The following is the text of a report received from the reporting accountants of the Company, 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 INFRAWAVES CO., LTD. AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

We report on the historical financial information of Infrawaves Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages [I-3] to [I-58], which comprises the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for the period from 20 February 2023 (date of incorporation) to 31 December 2023 and each of the years ended 31 December 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-3] to [I-58] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the "Document") in connection with the [**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 (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

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.

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-3] have been made.

Dividends

We refer to note 12 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]

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 ("HKSAs") 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.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Period from 20 February 2023 to 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
		RMB'000	*RMB'000*	*RMB'000*
REVENUE	*5*	31,802	324,672	520,261
Cost of sales		(29,393)	(259,275)	(407,022)
Gross profit		2,409	65,397	113,239
Other income and gains	*6*	465	1,393	2,214
Selling and distribution expenses		(113)	(1,548)	(4,331)
Administrative expenses		(925)	(10,213)	(26,835)
Research and development expenses		(2,949)	(28,360)	(37,276)
Impairment losses on financial and contract assets		(35)	(1,177)	(8,830)
Other expenses		–	(5)	(13)
Finance costs	*8*	(6)	(1,176)	(3,800)
Changes in fair values of financial liabilities on shares with preferential rights	*29*	(1,040)	(8,808)	(376,633)
(LOSS)/PROFIT BEFORE TAX	*7*	(2,194)	15,503	(342,265)
Income tax expense	*11*	–	(4,039)	(13,290)
(LOSS)/PROFIT FOR THE PERIOD/YEAR		(2,194)	11,464	(355,555)
Attributable to:				
Owners of the parent		(2,194)	11,464	(355,379)
Non-controlling interests		–	–	(176)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD/YEAR		(2,194)	11,464	(355,555)
Attributable to:				
Owners of the parent		(2,194)	11,464	(355,379)
Non-controlling interests		–	–	(176)
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*13*			
Basic		(3.23)	2.16	(33.23)
Diluted		(3.23)	2.16	(33.23)

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	14	39	26,448	174,110
Right-of-use assets	15	368	226	1,473
Other intangible assets	16	–	–	2,396
Investment in an associate	18	–	18,690	18,558
Prepayments	21	–	21,000	–
Total non-current assets		407	66,364	196,537
CURRENT ASSETS				
Inventories	19	21,395	64,303	233,592
Trade receivables	20	641	21,970	163,278
Contract assets	22	–	751	95
Prepayments, other receivables and other assets	21	4,327	21,880	37,881
Tax recoverable		–	–	1,942
Financial assets at fair value through other comprehensive income (FVTOCI)	23	–	–	4,411
Cash and cash equivalents	24	4,035	96,194	297,946
Total current assets		30,398	205,098	739,145
CURRENT LIABILITIES				
Trade payables	25	12,688	7,810	151,606
Other payables and accruals	26	990	6,236	32,939
Interest-bearing bank borrowings	27	–	43,858	193,286
Provision	30	212	2,260	4,643
Lease liabilities	15	137	147	563
Tax payable		–	4,039	1,851
Contract liabilities	28	3,835	28,004	88,470
Financial liabilities on shares with preferential rights	29	14,595	162,020	715,053
Total current liabilities		32,457	254,374	1,188,411
NET CURRENT LIABILITIES		(2,059)	(49,276)	(449,266)
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,652)	17,088	(252,729)
NON-CURRENT LIABILITIES				
Interest-bearing bank borrowings	27	–	4,082	64,456
Provision	30	318	3,178	5,024
Deferred tax liabilities	31	–	–	13,161
Lease liabilities	15	224	77	832
Contract liabilities	28	–	–	1,164
Deferred income		–	–	5,175
Total non-current liabilities		542	7,337	89,812
Net (liabilities)/assets		(2,194)	9,751	(342,541)
EQUITY				
Equity attributable to owners of the parent				
Paid-in capital/share capital	32	158	1,269	15,826
(Deficits)/reserves	33	(2,352)	8,482	(358,316)
		(2,194)	9,751	(342,490)
Non-controlling interests		–	–	(51)
Total (deficits)/equity		(2,194)	9,751	(342,541)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company								
	Paid-in capital/ share capital	Share premium*	Share-based payments reserve*	Surplus reserve*	Other reserves*	(Accumulated losses)/ retained profits*	Total	Non-controlling interests	Total (deficits)/ equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 20 February 2023	–	–	–	–	–	–	–	–	–
Loss and total comprehensive loss for the period	–	–	–	–	–	(2,194)	(2,194)	–	(2,194)
Capital contribution from shareholders *(note 32)*	158	13,397	–	–	–	–	13,555	–	13,555
Recognition of financial liabilities on shares with preferential rights *(note 29)*	–	–	–	–	(13,555)	–	(13,555)	–	(13,555)
As at 31 December 2023 and 1 January 2024	158	13,397	–	–	(13,555)	(2,194)	(2,194)	–	(2,194)
Profit and total comprehensive income for the year	–	–	–	–	–	11,464	11,464	–	11,464
Capital contribution from shareholders *(note 32)*	1,111	137,965	–	–	–	–	139,076	–	139,076
Recognition of financial liabilities on shares with preferential rights *(note 29)*	–	–	–	–	(138,617)	–	(138,617)	–	(138,617)
Transfer to surplus reserve	–	–	–	1,218	–	(1,218)	–	–	–
Recognition of equity-settled share-based payment *(note 34)*	–	–	22	–	–	–	22	–	22
As at 31 December 2024	1,269	151,362	22	1,218	(152,172)	8,052	9,751	–	9,751

	Attributable to owners of the Company								
	Paid-in capital/ share capital	**Share premium***	**Share-based payments reserve***	**Surplus reserve***	**Other reserves***	**(Accumulated losses)/ retained profits***	**Total**	**Non-controlling interests**	**Total (deficits)/ equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	1,269	151,362	22	1,218	(152,172)	8,052	9,751	–	9,751
Loss and total comprehensive loss for the year	–	–	–	–	–	(355,379)	(355,379)	(176)	(355,555)
Capital contribution from shareholders *(note 32)*	784	70,363	–	–	–	–	71,147	125	71,272
Conversion into a joint stock company *(note 32)*	12,947	–	–	–	(12,947)	–	–	–	–
Issuance of new shares *(note 32)*	826	105,074	–	–	–	–	105,900	–	105,900
Recognition of financial liabilities on shares with preferential rights *(note 29)*	–	–	–	–	(176,400)	–	(176,400)	–	(176,400)
Recognition of equity-settled share-based payment *(note 34)*	–	–	2,491	–	–	–	2,491	–	2,491
As at 31 December 2025	15,826	326,799	2,513	1,218	(341,519)	(347,327)	(342,490)	(51)	(342,541)

* These reserve accounts comprise the consolidated (deficits)/reserves of RMB(2,352,000), RMB8,482,000 and RMB(358,316,000) in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Period from 20 February 2023 to 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
(LOSS)/PROFIT BEFORE TAX		(2,194)	15,503	(342,265)
Adjustments for:				
Finance costs	8	6	1,176	3,800
Changes in fair values of financial liabilities on shares with preferential rights	29	1,040	8,808	376,633
Provision for inventories	7	78	2,760	3,223
Share of losses of an associate	6	–	–	132
Investment income on financial assets at fair value through profit or loss (FVTPL)	6	–	–	(120)
Loss on disposal of items of property, plant and equipment	7	–	–	6
Share-based payment expense	7	–	22	2,491
Depreciation of property, plant and equipment	7	3	2,533	27,812
Depreciation of right-of-use assets	7	60	142	313
Amortisation of other intangible assets	7	–	–	104
Impairment losses on financial and contract assets, net	7	35	1,177	8,830
		(972)	32,121	80,959
Increase in inventories		(21,473)	(45,668)	(172,512)
Increase in trade receivables		(675)	(22,451)	(150,185)
(Increase)/decrease in contract assets		–	(791)	691
(Increase)/decrease in prepayments, other receivables and other assets		(4,333)	(13,820)	7,073
Increase in financial assets at FVTOCI		–	–	(4,411)
Increase/(decrease) in trade payables		12,688	(4,878)	143,796
Increase in other payables and accruals		990	5,246	26,703
Increase in contract liabilities		3,835	24,169	61,630
Increase in provision		530	4,908	4,229
Increase in deferred income		–	–	5,175
Cash (used in)/generated from operations		(9,410)	(21,164)	3,148
Income tax paid		–	–	(4,259)
Net cash flows used in operating activities		(9,410)	(21,164)	(1,111)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of items of property, plant and equipment		(37)	(53,691)	(177,311)
Purchase of intangible assets		–	–	(2,500)
Purchases of financial assets at FVPTL		–	–	(177,000)
Proceeds from disposal of financial assets at FVTPL		–	–	177,120
Proceeds from disposal of items of property, plant and equipment		–	–	6
Investment in an associate		–	(18,690)	–
Net cash flows used in investing activities		(37)	(72,381)	(179,685)

	Notes	Period from 20 February 2023 to 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares with preferential rights		13,555	138,617	176,400
Capital contribution from shareholders		–	460	647
Capital injection from non-controlling shareholders		–	–	125
New bank loans		–	92,740	263,160
Repayment of bank loans		–	(44,800)	(53,358)
Interest paid		–	(1,165)	(3,777)
Payment of [**REDACTED**] expense		–	–	(237)
Lease payments	*15(b)*	(73)	(148)	(412)
Net cash flows from financing activities		13,482	185,704	382,548
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,035	92,159	201,752
Cash and cash equivalents at beginning of period/year		–	4,035	96,194
Cash and cash equivalents at end of period/year	*24*	4,035	96,194	297,946

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

Information about the statements of financial position of the Company at the end of each of the Relevant Periods is as follows:

	Notes	As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	14	39	279	1,506
Other intangible assets	16	–	–	2,396
Investments in subsidiaries	17	–	9	33,414
Investment in an associate	18	–	18,690	18,558
Total non-current assets		39	18,978	55,874
CURRENT ASSETS				
Inventories	19	21,395	47,186	218,631
Trade receivables	20	641	9,347	152,819
Contract assets	22	–	–	95
Prepayments, other receivables and other assets	21	4,273	17,507	7,606
Amounts due from subsidiaries	37	560	83,591	110,906
Tax recoverable		–	–	1,942
Financial assets at fair value through other comprehensive income (FVTOCI)	23	–	–	4,411
Cash and cash equivalents	24	3,998	80,525	251,922
Total current assets		30,867	238,156	748,332
CURRENT LIABILITIES				
Trade payables	25	12,688	2,539	143,072
Other payables and accruals	26	787	3,975	25,957
Amounts due to subsidiaries	37	–	26,320	38,200
Interest-bearing bank borrowings	27	–	34,932	129,709
Provision		212	2,166	4,322
Tax payable		–	2,095	–
Contract liabilities	28	3,835	7,385	77,557
Financial liabilities on shares with preferential rights	29	14,595	162,020	715,053
Total current liabilities		32,117	241,432	1,133,870
NET CURRENT LIABILITIES		(1,250)	(3,276)	(385,538)
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,211)	15,702	(329,664)
NON-CURRENT LIABILITIES				
Provision		318	3,037	4,635
Total non-current liabilities		318	3,037	4,635
Net (liabilities)/assets		(1,529)	12,665	(334,299)
EQUITY				
Paid-in capital/share capital	32	158	1,269	15,826
(Deficits)/reserves	33	(1,687)	11,396	(350,125)
Total (deficits)/equity		(1,529)	12,665	(334,299)

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company was incorporated in the People's Republic of China ("PRC") on 20 February 2023, as a limited liability company under the Companies Law of the PRC. The registered office of the Company was located at Room 903B, 905A, Block AB, Dongsheng Building, No. 8, Zhongguancun East Road, Haidian District, Beijing, China. The Company was restructured from a limited company to a joint-stock company on 4 December 2025 and its name was changed from Beijing Infrawaves Limited (北京基流科技有限公司) to Beijing Infrawaves Co., Ltd. (北京基流科技股份有限公司). On 26 February 2026, the registered office of the Company was moved to 2nd Floor, No. 25-1 Hongcao Road, Xuhui District, Shanghai, China, and its name was changed to Infrawaves Co., Ltd. (上海基流科技股份有限公司).

During the Relevant Periods, the Company and its subsidiaries (together, the "Group") were principally engaged in the provision of delivering Al computing cluster products and AI computing cluster operation services.

As at the end of the Relevant Periods, the Company had direct interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are as follows:

	Notes	Place and date of incorporation/ registration and place of operations	Issued ordinary/registered share capital	Percentage of equity interest attributable to the Company Direct %	Principal activities
Nanjing Infrawaves Technology Co., Ltd.* 南京基流科技有限公司	*(a)*	PRC/Chinese Mainland, Nanjing, 9 Aug 2023	RMB1,000,000	100	R&D of AI computing cluster products
Shanghai Infrawaves Guanglian Communication Technology Co., Ltd.* 上海基流光聯通信技術有限公司	*(a)*	PRC/Chinese Mainland, Shanghai, 7 Dec 2023	RMB10,000,000	100	AI computing operation services
Ningxia Infrawaves Technology Co., Ltd.* 寧夏基流科技有限公司	*(b)*	PRC/Chinese Mainland, Ningxia, 19 Mar 2025	RMB5,000,000	100	AI computing cluster operation services
Hangzhou Infrawaves Technology Co., Ltd.* 杭州基流科技有限公司	*(b)*	PRC/Chinese Mainland, Hangzhou, 1 Jul 2025	RMB10,000,000	75	AI computing cluster products
Chongqing Infrawaves Technology Co., Ltd.* 重慶基流科技有限公司	*(b)*	PRC/Chinese Mainland, Chongqing, 17 Apr 2025	RMB10,000,000	100	Al computing cluster products
Zhuhai Infrawaves Technology Co., Ltd.* 珠海基流科技有限公司	*(b)*	PRC/Chinese Mainland, Zhuhai, 22 Jan 2025	RMB1,000,000	100	Al computing cluster products
Beijing Mokerui Technology Co., Ltd.* 北京摩科瑞科技有限公司	*(b)*	PRC/Chinese Mainland, Beijing, 11 Oct 2025	RMB1,000,000	60	Al computing cluster products

(a) The statutory financial statements of these entities for the year ended 31 December 2024 prepared in accordance with China Accounting Standards for Business Enterprises were audited by Beijing Dongshen Certified Public Accountants (Special General Partnership) (北京東審會計師事務所(特殊普通合夥), certified public accountants registered in the PRC. No audited statutory financial statements have been prepared for the years ended 31 December 2023 and 31 December 2025.

(b) No audited financial statements have been prepared for these entities during the Relevant Periods, as the entities were established during the year ended 31 December 2025.

* The English names of these companies and statutory auditors referred to above in this note represent the best effort made by the directors of the Company to translate the Chinese names as these companies have not been registered with any official English names.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) as issued by the International Accounting Standards Board (the "IASB"). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for wealth management products, bills receivables and shares with preferential rights which have been measured at fair value at the end of each of the Relevant Periods.

The Historical Financial Information has been prepared assuming the Group will continue as a going concern notwithstanding that the Group recorded net current liabilities of RMB449,266,000 and net liabilities of RMB342,541,000 as at 31 December 2025, which is primarily due to financial liabilities on shares with preferential rights totalling RMB715,053,000 recognised.

In April 2026, the Company and the pre-[**REDACTED**] investors have entered into a supplemental agreement that the redemption rights ceased to be exercisable upon submission of the [**REDACTED**], with reinstatement triggered if the Company fails to complete the [**REDACTED**] within eighteen months from the date of the submission. The directors of the Company are of the view that the Company is not required to redeem the shares within twelve months from 31 December 2025 and as a result, the shares with preferential rights are not expected to be redeemed within twelve months from 31 December 2025.

The directors and management of the Company have considered that the preferential rights of these financial instruments would be terminated upon [**REDACTED**] and the financial liability would then be reclassified to equity, resulting in the change from a net current liabilities position to a net current assets position.

In addition, the directors of the Company have reviewed the Group's cash flow forecast covering the next twelve months from the date of this report and believe that the Group will have sufficient working capital to meet its financial liabilities and obligations as and when they fall due and to sustain its operations for the next twelve months from the date of the report. Accordingly, the directors of the Company consider that it is appropriate that the Historical Financial Information is prepared on a going concern basis.

Basis of consolidation

The Historical Financial Information includes the financial statements of the Company and its subsidiaries (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 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. 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 these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Annual Improvements to IFRS Accounting Standards – Volume 11	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, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss 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 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. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and statement of cash flows and additional disclosure will be included in the financial statements.

Other than IFRS 18, the Group considers that these new and amended IFRS Accounting Standards are unlikely to have a significant impact on the Group's results of operations and financial position.

2.3 MATERIAL ACCOUNTING POLICIES

Investment in an associate

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

The Group's investment in an associate is stated in the consolidated statements 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 statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group 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 associate are eliminated to the extent of the Group's investment in the associate, except where unrealised losses provide evidence of an impairment of the assets transferred.

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

Fair value measurement

The Group measures its wealth management products, bills receivables and shares with preferential rights at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets 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. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to 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 of the Relevant Periods 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 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 and equipment	15.83%
Electronic equipment	19.00%
Other equipment	15.83%
Leasehold improvements	33.33%

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 methods 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.

Other intangible assets (other than goodwill)

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

Patents

Purchased patents are stated at cost less any impairment loss and are amortised on the straight-line basis over its estimated useful lives of 10 years.

Research and development costs

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

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

Buildings	1-3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(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 the lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

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

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

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (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). When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis.

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 and bills 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 and bills 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 other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

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.

Derecognition of financial assets

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

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

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

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

Impairment of financial assets

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

General approach

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

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

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

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade and bills 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 and bills 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, and benchmarking against comparable companies within the industry.

Equity and financial liabilities

Debt and equity instruments are classified as either financial liabilities or equity instruments based on the terms of the contractual arrangement and the definitions set forth in applicable accounting standards.

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity; or a contractual obligation to exchange financial assets or financial liabilities with another entity under conditions that may be unfavourable to the entity; or a non-derivative contract that obligates the entity to settle by issuing a variable number of its own equity instruments, where the entity has a present obligation or may be required to deliver such variable number; or a derivative contract that requires settlement in the entity's own equity instruments, except for derivative contracts that require settlement by exchanging a fixed number of the entity's own equity instruments for a fixed amount of cash or another financial asset.

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

Initial recognition and measurement

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

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

The Group's financial liabilities include trade payables, other payables and accruals, interest-bearing bank loans, and financial liabilities on shares with preferential rights.

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 at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

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 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 profit or loss does not include any interest charged on these liabilities.

Financial liabilities on shares with preferential rights

Financial liabilities arising from redemption rights and other special rights granted to Pre-[**REDACTED**] investors have been designated as financial liabilities at fair value through profit or loss. Please refer to note 29 to the Historical Financial Information for details.

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

After initial recognition, trade and other payables 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 finance costs 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.

Offsetting of financial instruments

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. The net realisable value is estimated based on selling prices of current market situation and historical experience on similar inventories, 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 demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired and form an integral part of the Group's cash management.

Provisions

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

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

The Group provides for warranties in relation to the sale of certain products and the provision of construction services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is reviewed annually.

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 each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the country in which the Group operates.

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

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

- when the deferred tax liability 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

- in respect of taxable temporary differences associated with investments in subsidiaries and an associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward 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 carry forward 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

- in respect of deductible temporary differences associated with investments in subsidiaries and an associate, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods 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 of the Relevant Periods 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 each of the Relevant Periods.

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 the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Share-based payments

The Group operates share incentive 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, 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 of the Relevant Periods 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 restricted shares 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.

The dilutive effect of outstanding restricted shares is reflected as additional share dilution in the computation of earning per share.

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.

(a) Al computing cluster products

Al computing cluster products consists primarily of: (i) delivering deploying the fully integrated solution products of computing cluster, including but not limited to hardware, software and related design services; and (ii) delivering of software products of computing cluster. The fully integrated solution products are provided through integrating the hardware, software and services, all of which are highly interdependent and interrelated with each other and represent multiple inputs to a combined output that is transferred to the customer. Accordingly, the hardware, software and related services, i.e., the integrated products are accounted for as a single performance obligation.

The revenue of Al computing cluster products are recognised at the point in time when the products are delivered to the customer, inspected and accepted by the customer.

(b) AI computing cluster operation services

AI computing cluster operation services include compute services relating to the provision of services to provide computing power to customers, and maintenance and technical support services to monitor and maintain the computing cluster, ensuring that designated operational parameters are met.

Such services are fulfilled over a period of time, and the delivering of services is continuous and evenly distributed. The revenue is recognised over the scheduled period on a straight-line basis since the customer simultaneously receives and consumes the benefits provided by the Group.

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 assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade and bills receivables when the right to the consideration becomes unconditional.

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 services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related services to the customer).

Employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain proportion 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

Borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax 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 tax losses related to the Group 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 on deferred taxes are disclosed in note 31 to the Historical Financial Information.

Principal versus agent consideration

In determining whether the Group is acting as a principal or as an agent in the provision of products and services requires judgements and considerations of all relevant facts and circumstances. The Group follows the accounting guidance for principal-agent considerations to assess whether the Group controls the specified products or services before they are transferred to the customer, the indicators of which including but not limited to (a) whether the entity is primarily responsible for fulfilling the promise to provide the specified products or services; (b) whether the entity has inventory risk before the specified products or services have been transferred to a customer; and (c) whether the entity has discretion in establishing the prices for the specified products or service. The Group considers the above factors in totality, as none of the factors individually are considered presumptive or determinative, and applies judgment when assessing the indicators.

Investment in an associate

At 31 December 2024 and 2025, Company invested RMB18,690,000 and held 8.86% equity interest in the associate. One of the five directors of the board of directors of the associate is nominated by the Company, thereby the Company is able to exercise significant influence over the associate. Further details are contained in note 18 to the Historical Financial Information.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, 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.

Fair value of financial liabilities arising from shares with preferential rights

The fair value of financial liabilities on the shares with preferential rights that are not traded in an active market is determined using back-solve method referring to the most recent financing transaction prices from third parties and the option pricing method to allocate the equity value amongst different classes of shares with preferred rights. Such valuation is based on key parameters about risk-free interest rate, volatility, dividend yield, time to redemption and possibilities under different scenarios. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each of the Relevant Periods. The use of different valuation techniques or inputs may result in significant differences in fair value estimate. The fair value generated by valuation technique is also verified with transactions of same or similar financial instruments in observable markets according to market practice. Further details are contained in note 29 to the Historical Financial Information.

Share-based payments

The fair value of the restricted shares is determined based on independent valuation at the grant dates. Estimating fair value for share-based payment transactions requires defemination of the most appropriate valuation model, which depends on the terms and conditions of the grant. 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. However, this estimate may be revised if the number of equity instruments that will ultimately vest changes in the future. Further details are contained in note 34 to the Historical Financial Information.

Expected Credit Loss (ECL)

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, other receivables and contract assets are disclosed in notes 20, 21 and 22 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 of the Relevant Periods. The 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.

4. OPERATING SEGMENT INFORMATION

Operating segment information

For management purposes, the Group has only one reportable operating segment, which is the whole business unit based on their products and services. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

As the Group generates all of its revenues in the PRC and its non-current assets are located in the PRC during the Relevant Periods, no geographical information is presented.

Information about major customers

Revenue from major customers which individually accounted for 10% or more of the Group's revenue during the Relevant Periods is set out below:

	Period from 20 February 2023 to 31 December 2023	Year ended 31 December	
		2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Customer a	15,460	191,548	N/A*
Customer b	15,419	52,311	N/A*
Customer c	N/A*	53,294	86,258
Customer d	N/A*	N/A*	63,717

* The revenue of the customer is not disclosed as the revenue individually did not account for 10% or more of the Group's revenue during the corresponding period.

5. REVENUE

An analysis of revenue is as follows:

	Period from 20 February 2023 to 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers	31,802	324,672	520,261

Revenue from contracts with customers

(a) Disaggregated revenue information

	Period from 20 February 2023 to 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	RMB'000	*RMB'000*	*RMB'000*
Types of goods or services			
Al computing cluster products	31,802	307,717	436,624
AI computing cluster operation services	–	16,955	83,637
	31,802	324,672	520,261
Timing of revenue recognition			
Goods and services transferred at a point in time	31,802	307,717	436,624
Services transferred over time	–	16,955	83,637
Total	31,802	324,672	520,261

(b) Performance obligations

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

Al computing cluster products

The revenue of Al computing cluster products is recognised at the point in time when the solution, products and related services are delivered to the customer, inspected and accepted by the customer. The payment is generally due within 1-6 months from delivery, except for certain customers whose payment in advance is normally required.

AI computing cluster operation services

The revenue of AI computing cluster operation services is recognised over the scheduled period on a straight-line basis since the customer simultaneously receives and consumes the benefits provided by the Group. Such service contracts are for periods of one month to four years and are billed based on the time incurred. The payment is generally due within 1-3 months from delivery.

(c) Revenue recognised in relation to contract liabilities

The Group receives advance payment before related products and services are provided, which gives rise to contract liabilities. Contract liabilities increased due to the expansion of business scale and increase in advance payments received from customers.

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

	Period from 20 February 2023 to 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:			
Al computing cluster products	–	3,835	28,004
Total	–	3,835	28,004

The following table includes the transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of each of the Relevant Periods and the amounts disclosed below do not include variable consideration which is constrained:

	Period from 20 February 2023 to 31 December 2023	Year ended 31 December	
		2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amounts expected to be recognised as revenue:			
Within one year	–	37,347	42,157
After one year	–	93,675	74,525
Total	–	131,022	116,682

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to AI computing cluster operation services, of which the performance obligations are to be satisfied within three to four years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

6. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	Period from 20 February 2023 to 31 December 2023	Year ended 31 December	
		2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest income	2	154	527
Investment income on financial assets at FVTPL	–	–	120
Share of losses of an associate	–	–	(132)
Government grants*	463	1,234	1,693
Others	–	5	6
Total	465	1,393	2,214

* The Group has received certain government grants related to assets and income. Certain of the grants related to income have future related costs expected to be incurred and require the Group to comply with conditions attached to the grants and the government to acknowledge the compliance of these conditions. The grants related to assets were recognised in profit or loss over the period of the projects. The grants related to income have been received to compensate for the Group's research and development costs and are recognised in profit or loss on a systematic basis over the periods that the costs, for which they are intended to compensate, are expensed.

7. (LOSS)/PROFIT BEFORE TAX

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

	Notes	Period from 20 February 2023 to 31 December 2023	Year ended 31 December	
			2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Cost of inventories and services sold		29,393	259,275	407,022
Depreciation of property, plant and equipment*	*14*	3	2,533	27,812
Depreciation of right-of-use assets*	*15*	60	142	313
Amortisation of intangible assets*	*16*	–	–	104
Loss on disposal of items of property, plant and equipment**		–	–	6
Auditor's remuneration		–	–	35
[**REDACTED**] expense		–	–	7,554
Interest income	*6*	(2)	(154)	(527)
Impairment losses on financial and contract assets		35	1,177	8,830
Provision for inventories	*19*	78	2,760	3,223
Government grants	*6*	(463)	(1,234)	(1,693)
Investment income on financial assets at FVTPL	*6*	–	–	(120)
Share of losses of an associate	*6*	–	–	132

	Notes	Period from 20 February 2023 to 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
		RMB'000	*RMB'000*	*RMB'000*
Employee benefit expenses (including directors' and chief executive's remuneration *(note 9)*:				
Wages, salaries and other allowances		1,940	13,108	22,089
Share-based payment expense		–	22	2,491
Pension scheme contributions and social welfare		555	3,487	8,406
		2,495	16,617	32,986

* The depreciation of property, plant and equipment, amortisation of intangible assets, and depreciation of right-of-use assets are included in "Cost of sales", "Selling and distribution expenses", "Administrative expenses", and "Research and development expenses" in the consolidated statements of profit or loss and other comprehensive income.

** The amounts are included in "Other expenses" in the consolidated statements of profit or loss and other comprehensive income.

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Period from 20 February 2023 to 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	6	11	23
Interest on bank loans	–	1,165	3,777
Total	6	1,176	3,800

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration as recorded during the Relevant Periods, disclosed pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (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 set out below:

	Period from 20 February 2023 to 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	RMB'000	*RMB'000*	*RMB'000*
Other emoluments:			
Salaries, bonuses, allowances and benefits in kind	120	1,795	1,800
Pension scheme contributions and social welfare	–	262	270
Subtotal	120	2,057	2,070
Total	120	2,057	2,070

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

	Fees	Salaries, allowances and benefits in kind	Equity-settled share-based payment expense	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Period from 20 February 2023 to 31 December 2023					
Executive director:					
Dr. Hu Xiaohe *(i)*	–	120	–	–	120
Total	–	120	–	–	120

	Fees	Salaries, allowances and benefits in kind	Equity-settled share-based payment expense	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024					
Executive directors:					
Dr. Hu Xiaohe *(i)*	–	470	–	8	478
Mr. Xie Wenqi *(ii)*	–	717	–	127	844
Ms. Li Jingying *(iv)*	–	608	–	127	735
Ms. Wang Xuyang *(vi)*	–	–	–	–	–
Total	–	1,795	–	262	2,057
Non-executive directors:					
Mr. Liu Jia *(iii)*	–	–	–	–	–
Mr. Zhu Jia *(v)*	–	–	–	–	–
Total	–	–	–	–	–

	Fees	Salaries, allowances and benefits in kind	Equity-settled share-based payment expense	Pension scheme contributions and social welfare	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2025					
Executive directors:					
Dr. Hu Xiaohe *(i)*	–	900	–	106	1,006
Mr. Xie Wenqi *(ii)*	–	900	–	164	1,064
Ms. Wang Xuyang *(vi)*	–	–	–	–	–
Total	–	1,800	–	270	2,070
Non-executive directors:					
Mr. Liu Jia *(iii)*	–	–	–	–	–
Mr. Zhu Jia *(v)*	–	–	–	–	–
Mr. Zhang Mingchen *(vii)*	–	–	–	–	–
Total	–	–	–	–	–

Notes:

(i) Dr. Hu Xiaohe was appointed as an executive director in February 2023.

(ii) Mr. Xie Wenqi was appointed as an executive director in March 2024.

(iii) Mr. Liu Jia was appointed as a non-executive director in March 2024. He tendered his resignation in January 2025.

(iv) Ms. Li Jingying was appointed as an executive director in June 2024. She tendered her resignation in November 2024.

(v) Mr. Zhu Jia was appointed as a non-executive director in June 2024.

(vi) Ms. Wang Xuyang was appointed as an executive director in November 2024.

(vii) Mr. Zhang Mingchen was appointed a non-executive director in January 2025.

During the Relevant Periods, certain directors were granted restricted shares, in respect of their services to the Group, under the incentive scheme of the Company, further details of which are set out in note 34 to the Historical Financial Information. The fair value of such restricted shares, 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 chief executive's remuneration disclosures.

There was no arrangement under which the directors waived or agreed to waive any remuneration during the Relevant Periods.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the Relevant Periods included Nil, 2 and Nil directors, respectively. Details of these directors' remuneration are set out in note 9 above. Details of whose remuneration for the Relevant Periods of the remaining 5, 3 and 5 highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Period from 20 February 2023 to 31 December 2023	Year ended 31 December	
		2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, bonuses, allowances and benefits in kind	1,262	2,029	3,767
Equity-settled share-based payment expense	–	9	786
Pension scheme contributions	158	347	1,295
Total	1,420	2,385	5,848

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

	Number of employees		
	Period from 20 February 2023 to 31 December 2023	Year ended 31 December	
		2024	2025
Nil to HKD1,000,000	5	3	3
HKD1,000,001 to HKD1,500,000	–	–	2
Total	5	3	5

During the Relevant Periods, restricted shares were granted to Nil, 3 and 5 non-director and non-chief executive highest paid employees in respect of his services to the Group, under the incentive scheme of the Company, further details of which are included in the disclosure in note 34 to the Historical Financial Information. The fair value of such restricted shares 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-chief executive highest paid employees' remuneration disclosures.

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.

Chinese Mainland

Pursuant to the Enterprise Income Tax Law of the PRC (the "EIT Law"), the subsidiaries which operate in Chinese Mainland are subject to EIT at a rate of 25% on the taxable income except for those subject to tax concession set out below:

The Company is qualified as a high and new technology enterprise and was subject to income tax at a preferential tax rate of 15% for a period of three years from 2024 to 2026. This qualification is subject to review by the relevant tax authority in the PRC for every three years.

The Company for the year of 2023, Nanjing Infrawaves Technology Co., Ltd. for the Relevant Periods, Ningxia Infrawaves Technology Co., Ltd., Hangzhou Infrawaves Technology Co., Ltd., Chongqing Infrawaves Technology Co., Ltd., Zhuhai Infrawaves Technology Co., Ltd. and Beijing Infrawaves Technology Co., Ltd. for the year of 2025 were subject to the preferential income tax policy for small low-profit enterprises. The taxable income of small low-profit enterprises was calculated at a reduced rate of 25%, and was entitled to a preferential income tax rate of 20%, which will continue to be implemented until 31 December 2027.

	Period from 20 February 2023 to 31 December 2023	Year ended 31 December	
		2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current – Chinese Mainland:			
Charge for the period/year	–	4,039	129
Deferred *(note 31)*	–	–	13,161
Tax charge for the period/year	–	4,039	13,290

A reconciliation of the tax expense applicable to (loss)/profit before tax using the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

	Period from 20 February 2023 to 31 December 2023	Year ended 31 December	
		2024	2025
	RMB'000	*RMB'000*	*RMB'000*
(Loss)/profit before tax	(2,194)	15,503	(342,265)
Tax at the statutory tax rate	(549)	3,876	(85,566)
Effect of different preferential tax rates	57	21	40,865
Expenses not deductible for tax	–	37	731
Effect of changes in fair values of financial liabilities on shares with preferential rights	156	1,321	56,495
Additional deductible allowance for qualified research and development expenses *(note)*	(143)	(3,213)	(5,694)
Effect of deductible temporary differences or deductible losses on deferred tax assets that were not recognised in the current period	479	1,997	6,459
Tax charge at the Group's effective rate	–	4,039	13,290

Note: Based on Public Notice 2023 No. 7 issued by the State Tax Bureau of the PRC on 26 March 2023, the enterprises were eligible for an additional 100% deduction of eligible research and development expenses from 20 February 2023. The Company has claimed such additional deduction allowance during the Relevant Periods.

12. DIVIDEND

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

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

The calculation of the basic loss/(earnings) per share amounts is based on the (loss)/profit attributable to ordinary equity holders of the parent and the weighted average numbers of ordinary shares outstanding during the Relevant Periods. The weighted average number of ordinary shares in issue for each of the Relevant Periods before the conversion into a joint stock company was determined by assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio as upon transformation into a joint stock company in December 2025.

The calculation of basic and diluted (loss)/earnings per share is based on:

	Period from 20 February 2023 to 31 December 2023	Year ended 31 December	
		2024	2025
(Loss)/earnings			
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic loss per share calculation (RMB'000)	(2,194)	11,464	(355,379)
Shares			
Weighted average number of ordinary shares assumed to be in issue during the period/year, used in the basic and dilutive (loss)/earnings per share calculation ('000)*	679	5,306	10,693
(Loss)/earnings per share (basic and diluted) RMB per share	(3.23)	2.16	(33.23)

* No adjustment has been made to the basic (loss)/earnings per share amounts presented for the period from 20 February 2023 to 31 December 2023 and years ended 31 December 2024 and 2025 in respect of a dilution as the impact of the restricted shares and preferential rights of the financial liabilities had an anti-dilutive effect on the basic (loss)/earnings per share amounts presented.

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Electronic equipment	Total
	RMB'000	*RMB'000*
As at 31 December 2023		
At 20 February 2023:		
Cost	–	–
Accumulated depreciation	–	–
Net carrying amount	–	–
At 20 February 2023, net of accumulated depreciation	–	–
Additions	42	42
Depreciation provided during the period *(note 7)*	(3)	(3)
At 31 December 2023, net of accumulated depreciation	39	39
At 31 December 2023:		
Cost	42	42
Accumulated depreciation	(3)	(3)
Net carrying amount	39	39

	Electronic equipment	Machinery and equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024				
At 1 January 2024:				
Cost	42	–	–	42
Accumulated depreciation	(3)	–	–	(3)
Net carrying amount	39	–	–	39
At 1 January 2024, net of accumulated depreciation	39	–	–	39
Additions	387	28,205	350	28,942
Depreciation provided during the year *(note 7)*	(36)	(2,147)	(350)	(2,533)
At 31 December 2024, net of accumulated depreciation	390	26,058	–	26,448
At 31 December 2024:				
Cost	429	28,205	350	28,984
Accumulated depreciation	(39)	(2,147)	(350)	(2,536)
Net carrying amount	390	26,058	–	26,448

	Electronic equipment	Other equipment	Machinery and equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2025					
At 1 January 2025:					
Cost	429	–	28,205	350	28,984
Accumulated depreciation	(39)	–	(2,147)	(350)	(2,536)
Net carrying amount	390	–	26,058	–	26,448
At 1 January 2025, net of accumulated depreciation	390	–	26,058	–	26,448
Additions	516	622	174,348	–	175,486
Disposals	(12)	–	–	–	(12)
Depreciation provided during the year *(note 7)*	(116)	(44)	(27,652)	–	(27,812)
At 31 December 2025, net of accumulated depreciation	778	578	172,754	–	174,110
At 31 December 2025:					
Cost	933	622	202,553	350	204,458
Accumulated depreciation	(155)	(44)	(29,799)	(350)	(30,348)
Net carrying amount	778	578	172,754	–	174,110

The Company

	Electronic equipment	Total
	RMB'000	*RMB'000*
As at 31 December 2023		
At 20 February 2023:		
Cost	–	–
Accumulated depreciation	–	–
Net carrying amount	–	–
At 20 February 2023, net of accumulated depreciation	–	–
Additions	42	42
Depreciation provided during the period	(3)	(3)
At 31 December 2023, net of accumulated depreciation	39	39
At 31 December 2023:		
Cost	42	42
Accumulated depreciation	(3)	(3)
Net carrying amount	39	39

	Electronic equipment	Total
	RMB'000	*RMB'000*
As at 31 December 2024		
At 1 January 2024:		
Cost	42	42
Accumulated depreciation	(3)	(3)
Net carrying amount	39	39
At 1 January 2024, net of accumulated depreciation	39	39
Additions	272	272
Depreciation provided during the year	(32)	(32)
At 31 December 2024, net of accumulated depreciation	279	279
At 31 December 2024:		
Cost	314	314
Accumulated depreciation	(35)	(35)
Net carrying amount	279	279

	Electronic equipment	Other equipment	Machinery and equipment	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2025				
At 1 January 2025:				
Cost	314	–	–	314
Accumulated depreciation	(35)	–	–	(35)
Net carrying amount	279	–	–	279
At 1 January 2025, net of accumulated depreciation	279	–	–	279
Additions	247	622	573	1,442
Disposals	(12)	–	–	(12)
Depreciation provided during the year	(77)	(44)	(82)	(203)
At 31 December 2025, net of accumulated depreciation	437	578	491	1,506
At 31 December 2025:				
Cost	549	622	573	1,744
Accumulated depreciation	(112)	(44)	(82)	(238)
Net carrying amount	437	578	491	1,506

At the end of 31 December 2023 and 2024, no PPE of the Group was pledged or mortgaged. At 31 December 2025, certain of the Group's machinery and equipment with a net carrying amount of approximately RMB111,130,000 were mortgaged to secure bank loans granted to the Group.

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings. Leases of buildings generally have lease terms between 1 and 3 years. The Group applies the short-term lease recognition exemption to its short-term leases of buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not intend for renewal). 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.

(a) Right-of-use assets

The Group

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

	Buildings
	RMB'000
As at 20 February 2023	–
Additions	428
Depreciation charge *(note 7)*	(60)
As at 31 December 2023	368

	Buildings
	RMB'000
As at 1 January 2024	368
Depreciation charge *(note 7)*	(142)
As at 31 December 2024	226

	Buildings
	RMB'000
As at 1 January 2025	226
Additions	1,560
Depreciation charge *(note 7)*	(313)
As at 31 December 2025	1,473

(b) Lease liabilities

The Group

The carrying amounts 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	–	361	224
New leases	428	–	1,560
Accretion of interest recognised during the period/year	6	11	23
Payments	(73)	(148)	(412)
Carrying amount at 31 December	361	224	1,395
Analysed into:			
Current portion	137	147	563
Non-current portion	224	77	832

The maturity analysis of lease liabilities is disclosed in note 40 to the Historical Financial Information.

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

The Group

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	6	11	23
Depreciation charge of right-of-use assets	60	142	313
Expense related to short-term and low-value leases	286	670	1,652
Total amount recognised in profit or loss	352	823	1,988

(d) The total cash outflow for leases is disclosed in note 35 to the Historical Financial Information.

16. OTHER INTANGIBLE ASSETS

The Group and the Company

	Patents
	RMB'000
At 20 February 2023, 31 December 2023, 1 January 2024 and 31 December 2024	–
At 1 January 2025, net of accumulated depreciation	–
Additions	2,500
Depreciation provided during the year *(note 7)*	(104)
At 31 December 2025, net of accumulated depreciation	2,396
At 31 December 2025:	
Cost	2,500
Accumulated depreciation	(104)
Net carrying amount	2,396

17. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Investments in subsidiaries – capital contribution from the Company for subsidiaries	–	–	32,375
Investments in subsidiaries – deemed investments arising from share-based payment	–	9	1,039
Investments in subsidiaries	–	9	33,414

18. INVESTMENT IN AN ASSOCIATE

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Share of net assets	–	18,690	18,558

(a) The following table illustrates the financial information of the Group's associate:

	Period from 20 February 2023 to 31 December 2023	As at 31 December	
		2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Share of the associate's loss for the period/year	–	–	(132)
Share of the associate's total comprehensive loss	–	–	(132)
Carrying amount of the Group's investment in the associate	–	18,690	18,558

19. INVENTORIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Materials and equipment	10,682	59,396	74,572
Consumables and spare parts	910	7,408	5,966
Contract fulfilment costs	9,881	337	159,115
Less: provision	(78)	(2,838)	(6,061)
Total	21,395	64,303	233,592

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Materials and equipment	10,682	43,275	59,212
Consumables and spare parts	910	6,395	5,666
Contract fulfilment costs	9,881	337	158,302
Less: provision	(78)	(2,821)	(4,549)
Total	21,395	47,186	218,631

Contract fulfilment costs are recognised from the costs incurred to fulfil contracts of Al computing cluster products which will be recognised as cost of sales mainly within 12 months when the Group's related performance obligations are satisfied and hence the related service contract revenue is recognised.

20. TRADE RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	675	23,126	173,311
Impairment	(34)	(1,156)	(10,033)
Net carrying amount	641	21,970	163,278

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	675	9,838	162,301
Impairment	(34)	(491)	(9,482)
Net carrying amount	641	9,347	152,819

The Group's trading terms with its certain customers are on credit, and the credit period is generally within 90 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management. The Group had a significant concentration of credit risk as the Group's trade receivables related to a limited number of major customers. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	641	21,970	155,986
1 to 2 years	–	–	7,292
Total	641	21,970	163,278

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	641	9,347	145,527
1 to 2 years	–	–	7,292
Total	641	9,347	152,819

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

The Group

	Period from 20 February 2023 to 31 December 2023	Year ended 31 December	
		2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of period/year	–	34	1,156
Impairment loss, net	34	1,122	8,877
At end of period/year	34	1,156	10,033

The Company

	Period from 20 February 2023 to 31 December 2023	Year ended 31 December	
		2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of period/year	–	34	491
Impairment loss, net	34	457	8,991
At end of period/year	34	491	9,482

An impairment analysis was performed at 31 December 2023 and 2024 and 2025 using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions, and benchmarking against comparable companies within the industry.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

The Group

As at 31 December 2023

	Within 1 year	Total
ECL rate	5.00%	5.00%
Gross carrying amount (RMB'000)	675	675
ECLs (RMB'000)	34	34

As at 31 December 2024

	Within 1 year	Total
ECL rate	5.00%	5.00%
Gross carrying amount (RMB'000)	23,126	23,126
ECLs (RMB'000)	1,156	1,156

As at 31 December 2025

	Within 1 year	1 to 2 years	Total
ECL rate	5.00%	20.00%	5.79%
Gross carrying amount (RMB'000)	164,196	9,115	173,311
ECLs (RMB'000)	8,210	1,823	10,033

The Company

As at 31 December 2023

	Within 1 year	Total
ECL rate	5.00%	5.00%
Gross carrying amount (RMB'000)	675	675
ECLs (RMB'000)	34	34

As at 31 December 2024

	Within 1 year	Total
ECL rate	5.00%	5.00%
Gross carrying amount (RMB'000)	9,838	9,838
ECLs (RMB'000)	491	491

As at 31 December 2025

	Within 1 year	1 to 2 years	Total
ECL rate	5.00%	20.00%	5.84%
Gross carrying amount (RMB'000)	153,186	9,115	162,301
ECLs (RMB'000)	7,659	1,823	9,482

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Prepayments for purchase of property, plant and equipment	–	21,000	–
Total non-current portion	–	21,000	–
Current:			
Deposits and other receivables	465	1,126	5,645
Deductible value-added tax	2,041	16,480	18,889
Prepayments	1,822	4,290	12,018
Deferred [**REDACTED**] expenses	–	–	1,333
Subtotal	4,328	21,896	37,885
Impairment allowance	(1)	(16)	(4)
Total current portion	4,327	21,880	37,881

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Deposits and other receivables	411	583	1,275
Deductible value-added tax	2,041	12,745	–
Prepayments	1,822	4,185	5,002
Deferred [**REDACTED**] expenses	–	–	1,333
Subtotal	4,274	17,513	7,610
Impairment allowance	(1)	(6)	(4)
Total	4,273	17,507	7,606

Deposits and other receivables had no historical default. Deposits and other receivables were categorised in stage 1 at the end of each of the Relevant Periods. In calculating the ECL rate, the Group considers the historical loss rate and adjusts for forward-looking macroeconomic data, as well as loss rates of comparable companies. As at 31 December 2023, 2024 and 2025, the Group estimated the ECLs for other receivables to be RMB1,000, RMB16,000 and RMB4,000, respectively.

Other receivables are unsecured, non-interest-bearing and are collectable within one year.

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

The Group

	Period from 20 February 2023 to 31 December 2023	Year ended 31 December	
		2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of period/year	–	1	16
Impairment loss/(reversal of impairment loss), net	1	15	(12)
At end of period/year	1	16	4

The Company

	Period from 20 February 2023 to 31 December 2023	Year ended 31 December	
		2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of period/year	–	1	6
Impairment loss/(reversal of impairment loss), net	1	5	(2)
At end of period/year	1	6	4

22. CONTRACT ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contract assets arising from:			
Sales of products	–	791	100
Impairment of contract assets	–	(40)	(5)
Total	–	751	95

Contract assets are initially recognised for the revenue earned from sales of products and the receipt of retention consideration is conditional on expiration of the warranty period. Upon expiration of the warranty period, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets in 2024 was mainly due to the increase in retention receivables from customers. The decrease in contract assets in 2025 was the result of expiration of the warranty period and settlement of retention receivables. The Group's trading terms and credit policy with customers are disclosed in note 20 to the Historical Financial Information.

The expected timing of recovery or settlement for all the contract assets is within one year.

The movements in the impairment of contract assets are as follows:

The Group

	Period from 20 February 2023 to 31 December 2023	Year ended 31 December	
		2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of period/year	–	–	40
Impairment loss/(reversal of impairment loss), net	–	40	(35)
At end of period/year	–	40	5

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract assets arising from:			
Sales of products	–	–	100
Impairment of contract assets	–	–	(5)
Total	–	–	95

The movements in the impairment of contract assets are as follows:

The Company

	Period from 20 February 2023 to 31 December 2023	Year ended 31 December	
		2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of period/year	–	–	–
Impairment loss, net	–	–	5
At end of period/year	–	–	5

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bills receivables	–	–	4,411
Total	–	–	4,411

The Group has classified bills receivables that are held both to collect cash flows and to sell as financial assets at FVTOCI under IFRS 9. All these receivables at FVTOCI are aged within 6 months as at 31 December 2025. The Group considers that there is no material credit risk in the bank acceptance bills held by the Group.

24. CASH AND CASH EQUIVALENTS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash at banks	4,035	96,194	297,946
Denominated in:			
RMB	4,035	96,194	297,946

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash at banks	3,998	80,525	251,922
Denominated in:			
RMB	3,998	80,525	251,922

The RMB is not freely convertible into other currencies, however, under 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 authorised to conduct foreign exchange business.

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

25. TRADE PAYABLES

An ageing analysis of the trade 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 1 year	12,688	7,810	151,606
Total	12,688	7,810	151,606

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	12,688	2,539	143,072
Total	12,688	2,539	143,072

The trade payables are non-interest-bearing and are normally settled on terms of 1 to 3 months.

26. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payables	808	5,043	11,340
Other payables*	124	932	5,096
Other tax payable	58	261	9,194
Accrued [**REDACTED**] expenses	–	–	7,309
Total	990	6,236	32,939

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payables	609	3,102	7,303
Other payables*	124	853	976
Other tax payable	54	20	10,369
Accrued [**REDACTED**] expenses	–	–	7,309
Total	787	3,975	25,957

* Other payables are non-interest-bearing and the terms of repayment are normally within 12 months.

27. INTEREST-BEARING BANK BORROWINGS

The Group

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

	As at 31 December 2024		
	Effective interest rate	Maturity	
	%		*RMB'000*
Current			
Bank loans – secured	3.70-4.50	2025	39,936
Current portion of long-term bank loans – secured	4.10	2025	3,922
Total – current			43,858
Non-current			
Bank loans – secured	4.10	2026	4,082
Total – non-current			4,082
Total			47,940

	As at 31 December 2025		
	Effective interest rate	Maturity	
	%		*RMB'000*
Current			
Bank loans – secured	2.30-3.40	2026	134,710
Current portion of long-term bank loans – secured	4.00-4.10	2026	48,176
Discounted of letter of credit			10,400
Total – current			193,286
Non-current			
Bank loans – secured *(note b)*	4.00-4.10	2029	64,456
Total – non-current			64,456
Total			257,742

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Analysed into:			
Bank loans repayable *(note a)*:			
Within one year	–	43,858	193,286
In the second year	–	4,082	34,230
In the third to fifth years	–	–	30,226
Total	–	47,940	257,742

The Company

	As at 31 December 2024		
	Effective interest rate	Maturity	
	%		*RMB'000*
Current			
Bank loans – secured	3.70-4.10	2025	34,932
Total – current	3.70-4.10	2025	34,932
Total			34,932

	As at 31 December 2025		
	Effective interest rate	Maturity	
	%		*RMB'000*
Current			
Bank loans – secured	2.30-3.40	2026	129,709
Total – current	2.30-3.40	2026	129,709
Total			129,709

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Analysed into:			
Bank loans repayable *(note a)*:			
Within one year	–	34,932	129,709
Total	–	34,932	129,709

Notes:

(a) The carrying amounts of bank borrowings are denominated in RMB.

(b) Certain of the Group's bank loans are secured by mortgages over the Group's machinery and equipment, which had a net carrying value at 31 December 2025 of approximately RMB111,130,000. The Company's founder Dr. Hu Xiaohe has also guaranteed certain of the Group's bank loans up to RMB47,900,000 and RMB257,505,000 as at 31 December 2024 and 2025, respectively.

28. CONTRACT LIABILITIES

Contract liabilities include the services and products payment of customers in advance. The increase in contract liabilities as at 31 December 2024 and 2025 was mainly due to the increase in advances received from customers in relation to the provision of services and sale of products which increased at the end of the period.

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities – current	3,835	28,004	88,470
Contract liabilities – non-current	–	–	1,164
Total	3,835	28,004	89,634

The Group classifies contract liabilities as current or non-current based on the expected timing of satisfaction of performance obligations. Current contract liabilities are those expected to be satisfied within 12 months of the reporting date. Non-current contract liabilities relate to obligations expected to be satisfied beyond 12 months.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities – current	3,835	7,385	77,557
Total	3,835	7,385	77,557

29. FINANCIAL LIABILITIES ON SHARES WITH PREFERENTIAL RIGHTS

The Group and the Company

From March 2023 to December 2025, the Company had received several rounds of investments as follows:

Pursuant to a capital contribution agreement dated 27 March 2023, the Series Seed Shares investors agreed to subscribe the increased registered capital of RMB75,269 of the Company at an aggregate consideration of RMB2,055,000. The cash consideration was paid in March 2023.

Pursuant to a capital contribution agreement dated 22 August 2023, the Series Seed+ Shares investors agreed to subscribe the increased registered capital of RMB82,436 of the Company at an aggregate consideration of RMB11,500,000. The cash consideration was paid from August 2023 to November 2023.

Pursuant to a capital contribution agreement dated 28 December 2023, the Series Angel Shares investors agreed to subscribe the increased registered capital of RMB159,305 of the Company at an aggregate consideration of RMB22,705,000. The cash consideration was paid from February 2024 to May 2024.

Pursuant to a capital contribution agreement dated 31 May 2024, the Series Pre-A Share investors agreed to subscribe the increased registered capital of RMB347,681 of the Company at an aggregate consideration of RMB71,278,000. The cash consideration was paid from June 2024 to December 2024.

Pursuant to a capital contribution agreement dated 30 July 2024, the Series Pre-A+ Shares investors agreed to subscribe the increased registered capital of RMB56,908 of the Company at an aggregate consideration of RMB11,667,000. The cash consideration was paid in August 2024.

Pursuant to a capital contribution agreement dated 28 November 2024, the Series A Shares investors agreed to subscribe the increased registered capital of RMB87,317 of the Company at an aggregate consideration of RMB32,967,000. The cash consideration was paid in December 2024.

Pursuant to a capital contribution agreement dated 26 June 2025, the Series A+ Shares investors agreed to subscribe the increased registered capital of RMB136,470 of the Company at an aggregate consideration of RMB70,500,000. The cash consideration was paid in July 2025.

The Company was converted from a limited company to a joint-stock company on 4 December 2025, and the paid in capital of RMB2,053,000 with a par value of RMB1.00 per share was converted into share capital of RMB15,000,000 with a par value of RMB1.00 per share.

Pursuant to a capital contribution agreement dated 3 November 2025 and 5 December 2025, the Series B Shares investors agreed to subscribe the increased registered shares of RMB450,000 of the Company at an aggregate consideration of RMB45,000,000 or RMB100.00 per share (correspondingly RMB730.69 per share before share reform on 4 December 2025). The cash consideration was paid in December 2025.

Pursuant to a capital contribution agreement dated 23 December 2025, the Series B+ Shares investors agreed to subscribe the increased registered shares of RMB904,752 of the Company at an aggregate consideration of RMB146,400,000. The cash consideration of RMB60,900,000 for 376,362 series B+ equity shares was paid in December 2025, and the remaining cash consideration of RMB85,500,000 for 528,390 series B+ equity shares was paid from January 2026 to February 2026.

For the preferential rights including redemption rights and other special rights on Series Seed Shares, Series Seed+ Shares, Series Angel Shares, Series Pre-A Shares, Series Pre-A+ Shares, Series A Shares, Series A+ Shares, Series B Shares and Series B+ Shares, financial liabilities were recognised with fair value change charged to profit or loss.

Certain key terms of preferential rights are summarised as follows:

Redemption rights

Shares with preferential rights shall be redeemable by the Company and the controlling shareholders of the Company upon the occurrence of certain event, with the main conditions being:

(i) At the expiration of five years from 5 June 2024, the Group fails to complete the qualified [**REDACTED**] (the "[**REDACTED**]") or is acquired or merged by other companies.

(ii) The Company or the founder is in material breach of laws and regulations or the transaction documents and cannot be remedied.

(iii) The controlling shareholders leave the company, violates competition restrictions, illegal labor service period agreements, or is unable to work normally for 30 days (such as being investigated for criminal responsibility), which has a significant adverse impact on the company's operation.

(iv) The controlling shareholders of the Company have changed.

(v) The Company maliciously infringes intellectual property rights or has major lawsuits, which continue to seriously affect the main business for more than 6 months.

(vi) The Company or founder has major personal integrity problems, including but not limited to off-book cash income that exceeds RMB10,000 per time or RMB100,000 per year, the investors are not aware of, and major internal control vulnerabilities intentionally caused by the founder.

(vii) The controlling shareholders of the Company maliciously causes the Group and/or shareholders' equity to suffer significant losses amounting to RMB5 million.

(viii) The exercise of repurchase rights by any other shareholder of the Company (except in certain circumstances such as employee options).

The redemption price of the shares issued in the investments shall equal to the aggregate of the original issue price for the respective series plus an amount accruing daily at 8% of the original preferred shares issue price per annum plus all unpaid dividends.

Liquidation preference

In the event of any liquidation including statutory liquidation events (i.e. dissolution, liquidation or bankruptcy) and deemed liquidation events (i.e. acquisitions, sale or transfer of all or part of the core assets), the Company shall ensure that the investors of the investments are entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of (i) the original issue price for the respective series plus an amount accruing daily at 8% of the original preferred shares issue price per annum plus all unpaid dividends, except for Series Seed Shares, and (ii) the price for the respective series plus an amount declared but not paid dividends for Series Seed Shares, and the remaining assets of the Company available for distribution shall be distributed ratably among the shareholders.

Anti-dilution right

If the Company increases its share capital at a price lower than the price paid by the investors of the investments on a per share capital basis, the investors have a right to require the founding shareholders of the Company to transfer for nil consideration to the investors, so that the total amount paid by the investors divided by the total amount of share capital obtained is equal to the price per share capital in the new issuance.

The exemption situation mainly includes increasing registered capital for the purpose of options/equity incentives, restructuring the company into a limited liability company, issuing shares related to stock splits, dividend payments, and similar transactions for the purpose of qualified [**REDACTED**], and increasing registered capital for the purpose of anti-dilution adjustments.

Cease of the preferential rights

The aforementioned preferential rights will automatically cease upon the submission of application with the Stock Exchange for the qualified [**REDACTED**] and [**REDACTED**].

In April 2026, the Company and investors have entered into a supplemental agreement pursuant to which the redemption right of the shares with preferential rights will cease to be exercisable upon submission of the [**REDACTED**] and [**REDACTED**] application to the Stock Exchange until the earlier of (i) the Company withdraws its [**REDACTED**] application for this issuance, or the issuance is rejected by the Stock Exchange or securities regulatory authority, (ii) If the Company fails to pass the hearing or obtain the approval of the Stock Exchange or securities regulatory authority for [**REDACTED**] within eighteen months from the date of submitting the [**REDACTED**] application materials for this issuance, (iii) the Company fails to resubmit the application within six months after the expiration of the Company's relevant [**REDACTED**] application, and (iv) the Company fails to complete the [**REDACTED**] transaction on the Stock Exchange within six months from the date of passing the hearing or obtaining the approval of the Stock Exchange or securities regulatory authority for [**REDACTED**].

Presentation and classification

The Company recognised financial liabilities on shares with preferential rights, because not all triggering events mentioned in the key terms above are within the control of the Company. Financial liabilities are measured at fair value and any changes in the fair value of the financial liabilities were recorded in "Changes in fair values of financial liabilities on shares with preferential rights" in the consolidated statements of profit or loss and other comprehensive income.

The movements of the financial liabilities on shares with preferential rights are set out as follows:

	Financial liabilities on shares with preferential rights
	RMB'000
As at 20 February 2023	–
Recognition of financial liabilities on shares with preferential rights	13,555
Change in fair value	1,040
At 31 December 2023	14,595

	Financial liabilities on shares with preferential rights
	RMB'000
Recognition of financial liabilities on shares with preferential rights	138,617
Change in fair value	8,808
At 31 December 2024	162,020
Recognition of financial liabilities on shares with preferential rights	176,400
Change in fair value	376,633
At 31 December 2025	715,053

The fair value of financial liabilities was valued by the directors of the Company with reference to valuation reports carried out by an independent qualified professional valuer. The Company used back-solve method to determine the total share value of the Company and applied the equity allocation model to determine the fair market value of the shares of relevant series at the end of each of the Relevant Periods.

Key valuation assumptions used to determine the fair market value of the shares are as follows:

	As at 31 December		
	2023	2024	2025
Risk-free interest rate	2.42%	1.35%	1.34%
Volatility	49.00%	48.00%	52.00%
Dividend yield	0.00%	0.00%	0.00%
Expected possibilities under qualified [**REDACTED**] scenario	25.00%	35.00%	45.00%
Expected possibilities under liquidation scenario	37.50%	32.50%	27.50%
Expected time to redemption	5.37 years	4.43 years	3.43 years
Expected possibilities under redemption scenario	37.50%	32.50%	27.50%

30. PROVISION

	Warranties
	RMB'000
At 20 February 2023	–
Additional provision	636
Amounts utilised during the period	(106)
At 31 December 2023	530
Portion classified as current liabilities	212
Non-current portion	318

	Warranties
	RMB'000
At 1 January 2024	530
Additional provision	6,143
Amounts utilised during the year	(1,235)
At 31 December 2024	5,438
Portion classified as current liabilities	2,260
Non-current portion	3,178

	Warranties
	RMB'000
At 1 January 2025	5,438
Additional provision	7,789
Amounts utilised during the year	(3,560)
At 31 December 2025	9,667
Portion classified as current liabilities	4,643
Non-current portion	5,024

The Group provides warranties ranging from one to three years to its customers for Al computing cluster products for general repairs of defects occurring during the warranty period. The amount of the provision for the warranties is estimated based on sales volumes and industry practice of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

31. DEFERRED TAX

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

The Group

Deferred tax assets

	Share-based payment	Lease liabilities	Provisions and accruals	Tax losses	Government grants	Impairment losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 20 February 2023	–	–	–	–	–	–	–
Deferred tax credited to profit or loss during the period	–	18	–	–	–	–	18
Gross deferred tax assets at 31 December 2023 and 1 January 2024	–	18	–	–	–	–	18
Deferred tax charged to profit or loss during the year	–	(7)	–	–	–	–	(7)
Gross deferred tax assets at 31 December 2024 and 1 January 2025	–	11	–	–	–	–	11
Deferred tax credited to profit or loss during the year	22	59	20	11,314	1,293	325	13,033
Gross deferred tax assets at 31 December 2025	22	70	20	11,314	1,293	325	13,044

Deferred tax liabilities

	Right-of-use assets	Fixed assets accelerated depreciation influence	Total
	RMB'000	*RMB'000*	*RMB'000*
At 20 February 2023	–	–	–
Deferred tax charged to profit or loss during the period	18	–	18
Gross deferred tax liabilities at 31 December 2023 and 1 January 2024	18	–	18
Deferred tax credited to profit or loss during the year	(7)	–	(7)
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	11	–	11
Deferred tax charged to profit or loss during the year	63	26,131	26,194
Gross deferred tax liabilities at 31 December 2025	74	26,131	26,205

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

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax liabilities recognised in the consolidated statement of financial position	–	–	13,161

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

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Tax losses	3,366	17,103	57,980
Deductible temporary differences	657	9,546	25,474
Total	4,023	26,649	83,454

The above tax losses are available for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

The Group has accumulated tax losses arising in Chinese Mainland of RMB3,366,000, RMB17,103,000 and RMB57,980,000 as at 31 December 2023 and 2024 and 2025, respectively, that will expire in three to ten years for offsetting against future taxable profits of the Group.

32. PAID-IN CAPITAL/SHARE CAPITAL

The Group and the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Issued and fully paid	158	1,269	15,826

A summary of movements in the Company's paid-in capital/share capital is as follows:

Paid-in capital

	Paid-in capital
	RMB'000
At 20 February 2023	–
Capital contribution from shareholders *(note (a))*	158
At 31 December 2023	158
Capital contribution from shareholders *(note (b))*	1,111
At 31 December 2024	1,269
Capital contribution from shareholders *(note (c))*	784
Conversion into a joint stock company *(note (d))*	(2,053)
At 31 October 2025	–

Share capital

	Number of shares in issue	Share capital
		RMB'000
At 31 October 2025	–	–
Issue of ordinary shares of RMB1 each upon conversion into a joint stock company *(note (d))*	14,999,988	15,000
Issuance of new shares *(note (e))*	826,362	826
At 31 December 2025	15,826,350	15,826

Notes:

(a) In 2023, the Company received capital contributions of RMB13,555,000 from several investors. The capital contributions increased the paid-in capital and share premium by RMB158,000 and RMB13,397,000, respectively.

(b) In 2024, the Company received capital contributions of RMB139,076,000 from several investors and two employee stock ownership platforms. The capital contributions increased the paid-in capital and share premium by RMB1,111,000 and RMB137,965,000, respectively.

(c) From July to October 2025, the Company received capital contributions of RMB71,147,000 from the founder, several investors and two employee stock ownership platforms. The capital contributions increased the paid-in capital and share premium by RMB784,000 and RMB70,363,000, respectively.

(d) Pursuant to the shareholders' resolutions on 11 November 2025, the then existing shareholders of the Company agreed to convert the Company with paid-in capital of RMB2,053,000 into a joint stock limited liability company with registered capital of RMB15,000,000. Upon the completion of registration with governmental authorities on 4 December 2025, the Company has been converted into a joint stock company with limited liability.

(e) In December 2025, 826,362 new ordinary shares were issued to certain investors at an aggregate consideration of RMB105,900,000 and accordingly, increased the share capital and share premium by RMB826,000 and RMB105,074,000, respectively.

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.

(a) Share premium

The share premium of the Group represents the difference between the par value of the shares issued and the consideration received.

(b) Share-based payment reserve

The share-based payment reserve represents the equity-settled share awards as set out in note 34 to the Historical Financial Information.

(c) Surplus reserve

In accordance with the PRC Company Law and the articles of association of the subsidiaries established in the PRC, the Group is required to appropriate 10% of its net profits after tax, as determined under the China Accounting Standards for Business Enterprises, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital.

(d) Other reserves

Other reserves of the Group represent financial liabilities on shares with preferential rights as stipulated in note 29 to the Historical Financial Information, and the reserves relating to the conversion from a limited company to a joint-stock company as stipulated in note 33 to the Historical Financial Information.

The Company

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented as follows:

	Share premium*	Share-based payments reserve*	Other reserves	Surplus reserve	(Accumulated losses)/ retained profits*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 20 February 2023	–	–	–	–	–	–
Loss for the period	–	–	–	–	(1,529)	(1,529)
Capital contribution from shareholders *(note 32)*	13,397	–	–	–	–	13,397
Recognition of financial liabilities on shares with preferential rights *(note 29)*	–	–	(13,555)	–	–	(13,555)
As at 31 December 2023	13,397	–	(13,555)	–	(1,529)	(1,687)
Profit for the year	–	–	–	–	13,713	13,713
Capital contribution from shareholders *(note 32)*	137,965	–	–	–	–	137,965
Recognition of financial liabilities on shares with preferential rights *(note 29)*	–	–	(138,617)	–	–	(138,617)
Transfer to surplus reserve	–	–	–	1,218	(1,218)	–
Recognition of equity-settled share-based payment	–	22	–	–	–	22
As at 31 December 2024	151,362	22	(152,172)	1,218	10,966	11,396

	Share premium*	Share-based payments reserve*	Other reserves	Surplus reserve	(Accumulated losses)/ retained profits*	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Loss for the year	–	–	–	–	(350,102)	(350,102)
Capital contribution from shareholders *(note 32)*	70,363	–	–	–	–	70,363
Recognition of financial liabilities on shares with preferential rights *(note 29)*	–	–	(176,400)	–	–	(176,400)
Conversion into a joint stock company *(note 32)*	–	–	(12,947)	–	–	(12,947)
Issuance of new shares *(note 32)*	105,074	–	–	–	–	105,074
Recognition of equity-settled share-based payment	–	2,491	–	–	–	2,491
As at 31 December 2025	326,799	2,513	(341,518)	1,218	(339,136)	(350,125)

34. SHARE-BASED PAYMENTS

The Group approved and adopted the share incentive plan ("Employee Incentive Scheme"). Restricted shares under the Employee Incentive Scheme were granted to the employees who promote the success of the Group's operations. Pingxiang Infrawaves Xize Technology Partnership (Limited Partnership) (萍鄉基流汐澤科技合夥企業(有限合夥)), formerly known as Beijing Infrawaves Yunchuang Technology Partnership (Limited Partnership) (北京基流雲創科技合夥企業(有限合夥)), Pingxiang Infrawaves Xihai Technology Partnership (Limited Partnership) (萍鄉基流汐海科技合夥企業(有限合夥)), formerly known as Beijing Infrawaves Yunlin Technology Partnership (Limited Partnership) (北京基流雲林科技合夥企業(有限合夥)) and Pingxiang Infrawaves Xiliu Technology Partnership (Limited Partnership) (萍鄉基流汐流科技合夥企業(有限合夥)), formerly known as Beijing Infrawaves Yunqi Technology Partnership (Limited Partnership) (北京基流雲啟科技合夥企業(有限合夥)), were used as restricted share platforms to facilitate the administration of the Employee Incentive Scheme. The Group has no control over the share incentive platforms.

Subject to the terms and conditions as set out in those Employee Incentive Scheme above, if eligible employees resign before the three years ended after the grant date, the controlling shareholders or parties designated by the controlling shareholders have the right to repurchase and the resigned employees have to sell the restricted shares granted and vested at the subscription price. Therefore, service conditions would be satisfied 3 years after the grant date. As such, the share-based payment expenses are amortised during the vesting period. The Group does not bear the obligation to settle the restricted shares for employees; the Employee Incentive Scheme was accounted as an equity transaction for share-based payments.

On 28 December 2024, the Group granted 70,253 (equal to 513,335 shares after conversion into a joint stock company) restricted shares at an exercise price of RMB1.00 per share, with fair values of RMB106.37 per share, and the exercise period is from 28 December 2027 to 28 December 2034.

The following restricted shares were outstanding under the Employee Incentive Scheme granted for the Relevant Periods:

	Number of granted incentive shares
As at 20 February 2023, 31 December 2023 and 1 January 2024	–
Granted during the year	70,253
As at 31 December 2024	70,253
Granted during the year	–
As at 31 December 2025	70,253
After conversion into a joint stock company	513,335

The fair value of the restricted shares granted during the year ended 31 December 2024 were determined with reference to the fair value of ordinary shares on the grant date, using the back-solve method based on the option pricing method referring to the most recent financing transaction prices from third parties. The following table lists the inputs to the model:

	As at 31 December		
	2023	2024	2025
Expected volatility (%)	–	48.00%	–
Fair value of shares (RMB per share)	–	107.37	–
Risk-free interest rate (%)	–	1.35%	–

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the restricted shares granted was incorporated into the measurement of fair value.

The total amount of fair value of restricted shares granted in 2024 were approximately RMB7,473,000.

The total share-based payment expenses recognised in profit or loss for restricted shares were approximately Nil, RMB22,000 and RMB2,491,000 during each of the Relevant Periods, respectively.

35. 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 RMB428,000, Nil and RMB1,560,000, respectively, in respect of lease agreements.

(b) Changes in liabilities arising from financing activities

2023

	Financial liabilities on shares with preferential rights	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000
At 20 February 2023	–	–	–
Changes from financing cash flows	13,555	–	13,555
Change in fair value	1,040	–	1,040
New leases	–	428	428
Payments	–	(73)	(73)
Accretion of interest recognised during the period	–	6	6
At 31 December 2023	14,595	361	14,956

2024

	Financial liabilities on shares with preferential rights	Lease liabilities	Interest- bearing bank borrowings	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	14,595	361	–	14,596
Changes from financing cash flows	138,617	–	46,775	185,392
Change in fair value	8,808	–	–	8,808
New leases	–	–	–	–
Payments	–	(148)	–	(148)
Accretion of interest recognised during the year	–	11	1,165	1,176
At 31 December 2024	162,020	224	47,940	210,184

2025

	Financial liabilities on shares with preferential rights	Lease liabilities	Interest- bearing bank borrowings	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	162,020	224	47,940	210,184
Changes from financing cash flows	176,400	–	206,025	382,425
Change in fair value	376,633	–	–	376,633
New leases	–	1,560	–	1,560
Payments	–	(412)	–	(412)
Accretion of interest recognised during the year	–	23	3,777	3,800
At 31 December 2025	715,053	1,395	257,742	974,190

(c) Total cash outflow for leases

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

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within operating activities	286	670	1,652
Within financing activities	73	148	412
Total	359	818	2,064

36. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Property, plant and equipment	–	128,201	–
Total	–	128,201	–

37. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

The Group

The Company's founder Dr. Hu Xiaohe has guaranteed certain of the Group's bank loans up to RMB47,900,000 and RMB257,505,000 as at 31 December 2024 and 2025, respectively.

(b) Outstanding balances with related parties

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Amounts due from subsidiaries:			
Trade related			
Nanjing Infrawaves Technology Co., Ltd.	–	–	309
Shanghai Infrawaves Guanglian Technology Co., Ltd.	–	23,050	24,318
Ningxia Infrawaves Technology Co., Ltd.	–	–	304
Total	–	23,050	24,931
Non-trade related			
Nanjing Infrawaves Technology Co., Ltd.	560	6,979	16,638
Shanghai Infrawaves Guanglian Technology Co., Ltd.	–	53,562	64,135
Ningxia Infrawaves Technology Co., Ltd.	–	–	1,020
Hangzhou Infrawaves Technology Co., Ltd.	–	–	3,982
Chongqing Infrawaves Technology Co., Ltd.	–	–	100
Zhuhai Infrawaves Technology Co., Ltd.	–	–	100
Total	560	60,541	85,975
Amounts due to subsidiaries:			
Trade related			
Shanghai Infrawaves Guanglian Technology Co., Ltd.	–	26,311	38,112
Ningxia Infrawaves Technology Co., Ltd.	–	–	88
Total	–	26,311	38,200
Non-trade related			
Shanghai Infrawaves Guanglian Technology Co., Ltd.	–	9	–
Total	–	9	–

Amounts due from/to subsidiaries are unsecured, interest-free and the terms of repayment are normally within 12 months.

(c) Compensation of key management personnel of the Group

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, bonuses, allowances and benefits in kind	120	1,795	1,800
Pension scheme contributions	–	262	270
	120	2,057	2,070

Further details of directors' and the chief executive's remuneration are included in note 9 to the Historical Financial Information.

38. FINANCIAL INSTRUMENTS BY CATEGORY

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

As at 31 December 2023

Financial assets

The Group	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*
Trade receivables	641	641
Financial assets included in prepayments, other receivables and other assets	464	464
Cash and cash equivalents	4,035	4,035
Total	5,140	5,140

The Company	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*
Trade receivables	641	641
Financial assets included in prepayments, other receivables and other assets	410	410
Cash and cash equivalents	3,998	3,998
Total	5,049	5,049

Financial liabilities

The Group	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	–	12,688	12,688
Financial liabilities included in other payables and accruals	–	124	124
Financial liabilities on shares with preferential rights	14,595	–	14,595
Lease liabilities	–	361	361
Total	14,595	13,173	27,768

The Company	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	–	12,688	12,688
Financial liabilities included in other payables and accruals	–	124	124
Financial liabilities on shares with preferential rights	14,595	–	14,595
Total	14,595	12,812	27,407

As at 31 December 2024

Financial assets

The Group	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*
Trade receivables	21,970	21,970
Financial assets included in prepayments, other receivables and other assets	1,110	1,110
Cash and cash equivalents	96,194	96,194
Total	119,274	119,274

The Company	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*
Trade receivables	9,347	9,347
Financial assets included in prepayments, other receivables and other assets	577	577
Cash and cash equivalents	80,525	80,525
Total	90,449	90,449

Financial liabilities

The Group	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	–	7,810	7,810
Financial liabilities included in other payables and accruals	–	932	932
Financial liabilities on shares with preferential rights	162,020	–	162,020
Lease liabilities	–	224	224
Interest-bearing bank borrowings	–	47,940	47,940
Total	162,020	56,906	218,926

The Company	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	–	2,539	2,539
Financial liabilities included in other payables and accruals	–	853	853
Financial liabilities on shares with preferential rights	162,020	–	162,020
Interest-bearing bank borrowings	–	34,932	34,932
Total	162,020	38,324	200,344

As at 31 December 2025

Financial assets

The Group	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Financial assets at FVTOCI	4,411	–	4,411
Trade receivables	–	163,278	163,278
Financial assets included in prepayments, other receivables and other assets	–	5,641	5,641
Cash and cash equivalents	–	297,946	297,946
Total	4,411	466,865	471,276

The Company	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Financial assets at FVTOCI	4,411	–	4,411
Trade receivables	–	152,819	152,819
Financial assets included in prepayments, other receivables and other assets	–	1,271	1,271
Cash and cash equivalents	–	251,922	251,922
Total	4,411	406,012	410,423

Financial liabilities

The Group	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	–	151,606	151,606
Financial liabilities included in other payables and accruals	–	5,096	5,096
Financial liabilities on shares with preferential rights	715,053	–	715,053
Lease liabilities	–	1,395	1,395
Interest-bearing bank borrowings	–	257,742	257,742
Total	715,053	415,839	1,130,892

The Company	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	–	143,072	143,072
Financial liabilities included in other payables and accruals	–	976	976
Financial liabilities on shares with preferential rights	715,053	–	715,053
Interest-bearing bank borrowings	–	129,709	129,709
Total	715,053	273,757	988,810

Transferred financial assets that are derecognised in their entirety

At 31 December 2025, the Group discounted certain bills receivable (the "Derecognised Discounted Bills") with a carrying amount of RMB6,717,000 to a reputable bank in the PRC. The Derecognised Discounted Bills had a maturity period of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Discounted Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Discounted Bills, including the Group, in disregard of the order of precedence if the bills default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Discounted Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Discounted Bills. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Discounted Bills and the undiscounted cash flows to repurchase these Derecognised Discounted Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Discounted Bills are not significant.

During the year ended 31 December 2025, the Group has recognised discount charge of RMB13,000 on the date of transfer of the Derecognised Discounted Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The discounting of bills has been made throughout the year.

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, other receivables and other assets, trade payables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The finance manager of the Group is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The Group's finance manager reports directly to the chief financial officer. At the end of each of the Relevant Periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The 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 Group has bills receivable measured at fair value through other comprehensive income. The Group has estimated the fair value of these bills receivable by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

For the methods and assumptions used to estimate the fair values of financial liabilities on shares with preferential rights, details are disclosed in note 29 to the Historical Financial Information.

Fair value hierarchy

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

Assets measured at fair value:

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at FVTOCI	–	4,411	–	4,411

Liabilities measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities on shares with preferential rights	–	–	14,595	14,595

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities on shares with preferential rights	–	–	162,020	162,020

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable Level 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities on shares with preferential rights	–	–	715,053	715,053

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.

The movements in fair value measurements within Level 3 during the Relevant Periods are set out in note 29 to the Historical Financial Information.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at the end of each of the Relevant Periods:

As at 31 December 2023

	Valuation technique	Significant Unobservable inputs	Weighted range	Sensitivity of fair value to the input
Financial liabilities on shares with preferential rights	Black Scholes model	Risk free interest rate	2.42%	1% increase/decrease in risk free interest rate would result in decrease/increase fair value by RMB716,000/ RMB732,000
		Volatility	49.00%	1% increase/decrease in volatility would result in decrease/increase fair value by RMB330,000/ RMB330,000

As at 31 December 2024

	Valuation technique	Significant Unobservable inputs	Weighted range	Sensitivity of fair value to the input
Financial liabilities on shares with preferential rights	Black Scholes model	Risk free interest rate	1.35%	1% increase/decrease in risk free interest rate would result in decrease/increase fair value by RMB1,499,000/ RMB1,517,000
		Volatility	48.00%	1% increase/decrease in volatility would result in decrease/increase fair value by RMB1,102,000/ RMB1,111,000

As at 31 December 2025

	Valuation technique	Significant Unobservable inputs	Weighted range	Sensitivity of fair value to the input
Financial liabilities on shares with preferential rights	Black Scholes model	Risk free interest rate	1.34%	1% increase/decrease in risk free interest rate would result in decrease/increase fair value by RMB3,338,000/ RMB3,417,000
		Volatility	52.00%	1% increase/decrease-in volatility would result in decrease/increase fair value by RMB2,869,000/ RMB2,863,000

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings and cash and cash equivalents. 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 receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

As the Group's major businesses are in Chinese Mainland, the majority of the transactions are conducted in RMB. Most of the Group's assets and liabilities are denominated in RMB. The Group was not exposed to material foreign currency risk during the Relevant Periods.

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. The Group had a significant concentration of credit risk in relation to trade receivables as the trade receivables due from the Group's five largest customers accounted for 100%, 100% and 80% of total trade receivables, respectively, as at the end of each of the Relevant Periods. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval.

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			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	675	675
Financial assets included in prepayments, other receivables and other assets					
– Normal**	465	–	–	–	465
Cash and cash equivalents					
– Not yet past due	4,035	–	–	–	4,035
Total	4,500	–	–	675	5,175

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	23,126	23,126
Financial assets included in prepayments, other receivables and other assets					
– Normal**	1,126	–	–	–	1,126
Cash and cash equivalents					
– Not yet past due	96,194	–	–	–	96,194
Total	97,320	–	–	23,126	120,446

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	173,311	173,311
Financial assets included in prepayments, other receivables and other assets					
– Normal**	5,645	–	–	–	5,645
Cash and cash equivalents					
– Not yet past due	297,946	–	–	–	297,946
Total	303,591	–	–	173,311	476,902

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 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".

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 20 to the financial statements.

Liquidity risk

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

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

31 December 2023

	Within 1 year	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	12,688	–	12,688
Financial liabilities included in other payables and accruals	124	–	124
Financial liabilities on shares with preferential rights	18,753	–	18,753
Lease liabilities	148	230	378
Total	31,713	230	31,943

31 December 2024

	Within 1 year	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	7,810	–	7,810
Financial liabilities included in other payables and accruals	932	–	932
Financial liabilities on shares with preferential rights	211,522	–	211,522
Lease liabilities	153	77	230
Interest-bearing bank borrowings	44,109	4,174	48,283
Total	264,526	4,251	268,777

31 December 2025

	Within 1 year	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	151,606	–	151,606
Financial liabilities included in other payables and accruals	5,096	–	5,096
Financial liabilities on shares with preferential rights	481,102	–	481,102
Lease liabilities	603	858	1,461
Interest-bearing bank borrowings	196,938	67,885	264,823
Total	835,345	68,743	904,088

Capital management

The Group's primary objective for managing capital is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, 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 during the Relevant Periods.

The Group monitors capital using a debt-to-asset ratio, which is total liabilities divided by total assets. The debt-to-asset ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total assets	30,805	271,462	935,682
Total liabilities	32,999	261,711	1,278,223
Debt-to-asset ratio	107.12%	96.41%	136.61%

41. EVENTS AFTER THE RELEVANT PERIODS

(1) Pursuant to the capital injection agreements dated 17 March 2026 and 20 March 2026 (the "Series C Financing"), a group of institutional investors subscribed for an aggregate of 2,567,695 shares for a total consideration of RMB628,000,000. Pursuant to the capital injection agreements dated 15 April 2026 and 17 April 2026 (the "Series D Financing"), a group of institutional investors subscribed for an aggregate of 2,838,611 shares for a total consideration of RMB1,160,000,000.

(2) Pursuant to the resolutions of the shareholders dated 22 April 2026, the shares of the Company will be split on a one-for-twenty basis immediately prior to the [**REDACTED**], and the nominal value of the shares of the Company will be changed from RMB1.00 each to RMB0.05 each ("Share Subdivision"). Immediately after the Share Subdivision, the registered share capital of the Company will be RMB22,415,236, divided into 448,304,720 shares of the Company with a nominal value of RMB0.05 each.

(3) Pursuant to capital injection agreements, Pingxiang Infrawaves Xiliu Technology Partnership (Limited Partnership) (萍鄉基流汐流科技合夥企業(有限合夥)) subscribed for additional registered capital of RMB654,190, with the corresponding considerations of RMB654,190 fully settled on 27 April 2026.

(4) Save as disclosed above and elsewhere in this report, there are no other material subsequent events after 31 December 2025.

42. SUBSEQUENT FINANCIAL STATEMENTS

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