[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHANGHAI SIMPLETOUCH ROBOT CO., LTD. AND CHINA EVERBRIGHT CAPITAL LIMITED

Introduction

We report on the historical financial information of Shanghai Simpletouch Robot Co., Ltd. (the "Company") set out on pages [●] to [●], which comprises the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Company for each of the years ended 31 December 2023 and 2024 and the six months ended 30 June 2025 (the "Relevant Periods"), and the statements of financial position of the Company as at 31 December 2023 and 2024 and 30 June 2025 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages [●] to [●] 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 ("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 Company as at 31 December 2023 and 2024 and 30 June 2025 and of the financial performance and cash flows of the Company for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Company which comprises the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 30 June 2024 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation 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 [●] 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
[●]

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 Company for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing as issued by the Hong Kong Institute of Certified Public Accountants (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.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December		Six months ended 30 June	
		2023	**2024**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
REVENUE	*5*	156	–	–	–
Cost of sales		(33)	–	–	–
Gross profit		123	–	–	–
Other income and gains	*6*	871	1,157	776	129
Research and development costs		(23,861)	(18,904)	(9,204)	(9,053)
Selling and distribution expenses		(2,919)	(5,280)	(1,882)	(3,756)
Administrative expenses		(8,327)	(13,685)	(8,648)	(5,334)
Other expenses		(1)	–	–	(1)
Finance costs	*8*	(97)	(287)	(130)	(106)
LOSS BEFORE TAX	*7*	(34,211)	(36,999)	(19,088)	(18,121)
Income tax expense	*11*	–	–	–	–
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD		(34,211)	(36,999)	(19,088)	(18,121)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY					
Basic and diluted (RMB)	*13*	(1.37)	(1.49)	(0.77)	(0.73)

STATEMENTS OF FINANCIAL POSITION

		As at 31 December		As at 30 June
	Notes	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*14*	3,093	4,713	6,909
Right-of-use assets	*15(a)*	1,737	640	1,923
Other intangible assets	*16*	336	371	349
Prepayments, other receivables and other assets	*19*	2,311	2,779	2,502
Total non-current assets		7,477	8,503	11,683
CURRENT ASSETS				
Inventories	*17*	417	1,272	1,863
Trade receivables	*18*	165	73	73
Prepayments, other receivables and other assets	*19*	744	471	1,334
Cash and cash equivalents	*20*	44,027	26,633	15,433
Total current assets		45,353	28,449	18,703
CURRENT LIABILITIES				
Trade payables	*21*	464	490	1,625
Other payables and accruals	*22*	4,808	4,835	11,059
Interest-bearing bank borrowings	*24*	–	10,000	–
Contract liabilities	*23*	–	–	7,965
Lease liabilities	*15(b)*	834	556	879
Total current liabilities		6,106	15,881	21,528
NET CURRENT ASSETS/(LIABILITIES)		39,247	12,568	(2,825)
TOTAL ASSETS LESS CURRENT LIABILITIES		46,724	21,071	8,858
NON-CURRENT LIABILITIES				
Lease liabilities	*15(b)*	761	143	793
Total non-current liabilities		761	143	793
Net assets		45,963	20,928	8,065
EQUITY				
Paid-in capital	*26*	24,893	24,893	24,893
Reserves/(Deficits)	*28*	21,070	(3,965)	(16,828)
Total equity		45,963	20,928	8,065

STATEMENTS OF CHANGES IN EQUITY

	Note	Paid-in capital	Capital reserve*	Share-based payment reserve*	Accumulated losses*	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		(note 26)	*(note 28)*	*(note 27)*		
At 1 January 2023		24,893	90,991	–	(39,229)	76,655
Loss for the year		–	–	–	(34,211)	(34,211)
Total comprehensive loss for the year		–	–	–	(34,211)	(34,211)
Equity-settled share award arrangements	*27*	–	–	3,519	–	3,519
At 31 December 2023		24,893	90,991	3,519	(73,440)	45,963

	Note	Paid-in capital	Capital reserve*	Share-based payment reserve*	Accumulated losses*	Total
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
		(note 26)	*(note 28)*	*(note 27)*		
At 1 January 2024		24,893	90,991	3,519	(73,440)	45,963
Loss for the year		–	–	–	(36,999)	(36,999)
Total comprehensive loss for the year		–	–	–	(36,999)	(36,999)
Equity-settled share award arrangements	*27*	–	–	11,964	–	11,964
At 31 December 2024		24,893	90,991	15,483	(110,439)	20,928

	Paid-in capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	24,893	90,991	3,519	(73,440)	45,963
Loss for the period (unaudited)	–	–	–	(19,088)	(19,088)
Total comprehensive loss for the period (unaudited)	–	–	–	(19,088)	(19,088)
Equity-settled share award arrangements (unaudited)	–	–	7,166	–	7,166
At 30 June 2024 (unaudited)	24,893	90,991	10,685	(92,528)	34,041

	Note	Paid-in capital	Capital reserve*	Share-based payment reserve*	Accumulated losses*	Total
		RMB'000 *(note 26)*	*RMB'000* *(note 28)*	*RMB'000* *(note 27)*	*RMB'000*	*RMB'000*
At 1 January 2025		24,893	90,991	15,483	(110,439)	20,928
Loss for the period		–	–	–	(18,121)	(18,121)
Total comprehensive loss for the period		–	–	–	(18,121)	(18,121)
Equity-settled share award arrangements	*27*	–	–	5,258	–	5,258
At 30 June 2025		24,893	90,991	20,741	(128,560)	8,065

* These reserve accounts comprised the reserves/(deficits) of approximately RMB21,070,000, RMB(3,965,000) and RMB(16,828,000) in the statements of financial position as at 31 December 2023 and 2024 and 30 June 2025, respectively.

STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December		Six months ended 30 June	
		2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax	*7*	(34,211)	(36,999)	(19,088)	(18,121)
Adjustments for:					
Finance costs	*8*	97	287	130	106
Depreciation of property, plant and equipment	*14*	1,014	1,249	584	697
Depreciation of right-of-use assets	*15(a)*	1,062	1,097	548	527
Amortisation of other intangible assets	*16*	19	39	118	22
Net foreign exchange loss, net	*6*	(579)	(523)	(424)	30
Equity-settled share award expense	*27*	3,519	11,964	7,166	5,258
		(29,079)	(22,886)	(11,066)	(11,481)
Decrease/(increase) in inventories		232	(3,485)	(2,231)	(3,445)
(Increase)/decrease in trade receivables		(165)	92	–	–
Increase in prepayments, other receivables and other assets		(1,390)	(199)	(156)	(586)
Increase in trade payables		332	26	223	1,135
Increase/(decrease) in other payables and accruals		1,273	1	(2,898)	6,250
Increase in contract liabilities		–	–	–	7,965
Net cash flows used in operating activities		(28,797)	(26,451)	(16,128)	(162)

		Year ended 31 December		Six months ended 30 June	
	Notes	**2023**	**2024**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of items of property, plant and equipment		(1,198)	(209)	(141)	(65)
Purchase of intangible assets		(342)	(74)	–	–
Net cash flows used in investing activities		(1,540)	(283)	(141)	(65)
CASH FLOWS FROM FINANCING ACTIVITIES					
Lease payments		(1,465)	(949)	(560)	(872)
New bank borrowings		–	15,000	10,000	–
Repayment of bank borrowings		–	(5,000)	–	(10,000)
Interest paid		–	(234)	(97)	(71)
Net cash flows (used in)/from financing activities		(1,465)	8,817	9,343	(10,943)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(31,802)	(17,917)	(6,926)	(11,170)
Cash and cash equivalents at beginning of year/period		75,250	44,027	44,027	26,633
Effect of foreign exchange rate changes, net		579	523	424	(30)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	*20*	44,027	26,633	37,525	15,433

II. NOTES TO HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company was incorporated as a limited liability company registered in the People's Republic of China (the "PRC") on 28 March 2019. On 17 November 2025, the Company was converted into a joint stock company with limited liability under the Company Laws of the PRC. The registered office of the Company is located at 3rd Floor, Building 1, No. 85, Mingnan Road, Songjiang District, Shanghai, China.

During the Relevant Periods, the Company was principally engaged in the development of surgical robots.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The Company recorded net current liabilities of RMB2,825,000 as at 30 June 2025, primarily due to the continuous losses incurred from operations. As at 30 June 2025, the Company recorded contract liabilities of RMB7,965,000. The directors of the Company are of the opinion that as a significant amount of contract liabilities will be recognised as revenue upon completion of performance obligations after the Relevant Periods, therefore the Company 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 12 months from 30 June 2025 and it is appropriate to prepare the Historical Financial Information on a going concern basis.

For ordinary shares issued to pre-[**REDACTED**] investors, pursuant to the supplemental agreements entered into between the Company and the pre-[**REDACTED**] investors in relation to the termination of certain of the special rights granted by the Company, including redemption rights, liquidation preferences and anti-dilution rights, which are void ab initio as described in note 26 to the Historical Financial Information, having taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplementary agreements, the directors considered that it is appropriate to present the pre-[**REDACTED**] Investments as equity throughout the Relevant Periods. For details of the financial impacts, see note 26 of the Historical Financial Information.

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the HKICPA. All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Company in the preparation of the Historical Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention.

2.2 Issued but not yet effective Hong Kong Financial Reporting Standards

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

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

The Company is in the process of making an assessment of the impact of these new and revised HKFRS Accounting Standards upon initial application. Except for HKFRS 18, the directors of the Company anticipate that the application of these new and amended HKFRS Accounting Standards will have no material impact on the Company's financial statements in the foreseeable future. Further information about HKFRS 18 is described below:

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss and other comprehensive income, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss and other comprehensive income into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS 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 HKFRS 18 is not expected to have a material impact on the financial position and financial performance of the Company but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and to include additional disclosure in the financial statements.

2.3 Material accounting policies

Impairment of non-financial assets

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

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

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset 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 Company 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 Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or of a parent of the Company;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Company 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 Company 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 Company or an entity related to the Company;

(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 Company or to the parent of the Company.

Property, plant and equipment and depreciation

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

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

Depreciation is calculated on a 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 estimated useful lives used for this purpose are as follows:

Categories	Estimated useful lives
Machinery equipment	5 to 10 years
Electronic equipment	3 years
Motor vehicles	4 years
Furniture and fixtures	5 years
Leasehold improvements	Shorter of estimated useful lives and remaining lease terms

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

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

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

Intangible assets

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

Intangible assets are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives as follows:

Software	10 years

Research and development costs

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

Expenditure incurred on projects to develop new products is recognised and deferred only when the Company 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 Company 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.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company 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 based on the estimated useful lives of the assets or the lease terms as follows:

Categories	Estimated useful lives
Office premises, laboratory, and manufacturing facility	2 to 4 years

If ownership of the leased asset transfers to the Company 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 Company and payments of penalties for termination of a lease, if the lease term reflects the Company 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 Company 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 future lease payments arising from a change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

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 Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient of not adjusting the effect of a significant financing component, the Company initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under HKFRS 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 Company'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 Company 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.

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 statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- The Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company 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 Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company 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 Company 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 Company could be required to repay.

Impairment of financial assets

The Company 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 Company 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 Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company 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 Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

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

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

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

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

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

Simplified approach

For trade receivables that do not contain a significant financing component or when the Company applies the practical expedient of not adjusting the effect of a significant financing component, the Company applies the simplified approach in calculating ECLs. Under the simplified approach, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Classification as equity and financial liabilities

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

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

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as 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 Company's financial liabilities include trade payables, financial liabilities included in other payables and accruals, lease liabilities and interest-bearing bank borrowings.

Subsequent measurement

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

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

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in 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 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 weighted average cost basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on the estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the 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, less bank overdrafts which are repayable on demand and form an integral part of the Company's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

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 countries in which the Company operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end 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 does not give rise to equal taxable and deductible temporary differences.

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

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

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 Company 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.

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 deducted in reporting the related expense, or recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

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

Revenue recognition

Revenue from contracts with customers

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

(a) Provision of testing services

Revenue from testing services is recognised at the point in time when the service is provided and accepted by the customer.

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 through the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

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

Share-based payments

The Company operates two share award schemes, under which the Company granted restricted shares to employees and a director. Employees (including a director) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a discounted cash flow model, further details of which are given in note 27 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Company'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 Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

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

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

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Other employee benefits

Pension scheme

The employees of the Company which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal governments. The Company is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

Termination benefits are recognised at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises restructuring costs involving the payment of termination benefits.

Housing fund

The Company contributes on a monthly basis to a defined contribution housing fund plan operated by the local municipal government. Contributions to this plan by the Company are expensed as incurred.

Dividends

Final dividends are recognised as a liability when they are specifically stated in the terms of the resolution and approved by the shareholders in a general meeting.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Foreign currency transactions recorded by the Company are initially recorded using its respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the financial periods. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Company's Historical Financial Information requires management to make 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.

Estimation uncertainty

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

Impairment of non-financial assets

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

Estimation of grant date fair value of restricted shares

The Company granted restricted shares to one of the Company's directors and employees during the Relevant Periods. The Company has engaged an independent valuer to evaluate the grant date fair value of the restricted shares, which is determined based on the fair value of the Company's ordinary shares at the grant date of the award. Estimation of the fair value of the Company's ordinary shares involves significant assumptions, such as risk-free interest rate and weighted average cost of capital, that might not be observable in the market, and it could have a significant impact on the share-based payment expenses charged to profit or loss. Further details are included in note 27 to the Historical Financial Information.

Leases — Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company "would have to pay", which requires estimation when no observable rates are available (such as for companies that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the Company's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Company's stand-alone credit rating).

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 25 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Company has only one reportable operating segment, which engages in the development of surgical robots. Since this is the only reportable operating segment of the Company, no further operating segment analysis thereof is presented.

Geographical information

During the Relevant Periods, all of the Company's revenue was derived from customers located in the PRC and all of the Company's non-current assets were located in the PRC, and therefore no geographical segment information is presented in accordance with HKFRS 8 *Operating Segments*.

Information about major customers

Revenue of approximately RMB156,000 was derived from the sale to a single customer during the year ended 31 December 2023.

5. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Revenue from contracts with customers	156	–	–	–

(a) Disaggregation of the Company's revenue from contracts with customers by the timing of revenue recognition is set out below:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Transfer at a point in time	156	–	–	–

(b) Performance obligations

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

Provision of testing services

The performance obligation is satisfied upon the acceptance of the services by the customer.

Under the practical expedient allowed by HKFRS 15, the Company does not disclose the value of unsatisfied performance obligation, as they are expected to be fulfilled in one year.

6. OTHER INCOME, GAINS AND LOSSES, NET

	Year ended 31 December		Six months ended 30 June	
	2023	**2024**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Other income				
Interest income	80	144	130	9
Government grants*	202	472	204	150
Others	10	18	18	–
Total other income	292	634	352	159
Gains/(losses)				
Foreign exchange differences, net	579	523	424	(30)
Total gains and losses	871	1,157	776	129

* Government grants mainly represent various financial supports provided by the local governments for the Company's research and development activities and business operation. There were no unfulfilled conditions relating to these grants.

7. LOSS BEFORE TAX

The Company's loss before tax is arrived at after charging:

	Notes	Year ended 31 December		Six months ended 30 June	
		2023	**2024**	**2024**	**2025**
		RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Cost of services provided		33	–	–	–
Depreciation of property, plant and equipment *(i)*	*14*	1,014	1,249	584	697
Depreciation of right-of-use assets *(i)*	*15(a)*	1,062	1,097	548	527
Amortisation of other intangible assets *(i)*	*16*	19	39	18	22
Auditor's remuneration		6	6	–	–
Employee benefit expense (excluding directors' and supervisor's remuneration):					
Wages, salaries and allowances, social securities and benefits		13,169	14,161	7,159	6,723
Pension scheme contributions (defined contribution scheme) *(ii)*		1,714	2,031	983	989
Performance related bonuses		2,926	1,005	500	464
Share-based payment expenses	*27*	3,519	7,134	2,336	5,258
Total employee benefit expense		21,328	24,331	10,978	13,434

(i) These items are included in "Selling and distribution costs", "Administrative expenses" and "Research and development costs" in the statements of profit or loss and other comprehensive income.

(ii) There are no forfeited contributions that may be used by the Company as the employer to reduce the existing level of contributions.

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Interest on lease liabilities	97	53	33	35
Interest on bank loans	–	234	97	71
Total	97	287	130	106

9. DIRECTORS', SUPERVISOR'S AND CHIEF EXECUTIVE'S REMUNERATION

The remuneration of directors, a supervisor and the chief executive for each of the Relevant Periods and the six months ended 30 June 2024 is set out below:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	1,242	827	452	338
Share-based payment expenses	–	4,830	4,830	–
Performance related bonuses	262	50	25	25
Pension scheme contributions	136	89	53	35
Total	1,640	5,796	5,360	398

During the Relevant Periods and the six months ended 30 June 2024, a director was granted share awards of the Company in respect of his service to the Company, under the share award schemes of the Company, further details of which are set out in note 27 to the Historical Financial Information. The fair values of such share awards, which have been recognised in profit or loss, were determined as at the dates of grant and the amounts included in the Historical Financial Information for the Relevant Periods and the six months ended 30 June 2024 are included in the above directors', supervisor's and chief executive's remuneration disclosures.

	Salaries, allowances and benefits in kind	Equity-settled share awards expenses	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023					
Executive director:					
Mr. Liu Jian*	681	–	142	68	891
Non-executive director:					
Mr. Wang Maoting**	–	–	–	–	–
Supervisor:					
Mr. Ao Xiaohua***	561	–	120	68	749
Total	1,242	–	262	136	1,640
Year ended 31 December 2024					
Executive director:					
Mr. Liu Jian*	686	4,830	50	71	5,637
Non-executive director:					
Mr. Wang Maoting**	–	–	–	–	–
Supervisor:					
Mr. Ao Xiaohua***	141	–	–	18	159
Total	827	4,830	50	89	5,796

	Salaries, allowances and benefits in kind	Equity-settled share awards expenses	Performance related bonuses	Pension scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2024 (Unaudited)					
Executive director:					
Mr. Liu Jian*	311	4,830	25	35	5,201
Non-executive director:					
Mr. Wang Maoting**	–	–	–	–	–
Supervisor:					
Mr. Ao Xiaohua***	141	–	–	18	159
Total	452	4,830	25	53	5,360
Six months ended 30 June 2025					
Executive director:					
Mr. Liu Jian*	338	–	25	35	398
Non-executive director:					
Mr. Wang Maoting**	–	–	–	–	–
Total	338	–	25	35	398

* Mr. Liu Jian was appointed as an executive director of the Company in October 2020 and he is also the chief executive of the Company.

** Mr. Wang Maoting was appointed as a non-executive director of the Company in October 2020.

*** Mr. Ao Xiaohua was appointed as a supervisor of the Company in March 2019 and resigned in March 2024.

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

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods and the six months ended 30 June 2024 included nil, one, nil, and one director, respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration for the remaining five, four, five and four highest paid employees who are not a director of the Company during the Relevant Periods and the six months ended 30 June 2024 are as follow:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Salaries, allowances and benefits in kind	2,489	2,027	1,249	1,066
Share-based payment expenses	1,720	2,365	1,135	2,562
Discretionary performance related bonuses	595	131	83	82
Pension scheme contributions	319	276	169	152
Total	5,123	4,799	2,636	3,862

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

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
			(Unaudited)	
Nil to HK$1,000,000	–	–	4	4
HK$1,000,001 to HK$1,500,000	5	3	–	1
HK$1,500,001 to HK$2,000,000	–	1	–	–
Total	5	4	4	5

During the Relevant Periods and the six months ended 30 June 2024, certain non-director, non-supervisor and non-chief executive were granted share awards of the Company in respect of their services to the Company, under the share award schemes of the Company, further details of which are set out in note 27 to the Historical Financial Information. The fair values of such share awards, which have been recognised in profit or loss over the vesting period, were determined as at the dates of grant and the amounts included in the Historical Financial Information for the Relevant Periods and the six months ended 30 June 2024 are included in the above five highest paid employees' remuneration disclosures.

11. INCOME TAX EXPENSE

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the Enterprise Income Tax ("EIT") rate is 25% for entities operating in Mainland China. The Company is subject to tax at a rate of 25%.

A reconciliation of the tax credit applicable to loss before tax at the applicable tax rate for the jurisdiction in which the Company is domiciled to the tax expense at the effective tax rate is as follows:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Loss before tax	(34,211)	(36,999)	(19,088)	(18,121)
Tax at the applicable tax rate	(8,553)	(9,250)	(4,772)	(4,530)
Expenses not deductible for tax	1,140	3,283	1,901	1,461
Advanced deductible allowance on eligible research and development costs	(4,799)	(3,379)	(2,045)	(1,520)
Deductible temporary differences and deductible tax losses not recognised	12,212	9,346	4,916	4,589
Tax charge at the Company's effective rate	–	–	–	–

12. DIVIDENDS

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

13. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

On 17 November 2025, the Company was converted to a joint stock limited liability company. A total of 25,474,069 shares with par value of RMB1.00 each were issued and allotted to the respective shareholders of the Company according to the paid-in capital registered under these shareholders on that day. The conversion of paid-in capital to share capital with par value of RMB1.00 each is applied retrospectively for the Relevant Periods and six months ended 30 June 2024 for the purpose of computation of basic earnings per share.

The calculation of the basic loss per share amounts is based on the loss for the year/period attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares outstanding during the Relevant Periods and the six months ended 30 June 2024, which are determined based on the conversion ratio of paid in capital to share capital mentioned above.

The Company had no potentially dilutive ordinary shares in issue during the Relevant Periods.

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

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
			(Unaudited)	
Loss				
Loss attributable to ordinary equity holders of the Company (RMB'000)	(34,211)	(36,999)	(19,088)	(18,121)
Shares				
Weighted average number of ordinary shares outstanding during the year/period ('000)	24,893	24,893	24,893	24,893
Loss per share (RMB)	(1.37)	(1.49)	(0.77)	(0.73)

14. PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2023

31 December 2023	Machinery equipment	Motor vehicles	Electronic equipment	Construction in progress	Furniture and fixtures	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023							
Cost	1,246	180	589	80	193	1,144	3,432
Accumulated depreciation	(147)	(60)	(200)	–	(14)	(99)	(520)
Net carrying amount	1,099	120	389	80	179	1,045	2,912
As at 1 January 2023	1,099	120	389	80	179	1,045	2,912
Additions	304	–	320	–	94	477	1,195
Transfer from construction in progress	80	–	–	(80)	–	–	–
Depreciation provided	(226)	(42)	(218)	–	(44)	(484)	(1,014)
As at 31 December 2023	1,257	78	491	–	229	1,038	3,093
As at 31 December 2023							
Cost	1,630	180	909	–	287	1,621	4,627
Accumulated depreciation	(373)	(102)	(418)	–	(58)	(583)	(1,534)
Net carrying amount	1,257	78	491	–	229	1,038	3,093

As at 31 December 2024

31 December 2024	Machinery equipment	Motor vehicles	Electronic equipment	Furniture andfixtures	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024						
Cost	1,630	180	909	287	1,621	4,627
Accumulated depreciation	(373)	(102)	(418)	(58)	(583)	(1,534)
Net carrying amount	1,257	78	491	229	1,038	3,093
As at 1 January 2024	1,257	78	491	229	1,038	3,093
Additions	181	–	46	–	12	239
Transfer from inventories	2,630	–	–	–	–	2,630
Depreciation provided	(364)	(41)	(240)	(54)	(550)	(1,249)
As at 31 December 2024	3,704	37	297	175	500	4,713
As at 31 December 2024						
Cost	4,441	180	955	287	1,633	7,496
Accumulated depreciation	(737)	(143)	(658)	(112)	(1,133)	(2,783)
Net carrying amount	3,704	37	297	175	500	4,713

As at 30 June 2025

30 June 2025	Machinery equipment	Motor vehicles	Electronic equipment	Furniture andfixtures	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025						
Cost	4,441	180	955	287	1,633	7,496
Accumulated depreciation	(737)	(143)	(658)	(112)	(1,133)	(2,783)
Net carrying amount	3,704	37	297	175	500	4,713
As at 1 January 2025	3,704	37	297	175	500	4,713
Additions	39	–	–	–	–	39
Transfer from inventories	2,854	–	–	–	–	2,854
Depreciation provided	(307)	(21)	(104)	(26)	(239)	(697)
As at 30 June 2025	6,290	16	193	149	261	6,909
As at 30 June 2025						
Cost	7,334	180	955	287	1,633	10,389
Accumulated depreciation	(1,044)	(164)	(762)	(138)	(1,372)	(3,480)
Net carrying amount	6,290	16	193	149	261	6,909

15. LEASES

The Company as a lessee

The Company has lease contracts mainly for office premises, laboratory, and manufacturing facility. Generally, the Company is restricted from assigning and subleasing the leased assets outside the Company.

(a) Right-of-use assets

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

	Office premises, laboratory, and manufacturing facility
	RMB'000
As at 1 January 2023	2,267
Additions	387
Depreciation charge	(1,062)
Lease modification	145
As at 31 December 2023 and 1 January 2024	1,737
Depreciation charge	(1,097)
As at 31 December 2024 and 1 January 2025	640
Depreciation charge	(527)
Lease modification	1,810
As at 30 June 2025	1,923

(b) Lease liabilities

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

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at beginning of year/period	2,431	1,595	699
New leases	387	–	–
Lease modification	145	–	1,810
Accretion of interest recognised during the year/period	97	53	35
Payments	(1,465)	(949)	(872)
Carrying amount at end of year/period	1,595	699	1,672
Analysed into:			
Current portion	834	556	879
Non-current portion			
In the second year	618	143	736
In the third year to fifth years	143	–	57
Subtotal	761	143	793
Total	1,595	699	1,672

The maturity analysis of lease liabilities is disclosed in note 33 to the Historical Financial Information.

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

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Interest on lease liabilities	97	53	33	35
Depreciation charge of right-of-use assets	1,062	1,097	548	527
Amount recognised in profit or loss	1,159	1,150	581	562

The total cash outflows for leases are disclosed in note 29 to the Historical Financial Information.

16. OTHER INTANGIBLE ASSETS

At 31 December 2023

	Software
	RMB'000
At 1 January 2023	
Cost	14
Accumulated amortisation	(1)
Net carrying amount	13
At 1 January 2023, net of	
Accumulated amortisation	13
Additions	342
Amortisation provided during the year	(19)
At 31 December 2023, net of	
Accumulated amortisation	336
At 31 December 2023	
Cost	356
Accumulated amortisation	(20)
Net carrying amount	336

At 31 December 2024

	Software
	RMB'000
At 1 January 2024	
Cost	356
Accumulated amortisation	(20)
Net carrying amount	336
At 1 January 2024, net of	
Accumulated amortisation	336
Additions	74
Amortisation provided during the year	(39)
At 31 December 2024, net of	
Accumulated amortisation	371
At 31 December 2024	
Cost	430
Accumulated amortisation	(59)
Net carrying amount	371

At 30 June 2025

	Software
	RMB'000
At 1 January 2025	
Cost	430
Accumulated amortisation	(59)
Net carrying amount	371
At 1 January 2025, net of	
Accumulated amortisation	371
Amortisation provided during the period	(22)
At 30 June 2025, net of	
Accumulated amortisation	349
At 30 June 2025	
Cost	430
Accumulated amortisation	(81)
Net carrying amount	349

17. INVENTORIES

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	417	78	1,863
Finished goods	–	1,194	–
Total	417	1,272	1,863

18. TRADE RECEIVABLES

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	165	73	73

For trade receivables' there was no recent history of default. In addition, there was no significant change in the economic factors based on the assessment of the forward-looking information, so the directors of the Company is of the opinion that the ECLs in respect of these balances are minimal. The balances are interest-free and are not secured with collateral.

An ageing analysis of the Company's trade receivables as at the end of each of the Relevant Periods, based on the recognition date, is as follows:

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	165	–	–
1 to 2 years	–	73	–
2 to 3 years	–	–	73
Total	165	73	73

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current:			
Prepayments	738	287	352
Deductible input value-added tax	–	184	920
Deposits	6	–	45
Staff advance	–	–	17
Total-current	744	471	1,334
Non-current:			
Long-term deposits	214	214	169
Long-term prepaid expenses	350	157	62
Deductible input value-added tax	1,747	2,408	2,271
Total-non-current	2,311	2,779	2,502
Total	3,055	3,250	3,836

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. In addition, there was no significant change in the economic factors based on the assessment of the forward-looking information, so the directors of the Company are of the opinion that the ECLs in respect of these balances are minimal. The balances are interest-free and are not secured with collateral.

20. CASH AND CASH EQUIVALENTS

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	44,027	26,633	15,433
Cash and bank balances denominated in:			
– RMB	9,302	19,443	8,292
– United States dollars ("USD")	34,725	7,190	7,141
	44,027	26,633	15,433

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Company are 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 in creditworthy banks with no recent history of default.

21. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the date of service/goods received, is as follows:

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	464	490	1,608
1 to 2 years	–	–	17
Total	464	490	1,625

22. OTHER PAYABLES AND ACCRUALS

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payroll and welfare payables	4,441	2,172	1,566
Other taxes payable	123	178	1,103
Other payables	244	2,485	8,390
Total	4,808	4,835	11,059

23. CONTRACT LIABILITIES

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Sales of products	–	–	7,965

The increase in contract liabilities during the six months ended 30 June 2025 was mainly due to the increase in short-term advances received from customers in relation to the sale of percutaneous puncture surgical robots at the end of the period.

24. INTEREST-BEARING BANK BORROWINGS

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Bank borrowings – guaranteed	–	10,000	–

The Company's interest-borrowings are denominated in RMB with an effective interest rate ranging from 2.80% to 3.10% and are guaranteed by the shareholder of the Company, Mr. Liu Jian.

25. DEFERRED TAX

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

Deferred tax liabilities

	Right-of-use assets
	RMB'000
At 1 January 2023	567
Credited to profit or loss during the year	(133)
Gross deferred tax liabilities at 31 December 2023 and 1 January 2024	434
Credited to profit or loss during the year	(274)
Gross deferred tax liabilities at 31 December 2024 and 1 January 2025	160
Charged to profit or loss during the period	321
Gross deferred tax liabilities at 30 June 2025	481

Deferred tax assets

	Lease liabilities	Tax losses	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	567	–	567
(Charged)/credited to profit or loss	(209)	76	(133)
Gross deferred tax assets at 31 December 2023 and 1 January 2024	358	76	434
Charged to profit or loss	(274)	–	(274)
Gross deferred tax assets at 31 December 2024 and 1 January 2025	84	76	160
Charged to profit or loss	244	77	321
Gross deferred tax assets at 30 June 2025	328	153	481

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 Company for financial reporting purposes:

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the statements of financial position	–	–	–
Net deferred tax liabilities recognised in the statements of financial position	–	–	–

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

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Deductible temporary differences	716	843	482
Tax losses	106,723	141,789	151,896
Total	107,439	142,632	152,378

The Company has unrecognised tax losses arising in Mainland China of RMB106,723,000, RMB141,789,000 and RMB151,896,000 as at 31 December 2023 and 2024 and 30 June 2025, respectively, that will expire in one to five years for offsetting against its future taxable profits.

Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that enough taxable profits will be available against which the tax losses can be utilised.

26. PAID-IN CAPITAL

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Paid-in capital	24,893	24,893	24,893

Prior to the Relevant Periods, the Company entered into shareholders' agreements and share subscription agreements (collectively, the "Pre-[**REDACTED**] Investors Agreements") with various investors (collectively, the "Pre-[**REDACTED**] Investors"). Pursuant to the Pre-[**REDACTED**] Investors Agreements, Pre-[**REDACTED**] Investors made capital injections of RMB95,884,000 to the Company, among which a total amount of RMB4,893,000 was registered as the Company's paid-in capital and the remaining RMB90,991,000 was credited to capital reserve. Pursuant to the Pre-[**REDACTED**] Investors Agreements, the Pre-[**REDACTED**] Investors were granted by the Company with redemption rights, anti-dilution rights and liquidation preferences rights.

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

On 16 November 2025, the Company and the Pre-[**REDACTED**] Investors subsequently entered into supplemental agreements, agreeing that certain of the special rights granted by the Company to Pre-[**REDACTED**] investors, including redemption rights, liquidation preferences and anti-dilution rights have been irrecoverably terminated and shall be *void ab initio*. Taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplemental agreements, the directors considered that it is appropriate to present the Pre-[**REDACTED**] Investments as equity throughout the Relevant Periods.

Had the special rights granted by the Company to the Pre-[**REDACTED**] Investors been accounted for as financial liabilities measured at the present value of the redemption amount prior to entering into the supplemental agreements, the redemption financial liabilities, total non-current liabilities and net liabilities would have been:

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Redemption financial liabilities	114,923	123,951	128,820
Total non-current liabilities	115,684	124,094	129,613
Net liabilities	68,960	103,023	120,755

The finance costs associated with the redemption financial liabilities, and the net loss for the year/period, and basic and diluted loss per share would have been:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Finance costs associated with the redemption financial liabilities	8,371	9,028	4,514	4,869
Total net loss	(42,582)	(46,027)	(23,602)	(22,990)
Basic and diluted loss per share (expressed in RMB)	(2.24)	(2.42)	(1.24)	(1.21)

27. SHARE-BASED PAYMENTS

On 30 November 2020, Shanghai Ruicong Medical Technology Partnership Enterprise (Limited Partnership) (上海睿從醫療科技合夥企業(有限合夥)) ("Shanghai Ruicong") was established in the PRC as a limited partnership as an employee incentive platform of the Company. Mr. Liu Jian and two other founding employees of the Company were partners when Shanghai Ruicong was set up. Mr. Liu Jian served as the general partner of Shanghai Ruicong.

2023 Share award

In 2023, Mr. Liu Jian transferred his shares of Shanghai Ruicong to eligible employees who contributed to the success of the Company's operations. These granted restricted shares of Shanghai Ruicong will vest when the performance condition and 5-year service period condition are fulfilled.

The Company accounts for the *2023 Share award* as an equity-settled plan.

	Year ended 31 December 2023		Year ended 31 December 2024	
	Grant price per share	Number of restricted shares	Grant price per share	Number of restricted shares
	RMB	*'000*	*RMB*	*'000*
At beginning of year	–	–	0.80	896
Granted during the year	0.80	896	–	–
Forfeited	–	–	0.80	(45)
At end of year	0.80	896	0.80	851

	Six months ended 30 June 2024		Six months ended 30 June 2025	
	Grant price per share	Number of restricted shares	Grant price per share	Number of restricted shares
	RMB	*'000*	*RMB*	*'000*
	(Unaudited)	*(Unaudited)*		
At beginning of period	0.80	896	0.80	851
Forfeited	0.80	(45)	–	–
At end of period	0.80	851	0.80	851

During the Relevant Periods and the six months ended 30 June 2024, share award expenses under the *2023 Share award* of RMB3,519,000, RMB4,223,000, RMB2,111,000 and RMB2,111,000 (unaudited) were charged to profit or loss.

The fair value of the restricted shares granted to employees under the *2023 Share award* as at the grant date were determined with reference to the fair value of the Company on the grant date, using the discounted cash flow method with the consideration of discount for lack of marketability (DLOM) to determine the underlying equity fair value of the Company, with the assistance of an independent third-party valuation firm. The following table lists the inputs to the model used to estimate the fair value of restricted shares granted during the Relevant Periods and the six months ended 30 June 2024:

	As at the grant date in the year of
	2023
Dividend yield (%)	–
Risk-free interest rate (%)	3.14%
Weighted Average Cost of Capital (%)	15.00%
DLOM	19.00%

2024 Share award

In 2024, a then shareholder of the Shanghai Ruicong transferred his shares to eligible employees who contributed to the success of the Company's operations. These granted restricted shares of Shanghai Ruicong will vest when the performance condition and 5-year service period condition are fulfilled.

The above mentioned then shareholder of the Shanghai Ruicong also transferred his shares to Mr. Liu Jian under *2024 Share award* in 2024. These granted shares of Shanghai Ruicong vested immediately.

In 2025, a then shareholder of the Shanghai Ruicong transferred his shares to another eligible employee who contributed to the success of the Company's operations. These granted restricted shares of Shanghai Ruicong will vest when the performance condition and 5-year service period condition are fulfilled.

The Company accounts for the *2024 Share award* as an equity-settled plan.

	Year ended 31 December 2024		Six months ended 30 June 2024		Six months ended 30 June 2025	
	Grant price per share	Number of restricted shares	Grant price per share	Number of restricted shares	Grant price per share	Number of restricted shares
	RMB	*'000*	*RMB*	*'000*	*RMB*	*'000*
			(Unaudited)	*(Unaudited)*		
At beginning of the year/period	–	–	–	–	0.21-4.02	621
Granted during the year/period	0.21-4.02	734	0.21-4.02	734	4.02	81
Vested during the year/period	4.02	(113)	4.02	(113)	–	–
Forfeited during the year/period	–	–	–	–	4.02	(81)
At end of the year/period	0.21-4.02	621	0.21-4.02	621	0.21-4.02	621

During the Relevant Periods and the six months ended 30 June 2024, share award expenses under the *2024 Share award* of Nil, RMB7,741,000, RMB3,147,000 and RMB5,055,000 (unaudited) were charged profit or loss.

The fair value of the restricted shares granted to employees under the *2024 Share award* as at the grant date were determined with reference to the fair value of the Company on the grant date, using the discounted cash flow method with the consideration of discount for lack of marketability (DLOM) to determine the underlying equity fair value of the Company, with the assistance of an independent third-party valuation firm. The following table lists the inputs to the model used to estimate the fair value of restricted shares granted during the Relevant Periods and the six months ended 30 June 2024:

	As at the grant date in the year of	
	2024	2025
Dividend yield (%)	–	–
Risk-free interest rate (%)	2.36%	2.03%
Weighted average cost of capital (%)	14.50%	14.00%
DLOM	16.00%	14.00%

28. RESERVES

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented in the statements of changes in equity.

Capital reserve

The capital reserve represents the excess of the premium of the shareholders' total investment amount over the paid-in capital they purchased.

Share-based payment reserve

The share-based payment reserve represents the equity-settled share awards as set out in note 27 to the Historical Financial Information.

29. NOTES TO THE STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods and the six months ended 30 June 2024, the Company's major non-cash transactions were as follows:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* (*Unaudited*)	*RMB'000*
Additions of right-of-use assets	532	–	–	1,810
Additions of lease liabilities	532	–	–	1,810

(b) Changes in liabilities arising from financing activities

	Lease liabilities
	RMB'000
At 1 January 2023	2,431
New leases	387
Changes from financing cash flows	(1,465)
Interest expense	97
Lease modification	145
At 31 December 2023	1,595

	Interest-bearing bank borrowings	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2024	–	1,595	1,595
Changes from financing cash flows	9,766	(949)	8,817
Interest expense	234	53	287
At 31 December 2024	10,000	699	10,699

	Interest-bearing bank borrowings	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*
At 1 January 2024	–	1,595	1,595
Changes from financing cash flows	9,903	(560)	9,343
Interest expense	97	33	130
At 30 June 2024	10,000	1,068	11,068

	Interest-bearing bank borrowings	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2025	10,000	699	10,699
Changes from financing cash flows	(10,071)	(872)	(10,943)
Interest expense	71	35	106
Lease modification	–	1,810	1,810
At 30 June 2025	–	1,672	1,672

(c) Total cash outflows for leases

The total cash outflows for leases included in the statements of cash flows are as follows:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
				(Unaudited)
Within financing activities	(1,465)	(949)	(560)	(872)

30. COMMITMENTS

As at the end of each of the Relevant Periods, the Company did not have any significant contractual commitments.

31. RELATED PARTY TRANSACTION

(a) Name of and relationship with a related party

Name	Relationship
Mr. Liu Jian	Shareholder of the Company

(b) Other transactions with a related party

Mr. Liu Jian has guaranteed certain bank loans made to the Company of up to RMB10,000,000 as at 31 December 2024, as disclosed in note 24 to the Historical Financial Information.

(c) Compensation of key management personnel of the Company

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	2,230	2,501	1,282	1,246
Equity-settled share awards expenses	397	6,580	5,306	1,837
Performance related bonuses	507	180	90	97
Pension scheme contributions	238	312	155	159
Total	3,372	9,573	6,833	3,339

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

32. FINANCIAL INSTRUMENTS BY CATEGORY

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

	As at 31 December		As at 30 June
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Financial assets at amortised cost:			
Trade receivables	165	73	73
Financial assets included in prepayments, other receivables and other assets	220	214	231
Cash and cash equivalents	44,027	26,633	15,433
Total	44,412	26,920	15,737
Financial liabilities at amortised cost:			
Trade payables	464	490	1,625
Financial liabilities included in other payables and accruals	244	2,485	8,390
Interest-bearing bank borrowings	–	10,000	–
Total	708	12,975	10,015

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments, comprise bank loans and overdrafts, and cash and deposits. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company 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 Company'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:

(a) Foreign currency risk

The Company had transactional currency exposures during the Relevant Periods. Such exposures mainly arose from the USD held by the Company.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Company's loss before tax (arising from USD denominated financial instruments) and the Company's equity.

	Increase/(decrease) in rate of foreign currency	Increase/(decrease) in loss before tax	Increase/(decrease) in equity
	%	*RMB'000*	*RMB'000*
31 December 2023			
If the RMB weakens against the USD	5	(1,736)	1,736
If the RMB strengthens against the USD	(5)	1,736	(1,736)
31 December 2024			
If the RMB weakens against the USD	5	(360)	360
If the RMB strengthens against the USD	(5)	360	(360)
30 June 2025			
If the RMB weakens against the USD	5	(357)	357
If the RMB strengthens against the USD	(5)	357	(357)

(b) Credit risk

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

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Company'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 end of each of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk:

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*
Cash and cash equivalents	44,027	–	–	–	44,027
Trade receivables*	–	–	–	165	165
Financial assets included in prepayments, other receivables and other assets – normal**	220	–	–	–	220
Total	44,247	–	–	165	44,412

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*
Cash and cash equivalents	26,633	–	–	–	26,633
Trade receivables*	–	–	–	73	73
Financial assets included in prepayments, other receivables and other assets – normal**	214	–	–	–	214
Total	26,847	–	–	73	26,920

As at 30 June 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*
Cash and cash equivalents	15,433	–	–	–	15,433
Trade receivables*	–	–	–	73	73
Financial assets included in prepayments, other receivables and other assets – normal**	231	–	–	–	231
Total	15,664	–	–	73	15,737

* For trade receivables to which the Company applies the simplified approach for impairment, relevant information is disclosed in note 18 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".

(c) Liquidity risk

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

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

	As at 31 December 2023			
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	464	–	–	464
Financial liabilities included in other payables and accruals	244	–	–	244
Lease liabilities	887	631	144	1,662
Total	1,595	631	144	2,370

	As at 31 December 2024			
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	490	–	–	490
Financial liabilities included in other payables and accruals	2,485	–	–	2,485
Interest-bearing bank borrowings	10,071	–	–	10,071
Lease liabilities	569	144	–	713
Total	13,615	144	–	13,759

	As at 30 June 2025			
	Within 1 year or on demand	1 to 2 years	2 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	1,625	–	–	1,625
Financial liabilities included in other payables and accruals	8,390	–	–	8,390
Lease liabilities	926	747	57	1,730
Total	10,941	747	57	11,745

(d) Capital management

The primary objectives of the Company's capital management are to safeguard the Company'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 Company 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 Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during Relevant Periods.

The Company 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		As at 30 June
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total liabilities	6,867	16,024	22,321
Total assets	52,830	36,952	30,386
Debt-to-asset ratio	13.00%	43.36%	73.46%

34. EVENTS AFTER THE RELEVANT PERIODS

In September 2025, investors made capital injections of RMB70,000,000 to the Company, among which a total amount of RMB581,000 was registered as Company's paid-in capital and the remaining RMB 69,419,000 was credited to capital reserve.

On 17 November 2025, the Company was converted to a joint stock limited liability company, details please refer to note 1 to the Historical Financial Information.

35. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company in respect of any period subsequent to 30 June 2025.