i> ² |
| IFRS 19 and its amendments | <i>Subsidiaries without Public Accountability: Disclosures</i> ² |
| Amendments to IFRS 9 and IFRS 7 | <i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹ |
| Amendments to IFRS 9 and IFRS 7 | <i>Contracts Referencing Nature-dependent Electricity</i> ¹ |
| Amendments to IFRS 10 and IAS 28 | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³ |
| Amendments to IAS 21 | <i>Translation to a Hyperinflationary Presentation Currency</i> ² |
| <i>Annual Improvements to IFRS Accounting Standards – Volume II</i> | Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ¹ |

- 1 Effective for annual periods beginning on or after 1 January 2026
- 2 Effective for annual/reporting periods beginning on or after 1 January 2027
- 3 No mandatory effective date yet determined but available for adoption

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS

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1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and additional disclosure will be included in the financial statements.

Except for IFRS 18, the directors of the Company anticipate that the application of these new and amended IFRS Accounting Standards will have no material impact on the Group's financial performance and financial position in the foreseeable future.

2.3 MATERIAL ACCOUNTING POLICIES

Investments in associates

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

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

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

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Fair value measurement

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

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

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

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

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

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

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Impairment of non-financial assets

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

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

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

Related parties

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

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

or

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

Property, plant and equipment and depreciation

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

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

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

| | |
|---|--|
| Machinery | 19.00% |
| Charging equipment and shared e-bikes | 9.50% to 31.67% |
| Motor vehicles | 23.75% |
| Electronic and other equipment | 19.00% to 31.67% |
| Leasehold improvements | Over the shorter of the lease terms and estimated useful lives |

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

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

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

Intangible assets

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

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 5 years.

Research and development costs

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

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

Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

| | |
|-----------------------------|---------------|
| Office premises | 2 to 4 years |
| Charging stations | 2 to 10 years |

(b) Lease liabilities

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

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

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(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office premises (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipments that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets at fair value through profit or loss

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

This category includes wealth management products and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

Derecognition of financial assets

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

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

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

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

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Impairment of financial assets

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

General approach

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

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 180 days past due.

The Group considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

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

Classification as equity and financial liabilities

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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The Group's financial liabilities include redemption liabilities on ordinary shares, financial liabilities due to fund investors, trade and bills payables, other payables and accruals and interest-bearing bank and other borrowings.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss (financial liabilities due to fund investors)

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the profit or loss. The net fair value gain or loss recognised in the profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (redemption liabilities on ordinary shares, trade and bills payables, other payables and accruals, and borrowings)

After initial recognition, redemption liabilities on ordinary shares, financial liabilities due to fund investors, trade and bills payables, other payables and accruals and interest-bearing bank borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in interest expenses on borrowings, lease liabilities and redemption liabilities on ordinary shares in profit or loss.

Derecognition of financial liabilities

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

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

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

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

Income tax

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

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

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

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

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

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

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

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

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

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

Government grants

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

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

Revenue recognition

Revenue from contracts with customers

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

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

DES and other assets development

Revenue from the DES and other assets development is recognised at the point in time when control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it is entitled in exchange for those goods or services.

Provision of electricity services

Revenue from the provision of electricity services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group. The transaction price for the service is determined based on the actual verified energy savings, as specified in the contract with the customer, and payment generally is settled on monthly basis. The revenue recognised for each month is based on the invoice amount.

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Other income

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

Contract liabilities

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

Share-based payments

The Company operates share award schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“equity-settled transactions”). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model or the discounted cash flow method, further details of which are given in note 34 to the Historical Financial Information.

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

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

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

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Other employee benefits

Pension scheme

The employees of the Company and the Group’s subsidiaries which operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The Company and the subsidiaries operating in Chinese mainland are required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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Judgements

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

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group had tax losses and deductible temporary differences carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward. Further details are given in note 31 to the Historical Financial Information.

Estimation uncertainty

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

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by gross domestic product).

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 20 to the Historical Financial Information.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Provision for inventories

The Group assesses periodically if cost of inventories may not be recoverable based on an assessment of the net realisable value of inventories. Allowances are applied to inventories where events or changes in circumstances indicate that the net realisable value is lower than the cost of inventories. The identification of obsolete inventories requires the use of judgement and estimates on the conditions and usefulness of the inventories, the net realisable value has been determined based on the contracted selling price to be recognised less all estimated remaining costs to completion and costs necessary to provide the service. Where the expectation is different from the original estimate, such difference will impact the carrying value of the inventories in the year in which such estimate changes.

Fair value of redemption liabilities on ordinary shares

The fair value of redemption liabilities on ordinary shares is determined using valuation techniques, including the back-solve method and discounted cash flow method. Such valuation requires the Group to make estimates of the key assumptions including the risk-free interest rate, discount for lack of marketability ("DLOM") and volatility, which are subject to uncertainty. Further details are given in note 28 to the Historical Financial Information.

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Fair values of financial liabilities due to fund investors and financial assets at FVTPL (non-current portion)

The fair values of financial liabilities due to fund investors and financial assets at FVTPL (non-current portion) is determined using discounted cash flow method or a market-based approach. Such valuation requires the Group to make estimates of the key assumptions including the discount rate and forecasted profit, which are subject to uncertainty. Further details are given in notes 22 and 29 to the Historical Financial Information.

Fair value of equity-settled share award arrangements

Estimating the fair value of equity-settled share award arrangements requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the share award, volatility and dividend yield and making assumptions about them.

For the measurement of the fair value of equity-settled share award arrangements with employees at the grant date, the Group uses a binomial model. The assumptions and models used for estimating fair value are disclosed in note 34 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

Operating segment information

For management purposes, the Group has only one reportable operating segment, which engages in the provision of intelligent electricity services. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

(a) Revenue from external customers

| | Year ended 31 December | | |
|----------------------------|------------------------|----------------|----------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Chinese mainland | 169,315 | 124,618 | 519,976 |
| Overseas | 4,837 | – | – |
| Total revenue | <u>174,152</u> | <u>124,618</u> | <u>519,976</u> |

The revenue information above is based on the locations of the customers.

(b) Non-current assets

During the Relevant Periods, all of the Group’s non-current assets were located in Chinese mainland, and therefore no geographical information is presented in accordance with IFRS 8 *Operation Segments*.

Information about major customers

Revenue from each major customers, including revenue from a group of entities which are known to be under common control with that customer, which accounted for 10% or more of the Group’s revenue during the Relevant Periods are set out below:

| | Year ended 31 December | | |
|----------------------|------------------------|----------|----------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Customer A | * | 44,634 | 150,809 |
| Customer B | * | 14,049 | 60,490 |
| Customer C | * | * | 70,089 |
| Customer D | * | * | 121,518 |
| Customer E | 53,605 | 21,010 | * |
| Customer F | 35,351 | * | * |
| Customer G | <u>29,247</u> | <u>–</u> | <u>–</u> |

* The amounts are less than 10% of the Group’s revenue.

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5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

| | Year ended 31 December | | |
|---|------------------------|---------|---------|
| | 2023 | 2024 | 2025 |
| | RMB’000 | RMB’000 | RMB’000 |
| Revenue from contracts with customers | 174,152 | 124,618 | 519,976 |

Revenue from contracts with customers

(a) Disaggregated revenue information

| | Year ended 31 December | | |
|---|------------------------|----------------|----------------|
| | 2023 | 2024 | 2025 |
| | RMB’000 | RMB’000 | RMB’000 |
| Types of goods or services | | | |
| DES and other assets development | 137,561 | 82,245 | 463,528 |
| Provision of electricity services | 18,506 | 35,598 | 49,038 |
| Others | 18,085 | 6,775 | 7,410 |
| Total | <u>174,152</u> | <u>124,618</u> | <u>519,976</u> |
| Timing of revenue recognition | | | |
| At a point in time | 155,646 | 89,020 | 470,938 |
| Over time | 18,506 | 35,598 | 49,038 |
| Total | <u>174,152</u> | <u>124,618</u> | <u>519,976</u> |

The following table shows the amounts of revenue recognised during the Relevant Periods that were included in the contract liabilities at the beginning of the Relevant Periods:

| | Year ended 31 December | | |
|---|------------------------|--------------|---------------|
| | 2023 | 2024 | 2025 |
| | RMB’000 | RMB’000 | RMB’000 |
| <i>Revenue recognised that was included in contract liabilities at the beginning of the year:</i> | | | |
| DES and other assets development | – | 643 | 15,389 |
| Provision of electricity services | – | 445 | 845 |
| Others | 228 | 1,944 | 470 |
| Total | <u>228</u> | <u>3,032</u> | <u>16,704</u> |

(b) Performance obligations

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

DES and other assets development

Revenue from the DES and other assets development is recognised at the point in time when control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it is entitled in exchange for those goods or services.

The payment is generally due within 3 to 7 days or 180 days from the date of billing.

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Provision of electricity services

The performance obligation is satisfied over time as services are rendered and payment is generally due within seven days from the date of billing.

All the sales contracts with customers are for periods of one year or less. Under the practical expedient allowed by IFRS 15, the Group does not disclose the value of unsatisfied performance obligation.

Other income and gains

An analysis of other income and gains is as follows:

| | Year ended 31 December | | |
|--|------------------------|---------------|---------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| <u>Other income</u> | | | |
| Government grants* | 1,924 | 7,027 | 2,190 |
| Bank interest income | 2,241 | 2,432 | 1,764 |
| Dividend income from financial assets at FVTPL | – | 1,102 | – |
| Others | 127 | 409 | 687 |
| Total other income | <u>4,292</u> | <u>10,970</u> | <u>4,641</u> |
| <u>Gains</u> | | | |
| Gain on disposal of subsidiaries | 151 | 30 | 44,696 |
| Investment income and fair value gain on wealth management products | 706 | 1,150 | 461 |
| Total other gains | <u>857</u> | <u>1,180</u> | <u>45,157</u> |
| Total other income and gains | <u>5,149</u> | <u>12,150</u> | <u>49,798</u> |

* The government grants have been received from the PRC local government authorities to support the operating activities of the Group. There are no unfulfilled conditions relating to these government grants.

6. OTHER EXPENSES

| | Year ended 31 December | | |
|---|------------------------|-----------|---------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Loss on disposal of property, plant and equipment | – | 40 | 267 |
| Losses on prepayments | – | – | 19,087 |
| Others | 394 | 33 | 808 |
| Total | <u>394</u> | <u>73</u> | <u>20,162</u> |

7. INTEREST EXPENSES ON BORROWINGS AND LEASE LIABILITIES

| | Year ended 31 December | | |
|-------------------------------|------------------------|--------------|---------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Interest on bank borrowings | 2,165 | 6,507 | 9,996 |
| Interest on other borrowings | 144 | 1,167 | 3,255 |
| Interest on lease liabilities | 423 | 496 | 516 |
| Total | <u>2,732</u> | <u>8,170</u> | <u>13,767</u> |

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8. LOSS BEFORE TAX

The Group’s loss before tax from continuing operations is arrived at after charging/(crediting):

| | Notes | Year ended 31 December | | |
|---|-------|------------------------|------------|------------|
| | | 2023 | 2024 | 2025 |
| | | RMB’000 | RMB’000 | RMB’000 |
| Cost of inventories sold | | 157,016 | 95,140 | 428,350 |
| Cost of service provided | | 12,628 | 24,289 | 39,742 |
| Research and development costs* | | 48,264 | 42,400 | 19,447 |
| Depreciation of property, plant and equipment | | 3,005 | 4,768 | 6,367 |
| Depreciation of right-of-use assets | | 5,022 | 6,513 | 4,872 |
| Amortisation of intangible assets | 17 | – | 56 | 225 |
| Foreign exchange differences, net | | 325 | 13 | – |
| Impairment of inventories | | 3,006 | 14,852 | 7,473 |
| Impairment of financial assets, net: | | | | |
| Impairment of trade receivables, net | | 7,191 | 9,162 | 2,396 |
| Impairment of other receivables, net | | – | – | 234 |
| Total | | 7,191 | 9,162 | 2,630 |
| Lease payments not included in the measurement of lease liabilities | 16(c) | 111 | 213 | 546 |
| [REDACTED] expenses | | [REDACTED] | [REDACTED] | [REDACTED] |
| Employee benefit expense (including directors’ and general manager’s remuneration (note 9): | | | | |
| – Salaries, allowances and benefits in kind | | 92,261 | 81,355 | 61,172 |
| – Discretionary bonus | | 11,453 | 9,136 | 8,151 |
| – Pension scheme contributions | | 8,935 | 6,995 | 6,399 |
| – Equity-settled share-based payment expenses | | 3,279 | 8,259 | 10,295 |
| Total | | 115,928 | 105,745 | 86,017 |
| Auditor’s remuneration | | 300 | 360 | 220 |

* Research and development costs include depreciation of property, plant and equipment and employee benefit expenses.

9. DIRECTORS’ AND GENERAL MANAGER’S REMUNERATION

Directors’ and general manager’s remuneration during the Relevant Periods, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

| | Year ended 31 December | | |
|---|------------------------|---------|---------|
| | 2023 | 2024 | 2025 |
| | RMB’000 | RMB’000 | RMB’000 |
| Salaries, allowances and benefits in kind | 2,486 | 2,687 | 3,179 |
| Discretionary bonus | 757 | 3,516 | 7,055 |
| Pension scheme contributions | 160 | 165 | 189 |
| Equity-settled share-based payment expenses | 3,016 | 2,598 | 5,597 |
| Total | 6,419 | 8,966 | 16,020 |

During the Relevant Periods, certain directors were granted share awards, in respect of their services to the Group, under the share award scheme of the Company, further details of which are set out in note 34 to the Historical Financial Information. The fair value of such share awards, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above directors’ and general manager’s remuneration disclosures.

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(a) **Directors and the general manager**

| | Salaries, allowances and benefits in kind | Discretionary bonus | Pension scheme contributions | Equity-settled share-based payment expenses | Total |
|---|---|------------------------|---------------------------------|--|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Year ended 31 December 2023 | | | | | |
| Director and general manager: | | | | | |
| Ms. Wei Qiong (<i>note (i)</i>) | 1,049 | 600 | 45 | — | 1,694 |
| Directors: | | | | | |
| Mr. Ding Jia Bao (<i>note (ii)</i>) | 368 | 56 | 35 | 109 | 568 |
| Dr. Yan Xiao (<i>note (ii)</i>) | 300 | — | — | 2,689 | 2,989 |
| Mr. Chen Guan Hua (<i>note (ii)</i>) | — | — | — | — | — |
| Mr. Zheng Zhi Liang (<i>note (iii)</i>) | — | — | — | — | — |
| Mr. Chen Kun Lin (<i>note (iv)</i>) | — | — | — | — | — |
| Mr. Hao Yi Wen (<i>note (iv)</i>) | — | — | — | — | — |
| Mr. Wang Dong Zheng (<i>note (v)</i>) | 375 | 53 | 40 | 109 | 577 |
| Mr. Liu Zhong Cai (<i>note (v)</i>) | 394 | 48 | 40 | 109 | 591 |
| Mr. Xiao Yi (<i>note (ii)</i>) | — | — | — | — | — |
| Mr. Luo Chao (<i>note (vi)</i>) | — | — | — | — | — |
| Subtotal | 1,437 | 157 | 115 | 3,016 | 4,725 |
| Total | 2,486 | 757 | 160 | 3,016 | 6,419 |

| | Salaries, allowances and benefits in kind | Discretionary bonus | Pension scheme contributions | Equity-settled share-based payment expenses | Total |
|---|---|------------------------|---------------------------------|--|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Year ended 31 December 2024 | | | | | |
| Director and general manager: | | | | | |
| Ms. Wei Qiong (<i>note (i)</i>) | 1,474 | 3,325 | 71 | — | 4,870 |
| Directors: | | | | | |
| Mr. Ding Jia Bao (<i>note (ii)</i>) | 372 | 93 | 35 | 110 | 610 |
| Dr. Yan Xiao (<i>note (ii)</i>) | 300 | — | — | 2,696 | 2,996 |
| Mr. Chen Guan Hua (<i>note (ii)</i>) | — | — | — | — | — |
| Mr. Zheng Zhi Liang (<i>note (iii)</i>) | — | — | — | — | — |
| Mr. Chen Kun Lin (<i>note (iv)</i>) | — | — | — | — | — |
| Mr. Hao Yi Wen (<i>note (iv)</i>) | — | — | — | — | — |
| Mr. Wang Dong Zheng (<i>note (v)</i>) | 380 | 98 | 39 | 110 | 627 |
| Mr. Liu Zhong Cai (<i>note (v)</i>) | 161 | — | 20 | (318) | (137) |
| Mr. Xiao Yi (<i>note (ii)</i>) | — | — | — | — | — |
| Mr. Luo Chao (<i>note (vi)</i>) | — | — | — | — | — |
| Subtotal | 1,213 | 191 | 94 | 2,598 | 4,096 |
| Total | 2,687 | 3,516 | 165 | 2,598 | 8,966 |

| | Salaries, allowances and benefits in kind | Discretionary bonus | Pension scheme contributions | Equity-settled share-based payment expenses | Total |
|---|---|------------------------|---------------------------------|--|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Year ended 31 December 2025 | | | | | |
| Director and general manager: | | | | | |
| Ms. Wei Qiong (<i>note (i)</i>) | 1,824 | 6,786 | 71 | 2,321 | 11,002 |
| Directors: | | | | | |
| Mr. Ding Jia Bao (<i>note (ii)</i>) | 408 | 104 | 49 | 136 | 697 |
| Dr. Yan Xiao (<i>note (ii)</i>) | 300 | — | — | 2,689 | 2,989 |
| Mr. Chen Guan Hua (<i>note (ii)</i>) | — | — | — | — | — |
| Dr. Liu Shuang Yu (<i>note (vii)</i>) | 182 | 67 | 17 | 116 | 382 |
| Mr. Xue Er Bai (<i>note (vii)</i>) | 142 | 98 | 12 | 244 | 496 |
| Mr. Zhou Hong Bin (<i>note (vii)</i>) | — | — | — | — | — |
| Mr. Wang Wen Jian (<i>note (vii)</i>) | — | — | — | — | — |
| Mr. Zheng Zhi Liang (<i>note (iii)</i>) | — | — | — | — | — |
| Mr. Chen Kun Lin (<i>note (iv)</i>) | — | — | — | — | — |
| Mr. Hao Yi Wen (<i>note (iv)</i>) | — | — | — | — | — |
| Mr. Wang Dong Zheng (<i>note (v)</i>) | 323 | — | 40 | 91 | 454 |
| Mr. Xiao Yi (<i>note (ii)</i>) | — | — | — | — | — |
| Mr. Luo Chao (<i>note (vi)</i>) | — | — | — | — | — |
| Subtotal | 1,355 | 269 | 118 | 3,276 | 5,018 |
| Total | 3,179 | 7,055 | 189 | 5,597 | 16,020 |

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

Notes:

- (i) Ms. Wei Qiong was appointed as the general manager since January 2018 and as a director of the Company since March 2021.
- (ii) Dr. Yan Xiao, Mr. Ding Jia Bao, Mr. Chen Guan Hua and Mr. Xiao Yi were appointed as directors of the Company with effect from March 2021.
- (iii) Mr. Zheng Zhi Liang was appointed as a director of the Company with effect from January 2022.
- (iv) Mr. Chen Kun Lin and Mr. Hao Yi Wen were appointed as directors of the Company with effect from June 2021. Mr. Chen Kun Lin and Mr. Hao Yi Wen resigned as directors of the Company with effect from October 2025.
- (v) Mr. Wang Dong Zheng and Mr. Liu Zhong Cai were appointed as directors of the Company with effect from March 2021. Mr. Liu Zhong Cai resigned as directors of the Company with effect from June 2024. Mr. Wang Dong Zheng resigned as directors of the Company with effect from October 2025.
- (vi) Mr. Luo Chao was appointed as a director of the Company with effect from March 2022.
- (vii) Dr. Liu Shuang Yu, Mr. Xue Er Bai, Mr. Zhou Hong Bin and Mr. Wang Wen Jian were appointed as directors of the Company with effect from October 2025.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods included two directors, two directors and four directors, respectively, details of whose remuneration are set out in note 9 above. In addition, included in the five highest paid employees for the year ended 31 December 2025 were two individuals being appointed as directors during the year. The total remuneration of these individuals for the year ended 31 December 2025, including the remuneration in respect of their qualifying services as directors, is comprised of salaries, allowance and benefits in kind of RMB1,852,000, discretionary bonus of RMB960,000, pension scheme contributions of RMB106,000 and equity-settled share-based payment expenses of RMB1,266,000. Details of the remuneration during the Relevant Periods of remaining three, three and one highest paid employees, respectively, who are neither a director nor general manager of the Company are as follows:

| | Year ended 31 December | | |
|---|------------------------|--------------|--------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Salaries, allowances and benefits in kind | 3,667 | 2,816 | 1,370 |
| Discretionary bonus | 1,255 | 1,370 | 440 |
| Pension scheme contributions | 102 | 114 | 62 |
| Equity-settled share-based payment expenses | – | 1,359 | 584 |
| Total | <u>5,024</u> | <u>5,659</u> | <u>2,456</u> |

The numbers of non-director and non-general manager highest paid employees whose remuneration fell within the following band are as follows:

| | Number of employees Year ended 31 December | | |
|--|---|----------|----------|
| | 2023 | 2024 | 2025 |
| HKD1,000,000 to HKD1,500,000 | – | – | – |
| HKD1,500,001 to HKD2,000,000 | 3 | 2 | – |
| HKD2,000,001 to HKD2,500,000 | – | 1 | – |
| HKD2,500,001 to HKD3,000,000 | – | – | 1 |
| Total | <u>3</u> | <u>3</u> | <u>1</u> |

During the Relevant Period, share awards were granted to certain non-director and non-general manager highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 34 to the Historical Financial Information. The fair value of such awards, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above non-director and non-general manager highest paid employees' remuneration disclosures.

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11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Hong Kong

The Group’s subsidiary in Hong Kong is subject to Hong Kong profits tax at a rate of 16.5%. No Hong Kong profits tax was provided for as the Group did not generate any assessable profits arising in Hong Kong during the Relevant Periods.

Chinese mainland

Pursuant to the Corporate Income Tax Law of the People’s Republic of China and the respective regulations (the “CIT Law”), the subsidiaries which operate in Chinese mainland were subject to CIT at a rate of 25% on the taxable income during the Relevant Periods.

Pursuant to Caishui [2023] No. 12 “Circular of the Ministry of Finance, the State Administration of Taxation Issued on the Tax Policies for Further Support the Development of Small Low-profit Enterprises and Self-employed Businesses” (財政部稅務總局關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告), certain subsidiaries whose annual taxable income is less than RMB1,000,000 will be included in the actual taxable income at 25%, based on which the enterprise income tax payable will be calculated at the reduced tax rate of 20%. This policy has taken effect on 1 January 2023 and will expire on 31 December 2027.

The income tax expense of the Group for the Relevant Periods is analysed as follow:

| | Year ended 31 December | | |
|--|------------------------|---------|---------|
| | 2023 | 2024 | 2025 |
| | RMB’000 | RMB’000 | RMB’000 |
| Current income tax – Chinese mainland | | | |
| Current tax | 2 | 2,354 | 3,417 |
| Deferred tax (<i>note 31</i>) | – | – | – |
| Total tax charge for the year from continuing operations . . . | – | 2,321 | 3,417 |
| Total tax charge for the year from a discontinued operation . | 2 | 33 | – |
| Total | 2 | 2,354 | 3,417 |

A reconciliation of the tax credit applicable to loss before tax at the statutory rates for the jurisdictions in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

| | Year ended 31 December | | |
|---|------------------------|-----------|-----------|
| | 2023 | 2024 | 2025 |
| | RMB’000 | RMB’000 | RMB’000 |
| Loss before tax from continuing operations | (270,610) | (275,352) | (231,965) |
| Loss before tax from discontinued operations | (20,582) | (20,956) | – |
| Total | (291,192) | (296,308) | (231,965) |
| Tax at the statutory tax rate of 25% | (67,653) | (68,838) | (57,991) |
| Effect of preferential tax rates | 19,209 | 16,576 | 21,198 |
| Profits and losses attributable to associates | – | 1 | 49 |
| Income not subject to tax | (748) | (1,450) | (2,398) |
| Expenses not deductible for tax | 14,248 | 21,056 | 26,738 |
| Tax losses and temporary difference not recognised | 35,267 | 38,866 | 17,441 |
| Tax losses utilised from previous periods | (321) | (3,857) | (1,620) |
| Tax charge at the Group’s effective rate | 2 | 2,354 | 3,417 |
| Tax charge from continuing operations at the Group’s effective rate | – | 2,321 | 3,417 |
| Tax charge from discontinued operations at the Group’s effective rate | 2 | 33 | – |

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12. DISCONTINUED OPERATION

In August 2024, the board of directors of the Company resolved to dispose of its charging station and shared e-bikes business, including its subsidiaries, Shanghai yuanmai nuolian new energy technology Co., Ltd., Hangzhou Makesense intelligent technology Co., Ltd. and Chengdu Makesense intelligent technology Co., Ltd. The disposal was completed in 2024. With charging station and shared e-bikes business being classified as a discontinued operation, they are no longer included in the note for operating segment information.

The results of charging station and shared e-bikes business for the years ended 31 December 2023 and 2024 are presented below:

| | Year ended 31 December | |
|---|------------------------|----------|
| | 2023 | 2024 |
| | RMB'000 | RMB'000 |
| Revenue | 70,429 | 26,912 |
| Expenses | (91,011) | (47,868) |
| Loss before tax from the discontinued operation | (20,582) | (20,956) |
| Income tax | (2) | (33) |
| Loss for the year from the discontinued operation | (20,584) | (20,989) |

The net cash flows incurred by the charging station and shared e-bikes business are as follows:

| | Year ended 31 December | |
|--|------------------------|----------|
| | 2023 | 2024 |
| | RMB'000 | RMB'000 |
| Operating activities | (7,981) | (45,780) |
| Investing activities | (1,343) | 4,950 |
| Financing activities | – | 36,242 |
| Net cash outflow | (9,324) | (4,588) |
| Loss per share: | | |
| Basic and diluted, (RMB) from the discontinued operation | (3.71) | (2.08) |

The calculations of basic and diluted loss per share from the discontinued operation are based on:

| | 2023 | 2024 |
|---|-----------------|-----------------|
| Loss attributable to ordinary equity holders of the parent from discontinued operation | RMB(20,584,000) | RMB(20,989,000) |
| Weighted average number of ordinary shares outstanding during the year used in the basic and diluted loss per share calculation | 5,546,847 | 10,069,149 |

13. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods.

14. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares outstanding was determined assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio of 1:1 as upon transformation into a joint stock company in February 2026.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2023, 2024 and 2025 in respect of a dilution as the impact of redemption liabilities on ordinary shares had an anti-dilutive effect on the basic loss per share amounts presented.

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

| | Year ended 31 December | | |
|---|------------------------|-----------|-----------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Loss | | | |
| Loss attributable to ordinary equity holders of the parent, used in basic and diluted loss per share calculation: | | | |
| From continuing operations | (270,608) | (277,716) | (235,719) |
| From discontinued operations | (20,584) | (20,989) | – |
| Total | (291,192) | (298,705) | (235,719) |

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| | Number of shares | | |
|---|------------------|------------|------------|
| | 2023 | 2024 | 2025 |
| Shares | | | |
| Weighted average number of ordinary shares outstanding during the year used in the basic and diluted loss per share calculation | 5,546,847 | 10,069,149 | 12,393,854 |

15. PROPERTY, PLANT AND EQUIPMENT

The Group

| | Machinery | Charging equipment and shared e-bikes | Motor vehicles | Electronic and other equipment | Leasehold improvements | Construction in progress | Total |
|--|----------------|---------------------------------------|----------------|--------------------------------|------------------------|--------------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| 31 December 2023 | | | | | | | |
| At 1 January 2023: | | | | | | | |
| Cost | 431 | 79,993 | 2,948 | 2,252 | 1,672 | 1,331 | 88,627 |
| Accumulated depreciation | (79) | (16,858) | (87) | (563) | (439) | – | (18,026) |
| Net carrying amount | <u>352</u> | <u>63,135</u> | <u>2,861</u> | <u>1,689</u> | <u>1,233</u> | <u>1,331</u> | <u>70,601</u> |
| As at 1 January 2023, net of accumulated depreciation | 352 | 63,135 | 2,861 | 1,689 | 1,233 | 1,331 | 70,601 |
| Additions | 208 | 1,596 | 55 | 2,315 | 2,248 | 10,368 | 16,790 |
| Transfers | – | 7,316 | – | 3,265 | – | (10,581) | – |
| Disposals | – | (2,779) | – | – | – | – | (2,779) |
| Impairment | – | (11,372) | – | – | – | – | (11,372) |
| Depreciation provided during the year | (193) | (21,198) | (706) | (1,141) | (965) | – | (24,203) |
| As at 31 December 2023, net of accumulated depreciation and impairment | <u>367</u> | <u>36,698</u> | <u>2,210</u> | <u>6,128</u> | <u>2,516</u> | <u>1,118</u> | <u>49,037</u> |
| As at 31 December 2023: | | | | | | | |
| Cost | 639 | 74,538 | 2,887 | 7,832 | 3,920 | 1,118 | 90,934 |
| Accumulated depreciation and impairment | (272) | (37,840) | (677) | (1,704) | (1,404) | – | (41,897) |
| Net carrying amount | <u>367</u> | <u>36,698</u> | <u>2,210</u> | <u>6,128</u> | <u>2,516</u> | <u>1,118</u> | <u>49,037</u> |
| | Machinery | Charging equipment and shared e-bikes | Motor vehicles | Electronic and other equipment | Leasehold improvements | Construction in progress | Total |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| 31 December 2024 | | | | | | | |
| At 1 January 2024: | | | | | | | |
| Cost | 639 | 74,538 | 2,887 | 7,832 | 3,920 | 1,118 | 90,934 |
| Accumulated depreciation and impairment | (272) | (37,840) | (677) | (1,704) | (1,404) | – | (41,897) |
| Net carrying amount | <u>367</u> | <u>36,698</u> | <u>2,210</u> | <u>6,128</u> | <u>2,516</u> | <u>1,118</u> | <u>49,037</u> |
| As at 1 January 2024, net of accumulated depreciation and impairment | 367 | 36,698 | 2,210 | 6,128 | 2,516 | 1,118 | 49,037 |
| Additions | 196 | – | 253 | 947 | 5,245 | 847 | 7,488 |
| Transfers | – | 1,873 | – | – | – | (1,873) | – |
| Disposals | – | (5,765) | – | (45) | – | – | (5,810) |
| Disposals of subsidiaries (note 35) | – | (21,091) | – | – | – | (92) | (21,183) |
| Depreciation provided during the year | (213) | (11,715) | (674) | (2,320) | (1,561) | – | (16,483) |
| As at 31 December 2024, net of accumulated depreciation | <u>350</u> | <u>–</u> | <u>1,789</u> | <u>4,710</u> | <u>6,200</u> | <u>–</u> | <u>13,049</u> |

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| | Machinery | Charging equipment and shared e-bikes | Motor vehicles | Electronic and other equipment | Leasehold improvements | Construction in progress | Total |
|------------------------------------|------------------|--|-----------------------|---------------------------------------|-------------------------------|---------------------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| As at 31 December 2024: | | | | | | | |
| Cost | 835 | – | 3,013 | 8,721 | 9,165 | – | 21,734 |
| Accumulated depreciation | (485) | – | (1,224) | (4,011) | (2,965) | – | (8,685) |
| Net carrying amount | <u>350</u> | <u>–</u> | <u>1,789</u> | <u>4,710</u> | <u>6,200</u> | <u>–</u> | <u>13,049</u> |

| | Machinery | Motor vehicles | Electronic and other equipment | Leasehold improvements | Total |
|---|------------------|-----------------------|---------------------------------------|-------------------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| 31 December 2025 | | | | | |
| At 1 January 2025: | | | | | |
| Cost | 835 | 3,013 | 8,721 | 9,165 | 21,734 |
| Accumulated depreciation | (485) | (1,224) | (4,011) | (2,965) | (8,685) |
| Net carrying amount | <u>350</u> | <u>1,789</u> | <u>4,710</u> | <u>6,200</u> | <u>13,049</u> |
| As at 1 January 2025, net of accumulated depreciation | 350 | 1,789 | 4,710 | 6,200 | 13,049 |
| Additions | 22 | 2,459 | 1,068 | – | 3,549 |
| Disposals | – | (999) | (201) | – | (1,200) |
| Depreciation provided during the year | (205) | (633) | (2,277) | (3,252) | (6,367) |
| As at 31 December 2025, net of accumulated depreciation | <u>167</u> | <u>2,616</u> | <u>3,300</u> | <u>2,948</u> | <u>9,031</u> |
| As at 31 December 2025: | | | | | |
| Cost | 857 | 3,012 | 9,060 | 9,165 | 22,094 |
| Accumulated depreciation | (690) | (396) | (5,760) | (6,217) | (13,063) |
| Net carrying amount | <u>167</u> | <u>2,616</u> | <u>3,300</u> | <u>2,948</u> | <u>9,031</u> |

The Company

| | Machinery | Charging equipment and shared e-bikes | Motor vehicles | Electronic and other equipment | Leasehold improvements | Total |
|---|------------------|--|-----------------------|---------------------------------------|-------------------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| 31 December 2023 | | | | | | |
| At 1 January 2023: | | | | | | |
| Cost | 431 | 42,781 | 2,948 | 2,160 | 998 | 49,318 |
| Accumulated depreciation | (79) | (13,310) | (87) | (563) | (439) | (14,478) |
| Net carrying amount | <u>352</u> | <u>29,471</u> | <u>2,861</u> | <u>1,597</u> | <u>559</u> | <u>34,840</u> |
| As at 1 January 2023, net of accumulated depreciation | 352 | 29,471 | 2,861 | 1,597 | 559 | 34,840 |
| Additions | 208 | – | – | 1,088 | – | 1,296 |
| Disposals | – | (9,032) | (372) | – | – | (9,404) |
| Depreciation provided during the year | (193) | (10,639) | (613) | (770) | (305) | (12,520) |
| As at 31 December 2023, net of accumulated depreciation | <u>367</u> | <u>9,800</u> | <u>1,876</u> | <u>1,915</u> | <u>254</u> | <u>14,212</u> |
| As at 31 December 2023: | | | | | | |
| Cost | 639 | 33,749 | 2,460 | 3,248 | 998 | 41,094 |
| Accumulated depreciation | (272) | (23,949) | (584) | (1,333) | (744) | (26,882) |
| Net carrying amount | <u>367</u> | <u>9,800</u> | <u>1,876</u> | <u>1,915</u> | <u>254</u> | <u>14,212</u> |

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| | Machinery | Charging equipment and shared e-bikes | Motor vehicles | Electronic and other equipment | Leasehold improvements | Total |
|--|------------------|--|---|---|-----------------------------------|----------------|
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| 31 December 2024 | | | | | | |
| At 1 January 2024: | | | | | | |
| Cost | 639 | 33,749 | 2,460 | 3,248 | 998 | 41,094 |
| Accumulated depreciation | (272) | (23,949) | (584) | (1,333) | (744) | (26,882) |
| Net carrying amount | <u>367</u> | <u>9,800</u> | <u>1,876</u> | <u>1,915</u> | <u>254</u> | <u>14,212</u> |
| As at 1 January 2024, net of accumulated depreciation | 367 | 9,800 | 1,876 | 1,915 | 254 | 14,212 |
| Additions | 196 | – | 476 | 272 | 5,245 | 6,189 |
| Disposals | – | (5,721) | – | – | – | (5,721) |
| Depreciation provided during the year | (213) | (4,079) | (636) | (901) | (588) | (6,417) |
| As at 31 December 2024, net of accumulated depreciation | <u>350</u> | <u>–</u> | <u>1,716</u> | <u>1,286</u> | <u>4,911</u> | <u>8,263</u> |
| As at 31 December 2024: | | | | | | |
| Cost | 835 | – | 2,936 | 3,520 | 6,243 | 13,534 |
| Accumulated depreciation | (485) | – | (1,220) | (2,234) | (1,332) | (5,271) |
| Net carrying amount | <u>350</u> | <u>–</u> | <u>1,716</u> | <u>1,286</u> | <u>4,911</u> | <u>8,263</u> |
| | Machinery | Motor vehicles | Electronic and other equipment | Leasehold improvements | Total | |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | |
| 31 December 2025 | | | | | | |
| At 1 January 2025: | | | | | | |
| Cost | 835 | 2,936 | 3,520 | 6,243 | 13,534 | |
| Accumulated depreciation | (485) | (1,220) | (2,234) | (1,332) | (5,271) | |
| Net carrying amount | <u>350</u> | <u>1,716</u> | <u>1,286</u> | <u>4,911</u> | <u>8,263</u> | |
| As at 1 January 2025, net of accumulated depreciation | 350 | 1,716 | 1,286 | 4,911 | 8,263 | |
| Additions | 22 | 959 | 31 | – | 1,012 | |
| Disposals | – | (999) | (201) | – | (1,200) | |
| Depreciation provided during the year | (206) | (378) | (582) | (2,277) | (3,443) | |
| As at 31 December 2025, net of accumulated depreciation | <u>166</u> | <u>1,298</u> | <u>534</u> | <u>2,634</u> | <u>4,632</u> | |
| As at 31 December 2025: | | | | | | |
| Cost | 857 | 1,434 | 3,350 | 6,243 | 11,884 | |
| Accumulated depreciation | (691) | (136) | (2,816) | (3,609) | (7,252) | |
| Net carrying amount | <u>166</u> | <u>1,298</u> | <u>534</u> | <u>2,634</u> | <u>4,632</u> | |

16. LEASES

The Group as a lessee

The Group has lease contracts for various items of office premises and charging stations used in its operations. Leases of office premises generally have lease terms between 2 and 4 years, while charging stations generally have lease terms between 2 and 10 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

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(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

| | Office premises | Charging stations | Total |
|------------------------------------|-----------------|-------------------|---------------|
| | RMB’000 | RMB’000 | RMB’000 |
| As at 31 December 2023 | | | |
| As at 1 January 2023 | 11,006 | 16,838 | 27,844 |
| Additions | – | 6,433 | 6,433 |
| Depreciation charge | (5,022) | (3,816) | (8,838) |
| As at 31 December 2023 | <u>5,984</u> | <u>19,455</u> | <u>25,439</u> |
| As at 31 December 2024 | | | |
| As at 1 January 2024 | 5,984 | 19,455 | 25,439 |
| Additions | 8,976 | 511 | 9,487 |
| Disposal of subsidiaries (note 35) | – | (18,654) | (18,654) |
| Lease modification | 5,062 | – | 5,062 |
| Depreciation charge | (6,513) | (1,312) | (7,825) |
| As at 31 December 2024 | <u>13,509</u> | <u>–</u> | <u>13,509</u> |
| As at 31 December 2025 | | | |
| As at 1 January 2025 | 13,509 | – | 13,509 |
| Additions | 94 | – | 94 |
| Depreciation charge | (4,872) | – | (4,872) |
| As at 31 December 2025 | <u>8,731</u> | <u>–</u> | <u>8,731</u> |

The Company

| | Office premises |
|-------------------------------|-----------------|
| | RMB’000 |
| As at 31 December 2023 | |
| As at 1 January 2023 | 3,686 |
| Depreciation charge | (2,438) |
| As at 31 December 2023 | <u>1,248</u> |
| As at 31 December 2024 | |
| As at 1 January 2024 | 1,248 |
| Additions | 8,976 |
| Depreciation charge | (3,991) |
| As at 31 December 2024 | <u>6,233</u> |
| As at 31 December 2025 | |
| As at 1 January 2025 | 6,233 |
| Depreciation charge | (2,992) |
| As at 31 December 2025 | <u>3,241</u> |

(b) Lease liabilities

The Group

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

| | As at 31 December | | |
|--|-------------------|---------------|--------------|
| | 2023 | 2024 | 2025 |
| | RMB’000 | RMB’000 | RMB’000 |
| Carrying amount at 1 January | 28,240 | 27,254 | 13,621 |
| New leases | 6,433 | 9,487 | 94 |
| Lease modification | – | 5,062 | – |
| Accretion of interest recognised during the year | 1,328 | 815 | 516 |
| Payments | (8,747) | (9,250) | (4,646) |
| Disposal of subsidiaries (note 35) | – | (19,747) | – |
| Carrying amount at the end of the period | <u>27,254</u> | <u>13,621</u> | <u>9,585</u> |

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ACCOUNTANTS' REPORT

| | As at 31 December | | |
|-----------------------|-------------------|--------------|--------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Analysed into: | | | |
| Current | 7,901 | 4,461 | 5,070 |
| Non-current | <u>19,353</u> | <u>9,160</u> | <u>4,515</u> |

The Company

| | As at 31 December | | |
|--|-------------------|----------------|----------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Carrying amount at 1 January | 3,854 | 1,091 | 5,265 |
| New leases | – | 8,976 | – |
| Accretion of interest recognised during the year | 110 | 291 | 220 |
| Payments | <u>(2,873)</u> | <u>(5,093)</u> | <u>(1,808)</u> |
| Carrying amount at the end of the period | <u>1,091</u> | <u>5,265</u> | <u>3,677</u> |
| Analysed into: | | | |
| Current | 1,091 | 1,590 | 3,260 |
| Non-current | – | <u>3,675</u> | <u>417</u> |

(c) The amounts recognised in profit or loss of the Group in relation to leases are as follows:

| | Year ended 31 December | | |
|---|------------------------|--------------|--------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Interest on lease liabilities | 1,328 | 815 | 516 |
| Depreciation charge of right-of-use assets | 8,838 | 7,825 | 4,872 |
| Expenses relating to short-term leases and leases of low-value assets | <u>111</u> | <u>213</u> | <u>546</u> |
| Total amount recognised in profit or loss | <u>10,277</u> | <u>8,853</u> | <u>5,934</u> |

(d) The total cash outflow for leases is disclosed in note 36 to the Historical Financial Information.

17. INTANGIBLE ASSETS

The Group and the Company

| | Software |
|---|--------------|
| | RMB'000 |
| 31 December 2023 | |
| At 31 December 2023 and at 1 January 2024: | |
| Cost | – |
| Accumulated amortisation | – |
| Net carrying amount | <u>–</u> |
| 31 December 2024 | |
| Cost at 1 January 2024, net of accumulated amortisation | – |
| Additions | 1,114 |
| Amortisation provided during the year | (56) |
| At 31 December 2024 | <u>1,058</u> |
| At 31 December 2024 and at 1 January 2025: | |
| Cost | 1,114 |
| Accumulated amortisation | (56) |
| Net carrying amount | <u>1,058</u> |

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ACCOUNTANTS’ REPORT

| | <u>Software</u> |
|---|-----------------|
| | <i>RMB’000</i> |
| 31 December 2025 | |
| Cost at 1 January 2025, net of accumulated amortisation | 1,058 |
| Additions | 130 |
| Amortisation provided during the period | (225) |
| At 31 December 2025 | <u>963</u> |
| At 31 December 2025: | |
| Cost | 1,244 |
| Accumulated amortisation | (281) |
| Net carrying amount | <u>963</u> |

18. INVESTMENTS IN ASSOCIATES

The Group

| | As at 31 December | | |
|-------------------------------|-------------------|----------------|----------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Share of net assets | <u>480</u> | <u>8,504</u> | <u>9,349</u> |

| Name | Particulars of issued shares held | Place of registration and business | Ownership interest attributable to the Group | Principal activities |
|---|-----------------------------------|------------------------------------|--|--|
| Zhejiang Jiantou New Energy Technology Co., Ltd. | Ordinary shares | PRC/Chinese mainland | 30% | Electric power, heat production and supply |
| Xi’an Shanhe Makesense Enterprise Management Consulting Co., Ltd. | Ordinary shares | PRC/Chinese mainland | 35% | Business services |
| Hebei Tianyuan Meineng New Energy Technology Co., Ltd. | Ordinary shares | PRC/Chinese mainland | 49% | Energy storage technology services |

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

| | 2023 | 2024 | 2025 |
|--|----------------|----------------|----------------|
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Share of the associates’ loss for the year | – | (4) | (194) |
| Unrealized internal profit on associates | – | – | (3,461) |
| Aggregate carrying amount of the Group’s investments in the associates | <u>480</u> | <u>8,504</u> | <u>9,349</u> |

The Group’s shareholdings in Zhejiang Jiantou New Energy Technology Co., Ltd. comprise equity shares held by the Company, the shareholding in Xi’an Shanhe Makesense Enterprise Management Consulting Co., Ltd. and Hebei Tianyuan Meineng New Energy Technology Co., Ltd. is held through the subsidiary of the Company.

The financial years of the above associates are coterminous with that of the Group.

The Company

| | As at 31 December | | |
|-------------------------------|-------------------|----------------|----------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Share of net assets | <u>–</u> | <u>4,500</u> | <u>9,101</u> |

| Name | Particulars of issued shares held | Place of registration and business | Ownership interest attributable to the Company | Principal activities |
|--|-----------------------------------|------------------------------------|--|--|
| Zhejiang Jiantou New Energy Technology Co., Ltd. | Ordinary shares | PRC/Chinese mainland | 30% | Electric power, heat production and supply |

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ACCOUNTANTS’ REPORT

The following table illustrates the financial information of the Company’s associate:

| | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|--|----------------|----------------|----------------|
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Share of the associate’s profit for the year | – | – | 101 |
| Carrying amount of the Company’s investment in the associate | – | <u>4,500</u> | <u>9,101</u> |

19. INVENTORIES

The Group

| | As at 31 December | | |
|----------------------------|-------------------|----------------|----------------|
| | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Work in progress | 40,648 | 77,551 | 25,916 |
| Finished goods | <u>71,334</u> | <u>348,564</u> | <u>316,822</u> |
| Total | <u>111,982</u> | <u>426,115</u> | <u>342,738</u> |

The Company

| | As at 31 December | | |
|----------------------------|-------------------|----------------|----------------|
| | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Work in progress | <u>9,737</u> | <u>7,592</u> | <u>3,560</u> |

At 31 December 2023, 2024 and 2025, the Group’s inventories with a carrying amount of approximately RMB32,733,000, RMB76,649,000 and RMB32,575,000, respectively, were pledged as security for the Group’s bank loans and other borrowings, as further detailed in note 27 to the Historical Financial Information.

20. TRADE AND BILLS RECEIVABLES

The Group

| | As at 31 December | | |
|---|-------------------|-----------------|-----------------|
| | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Trade receivables | 157,410 | 118,659 | 301,507 |
| Bills receivables at amortised cost | 465 | 2,190 | 890 |
| Impairment | <u>(6,028)</u> | <u>(14,955)</u> | <u>(17,220)</u> |
| Total | <u>151,847</u> | <u>105,894</u> | <u>285,177</u> |

The Company

| | As at 31 December | | |
|---|-------------------|----------------|----------------|
| | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Trade receivables | 55,798 | 33,285 | 36,829 |
| Bills receivables at amortised cost | 465 | 1,844 | – |
| Impairment | <u>(3,095)</u> | <u>(2,472)</u> | <u>(2,756)</u> |
| Total | <u>53,168</u> | <u>32,657</u> | <u>34,073</u> |

The Group’s trading terms with its customers are mainly on credit. The credit period range from 3 to 7 days or 180 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and bills receivables are non-interest-bearing.

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ACCOUNTANTS’ REPORT

The Group’s bills receivables were bank acceptance bills aged within six months. Bills receivable is subject to impairment under the simplified approach, and its impact is considered to be minimal.

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

The Group

| | As at 31 December | | |
|------------------------------|-------------------|----------------|----------------|
| | 2023 | 2024 | 2025 |
| | RMB’000 | RMB’000 | RMB’000 |
| Within 180 days | 143,986 | 62,341 | 275,032 |
| 180 days to 1 year | 3,163 | 1,648 | 3,433 |
| 1 to 2 years | 4,698 | 41,905 | 3,886 |
| 2 to 3 years | — | — | 2,826 |
| Total | <u>151,847</u> | <u>105,894</u> | <u>285,177</u> |

The Company

| | As at 31 December | | |
|------------------------------|-------------------|---------------|---------------|
| | 2023 | 2024 | 2025 |
| | RMB’000 | RMB’000 | RMB’000 |
| Within 180 days | 47,328 | 28,511 | 31,003 |
| 180 days to 1 year | 1,142 | 983 | 1,594 |
| 1 to 2 years | 4,698 | 3,163 | 1,092 |
| 2 to 3 years | — | — | 384 |
| Total | <u>53,168</u> | <u>32,657</u> | <u>34,073</u> |

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

The Group

| | As at 31 December | | |
|---|-------------------|---------------|---------------|
| | 2023 | 2024 | 2025 |
| | RMB’000 | RMB’000 | RMB’000 |
| At beginning of year | 38 | 6,028 | 14,955 |
| Impairment losses, net | 7,486 | 14,713 | 2,396 |
| Amount written off as uncollectible | (1,496) | (5,786) | (131) |
| At end of year | <u>6,028</u> | <u>14,955</u> | <u>17,220</u> |

The Company

| | As at 31 December | | |
|----------------------------------|-------------------|--------------|--------------|
| | 2023 | 2024 | 2025 |
| | RMB’000 | RMB’000 | RMB’000 |
| At beginning of year | 30 | 3,095 | 2,472 |
| Impairment losses, net | 3,065 | (623) | 284 |
| At end of year | <u>3,095</u> | <u>2,472</u> | <u>2,756</u> |

An impairment analysis is performed at the end of each of the Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are based on the ageing of receivables of the customers. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the Relevant Periods about past events, current conditions and forecasts of future economic conditions.

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ACCOUNTANTS’ REPORT

Set out below is the information about the credit risk exposure on the trade receivables as at the end of each of the Relevant Periods using a provision matrix:

The Group

As at 31 December 2023

| | Within 1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | Total |
|---------------------------------------|---------------|--------------|--------------|--------------|---------|
| Trade receivables (RMB’000) | 151,043 | 5,896 | 462 | 9 | 157,410 |
| Expected credit loss rate | 2.89% | 20.32% | 100.00% | 100.00% | 3.83% |
| Expected credit losses (RMB’000) . . | 4,359 | 1,198 | 462 | 9 | 6,028 |

As at 31 December 2024

| | Within 1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | Total |
|---------------------------------------|---------------|--------------|--------------|--------------|---------|
| Trade receivables (RMB’000) | 65,054 | 52,625 | 543 | 437 | 118,659 |
| Expected credit loss rate | 5.00% | 20.37% | 100.00% | 100.00% | 12.60% |
| Expected credit losses (RMB’000) . . | 3,255 | 10,720 | 543 | 437 | 14,955 |

As at 31 December 2025

| | Within 1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | Total |
|---------------------------------------|---------------|--------------|--------------|--------------|---------|
| Trade receivables (RMB’000) | 286,071 | 4,523 | 10,428 | 485 | 301,507 |
| Expected credit loss rate | 2.97% | 14.08% | 72.90% | 100.00% | 5.71% |
| Expected credit losses (RMB’000) . . | 8,496 | 637 | 7,602 | 485 | 17,220 |

The Company

As at 31 December 2023

| | Within 1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | Total |
|---------------------------------------|---------------|--------------|--------------|--------------|--------|
| Trade receivables (RMB’000) | 49,431 | 5,896 | 462 | 9 | 55,798 |
| Expected credit loss rate | 2.88% | 20.32% | 100.00% | 100.00% | 5.55% |
| Expected credit losses (RMB’000) . . | 1,426 | 1,198 | 462 | 9 | 3,095 |

As at 31 December 2024

| | Within 1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | Total |
|---------------------------------------|---------------|--------------|--------------|--------------|--------|
| Trade receivables (RMB’000) | 28,333 | 3,972 | 543 | 437 | 33,285 |
| Expected credit loss rate | 2.41% | 20.37% | 100.00% | 100.00% | 7.43% |
| Expected credit losses (RMB’000) . . | 683 | 809 | 543 | 437 | 2,472 |

As at 31 December 2025

| | Within 1 year | 1 to 2 years | 2 to 3 years | 3 to 4 years | Total |
|---------------------------------------|---------------|--------------|--------------|--------------|--------|
| Trade receivables (RMB’000) | 33,655 | 1,271 | 1,418 | 485 | 36,829 |
| Expected credit loss rate | 3.14% | 14.08% | 72.92% | 100.00% | 7.48% |
| Expected credit losses (RMB’000) . . | 1,058 | 179 | 1,034 | 485 | 2,756 |

Transfer of financial assets

The Group

Transferred financial assets that are not derecognised in their entirety

At the end of each of the Relevant Periods, the Group endorsed certain bills receivable accepted by banks in the Chinese mainland (the “Endorsed Bills”) with a carrying amount of nil, RMB1,844,000 and nil, respectively, to certain of its suppliers in order to settle the trade payables due to such suppliers (the “Endorsement”). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The carrying amount of the trade payables settled by the Endorsed Bills as at the end of each of the Relevant Periods to which the suppliers have recourse was nil, RMB1,844,000 and nil, respectively.

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21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

| | As at 31 December | | |
|--|-------------------|----------------|---------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Non-current: | | | |
| Deposits and other receivables | 2,151 | 5,515 | 8,153 |
| Value-added tax recoverable | 11,233 | 24,173 | 29,972 |
| Total | <u>13,384</u> | <u>29,688</u> | <u>38,125</u> |
| Current: | | | |
| Prepayments | 61,277 | 77,690 | 30,730 |
| Value-added tax recoverable | 11,793 | 11,719 | 6,113 |
| Deposits and other receivables | 17,656 | 7,022 | 18,893 |
| Prepaid value-added tax | – | 18,040 | 15,493 |
| Deferred issue costs | – | – | 934 |
| Impairment allowance | – | – | (9,980) |
| Total | <u>90,726</u> | <u>114,471</u> | <u>62,183</u> |

The Company

| | As at 31 December | | |
|--|-------------------|---------------|---------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Non-current: | | | |
| Deposits and other receivables | 363 | 331 | 6,276 |
| Current: | | | |
| Prepayments | 38,061 | 9,573 | 25,941 |
| Value-added tax recoverable | 5,312 | 358 | 399 |
| Deposits and other receivables | 17,143 | 15,989 | 17,019 |
| Deferred issue costs | – | – | 934 |
| Impairment allowance | – | – | (767) |
| Total | <u>60,516</u> | <u>25,920</u> | <u>43,526</u> |

The balances are interest-free and are not secured with collateral.

22. FINANCIAL ASSETS AT FVTPL

The Group

| | As at 31 December | | |
|--|-------------------|---------------|---------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Current | | | |
| Wealth management products (<i>note (i)</i>) | <u>40,000</u> | <u>40,000</u> | <u>10,000</u> |
| Non-current | | | |
| Unlisted investments, at fair value | <u>2,000</u> | <u>16,734</u> | <u>35,827</u> |

The Company

| | As at 31 December | | |
|--|-------------------|---------------|---------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Current | | | |
| Wealth management products (<i>note (i)</i>) | <u>40,000</u> | <u>40,000</u> | <u>10,000</u> |
| Non-current | | | |
| Unlisted investments, at fair value | <u>2,000</u> | <u>15,788</u> | <u>30,597</u> |

Note:

- (i) The above wealth management products are issued by banks in the Chinese mainland. They were mandatorily classified as financial assets at FVTPL as their contractual cash flows are not solely payments of principal and interest.

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23. CASH AND CASH EQUIVALENTS AND PLEDGED AND RESTRICTED DEPOSITS

The Group

| | As at 31 December | | |
|--|-------------------|----------------|----------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Cash and cash equivalents | 232,417 | 266,445 | 224,745 |
| Pledged and restricted deposits* | 38,974 | 46,720 | 70,610 |
| Total | <u>271,391</u> | <u>313,165</u> | <u>295,355</u> |
| Denominated in: | | | |
| RMB | 271,391 | 312,993 | 295,173 |
| United States Dollar (“USD”) | – | 167 | 13 |
| HKD | – | 5 | 169 |
| Total | <u>271,391</u> | <u>313,165</u> | <u>295,355</u> |

The Company

| | As at 31 December | | |
|--|-------------------|----------------|----------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Cash and cash equivalents | 218,083 | 197,350 | 121,792 |
| Pledged and restricted deposits* | 29,761 | 22,604 | 5,000 |
| Total | <u>247,844</u> | <u>219,954</u> | <u>126,792</u> |
| Denominated in: | | | |
| RMB | <u>247,844</u> | <u>219,954</u> | <u>126,792</u> |

* Pledged deposits are pledged to banks to secure bills payables, letters of credit and to guarantee a bank borrowing in an unlisted investment at fair value held by the Company. Restricted deposits are placed for the purchase of wealth management products at 31 December 2024.

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

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged and restricted deposits are deposited with creditworthy banks with no recent history of default.

24. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

The Group

| | As at 31 December | | |
|--|-------------------|----------------|----------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Within one year | 57,173 | 107,061 | 181,624 |
| Over one year and within two years | 639 | 788 | 601 |
| Over two years | 65 | 187 | 151 |
| Total | <u>57,877</u> | <u>108,036</u> | <u>182,376</u> |

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The Company

| | As at 31 December | | |
|--|-------------------|---------------|---------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Within one year | 40,868 | 22,653 | 63,570 |
| Over one year and within two years | 416 | 594 | 289 |
| Over two years | 65 | 187 | 116 |
| Total | <u>41,349</u> | <u>23,434</u> | <u>63,975</u> |

Trade payables are non-interest-bearing and are normally settled on the terms within 180 days.

25. OTHER PAYABLES AND ACCRUALS

The Group

| | As at 31 December | | |
|---------------------------------------|-------------------|---------------|---------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Accruals | 8,314 | 5,832 | 6,356 |
| Other payables | 2,280 | 4,028 | 4,072 |
| Payroll payables | 18,335 | 15,291 | 12,698 |
| Other tax payable | 736 | 2,348 | 2,639 |
| Accrued [REDACTED] expenses | [REDACTED] | [REDACTED] | [REDACTED] |
| Total | <u>29,665</u> | <u>27,499</u> | <u>26,777</u> |

The Company

| | As at 31 December | | |
|---------------------------------------|-------------------|---------------|---------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Accruals | 6,823 | 4,784 | 5,245 |
| Other payables | 1,440 | 2,193 | 2,669 |
| Payroll payables | 11,246 | 9,055 | 8,570 |
| Other tax payable | 397 | – | 940 |
| Accrued [REDACTED] expenses | [REDACTED] | [REDACTED] | [REDACTED] |
| Total | <u>19,906</u> | <u>16,032</u> | <u>18,436</u> |

The other payables are unsecured, non-interest-bearing and repayable on demand.

26. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

The Group

| | As at 31 December | | | |
|---|-------------------|------------------|------------------|------------------|
| | 1 January 2023 | 31 December 2023 | 31 December 2024 | 31 December 2025 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| <i>Advances received from customers:</i> | | | | |
| DES and other assets development | – | 643 | 33,070 | 3,504 |
| Provision of electricity services | – | 445 | 845 | 17 |
| Discontinued operations | 18,081 | 4,358 | – | – |
| Others | 228 | 1,944 | 470 | 1,085 |
| Total | <u>18,309</u> | <u>7,390</u> | <u>34,385</u> | <u>4,606</u> |

Contract liabilities include short-term advances received from customers. The increase in contract liabilities in 2024 was mainly due to the increase in short-term advances received from customers in relation to the DES and other assets development at the end of the year. The decrease in contract liabilities in 2025 was mainly due to refund of consideration to a customer during the year.

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The Company

| | As at 31 December | | | |
|---|-------------------|------------------|------------------|------------------|
| | 1 January 2023 | 31 December 2023 | 31 December 2024 | 31 December 2025 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| <i>Advances received from customers:</i> | | | | |
| Provision of electricity services | – | 53 | 71 | – |
| Discontinued operations | 1,999 | 2,712 | – | – |
| Others | 194 | 1,917 | 436 | 901 |
| Total | <u>2,193</u> | <u>4,682</u> | <u>507</u> | <u>901</u> |

27. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group

| | As at 31 December | | |
|--|-------------------|----------------|----------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Current | | | |
| Bank borrowings-unsecured | 10,009 | 57,808 | 24,831 |
| Bank borrowings – guaranteed <i>(note (b)&(c))</i> | 49,942 | 207,466 | 344,196 |
| Bank borrowings – secured and guaranteed <i>(note ((a)&(b)&(c)&(d))</i> | 6,542 | 13,506 | 10,250 |
| Bank borrowings – secured <i>(note (a))</i> | 355 | 354 | 354 |
| Other borrowings – secured <i>(note (a))</i> | 1,845 | 7,116 | 7,440 |
| Total – current | <u>68,693</u> | <u>286,250</u> | <u>387,071</u> |
| Non-current | | | |
| Bank borrowings – secured <i>(note (a))</i> | 2,950 | 2,600 | 2,250 |
| Other borrowings – secured <i>(note (a))</i> | 15,077 | 47,517 | 47,296 |
| Total – no-current | <u>18,027</u> | <u>50,117</u> | <u>49,546</u> |
| Total | <u>86,720</u> | <u>336,367</u> | <u>436,617</u> |
| Analysed into: | | | |
| Bank borrowings repayable: | | | |
| Within one year or on demand | 66,848 | 279,134 | 379,631 |
| In the second years | 350 | 350 | 350 |
| In the third to fifth years | 1,050 | 1,030 | 990 |
| Beyond five years | 1,550 | 1,220 | 910 |
| Subtotal | <u>69,798</u> | <u>281,734</u> | <u>381,881</u> |
| Analysed into: | | | |
| Other borrowings repayable: | | | |
| Within one year | 1,845 | 7,116 | 7,440 |
| In the second years | 2,456 | 7,582 | 7,607 |
| In the third to fifth years | 7,532 | 25,064 | 23,919 |
| Beyond five years | 5,089 | 14,871 | 15,770 |
| Subtotal | <u>16,922</u> | <u>54,633</u> | <u>54,736</u> |
| Total | <u>86,720</u> | <u>336,367</u> | <u>436,617</u> |
| Analysed into: | | | |
| Fixed interest rate | 71,471 | 178,294 | 249,350 |
| Variable interest rate | 15,249 | 158,073 | 187,267 |
| Total | <u>86,720</u> | <u>336,367</u> | <u>436,617</u> |

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The effective interest rates and maturities of the borrowings are as follows:

| | As at 31 December | | | | | |
|----------------------------|-----------------------------|----------------|-----------------------------|----------------|-----------------------------|----------------|
| | 2023 | | 2024 | | 2025 | |
| | Effective interest rate (%) | Maturity | Effective interest rate (%) | Maturity | Effective interest rate (%) | Maturity |
| Bank borrowings | 2.60-5.00 | On demand-2033 | 2.05-5.00 | On demand-2033 | 1.55-5.00 | On demand-2033 |
| Other borrowings | 5.40 | 2024-2030 | 4.94-5.04 | 2025-2032 | 5.00-6.04 | 2033 |

Notes:

- (a) Details of the assets of the Group as at the end of each of the Relevant Periods that have been pledged as collateral to secure the bank borrowings and other borrowings are set out in note 19 and note 23 to the Historical Financial Information.
- (b) Certain loans were guaranteed by the directors of the Company. Refer to note 38 to the Historical Financial Information for details.
- (c) As at the end of each of the Relevant Periods, the Group’s bank borrowings amounting to RMB26,523,000, RMB50,788,000 and RMB20,196,000, respectively, were guaranteed by the Company.
- (d) As at the end of each of the Relevant Periods, RMB6,542,000, RMB13,506,000 and RMB10,250,000 of long-term bank borrowings were reclassified as current liabilities due to not complying with the minimum revenue condition in the relevant loan arrangements.

The Company

| | As at 31 December | | |
|--|-------------------|----------------|----------------|
| | 2023 | 2024 | 2025 |
| | RMB’000 | RMB’000 | RMB’000 |
| Current | | | |
| Bank borrowings – unsecured | 10,009 | 18,478 | 24,831 |
| Bank borrowings – guaranteed | 9,911 | 142,415 | 279,185 |
| Total | <u>19,920</u> | <u>160,893</u> | <u>304,016</u> |
| Analysed into: | | | |
| Bank borrowings repayable: | | | |
| Within one year | <u>19,920</u> | <u>160,893</u> | <u>304,016</u> |
| Analysed into: | | | |
| Fixed interest rate | 19,920 | 120,867 | 232,962 |
| Variable interest rate | <u>–</u> | <u>40,026</u> | <u>71,054</u> |

The effective interest rates and maturities of the borrowings are as follows:

| | As at 31 December | | | | | |
|---------------------------|-----------------------------|----------|-----------------------------|----------|-----------------------------|----------|
| | 2023 | | 2024 | | 2025 | |
| | Effective interest rate (%) | Maturity | Effective interest rate (%) | Maturity | Effective interest rate (%) | Maturity |
| Bank borrowings | 3.00-3.50 | 2024 | 2.20-3.20 | 2025 | 1.55-3.00 | 2026 |

As at the end of each of the Relevant Periods, the Company’s bank borrowings amounting to RMB9,911,000, RMB142,415,000 and RMB279,185,000, respectively, were guaranteed by the directors of the Company.

28. REDEMPTION LIABILITIES ON ORDINARY SHARES

From March 2021 to December 2024, the Company completed seven rounds of [REDACTED] investments, namely Series Angel Investments, Series A Investments, Series B Investments, Series B+ Investments, Series C Investments, Series D Investments and Series D+ Investments (collectively referred to as “[REDACTED] Investments”). A total of 7,189,460 paid-in capital was issued at a total cash consideration of RMB1,046,412,000 under the [REDACTED] Investments.

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The key terms of the shares are summarised as follows:

(a) Redemption features

Upon occurrence of the following events, the shares shall be redeemable at the option of the shareholders:

- (i) The representations or warranties made by the Company and/or Ms. Wei Qiong and Dr. Yan Xiao (the “Founder”) under the investment agreements, the series Angel investment agreement, series A investment agreement, series B investment agreement, series B+ investment agreement, series C investment agreement, series D investment agreement, and series D+ investment agreement are materially untrue, contain material omissions, or are materially misleading;
- (ii) The Company and/or the Founder materially breaches any applicable laws or any covenants, promises, or obligations under the investment agreements, the series Angel investment agreement, series A investment agreement, series B investment agreement, series B+ investment agreement, series C investment agreement, series D investment agreement, and series D+ investment agreement;
- (iii) The Company ceases or changes its principal business without the prior consent of the investors;
- (iv) The Founder voluntarily terminates the labor relationship with the Company, or the Founder does not work for the Company on a full-time basis;
- (v) Any intellectual property rights related to the Company’s principal business involve infringement of third-party rights, resulting in a material adverse change to the Company;
- (vi) Any illegal or regulatory violation by the Company or the Founder, or any dispute (including but not limited to litigation and arbitration), results in a material adverse change to the Company;
- (vii) Any shareholder of the Company (including existing and future shareholders) exercises or demands the exercise of a redemption right;
- (viii) The Company fails to achieve a qualified [REDACTED] before 28 December 2028.

Upon occurrence of any of the events listed in (i) to (vii) above, the redemption amount is calculated as the higher of the sum of the original issue price of the shares, plus interest from the date of the initial investment by the then investors to the Company calculated at an annual simple interest rate of 10% of the original investment principal plus any dividends declared but unpaid and fair value on the redemption date.

Upon occurrence of the event specified in (viii) above, the redemption amount is calculated as the sum of the original issue price of the shares, plus interest from the date of the initial investment by the then investors to the Company calculated at an annual simple interest rate of 8% of the original investment principal.

(b) Liquidation preferences

In the event of any liquidation, dissolution, winding up of the Company or deemed liquidation event, holders of the shares shall be entitled to be paid out of the funds and assets available for distribution to the members of the Company, an amount per share equal to the original issue price for each series equity share at 10% interest rate per annum, plus any dividends declared but unpaid thereon in the sequence as follows:

- (1) series D+ shares
- (2) series D shares
- (3) series C shares
- (4) series B+ shares
- (5) series B shares
- (6) series A shares
- (7) series Angel shares

(c) Anti-dilution right

If the Company increases its paid-in capital at a price lower than the price paid by the investors on a per paid-in capital basis, the investors have a right to request the Company at any time to issue additional paid-in capital to the investors at the minimum price permitted by applicable laws, or request the Founder to transfer the corresponding equity to the investors without consideration (or for nominal consideration of RMB1 or the minimum price permitted by law), or request the Company to compensate the investors in cash and consent to such compensation being used by the investors for capital increase to the Company.

Pursuant to the shareholders’ agreement dated in April 2026, entered into, among the Company and its shareholders, the redemption and anti-dilution rights were irrevocably terminated with effect from the day immediately preceding the date on which the Company first submitted the [REDACTED] to the Stock Exchange and all other special rights shall be terminated upon the [REDACTED].

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Presentation and classification

The Group had consistently recognised redemption liabilities on ordinary shares measured at amortised cost as not all redemption events are within the control of the Company. Any changes in the carrying amount of the financial liabilities were recorded to profit or loss.

Redemption liabilities on ordinary shares as at 31 December 2023, 2024 and 2025 are classified as current liabilities as the redemption events can be triggered at any time.

The movements of redemption liabilities on ordinary shares of the Group and the Company are set out as follows:

| | <i>RMB’000</i> |
|---|------------------|
| As at 1 January 2023 | 704,937 |
| Issue of ordinary shares (<i>note 32</i>) | 250,000 |
| Accretion of interest | 80,668 |
| As at 31 December 2023 and 1 January 2024 | 1,035,605 |
| Issue of ordinary shares (<i>note 32</i>) | 180,000 |
| Accretion of interest | 97,721 |
| As at 31 December 2024 and 1 January 2025 | 1,313,326 |
| Accretion of interest | 143,260 |
| As at 31 December 2025 | <u>1,456,586</u> |

29. FINANCIAL LIABILITIES DUE TO FUND INVESTORS

During the Relevant Periods, certain independent investors, as limited partner, contributed RMB7,510,000, RMB12,810,000 and nil into certain subsidiaries of the Group, respectively. The Group recognised financial liabilities due to fund investors as the certain subsidiaries are limited life entities, which are measured at fair value through profit or loss subsequently.

The movement of financial liabilities due to fund investors of the Group are set out as follows:

| | <i>RMB’000</i> |
|--|----------------|
| As at 1 January 2023 | – |
| Contribution from fund investors | 7,510 |
| Distribution to fund investors | (213) |
| Changes on financial liabilities due to fund investors | 18,894 |
| As at 31 December 2023 and 1 January 2024 | 26,191 |
| Contribution from fund investors | 12,810 |
| Distribution to fund investors | (1,052) |
| Changes on financial liabilities due to fund investors | 5,609 |
| As at 31 December 2024 and 1 January 2025 | 43,558 |
| Disposal of a subsidiary (<i>note 35</i>) | (45,742) |
| Changes on financial liabilities due to fund investors | 5,834 |
| As at 31 December 2025 | <u>3,650</u> |

30. DEFERRED INCOME

The Group and the Company

| | As at 31 December | | |
|--|-------------------|----------------|----------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Government grants – Asset-related government grants | – | 1,145 | 1,145 |
| Government grants – Income-related government grants | – | 2,667 | 2,745 |
| Total | – | <u>3,812</u> | <u>3,890</u> |

The Group’s deferred government grants represented government grants received for the investment in long-term assets or for the operating activities, which are credited to the profit or loss on a straight-line basis over the remaining expected lives of the related assets or recognised as income on a systematic basis over the periods that the costs, which they are intended to compensate, are expensed.

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31. DEFERRED TAX

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

The Group

| | Tax loss | Lease liabilities | Total |
|---|----------------|-------------------|----------------|
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| As at 1 January 2023 | – | 2,752 | 2,752 |
| Deferred tax charged to profit or loss during the year | – | (1,308) | (1,308) |
| As at 31 December 2023 and 1 January 2024 | – | 1,444 | 1,444 |
| Deferred tax credited to profit or loss during the year | – | 1,933 | 1,933 |
| As at 31 December 2024 and 1 January 2025 | – | 3,377 | 3,377 |
| Deferred tax credited/(charged) to profit or loss during the period | 140 | (981) | (841) |
| As at 31 December 2025 | <u>140</u> | <u>2,396</u> | <u>2,536</u> |

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

The Group

| | Fair value gain on financial assets | Right-of-use assets | Total |
|---|-------------------------------------|---------------------|----------------|
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| As at 1 January 2023 | – | 2,752 | 2,752 |
| Deferred tax credited to profit or loss during the year | – | (1,308) | (1,308) |
| As at 31 December 2023 and 1 January 2024 | – | 1,444 | 1,444 |
| Deferred tax charged to profit or loss during the year | – | 1,933 | 1,933 |
| As at 31 December 2024 and 1 January 2025 | – | 3,377 | 3,377 |
| Deferred tax charged/(credited) to profit or loss during the period | 354 | (1,195) | (841) |
| As at 31 December 2025 | <u>354</u> | <u>2,182</u> | <u>2,536</u> |

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

The Group

| | As at 31 December | | |
|---|-------------------|----------------|----------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Net deferred tax assets recognized in the consolidated statement of financial position | – | – | – |
| Net deferred tax liabilities recognized in the consolidated statement of financial position | – | – | – |

The Group has accumulated tax losses that were not recognised as deferred tax assets in Chinese mainland of RMB291,399,000, RMB406,977,000 and RMB476,643,000 in aggregate as at the end of each of the Relevant Periods, respectively. Losses of the Group would expire in one to five years for offsetting against future taxable profits of the company in which the losses arose.

The Group has unrecognised deductible temporary differences of RMB22,724,000, RMB52,458,000, RMB61,411,000 as at the end of each of the Relevant Periods, respectively. The unrecognised deductible temporary differences are mainly related to the impairment of the trade and bills receivables, property, plant and equipments of the loss-making subsidiaries in the Group.

Deferred tax assets have not been recognised in respect of these losses and temporary differences as they have arisen in the Company and the subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilised.

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32. PAID-IN CAPITAL

| | As at 31 December | | |
|---------------------------|-------------------|---------|---------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Issued and fully paid: | | | |
| Paid-in capital | 9,478 | 12,394 | 12,394 |

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

| | Paid-in capital |
|--|-----------------|
| | RMB'000 |
| At 1 January 2023 | 5,913 |
| Capital contribution from shareholders* | 3,565 |
| As at 31 December 2023 | 9,478 |
| Capital contribution from shareholders** | 2,916 |
| As at 31 December 2024 and 2025 | 12,394 |

Notes:

* In 2023, the Company entered into investment agreements with several independent investors and issued a total of 989,925 paid-in capital with redemption feature at a cash consideration of RMB250,000,000, of which, RMB990,000 was credited to the Company’s paid-in capital and the remaining balance was credited as capital reserve. The Company issued 1,790,000 and 785,000 paid-in capital to Ms. Wei Qiong and Dr. Yan Xiao at a cash consideration of RMB1,790,000 and RMB785,000, respectively, which was fully credited to the Company’s paid-in capital.

** In 2024, the Company entered into investment agreements with several independent investors and issued a total of 712,745 paid-in capital with redemption feature at the consideration of RMB180,000,000, of which, RMB713,000 was credited to the Company’s paid-in capital and the remaining balance was credited as capital reserve. The Company issued 2,203,000 paid-in capital to Shanghai Tuxin Enterprise Management Partnership Enterprise (Limited Partnership) (“Tuxin”) at a cash consideration of RMB2,203,000, which was fully credited to the Company’s paid-in capital.

33. RESERVES

The Group

The amounts of the Group’s reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

Capital reserve

The capital reserve represents the difference between the paid-in capital and the consideration received.

Share based payment reserve

The Share-based payments reserve represents the share-based compensation reserve due to equity-settled share awards, details of which are set out in note 34 to the Historical Financial Information.

Other reserve

The other reserve of the Group represents the impact of redemption features of the ordinary shares as stipulated in note 28 to the Historical Financial Information.

The Company

| | Capital reserve | Share-based payment reserve | Other reserve | Accumulated losses | Total deficits |
|--|-----------------|-----------------------------|---------------|--------------------|----------------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| As at 1 January 2023 | 610,998 | 6,269 | (616,485) | (221,344) | (220,562) |
| Loss and total comprehensive loss for the year . . | – | – | – | (191,971) | (191,971) |
| Capital contribution from shareholders (note 32) . | 249,010 | – | – | – | 249,010 |
| Recognition of redemption liabilities on ordinary shares (note 28) | – | – | (250,000) | – | (250,000) |
| Equity-settled share awards arrangements (note 34) | – | 3,279 | – | – | 3,279 |
| As at 31 December 2023 | 860,008 | 9,548 | (866,485) | (413,315) | (410,244) |

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| | Capital reserve | Share-based payment reserve | Other reserve | Accumulated losses | Total deficits |
|--|------------------|-----------------------------|--------------------|--------------------|------------------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| As at 31 December 2023 and as at 1 January 2024 | 860,008 | 9,548 | (866,485) | (413,315) | (410,244) |
| Loss and total comprehensive loss for the year | – | – | – | (174,743) | (174,743) |
| Capital contribution from shareholders (note 32) | 179,287 | – | – | – | 179,287 |
| Recognition of redemption liabilities on ordinary shares (note 28) | – | – | (180,000) | – | (180,000) |
| Equity-settled share awards arrangements (note 34) | – | 8,259 | – | – | 8,259 |
| As at 31 December 2024 | <u>1,039,295</u> | <u>17,807</u> | <u>(1,046,485)</u> | <u>(588,058)</u> | <u>(577,441)</u> |
| As at 31 December 2024 and as at 1 January 2025 | 1,039,295 | 17,807 | (1,046,485) | (588,058) | (577,441) |
| Loss and total comprehensive loss for the year | – | – | – | (209,773) | (209,773) |
| Equity-settled share awards arrangements (note 34) | – | 10,295 | – | – | 10,295 |
| As at 31 December 2025 | <u>1,039,295</u> | <u>28,102</u> | <u>(1,046,485)</u> | <u>(797,831)</u> | <u>(776,919)</u> |

34. EQUITY SETTLED SHARE-BASED PAYMENTS

The Company adopted [REDACTED] equity incentive scheme (the “Scheme”) in order to recognise and reward the contribution of certain directors and employees to the growth and development of the Group, and to retain eligible employees for the continuous operation and development of the Group.

(a) Equity incentive scheme 2021

In February 2021, the Group granted 304,836 restricted share units (RSUs) to its core employees through the employee shareholding platform, Tuxin, at a price of RMB1 per share, which was approved by the Company’s shareholders on 29 December 2023. The RSUs held by the employees shall not be transferred until one year after the Company has consummated an [REDACTED] of the Company.

The exercise prices, exercise period and the fair value on the grant date of the RSUs under the equity incentive scheme 2021 are as follows:

| Grant date | Exercise price | Exercise period | Fair value at grant date |
|----------------------------|----------------|-------------------------------------|--------------------------|
| | RMB per share | | RMB per share |
| 29 December 2023 | 1.00 | 29 December 2023 to 31 January 2025 | 74.37 |

The following RSUs were outstanding under the equity incentive scheme 2021 during the Relevant Periods:

| | 2023 | | 2024 | | 2025 | |
|-------------------------------------|---------------------------------|-----------------------|---------------------------------|-----------------------|---------------------------------|-----------------------|
| | Weighted average exercise price | Number of outstanding | Weighted average exercise price | Number of outstanding | Weighted average exercise price | Number of outstanding |
| | RMB per share | RSUs '000 | RMB per share | RSUs '000 | RMB per share | RSUs '000 |
| At 1 January | – | – | 1.00 | 305 | 1.00 | 295 |
| Granted during the year | 1.00 | 305 | – | – | – | – |
| Forfeited during the year | – | – | 1.00 | (10) | – | – |
| At 31 December | <u>1.00</u> | <u>305</u> | <u>1.00</u> | <u>295</u> | <u>1.00</u> | <u>295</u> |

The fair values of RSUs granted under the equity incentive scheme 2021 were estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

| | Equity incentive scheme 2021 |
|---------------------------------------|------------------------------|
| Volatility (%) | 40.00 |
| Risk-free interest rate (%) | 2.09 |
| Exercise multiple | 2.2/2.8 |

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(b) Equity incentive scheme 2023

On 29 December 2023, the Group adopted a shareholders’ resolution to grant 526,422 RSUs and 339,540 share options to core employees through the employee shareholding platform, Shanghai Meisheng Gongjin Enterprise Management Consulting Partnership (Limited Partnership) (“Meisheng Gongjin”) and Shanghai Meisheng Gongmou Enterprise Management Consulting Partnership (Limited Partnership) (“Meisheng Gongmou”) at a price of RMB39.39 per share.

The 526,422 RSUs granted shall not be transferred until one year after the Company has consummated an [REDACTED] of the Company.

The exercise prices, exercise period and the fair value on the grant date of the RSUs under the equity incentive scheme 2023 are as follows:

| Grant Date | Exercise price | Exercise period | Fair value at grant date |
|----------------------------|----------------------|---|--------------------------|
| | <i>RMB per share</i> | | <i>RMB per share</i> |
| 29 December 2023 | 39.39 | 29 December 2023 to 31 December 2025 | 37.70-40.11 |

The following RSUs were outstanding under the equity incentive scheme 2023 during the Relevant Periods:

| | 2023 | | 2024 | | 2025 | |
|-------------------------------------|---------------------------------|-----------------------|---------------------------------|-----------------------|---------------------------------|-----------------------|
| | Weighted average exercise price | Number of outstanding | Weighted average exercise price | Number of outstanding | Weighted average exercise price | Number of outstanding |
| | <i>RMB per share</i> | <i>RSUs '000</i> | <i>RMB per share</i> | <i>RSUs '000</i> | <i>RMB per share</i> | <i>RSUs '000</i> |
| At 1 January | – | – | 39.39 | 526 | 39.39 | 392 |
| Granted during the year | 39.39 | 526 | – | – | – | – |
| Forfeited during the year | – | – | 39.39 | (134) | 39.39 | (109) |
| At 31 December | 39.39 | 526 | 39.39 | 392 | 39.39 | 283 |

The fair values of RSUs granted under the equity incentive scheme 2023 were estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

| | Equity incentive scheme 2023 |
|---------------------------------------|---------------------------------|
| Volatility (%) | 43.00/51.00 |
| Risk-free interest rate (%) | 2.10/2.21 |
| Exercise multiple | 2.2/2.8 |

The 339,540 share options under the equity incentive scheme 2023 shall become exercisable upon satisfaction of performance review, and the shares shall be automatically converted into restricted shares upon exercise and shall not be transferred until one year after completion of [REDACTED] of the Company.

The exercise prices, exercise period and the fair value on the grant date of the share options under the equity incentive scheme 2023 are as follows:

| Grant Date | Exercise price | Exercise period | Fair value at grant date |
|----------------------------|----------------------|---------------------------------------|--------------------------|
| | <i>RMB per share</i> | | <i>RMB per share</i> |
| 29 December 2023 | 39.39 | 1 January 2025 to 28 February 2027 | 37.70-40.47 |

The following share options were outstanding under the equity incentive scheme 2023 during the Relevant Periods:

| | 2023 | | 2024 | | 2025 | |
|-------------------------------------|---------------------------------|-------------------------------|---------------------------------|-------------------------------|---------------------------------|-------------------------------|
| | Weighted average exercise price | Number of outstanding options | Weighted average exercise price | Number of outstanding options | Weighted average exercise price | Number of outstanding options |
| | <i>RMB per share</i> | <i>'000</i> | <i>RMB per share</i> | <i>'000</i> | <i>RMB per share</i> | <i>'000</i> |
| At 1 January | – | – | 39.39 | 340 | 39.39 | 238 |
| Granted during the year | 39.39 | 340 | – | – | – | – |
| Forfeited during the year | – | – | 39.39 | (102) | 39.39 | (63) |
| At 31 December | 39.39 | 340 | 39.39 | 238 | 39.39 | 175 |

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The fair values of share options granted under the equity incentive scheme 2023 were estimated as at the dates of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

| | Equity incentive scheme 2023 |
|---------------------------------------|---------------------------------|
| Volatility (%) | 43.00/52.00 |
| Risk-free interest rate (%) | 2.10/2.22 |
| Exercise multiple | 2.2/2.8 |

(c) Equity incentive scheme 2025

On 10 December 2025, the Group adopted a shareholders’ resolution to grant 1,449,935 RSUs to core employees through Meisheng Gongjin and Meisheng Gongmou, at a price of RMB39.39 per share or RMB1 per share. The RSUs held by the employees shall not be transferred until one year after the Company has consummated an [REDACTED] of the Company.

The exercise prices, exercise period and the fair value on the grant date of the RSUs under the equity incentive scheme 2025 are as follows:

| Grant Date | Exercise price | Exercise period | Fair value at grant date |
|----------------------------|----------------------|---|--------------------------|
| | <i>RMB per share</i> | | <i>RMB per share</i> |
| 29 December 2025 | 39.39 or 1.00 | 10 December 2025 to 31 December 2025 | 76.04-114.43 |

The following RSUs were outstanding under the equity incentive scheme 2025 during the Relevant Periods:

| | 2023 | | 2024 | | 2025 | |
|-------------------------------------|---------------------------------------|-------------------------------------|---------------------------------------|-------------------------------------|---------------------------------------|-------------------------------------|
| | Weighted average exercise price | Number of outstanding options | Weighted average exercise price | Number of outstanding options | Weighted average exercise price | Number of outstanding options |
| | <i>RMB per share</i> | '000 | <i>RMB per share</i> | '000 | <i>RMB per share</i> | '000 |
| At 1 January | – | – | – | – | – | – |
| Granted during the year | – | – | – | – | 20.18 | 1,450 |
| Forfeited during the year | – | – | – | – | – | – |
| At 31 December | – | = | – | = | 20.18 | 1,450 |

The fair value of RSUs as at the grant date were determined with reference to the fair value of ordinary shares on the grant date, using discounted cash flow method.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these RSUs/share options. The Group accounts for the Scheme as an equity-settled plan.

During the Relevant Periods, the Group recognized share-based compensation expenses of RMB3,279,000, RMB8,259,000, and RMB10,295,000, respectively.

35. DISPOSAL OF SUBSIDIARIES

| | Year ended 31 December | | |
|---|------------------------|----------------|----------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| Net assets disposed of: | | | |
| Property, plant and equipment | 15 | – | 21,183 |
| Right-of-use assets | 16 | – | 18,654 |
| Cash and cash equivalents | – | 1,206 | 2,980 |
| Trade and bills receivables | – | – | 2,158 |
| Prepayments, other receivables and other assets | – | – | 15,501 |
| Inventories | – | – | 51,826 |
| Trade and bills payables | – | – | (14,894) |
| Contract liabilities | – | – | (813) |
| Other payables and accruals | – | (1,094) | (22) |
| Lease liabilities | 16 | – | (19,747) |
| Tax payable | – | (24) | – |
| Interest-bearing bank and other borrowings | – | – | (38,729) |
| Financial liabilities due to fund investors | 29 | – | (45,742) |
| Non-controlling interests | – | (610) | – |
| Subtotal | (522) | 25,000 | (21,328) |

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| | Year ended 31 December | | |
|---|------------------------|---------|---------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Gain on disposal of subsidiaries from discontinued operations | 371 | – | – |
| Gain on disposal of subsidiaries from continuing operations | 5 | 30 | 44,696 |
| Total consideration | – | 25,030 | 23,368 |
| Satisfied by: | | | |
| Cash | – | 25,030 | 8,154 |
| Financial assets at FVTPL* | – | – | 15,214 |

* During the Relevant Periods, the Group disposed of certain subsidiaries. The remaining interests are accordingly measured as financial assets at FVTPL, and a gain on disposal amounting to RMB44,565,000 was recognised.

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

| | Year ended 31 December | | |
|--|------------------------|---------|---------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Cash consideration | – | 25,030 | 8,154 |
| Cash and cash equivalents disposed of | (1,206) | (2,980) | (5,711) |
| Cash consideration to be received | – | (4,000) | (8,154) |
| Net (outflow)/inflow of cash and cash equivalents in respect of the disposal of subsidiaries | (1,206) | 18,050 | (5,711) |

36. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB6,433,000, RMB9,487,000 and RMB94,000, respectively, in respect of a lease arrangement.

(b) Changes in 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.

| | Interest-bearing bank borrowings | Lease liabilities | Redemption liabilities on ordinary shares | Accrued [REDACTED] expense and dividend payable in other payables | Financial liabilities due to fund investors | Total |
|--|----------------------------------|-------------------|---|---|---|-----------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| As at 1 January 2023 | 49,085 | 28,240 | 704,937 | [REDACTED] | – | 782,262 |
| Changes from financing cash flows | 35,326 | (8,747) | 250,000 | [REDACTED] | 7,297 | 283,876 |
| New leases | – | 6,433 | – | [REDACTED] | – | 6,433 |
| Interest expense | 2,309 | 1,328 | 80,668 | [REDACTED] | – | 84,305 |
| Changes on financial liabilities due to fund investors | – | – | – | [REDACTED] | 18,894 | 18,894 |
| As at 31 December 2023 and 1 January 2024 | 86,720 | 27,254 | 1,035,605 | [REDACTED] | 26,191 | 1,175,770 |
| Changes from financing cash flows | 241,973 | (9,250) | 180,000 | [REDACTED] | 11,758 | 424,481 |
| New leases | – | 9,487 | – | [REDACTED] | – | 9,487 |
| Interest expense | 7,674 | 815 | 97,721 | [REDACTED] | – | 106,210 |
| Lease modification | – | 5,062 | – | [REDACTED] | – | 5,062 |
| Disposal of subsidiaries | – | (19,747) | – | [REDACTED] | – | (19,747) |
| Changes on financial liabilities due to fund investors | – | – | – | [REDACTED] | 5,609 | 5,609 |
| As at 31 December 2024 and 1 January 2025 | 336,367 | 13,621 | 1,313,326 | [REDACTED] | 43,558 | 1,706,872 |

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| | Interest-bearing bank borrowings | Lease liabilities | Redemption liabilities on ordinary shares | Accrued [REDACTED] expense and dividend payable in other payables | Financial liabilities due to fund investors | Total |
|---|--|-------------------|---|--|---|------------------|
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| As at 31 December 2024 and 1 January 2025 | 336,367 | 13,621 | 1,313,326 | [REDACTED] | 43,558 | 1,706,872 |
| Changes from financing cash flows | 125,728 | (4,646) | – | [REDACTED] | – | 119,649 |
| Changes from operating cash flows | – | – | – | [REDACTED] | – | (6,027) |
| Disposal of a subsidiary | (38,729) | – | – | [REDACTED] | (45,742) | (84,471) |
| New leases | – | 94 | – | [REDACTED] | – | 94 |
| Interest expense | 13,251 | 516 | 143,260 | [REDACTED] | – | 157,027 |
| [REDACTED] expenses | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| Deferred issue costs | – | – | – | [REDACTED] | – | 934 |
| Dividends declared to non- controlling shareholders | – | – | – | [REDACTED] | – | 300 |
| Changes on financial liabilities due to fund investors | – | – | – | [REDACTED] | 5,834 | 5,834 |
| Prepayment for [REDACTED] expenses | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| As at 31 December 2025 | <u>436,617</u> | <u>9,585</u> | <u>1,456,586</u> | <u>[REDACTED]</u> | <u>3,650</u> | <u>1,907,450</u> |

(c) **Total cash outflow for leases**

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

| | Year ended 31 December | | |
|--|------------------------|--------------|--------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Withing operating activities | 111 | 213 | 546 |
| Withing financing activities | 8,747 | 9,250 | 4,646 |
| Total | <u>8,858</u> | <u>9,463</u> | <u>5,192</u> |

37. **COMMITMENTS**

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

| | As at 31 December | | |
|--|-------------------|--------------|--------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Acquisition of property, plant and equipment | <u>16,792</u> | <u>7,787</u> | <u>3,537</u> |

In addition, the Group had the following commitments provided to certain associates and financial assets at FVTPL, which are not included in the above:

| | As at 31 December | | |
|---------------------------------|-------------------|---------------|---------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Capital contributions | <u>3,020</u> | <u>42,317</u> | <u>31,092</u> |

38. **RELATED PARTY TRANSACTIONS**

(a) **Related party transactions**

The Group had the following material transactions with related parties during the Relevant Periods:

| | Year ended 31 December | | |
|--|------------------------|---------|--------------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Revenue from DES assets development: Zhejiang Jiantou New Energy Technology Co., Ltd. | – | – | 35,328 |
| Hebei Tianyuan Meineng New Energy Technology Co., Ltd. | – | – | <u>8,084</u> |

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| | Year ended 31 December | | |
|-----------------|------------------------|---------|---------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Total | — | — | 43,412 |

The transactions are entered into on normal commercial terms.

Guarantees

As at the end of each of the Relevant Periods, the Group’s bank borrowings amounting to RMB41,423,000, RMB210,788,000 and RMB334,196,000, respectively, were guaranteed by Ms. Wei Qiong who is the director of the Company.

(b) Outstanding balance with related parties:

| | As at 31 December | | |
|--|-------------------|---------|---------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Due from related parties | | | |
| Trade nature: | | | |
| Zhejiang Jiantou New Energy Technology Co., Ltd. | — | — | 4,002 |
| Hebei Tianyuan Meineng New Energy Technology Co., Ltd. | — | — | 476 |
| Total | — | — | 4,478 |
| Non-trade nature* | | | |
| Ms. Wei Qiong** | 242 | — | — |
| Total | 242 | — | — |

* All the non-trade balances due from related parties were unsecured, interest-free and repayable on demand.

** Ms. Wei Qiong made the repayment of the non-trade balance due to the Group in 2024.

(c) Compensation of key management personnel of the Group

| | Year ended 31 December | | |
|---|------------------------|---------|---------|
| | 2023 | 2024 | 2025 |
| | RMB'000 | RMB'000 | RMB'000 |
| Salaries, allowances and benefits in kind | 4,049 | 4,251 | 4,484 |
| Discretionary bonus | 1,627 | 4,476 | 7,955 |
| Pension scheme contributions | 232 | 238 | 275 |
| Equity-settled share-based payment expenses | 3,016 | 3,694 | 6,520 |
| Total | 8,924 | 12,659 | 19,234 |

Further details of directors’ and the general manager’s remuneration are included in note 9 to the Historical Financial Information.

39. FINANCIAL INSTRUMENTS BY CATEGORY

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

As at 31 December 2023

Financial assets

| | Financial assets at fair value through profit or loss | Financial assets at amortized cost | Total |
|--|---|------------------------------------|---------|
| | RMB'000 | RMB'000 | RMB'000 |
| Financial assets at FVTPL | 42,000 | — | 42,000 |
| Financial assets included in prepayments, other receivables and other assets | — | 19,807 | 19,807 |

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| | Financial assets at fair value through profit or loss | Financial assets at amortized cost | Total |
|--|---|---------------------------------------|----------------|
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Trade and bill receivables | – | 151,847 | 151,847 |
| Amounts due from related parties | – | 242 | 242 |
| Cash and cash equivalents | – | 232,417 | 232,417 |
| Pledged and restricted deposits | – | 38,974 | 38,974 |
| Total | <u>42,000</u> | <u>443,287</u> | <u>485,287</u> |

Financial liabilities

| | Financial liabilities at fair value through profit or loss | Financial liabilities at amortised cost | Total |
|---|--|--|------------------|
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Redemption liabilities on ordinary shares | – | 1,035,605 | 1,035,605 |
| Financial liabilities due to fund investors | 26,191 | – | 26,191 |
| Trade and bill payables | – | 57,877 | 57,877 |
| Financial liabilities included in other payables and accruals | – | 10,594 | 10,594 |
| Interest-bearing bank and other borrowings | – | 86,720 | 86,720 |
| Total | <u>26,191</u> | <u>1,190,796</u> | <u>1,216,987</u> |

As at 31 December 2024

Financial assets

| | Financial assets at fair value through profit or loss | Financial assets at amortized cost | Total |
|---|---|---------------------------------------|----------------|
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Financial assets at FVTPL | 56,734 | – | 56,734 |
| Financial assets included in prepayments, other receivables and other assets | – | 12,537 | 12,537 |
| Trade and bill receivables | – | 105,894 | 105,894 |
| Cash and cash equivalents | – | 266,445 | 266,445 |
| Pledged and restricted deposits | – | 46,720 | 46,720 |
| Total | <u>56,734</u> | <u>431,596</u> | <u>488,330</u> |

Financial liabilities

| | Financial liabilities at fair value through profit or loss | Financial liabilities at amortised cost | Total |
|---|--|--|------------------|
| | <i>RMB’000</i> | <i>RMB’000</i> | <i>RMB’000</i> |
| Redemption liabilities on ordinary shares | – | 1,313,326 | 1,313,326 |
| Financial liabilities due to fund investors | 43,558 | – | 43,558 |
| Trade and bill payables | – | 108,036 | 108,036 |
| Financial liabilities included in other payables and accruals | – | 9,860 | 9,860 |
| Interest-bearing bank and other borrowings | – | 336,367 | 336,367 |
| Total | <u>43,558</u> | <u>1,767,589</u> | <u>1,811,147</u> |

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As at 31 December 2025

Financial assets

| | Financial assets at fair value through profit or loss | Financial assets at amortized cost | Total |
|---|---|---------------------------------------|----------------|
| | RMB’000 | RMB’000 | RMB’000 |
| Financial assets at FVTPL | 45,827 | – | 45,827 |
| Financial assets included in prepayments, other receivables and other assets | – | 26,812 | 26,812 |
| Trade and bill receivables | – | 285,177 | 285,177 |
| Amounts due from related parties | – | 4,478 | 4,478 |
| Cash and cash equivalents | – | 224,745 | 224,745 |
| Pledged and restricted deposits | – | 70,610 | 70,610 |
| Total | <u>45,827</u> | <u>611,822</u> | <u>657,649</u> |

Financial liabilities

| | Financial liabilities at fair value through profit or loss | Financial liabilities at amortised cost | Total |
|---|--|--|------------------|
| | RMB’000 | RMB’000 | RMB’000 |
| Redemption liabilities on ordinary shares | – | 1,456,586 | 1,456,586 |
| Financial liabilities due to fund investors | 3,650 | – | 3,650 |
| Trade and bill payables | – | 182,376 | 182,376 |
| Financial liabilities included in other payables and accruals | – | 11,440 | 11,440 |
| Interest-bearing bank and other borrowings | – | 436,617 | 436,617 |
| Total | <u>3,650</u> | <u>2,087,019</u> | <u>2,090,669</u> |

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

The Group’s finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the finance department assisted by the external valuation team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the finance department. The valuation process and results are discussed once a year for annual financial reporting.

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

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

The Group has estimated the fair value of unlisted investments by using a discounted cash flow valuation model and a market-based valuation technique based on assumptions that are not supported by observable market prices or rates.

The Group has estimated the financial liabilities due to fund investors by using a discounted cash flow valuation model.

For the fair value of the unlisted investments at fair value and financial liabilities due to fund investors, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

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| | Valuation technique | Significant unobservable input | Range | Sensitivity of fair value to the input |
|---|-----------------------------|------------------------------------|--|---|
| Unlisted investments . . . | Discounted cash flow method | Discount rate | 2023: N/A 2024: 10% 2025: 9% | 5% increase/decrease in discount would result in decrease/increase in fair value by 2023: N/A; 2024: RMB424,000/ RMB494,000; 2025: RMB852,000/ RMB1,309,000. |
| | Valuation multiples | Average P/B multiple of peers | 2023: N/A 2024: 1.05 2025: 1.00 | 5% increase/decrease in multiple would result in increase/decrease in fair value by 2023: N/A; 2024: RMB52,000/ RMB52,000; 2025: RMB91,000/ RMB91,000. |
| | Valuation technique | Significant unobservable input | Range | Sensitivity of fair value to the input |
| Financial liabilities due to fund investors . . . | Discounted cash flow method | Discount rate | 2023: 12% 2024: 10% 2025: 10% | 5% increase/decrease in discount would result in decrease/increase in fair value by 2023: RMB1,129,000/ RMB877,000; 2024: RMB1,382,000/ RMB991,000; 2025: RMB71,000/ RMB75,000. |
| | | Discount for lack of marketability | 2023: 18% 2024: 16% to 21% 2025: 19% | 5% increase/decrease in discount would result in decrease/increase in fair value by 2023: RMB249,000/ RMB249,000; 2024: RMB366,000/ RMB366,000; 2025: RMB14,000/ RMB14,000. |

Fair value hierarchy

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

The Group

Assets measured at fair value:

As at 31 December 2023

| | Fair value measurement using | | | Total |
|--|---|---|---|---------|
| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Financial assets at fair value through profit or loss: | | | | |
| Wealth management products | – | 40,000 | – | 40,000 |
| Unlisted investments, at fair value | – | – | 2,000 | 2,000 |
| Total | – | 40,000 | 2,000 | 42,000 |

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As at 31 December 2024

| | Fair value measurement using | | | Total |
|--|---|---|---|--------|
| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | |
| | RMB'000 | RMB'000 | RMB'000 | |
| Financial assets at fair value through profit or loss: | | | | |
| Wealth management products | – | 40,000 | – | 40,000 |
| Unlisted investments, at fair value | – | – | 16,734 | 16,734 |
| Total | – | 40,000 | 16,734 | 56,734 |

As at 31 December 2025

| | Fair value measurement using | | | Total |
|--|---|---|---|--------|
| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | |
| | RMB'000 | RMB'000 | RMB'000 | |
| Financial assets at fair value through profit or loss: | | | | |
| Wealth management products | – | 10,000 | – | 10,000 |
| Unlisted investments, at fair value | – | – | 35,827 | 35,827 |
| Total | – | 10,000 | 35,827 | 45,827 |

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

| | 2023 | 2024 | 2025 |
|---|---------|---------|---------|
| | RMB'000 | RMB'000 | RMB'000 |
| Unlisted investments at FVTPL | | | |
| At 1 January | – | 2,000 | 16,734 |
| Total losses recognised in profit or loss | – | (5,034) | (4,742) |
| Purchases | 2,000 | 20,768 | 8,621 |
| Recognised from disposal of subsidiaries (<i>note 35</i>) | – | – | 15,214 |
| Disposals | – | (1,000) | – |
| At 31 December | 2,000 | 16,734 | 35,827 |

Liabilities measured at fair value:

As at 31 December 2023

| | Fair value measurement using | | | Total |
|---|---|---|---|--------|
| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | |
| | RMB'000 | RMB'000 | RMB'000 | |
| Financial liabilities due to fund investors | – | – | 26,191 | 26,191 |

As at 31 December 2024

| | Fair value measurement using | | | Total |
|---|---|---|---|--------|
| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | |
| | RMB'000 | RMB'000 | RMB'000 | |
| Financial liabilities due to fund investors | – | – | 43,558 | 43,558 |

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As at 31 December 2025

| | Fair value measurement using | | | Total |
|---|---|---|---|-------|
| | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) | |
| | RMB’000 | RMB’000 | RMB’000 | |
| Financial liabilities due to fund investors | – | – | 3,650 | 3,650 |

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

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments comprise cash and cash equivalents, pledged and restricted deposits, financial assets at FVTPL, trade and bills receivables, trade and bills payables, redemption liabilities on ordinary shares, financial liabilities due to fund investors and interest-bearing bank and other borrowings. The main purpose of these financial instruments is to raise finance for the Group’s operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

The main risks arising from the Group’s financial instruments are interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarized below.

Interest rate risk

The Group’s exposure to interest rate risk for changes in interest rates related primarily to the Group’s bank borrowings with floating interest rates. The Group does not use derivative financial instruments to hedge its interest rate risk.

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

| | Increase/(decrease) in base points | (Decrease)/increase in loss before tax | (Decrease)/increase in equity |
|------------------------------------|------------------------------------|--|-------------------------------|
| | | RMB’000 | RMB’000 |
| 31 December 2023 | | | |
| RMB-dominated borrowings | 50 | 76 | (76) |
| RMB-dominated borrowings | (50) | (76) | 76 |
| 31 December 2024 | | | |
| RMB-dominated borrowings | 50 | 790 | (790) |
| RMB-dominated borrowings | (50) | (790) | 790 |
| 31 December 2025 | | | |
| RMB-dominated borrowings | 50 | 936 | (936) |
| RMB-dominated borrowings | (50) | (936) | 936 |

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group’s exposure to bad debts is not significant.

Maximum exposure and year-end staging

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

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

| | 12-month ECLs | | Lifetime ECLs | | Total |
|--|---------------|---------|---------------|---------------------|---------|
| | Stage 1 | Stage 2 | Stage 3 | Simplified approach | |
| | RMB’000 | RMB’000 | RMB’000 | RMB’000 | |
| Trade and bills receivables* | – | – | – | 157,875 | 157,875 |

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| | 12-month ECLs | | Lifetime ECLs | | Total |
|--|----------------|----------|---------------|---------------------|----------------|
| | Stage 1 | Stage 2 | Stage 3 | Simplified approach | |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | |
| Financial assets included in prepayments, other receivables and other assets | | | | | |
| – Normal** | 19,807 | – | – | – | 19,807 |
| Amounts due from related parties | 242 | – | – | – | 242 |
| Pledged and restricted deposits | | | | | |
| – Not yet past due | 38,974 | – | – | – | 38,974 |
| Cash and cash equivalents | | | | | |
| – Not yet past due | 232,417 | – | – | – | 232,417 |
| Total | <u>291,440</u> | <u>–</u> | <u>–</u> | <u>157,875</u> | <u>449,315</u> |

As at 31 December 2024

| | 12-month ECLs | | Lifetime ECLs | | Total |
|--|----------------|----------|---------------|---------------------|----------------|
| | Stage 1 | Stage 2 | Stage 3 | Simplified approach | |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | |
| Trade and bill receivables* | – | – | – | 120,849 | 120,849 |
| Financial assets included in prepayments, other receivables and other assets | | | | | |
| – Normal** | 12,537 | – | – | – | 12,537 |
| Pledged and restricted deposits | 46,720 | – | – | – | 46,720 |
| Cash and cash equivalents | 266,445 | – | – | – | 266,445 |
| Total | <u>325,702</u> | <u>–</u> | <u>–</u> | <u>120,849</u> | <u>446,551</u> |

As at 31 December 2025

| | 12-month ECLs | | Lifetime ECLs | | Total |
|--|----------------|----------|---------------|---------------------|----------------|
| | Stage 1 | Stage 2 | Stage 3 | Simplified approach | |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | |
| Trade and bills receivables* | – | – | – | 302,397 | 302,397 |
| Financial assets included in prepayments, other receivables and other assets | | | | | |
| – Normal** | 27,046 | – | – | – | 27,046 |
| Amounts due from related parties | 4,478 | – | – | – | 4,478 |
| Pledged and restricted deposits | 70,610 | – | – | – | 70,610 |
| Cash and cash equivalents | 224,745 | – | – | – | 224,745 |
| Total | <u>326,879</u> | <u>–</u> | <u>–</u> | <u>302,397</u> | <u>629,276</u> |

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 20 to the Historical Financial Information.

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

As at the end of each of the Relevant Periods, cash and cash equivalents were deposited in financial institutions of high quality without significant credit risk.

At the end of each of the Relevant Periods, the Group had certain concentrations of credit risk as 14%, 21% and 36% and 59%, 71% and 81% of the Group’s trade receivables were due from the Group’s largest customer and five largest customers, respectively.

Liquidity risk

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

APPENDIX I

ACCOUNTANTS’ REPORT

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

| | As at 31 December 2023 | | | |
|---|----------------------------|---------------|---------------|------------------|
| | Within 1 year or on demand | 1 to 5 years | Over 5 years | Total |
| | RMB’000 | RMB’000 | RMB’000 | RMB’000 |
| Redemption liabilities on ordinary shares | 1,035,605 | – | – | 1,035,605 |
| Trade and bills payables | 57,877 | – | – | 57,877 |
| Interest-bearing bank and other borrowings | 70,812 | 15,233 | 7,510 | 93,555 |
| Financial liabilities due to fund investors | 26,191 | – | – | 26,191 |
| Lease liabilities | 8,882 | 17,205 | 2,813 | 28,900 |
| Financial liabilities included in other payables and accruals | 10,594 | – | – | 10,594 |
| Total | <u>1,209,961</u> | <u>32,438</u> | <u>10,323</u> | <u>1,252,722</u> |
| | As at 31 December 2024 | | | |
| | Within 1 year or on demand | 1 to 5 years | Over 5 years | Total |
| | RMB’000 | RMB’000 | RMB’000 | RMB’000 |
| Redemption liabilities on ordinary shares | 1,313,326 | – | – | 1,313,326 |
| Trade and bills payables | 108,036 | – | – | 108,036 |
| Interest-bearing bank and other borrowings | 291,855 | 42,728 | 17,462 | 352,045 |
| Financial liabilities due to fund investors | 43,558 | – | – | 43,558 |
| Lease liabilities | 5,742 | 9,382 | – | 15,124 |
| Financial liabilities included in other payables and accruals | 9,860 | – | – | 9,860 |
| Total | <u>1,772,377</u> | <u>52,110</u> | <u>17,462</u> | <u>1,841,949</u> |
| | As at 31 December 2025 | | | |
| | Within 1 year or on demand | 1 to 5 years | Over 5 years | Total |
| | RMB’000 | RMB’000 | RMB’000 | RMB’000 |
| Redemption liabilities on ordinary shares | 1,456,586 | – | – | 1,456,586 |
| Trade and bills payables | 182,376 | – | – | 182,376 |
| Interest-bearing bank and other borrowings | 394,464 | 41,154 | 17,921 | 453,539 |
| Financial liabilities due to fund investors | 3,650 | – | – | 3,650 |
| Lease liabilities | 5,452 | 4,716 | – | 10,168 |
| Financial liabilities included in other payables and accruals | 11,440 | – | – | 11,440 |
| Total | <u>2,053,968</u> | <u>45,870</u> | <u>17,921</u> | <u>2,117,759</u> |

Capital management

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

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

The Group monitors capital using a current ratio, which is current assets divided by current liabilities.

The current ratios as at the end of the Relevant Periods were as follows:

| | As at 31 December | | |
|-------------------------|-------------------|------------|------------|
| | 2023 | 2024 | 2025 |
| Current ratio | <u>54%</u> | <u>55%</u> | <u>48%</u> |

APPENDIX I

ACCOUNTANTS’ REPORT

42. EVENT AFTER 31 DECEMBER 2025

Pursuant to the shareholders’ resolutions and the promoters’ agreement dated 16 December 2025, the then shareholders of the Company agreed to convert the Company into a joint stock company with limited liability. The net assets of the Company as of the conversion base date, including paid-in capital, capital reserve and share-based payment reserve and accumulated losses, were converted into 12,393,854 ordinary shares at RMB1 each. Upon the completion of registration with the Administration of Market Regulation of Shanghai City on 5 February 2026, the Company was converted into a joint stock company with limited liability under PRC Company Law.

As approved by the shareholders’ general meeting of the Company on 15 April 2026, immediately before the [REDACTED], one Share of RMB1.0 will each subdivide into 10 Shares of RMB0.1 each (the “Share Subdivision”). Immediately after the Share Subdivision, the number of our issued Shares shall become [REDACTED].

Pursuant to the Series E subscription agreement dated 26 March 2026, certain investors agreed to subscribe for the increased registered capital of the Company of RMB478,049, in aggregate, at an aggregated consideration of RMB135,000,000.

43. SUBSEQUENT FINANCIAL STATEMENTS

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