

APPENDIX I

ACCOUNTANTS’ REPORT

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

[To insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHANGHAI EIGENCOMM TECHNOLOGIES CO., LTD. AND CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED

Introduction

We report on the historical financial information of Shanghai Eigencomm Technologies Co., Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-[*] to I-[*], which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026 (the “**Relevant Periods**”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and 30 June 2026 and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-[*] to I-[*] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [*] (the “**Document**”) in connection with the initial [REDACTED] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Directors’ responsibility for the Historical Financial Information

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

Reporting accountants’ responsibility

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and 30 June 2026 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated 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 2025 and other explanatory information (the “**Interim Comparative Financial Information**”). The directors of the Company are responsible for the preparation 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 [REDACTED] of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

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

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

[•]

Certified Public Accountants

Hong Kong

[date]

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I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

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

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

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

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
REVENUE	5	533,076	552,404	689,390	337,162	415,848
Cost of sales		(485,428)	(429,010)	(563,398)	(260,347)	(383,309)
Gross profit		47,648	123,394	125,992	76,815	32,539
Other income and gains	5	41,040	53,422	36,963	21,772	17,629
Selling and distribution expenses		(13,504)	(11,393)	(12,014)	(5,374)	(6,334)
Administrative expenses		(47,270)	(13,328)	(24,114)	(5,330)	(7,230)
Research and development expenses		(186,144)	(138,913)	(134,910)	(67,967)	(69,149)
Other expenses		(2)	—	(2,308)	(523)	(6,202)
Finance costs	7	(424)	(412)	(934)	(460)	(643)
Reversal of impairment losses/(impairment losses) on financial assets, net		120	(375)	(4,631)	(2,080)	378
(LOSS)/PROFIT BEFORE TAX	6	(158,536)	12,395	(15,956)	16,853	(39,012)
Income tax	10	—	—	—	—	—
(LOSS)/PROFIT FOR THE YEAR/PERIOD		<u>(158,536)</u>	<u>12,395</u>	<u>(15,956)</u>	<u>16,853</u>	<u>(39,012)</u>
Attributable to:						
Owners of the parent		<u>(158,536)</u>	<u>12,395</u>	<u>(15,956)</u>	<u>16,853</u>	<u>(39,012)</u>
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic and diluted (RMB)	12	<u>(5.39)</u>	<u>0.41</u>	<u>(0.53)</u>	<u>0.56</u>	<u>(1.30)</u>
(LOSS)/PROFIT FOR THE YEAR/PERIOD		<u>(158,536)</u>	<u>12,395</u>	<u>(15,956)</u>	<u>16,853</u>	<u>(39,012)</u>
OTHER COMPREHENSIVE LOSS						
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:						
Exchange differences on translation of foreign operations		—	—	—	—	(13)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR/PERIOD		<u>(158,536)</u>	<u>12,395</u>	<u>(15,956)</u>	<u>16,853</u>	<u>(39,025)</u>
Attributable to:						
Owners of the parent		<u>(158,536)</u>	<u>12,395</u>	<u>(15,956)</u>	<u>16,853</u>	<u>(39,025)</u>

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 30 June
	Notes	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment . . .	13	17,611	15,563	17,346	18,017
Right-of-use assets	14	6,443	4,201	2,203	4,918
Intangible assets	15	118	34	12	2
Prepayments, other receivables and other assets	19	741	741	2,131	1,794
Long-term time deposits	21	222,028	207,348	—	—
Total non-current assets		246,941	227,887	21,692	24,731
CURRENT ASSETS					
Inventories	17	110,531	87,300	224,512	195,461
Trade receivables	18	60,489	72,091	81,835	92,628
Prepayments, other receivables and other assets	19	130,287	59,301	99,900	55,582
Financial assets at fair value through profit or loss	20	644,030	718,453	562,243	768,842
Time deposits	21	—	21,970	213,928	—
Restricted cash	21	—	58	—	—
Cash and cash equivalents	21	22,311	35,222	88,629	102,805
Total current assets		967,648	994,395	1,271,047	1,215,318
CURRENT LIABILITIES					
Trade payables	22	22,695	13,762	23,899	41,480
Other payables and accruals	23	53,990	32,451	36,566	26,118
Interest-bearing bank borrowings . .	24	—	7,439	65,004	38,857
Lease liabilities	14	2,396	2,528	2,726	2,217
Provisions	25	2,269	1,935	2,818	3,075
Other financial liabilities	26	—	—	1,629,600	1,629,600
Total current liabilities		81,350	58,115	1,760,613	1,741,347
NET CURRENT ASSETS/ (LIABILITIES)					
		886,298	936,280	(489,566)	(526,029)
TOTAL ASSETS LESS CURRENT LIABILITIES					
		1,133,239	1,164,167	(467,874)	(501,298)
NON-CURRENT LIABILITIES					
Lease liabilities	14	5,082	2,573	19	2,954
Other payables and accruals	23	—	—	66	55
Total non-current liabilities		5,082	2,573	85	3,009
Net assets/(liabilities)		1,128,157	1,161,594	(467,959)	(504,307)
EQUITY					
Equity attributable to owners of the parent					
Paid-in/share capital	28	30,000	30,000	30,000	30,000
Reserves	30	1,098,157	1,131,594	(497,959)	(534,307)
Total equity/(deficits)		1,128,157	1,161,594	(467,959)	(504,307)

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent				
	Paid-in/share capital	Capital reserve*	Share-based payment reserve*	Accumulated losses*	Total
	RMB'000 Note 28	RMB'000 Note 30	RMB'000 Note 29	RMB'000	RMB'000
As at 1 January 2023	10,115	1,435,521	21,147	(304,418)	1,162,365
Loss for the year and total comprehensive loss for the year.	—	—	—	(158,536)	(158,536)
Capital injection	506	4,494	—	—	5,000
Share-based payments	—	—	119,328	—	119,328
Transfer of share-based payment reserve upon the vesting of restricted shares.	—	107,731	(107,731)	—	—
Conversion into a joint-stock company (note 28) . .	—	(203,181)	—	203,181	—
Transfer of capital reserve to share capital.	19,379	(19,379)	—	—	—
As at 31 December 2023	<u>30,000</u>	<u>1,325,186</u>	<u>32,744</u>	<u>(259,773)</u>	<u>1,128,157</u>

Year ended 31 December 2024

	Attributable to owners of the parent				
	Share capital	Capital reserve*	Share-based payment reserve*	Accumulated losses*	Total
	RMB'000 Note 28	RMB'000 Note 30	RMB'000 Note 29	RMB'000	RMB'000
As at 1 January 2024	30,000	1,325,186	32,744	(259,773)	1,128,157
Profit for the year and total comprehensive income for the year	—	—	—	12,395	12,395
Share-based payments	—	—	21,042	—	21,042
Transfer of share-based payment reserve upon the vesting of restricted shares.	—	14,079	(14,079)	—	—
As at 31 December 2024	<u>30,000</u>	<u>1,339,265</u>	<u>39,707</u>	<u>(247,378)</u>	<u>1,161,594</u>

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Year ended 31 December 2025

	Attributable to owners of the parent					Total
	Share capital	Capital reserve*	Share-based payment reserve*	Other reserve*	Accumulated losses*	
	<i>RMB'000</i> <i>Note 28</i>	<i>RMB'000</i> <i>Note 30</i>	<i>RMB'000</i> <i>Note 29</i>	<i>RMB'000</i> <i>Note 30</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2025	30,000	1,339,265	39,707	—	(247,378)	1,161,594
Loss for the year and total comprehensive loss for the year	—	—	—	—	(15,956)	(15,956)
Share-based payments	—	—	16,003	—	—	16,003
Transfer of share-based payment reserve upon the vesting of restricted shares . .	—	13,024	(13,024)	—	—	—
Recognition of financial liabilities in respect of redemption rights issued to investors (<i>note 26</i>)	—	—	—	(1,629,600)	—	(1,629,600)
As at 31 December 2025	<u>30,000</u>	<u>1,352,289</u>	<u>42,686</u>	<u>(1,629,600)</u>	<u>(263,334)</u>	<u>(467,959)</u>

Six months ended 30 June 2025 (unaudited)

	Attributable to owners of the parent				
	Share capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total
	<i>RMB'000</i> <i>Note 28</i>	<i>RMB'000</i> <i>Note 30</i>	<i>RMB'000</i> <i>Note 29</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2025 (audited)	30,000	1,339,265	39,707	(247,378)	1,161,594
Profit for the period and total comprehensive income for the period (unaudited)	—	—	—	16,853	16,853
Share-based payments (unaudited).	—	—	8,027	—	8,027
Transfer of share-based payment reserve upon the vesting of restricted shares (unaudited)	—	7,045	(7,045)	—	—
As at 30 June 2025 (unaudited)	30,000	1,346,310	40,689	(230,525)	1,186,474

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Six months ended 30 June 2026

	Attributable to owners of the parent						
	Share capital	Capital reserve*	Share-based payment reserve*	Other reserve*	Exchange fluctuation reserve*	Accumulated losses*	Total
	<i>RMB'000</i> <i>Note 28</i>	<i>RMB'000</i> <i>Note 30</i>	<i>RMB'000</i> <i>Note 29</i>	<i>RMB'000</i> <i>Note 30</i>	<i>RMB'000</i> <i>Note 30</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2026	30,000	1,352,289	42,686	(1,629,600)	—	(263,334)	(467,959)
Loss for the period	—	—	—	—	—	(39,012)	(39,012)
Other comprehensive loss for the period:							
Exchange differences related to foreign operations	—	—	—	—	(13)	—	(13)
Total comprehensive loss for the period.	—	—	—	—	(13)	(39,012)	(39,025)
Share-based payments.	—	—	2,677	—	—	—	2,677
Transfer of share-based payment reserve upon the vesting of restricted shares.	—	7,056	(7,056)	—	—	—	—
As at 30 June 2026	<u>30,000</u>	<u>1,359,345</u>	<u>38,307</u>	<u>(1,629,600)</u>	<u>(13)</u>	<u>(302,346)</u>	<u>(504,307)</u>

* These reserve accounts represent the total consolidated reserves of RMB1,098,157,000, RMB1,131,594,000 in the consolidated statements of financial position as at 31 December 2023 and 2024, respectively, and the total consolidated deficits of RMB497,959,000, RMB534,307,000 as at 31 December 2025 and 30 June 2026, respectively.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December			Six months ended 30 June	
	Notes	2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)	
CASH FLOWS FROM						
OPERATING ACTIVITIES						
(Loss)/profit before tax		(158,536)	12,395	(15,956)	16,853	(39,012)
Adjustments for:						
Depreciation of property, plant and equipment	6	4,206	3,799	3,529	1,751	1,858
Depreciation of right-of-use assets	6	2,461	2,467	2,353	1,177	1,138
Amortisation of intangible assets	6	400	84	22	11	10
Share-based payment expenses	6	119,328	21,042	16,003	8,027	2,677
(Reversal of impairment losses)/impairment losses on trade receivables	6	(120)	375	4,631	2,080	(378)
Finance costs	7	424	412	934	460	643
Net gain arising on financial instruments at fair value through profit or loss	6	(27,983)	(27,655)	(16,545)	(9,468)	(13,127)
Interest income	5	(7,291)	(8,876)	(8,914)	(4,175)	(2,217)
		(67,111)	4,043	(13,943)	16,716	(48,408)
(Increase)/decrease in inventories		(26,867)	23,231	(137,212)	(70,756)	29,051
Decrease/(increase) in trade receivables		22,611	(11,977)	(14,375)	(1,157)	(10,415)
Decrease/(increase) in prepayments, other receivables and other assets		235,063	71,214	(37,920)	(92,607)	44,765
Increase/(decrease) in provisions		1,152	(334)	883	410	257
Increase/(decrease) in other payables and accruals		26,282	(21,539)	4,128	(13,857)	(10,432)
(Decrease)/increase in trade payables		(5,027)	(8,933)	10,137	14,760	17,581
Cash generated from/(used in) operations		186,103	55,705	(188,302)	(146,491)	22,399
Interest received		959	1,586	2,275	853	1,608
Net cash flows from/(used in) operating activities		187,062	57,291	(186,027)	(145,638)	24,007

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		Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
	Notes	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of items of property, plant, and equipment		(12,669)	(1,978)	(7,393)	(2,535)	(2,519)
Purchases of intangible assets		(68)	—	—	—	—
Proceeds from maturity of financial assets at fair value through profit or loss.		1,947,680	1,485,786	1,173,458	798,137	480,030
Purchases of financial assets at fair value through profit or loss		(2,021,197)	(1,532,555)	(1,000,702)	(621,303)	(673,503)
Decrease/(increase) in restricted cash		450	(58)	58	58	—
Placement of time deposits		(215,696)	—	—	—	—
Withdrawal of time deposits		—	—	20,696	20,696	195,000
Interest received		—	—	1,333	1,333	19,537
Net cash flows (used in)/from investing activities		(301,500)	(48,805)	187,450	196,386	18,545
CASH FLOWS FROM FINANCING ACTIVITIES						
Capital injection from the Company's shareholders		5,000	—	—	—	—
Payment of [REDACTED] expenses		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Increase/(decrease) in bank overdrafts		—	7,439	57,565	26,181	(50,670)
New bank loans		—	—	42,965	42,965	24,523
Repayment of bank loans		—	—	(42,965)	(29,965)	—
Lease payments	31(b)	(2,578)	(2,885)	(2,870)	(1,352)	(1,508)
Interest paid		(56)	(129)	(775)	(376)	(562)
Net cash flows from/(used in) financing activities		2,366	4,425	51,984	37,453	(28,363)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS.						
Cash and cash equivalents at beginning of year /period		134,383	22,311	35,222	35,222	88,629
Effect of foreign exchange rate changes, net		—	—	—	—	(13)
Cash and cash equivalents at end of year /period		22,311	35,222	88,629	123,423	102,805
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances	21	22,311	35,280	88,629	123,423	102,805
Time deposits	21	222,028	229,318	213,928	210,611	—
Subtotal		244,339	264,598	302,557	334,034	102,805
Less: Restricted cash	21	—	(58)	—	—	—
Short-term time deposits	21	—	(21,970)	(213,928)	(210,611)	—
Long-term time deposits	21	(222,028)	(207,348)	—	—	—
Cash and cash equivalents as stated in the statements of financial position and statements of cash flows		22,311	35,222	88,629	123,423	102,805

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December			As at 30 June
	Notes	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Investments in subsidiaries	16	3,994	5,209	6,232	7,254
Property, plant and equipment . . .	13	17,603	15,560	17,345	18,016
Right-of-use assets	14	6,443	4,201	2,203	4,918
Intangible assets	15	118	34	12	2
Prepayments, other receivables and other assets	19	741	741	2,131	1,794
Long-term time deposits	21	222,028	207,348	—	—
Total non-current assets		250,927	233,093	27,923	31,984
CURRENT ASSETS					
Inventories	17	110,268	87,300	224,512	195,461
Trade receivables	18	60,489	72,091	81,835	92,628
Prepayments, other receivables and other assets	19	129,902	59,034	99,874	55,500
Financial assets at fair value through profit or loss	20	644,030	718,453	562,243	768,842
Time deposits	21	—	21,970	213,928	—
Restricted cash	21	—	58	—	—
Cash and cash equivalents	21	22,075	35,182	88,590	101,907
Total current assets		966,764	994,088	1,270,982	1,214,338
CURRENT LIABILITIES					
Trade payables	22	22,695	13,762	23,899	41,480
Other payables and accruals	23	53,319	32,217	36,518	25,842
Interest-bearing bank borrowings .	24	—	7,439	65,004	38,857
Lease liabilities	14	2,396	2,528	2,726	2,217
Due to a subsidiary		3,047	3,710	1,476	2,924
Provisions	25	2,269	1,935	2,818	3,075
Other financial liabilities	26	—	—	1,629,600	1,629,600
Total current liabilities		83,726	61,591	1,762,041	1,743,995
NET CURRENT ASSETS/ (LIABILITIES)					
		883,038	932,497	(491,059)	(529,657)
TOTAL ASSETS LESS CURRENT LIABILITIES					
		1,133,965	1,165,590	(463,136)	(497,673)
NON-CURRENT LIABILITIES					
Lease liabilities	14	5,082	2,573	19	2,954
Other payables and accruals	23	—	—	66	55
Total non-current liabilities		5,082	2,573	85	3,009
Net assets/(liabilities)					
		1,128,883	1,163,017	(463,221)	(500,682)
EQUITY					
Paid-in/share capital	28	30,000	30,000	30,000	30,000
Reserves	30	1,098,883	1,133,017	(493,221)	(530,682)
Total equity/(deficits)					
		1,128,883	1,163,017	(463,221)	(500,682)

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II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated in the People’s Republic of China (“**PRC**”) with limited liability on 21 February 2017. The registered office of the Company is located at Rooms 707, 709 and 710, 7th Floor, Building 1, No. 298 Xiangke Road, China (Shanghai) Pilot Free Trade Zone, Shanghai. On 18 April 2023, the Company was converted into a joint stock company with limited liability.

During the Relevant Periods, the Company and its subsidiaries (collectively, the “**Group**”) were principally engaged in the research and development (“**R&D**”) and sale of cellular IoT communication chips, provision of Intellectual Property (“**IP**”) licensing service and design services for chips.

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

Name	Note	Place and date of incorporation/ registration and operations	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Principal activities
				%	
Nanjing Eigen Communication Technologies Co., Ltd. 南京砢亘通信科技有限公司	(1)	PRC/Chinese mainland/18 August 2021	RMB5,000,000	100	R&D and design of chips
Eigencomm Technologies (Hong Kong) Co., Limited 移芯通信科技(香港)有限公司	(1)	Hong Kong/18 July 2024	HKD1,000,000	100	Not yet commenced operation

The English names of all group companies registered in the PRC represent the best efforts made by the management of the Company to translate the Chinese names of these companies as they do not have official English names.

Note:

- (1) No audited financial statements have been prepared for this entity since its date of incorporation.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards (“**IFRS Accounting Standards**”), which comprise all standards and interpretations approved by the International Accounting Standards Board (the “**IASB**”). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods and the six months ended 30 June 2025.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value.

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The Historical Financial Information have been prepared under the going concern basis notwithstanding the fact that, as at 30 June 2026, the Group recorded net current liabilities and net liabilities amounting to RMB526,029,000 and RMB504,307,000, respectively. The net current liabilities and net liabilities primarily arose from the redemption rights issued to investors which amounted to RMB1,629,600,000 as at 30 June 2026. Pursuant to the supplemental agreement entered between the Company and certain [REDACTED] investors on 27 November 2025, redemption rights granted by the Company shall automatically terminate at the time when the Company submits its application for the [REDACTED] of the shares on the Stock Exchange (the “**Submission**”), provided in the event where the Submission is withdrawn, terminated, rejected, refused or lapsed within a prescribed period of time, such repurchase rights shall automatically be reinstated in full, and shall be exercisable upon the occurrence of specified contingent events disclosed in note 26 to the Historical Financial Information. The directors of the Company are of the opinion that no payment is expected for the settlement of the redemption liabilities as the related redemption rights would be terminated and the redemption liabilities would be converted into equity upon the qualified [REDACTED] of the Company’s H shares on the Stock Exchange.

In addition, the Group has performed a cash flow forecast for the next twelve months from 30 June 2026. The directors of the Company believe that the Group will have sufficient working capital to meet its financial liabilities and obligations as and when they fall due and to sustain its operations for the next twelve months from 30 June 2026. Accordingly, the directors of the Company consider that it is appropriate that the Historical Financial Information is prepared on a going concern basis.

The Historical Financial Information is presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the Relevant Periods and the six months ended 30 June 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

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

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

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

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency¹</i>
IFRS 18	<i>Presentation and Disclosure in Financial Statements¹</i>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures¹</i>
IFRS 20	<i>Regulatory Assets and Regulatory Liabilities²</i>
Amendments to IFRS 10 and IAS 28	<i>Sales or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Amendments to IAS 28	<i>Amendments to the Fair Value Option for Investments in Associates and Joint Ventures⁴</i>

¹ Effective for annual/reporting periods beginning on or after 1 January 2027

² Effective for annual/reporting periods beginning on or after 1 January 2029

³ No mandatory effective date yet determined but available for adoption

⁴ The amendments are applied when an entity first applies IFRS 18

The Group is in the process of making an assessment of the impact of these new and amended standards upon initial application. Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below. IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the consolidated statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the consolidated statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In

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addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRSs Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. Based on a preliminary assessment, the adoption of IFRS 18 is not expected to have any impact on the Group’s results of operations and financial position but has impact on the presentation and disclosure of the Group’s financial statements. Except for the IFRS 18, the adoption of the above standards and amendments will not expect to have significant impact on the operating results, comprehensive income and financial position of the Group.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures its wealth management products at fair value at the end of each Relevant Periods and the six months ended 30 June 2025. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and non-current 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

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in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

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

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

Related parties

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

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

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

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- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

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

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

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

Leasehold improvements	Shorter of remaining lease terms and estimated useful lives
Machinery	5 to 10 years
Office equipment and electronic devices	3 to 5 years
Vehicles	5 years

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 the end of each Relevant Periods.

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

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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 the end of each Relevant Periods.

Licences

Purchased licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 2 to 3 years.

Software

Software is stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated useful life of 3 years.

Research and development costs

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

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

Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

Leased office buildings

2 to 6 years

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

(b) Lease liabilities

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

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

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

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

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

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets at fair value through profit or loss

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

Derecognition of financial assets

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the

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transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

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

General approach

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

At the end of each reporting period, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

The Group considers a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

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

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

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

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Simplified approach

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

Classification as equity and financial liabilities

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

The Group’s financial liabilities include trade and other payables, interest-bearing bank borrowings and other financial liabilities.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS

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9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

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

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

After initial recognition, trade and other payables, and interest-bearing 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.

Inventories

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

Cash and cash equivalents

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

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above and form an integral part of the Group’s cash management.

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Provisions

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

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

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

Income tax

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

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

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period 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 goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

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

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

Government grants

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

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

Revenue recognition

Revenue from contracts with customers

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

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

(a) Sale of chips

The Group manufactures and sells chips. Revenue from the sale of chips is recognised at the point in time when control of the products is transferred to the customer, generally when the products are delivered to the customer.

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Some contracts provide customers with a right of rebates which give rise to variable consideration subject to constraint. Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied.

(b) License and service

Licenses and sales-based royalties: The licenses granted by the Group are the right to use Group’s intellectual property. The Group usually receives non-refundable upfront payments under license arrangements and is entitled to receive royalties based on the future sales volume. Revenue upon non-refundable upfront payments is recognised at a point in time, when the license is transferred to the licensee and the licensee is reasonably able to use and benefit from the license. Sales-based royalties are recognised when the related sales occur.

Maintenance service income: The revenue from the provision of maintenance services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Design service: The Group recognises revenue from design services at a point in time when the relevant services are completed and acknowledged by the customers. Costs incurred for the provision of design services are recognised as contract fulfilment costs, which are recognised as the cost of sales when recognising revenue.

Other income

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

Contract liabilities

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

Share-based payments

The Company operates a series of share incentive schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“**equity-settled transactions**”). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer (1) referencing the investors’ recent capital injection price; and (2) applying the discounted cash flow (“**DCF**”) method, further details of which are given in note 29 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

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reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

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

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

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

Other employee benefits

Pension schemes

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

Housing fund and other social insurances

The employees of the Group’s subsidiaries in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These include a housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group’s liability in respect of these funds is limited to the contributions payable in each reporting period.

Borrowing costs

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

Dividends

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

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Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the beginning of the month in which the transactions occur. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Deferred tax assets

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

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As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group has tax losses of RMB637,980,000, RMB713,060,000, RMB827,347,000 and RMB930,673,000, respectively, for which no deferred tax assets have been recognised. These losses related to entities that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The Group has neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Estimation uncertainty

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

Share-based payments

The Group operates employee incentive schemes for the purpose of providing incentives to the Company’s directors and the Group’s employees. The grant date fair value of the shares of the employee incentive schemes was determined based on (1) referencing the investors’ recent capital injection price; and (2) applying the DCF method. Further details are contained in note 29 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the research and development and sale of cellular Internet of Things (IoT) communication chips, provision of intellectual property licensing service and design services for chips. Information reported to the Group’s chief operating decision maker, for the purpose of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group’s resources are integrated and no discrete operating segment information is available. Accordingly, no further information about the operating segment is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Chinese mainland	379,624	375,688	257,377	105,578	126,986
Hong Kong	131,528	109,905	371,171	186,579	211,895
Taiwan	—	—	—	—	61,142
The United States	21,924	66,648	59,737	45,005	15,538
Singapore	—	—	—	—	205
The United Kingdom	—	163	1,105	—	82
Total revenue	<u>533,076</u>	<u>552,404</u>	<u>689,390</u>	<u>337,162</u>	<u>415,848</u>

The revenue information above is based on the registered locations of the customer group.

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(b) *Non-current assets*

Almost all the non-current assets of the Group are physically located in Chinese mainland.

Information about major customers

The revenue generated from sales to customers which individually amounted to more than 10% of the Group’s total revenue during each of the Relevant Periods and the six months ended 30 June 2025 is set out below:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Customer G	*	*	196,355	90,386	112,637
Customer A	173,482	137,146	196,995	102,156	94,713
Customer I	*	*	*	*	61,142
Customer B	61,319	111,472	*	*	*
Customer C	160,892	95,830	*	36,827	*
Customer Q	*	66,648	*	45,005	*

* Less than 10% of the Group’s revenue.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue from contracts with customers	533,076	552,404	689,390	337,162	415,848

Revenue from contracts with customers

(a) *Disaggregated revenue information*

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Types of goods or services					
Sale of chips	510,570	485,566	629,510	292,050	399,903
License and service	22,506	66,838	59,880	45,112	15,945
Total	533,076	552,404	689,390	337,162	415,848
Timing of revenue recognition					
Goods transferred or services provided at a point in time	533,076	548,492	685,101	335,007	414,635
Services transferred over time	—	3,912	4,289	2,155	1,213
Total	533,076	552,404	689,390	337,162	415,848

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The following table shows the amounts of revenue recognised in the Relevant Periods and the six months ended 30 June 2025 that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	2,742	25,965	3,980	3,980	4,178

(b) Performance obligations

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

Sale of chips

The performance obligation is satisfied upon delivery of chips to the customer and payment is generally due within 15 to 60 days, except for certain new customers, where payment in advance is normally required. Some contracts provide customers with rebates which give rise to variable consideration subject to constraint.

License and service

The licenses granted by the Group are right to use Group’s intellectual property. The Group usually receives non-refundable upfront payments under license arrangements and is entitled to receive royalties based on the future sales volume. Revenue upon non-refundable upfront payments is recognised at a point in time, when the license is transferred to the licensee and the licensee is reasonably able to use and benefit from the license. Sales-based royalties are recognised when the related sales occur.

The revenue from the provision of maintenance services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

The Group recognises revenue from design services at a point in time when the relevant services are completed and acknowledged by the customers. Contract costs include contract fulfilment costs. Costs incurred for the provision of design services are recognised as contract fulfilment costs, which are recognised as the cost of sales when recognising revenue.

The management of the Group expects the transaction price (not include variable consideration) allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as of the end of each of the Relevant Periods and the six months ended 30 June 2025 will be recognised within one year from the end of the respective periods.

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An analysis of other income and gains is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Other income					
Government grants and value-added tax additional deduction	5,351	15,568	11,504	8,129	2,285
Interest income	7,291	8,876	8,914	4,175	2,217
Total other income	12,642	24,444	20,418	12,304	4,502
Gains					
Fair value gains on financial instruments at fair value through profit or loss	27,983	27,655	16,545	9,468	13,127
Foreign exchange gains, net	410	1,323	—	—	—
Others	5	—	—	—	—
Total gains	28,398	28,978	16,545	9,468	13,127
Total other income and gains	41,040	53,422	36,963	21,772	17,629

6. (LOSS)/PROFIT BEFORE TAX

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

Notes	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Cost of goods sold*	485,144	404,800	561,931	258,880	382,930
Cost of services provided*	284	24,210	1,467	1,467	379
Depreciation of property, plant and equipment	13	4,206	3,799	1,751	1,858
Depreciation of right-of-use assets	14	2,461	2,467	1,177	1,138
Amortisation of intangible assets	15	400	84	11	10
Research and development expenses		186,144	138,913	67,967	69,149
Lease payments not included in the measurement of lease liabilities	14(c)	1,044	591	199	203
Foreign exchange differences, net		(410)	(1,323)	523	6,202
(Reversal of impairment losses)/impairment losses on trade receivables	18	(120)	375	2,080	(378)
Product warranty provision	25	1,358	911	556	429
Fair value gain on financial instruments at fair value through profit or loss	5	(27,983)	(27,655)	(9,468)	(13,127)
[REDACTED] expenses		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Employee benefit expense (including directors’ and chief executive’s remuneration (note 8)):					
Wages and salaries		88,957	101,529	47,977	55,297
Equity-settled share-based payment expense		119,328	21,042	8,027	2,677
Pension scheme contributions (defined contribution scheme).		18,670	19,470	9,888	10,578
Less: Amount capitalised		(17,701)	(2,898)	—	—
		209,254	139,143	65,892	68,552

* Cost of goods sold and cost of services provided include write-down of inventories, depreciation and amortisation and employee benefit expense, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

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7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest on interest-bearing bank borrowings	56	129	775	376	562
Interest on lease liabilities	368	283	159	84	81
Total	424	412	934	460	643

8. DIRECTORS’ REMUNERATION

Directors’ remuneration during the Relevant Periods and the six months ended 30 June 2025, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Fees	106	136	89	40	90
Other emoluments:					
Salaries, bonuses, allowances and benefits in kind	2,099	3,144	3,836	1,502	2,138
Performance related bonuses* . .	564	834	1,032	340	433
Share-based payment expenses . .	68,546	1,184	942	473	290
Pension scheme contributions . .	332	518	696	261	352
Subtotal	71,541	5,680	6,506	2,576	3,213
Total	71,647	5,816	6,595	2,616	3,303

* Certain directors of the Company are entitled to bonus payments which are determined by key performance indicators.

During the Relevant Periods and the six months ended 30 June 2025, certain directors were granted restricted shares, in respect of their services to the Group, under the employee incentive schemes of the Company, further details of which are set out in note 29 to the Historical Financial Information. The difference between the fair value of the shares granted and the subscription price was recorded in the share-based payment reserve within equity with the corresponding “share-based payment expenses” recognised in profit or loss over the vesting period. The amounts of the share-based payment expenses during the Relevant Periods and the six months ended 30 June 2025 are included in the above directors’ remuneration disclosures.

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The remuneration of each director of the Company (excluding share-based payment expenses and emoluments for services rendered as employees of the Group entities prior to their appointment as directors of the Company) paid or payable by the Group during the Relevant Periods and the six months ended 30 June 2025 is set out below:

(a) Independent non-executive directors

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Fees					
Mr. Zhang Feifei	53	68	37	20	—
Mr. Lou Hetong	41	—	—	—	—
Dr. He Qin	12	68	42	20	30
Ms. Tang Xiaoyan	—	—	5	—	30
Ms. Wu Xiaoqing	—	—	5	—	30
Total	106	136	89	40	90

Mr. Zhang Feifei was appointed as an independent director from April 2023 to October 2025.

Mr. Lou Hetong was appointed as an independent director from April 2023 to October 2023.

Dr. He Qin was appointed as an independent director in October 2023 and was redesignated to an independent non-executive director in November 2025.

Ms. Tang Xiaoyan and Ms. Wu Xiaoqing were appointed as independent non-executive directors in November 2025.

(b) Directors

	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000
2023				
Directors:				
Mr. Liu Shi (i)	1,245	420	166	1,831
Mr. Yang Yueqi (ii)	854	144	166	1,164
Ms. Xia Xinyi (iii)	—	—	—	—
Mr. Wang Yingbo (iv)	—	—	—	—
Mr. Cao Huinan (v)	—	—	—	—
Mr. KUANTAI YEH (vi)	—	—	—	—
Mr. Guo Shi (vii)	—	—	—	—
Mr. Xia Zhijin (viii)	—	—	—	—
Total	2,099	564	332	2,995

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	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
2024				
Directors:				
Mr. Liu Shi (<i>i</i>)	1,364	420	173	1,957
Mr. Yang Yueqi (<i>ii</i>)	904	270	173	1,347
Ms. Xia Xinyi (<i>iii</i>)	—	—	—	—
Ms. Zheng Hong (<i>ix</i>)*	876	144	172	1,192
Total	3,144	834	518	4,496

	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
2025				
Directors:				
Mr. Liu Shi (<i>i</i>)	1,450	452	174	2,076
Mr. Yang Yueqi (<i>ii</i>)	821	225	174	1,220
Ms. Zheng Hong (<i>ix</i>)	898	190	174	1,262
Mr. Jiao Changjin (<i>x</i>)*	667	165	174	1,006
Total	3,836	1,032	696	5,564

	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Six months ended 30 June 2025 (unaudited)				
Directors:				
Mr. Liu Shi (<i>i</i>)	682	176	87	945
Mr. Yang Yueqi (<i>ii</i>)	385	78	87	550
Ms. Zheng Hong (<i>ix</i>)	435	86	87	608
Total	1,502	340	261	2,103

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	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000
Six months ended 30 June 2026				
Directors:				
Mr. Liu Shi (i)	803	155	88	1,046
Mr. Yang Yueqi (ii)	417	88	88	593
Ms. Zheng Hong (ix)	540	109	88	737
Mr. Jiao Changjin (x)	378	81	88	547
Total	2,138	433	352	2,923

Share-based payment expenses

The amount of remuneration which was paid to Mr. Liu Shi for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 were RMB67,646,000, nil, nil, nil (unaudited) and nil, respectively.

The amount of remuneration which was paid to Mr. Yang Yueqi for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 were RMB900,000, RMB374,000, RMB247,000, RMB147,000 (unaudited) and RMB37,000, respectively.

The amount of remuneration which was paid to Ms. Zheng Hong for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 were nil, RMB810,000, RMB627,000, RMB326,000 (unaudited) and RMB243,000, respectively.

The amount of remuneration which was paid to Mr. Jiao Changjin for the year ended 31 December 2025 and the six months ended 30 June 2026 were RMB68,000 and RMB10,000, respectively.

Notes:

- (i) Mr. Liu Shi was appointed as the chairman of the Board and a director of the Company in February 2017 and will be redesignated as an executive director with effect from the date of [REDACTED].
- (ii) Mr. Yang Yueqi was appointed as a director in October 2019 and will be redesignated as an executive director with effect from the date of [REDACTED].
- (iii) Ms. Xia Xinyi was appointed as a director from January 2022 to November 2024.
- (iv) Mr. Wang Yingbo was appointed as a director from January 2022 to April 2023.
- (v) Mr. Cao Huinan was appointed as a director from January 2022 to April 2023.
- (vi) Mr. KUANTAI YEH was appointed as a director from January 2022 to April 2023.
- (vii) Mr. Guo Shi was appointed as a director from January 2022 to April 2023.
- (viii) Mr. Xia Zhijin was appointed as a director from January 2022 to April 2023.
- (ix) Ms. Zheng Hong was appointed as a director in October 2024 and will be redesignated as an executive director with effect from the date of [REDACTED].
- (x) Mr. Jiao Changjin was appointed as a director in November 2025 and will be redesignated as an executive director with effect from the date of [REDACTED].

* The remuneration amount represents the director’s annual compensation.

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There was no arrangement under which a director waived or agreed to waive any remuneration during the Relevant Periods and the six months ended 30 June 2025.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 included one, nil, one, nil and two directors, details of whose remuneration are set out in note 8 above. Details of the remuneration for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 of the remaining four, five, four, five and three highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Salaries, allowances and benefits					
in kind	4,709	6,543	5,462	3,376	2,344
Performance related bonuses	1,312	1,860	1,722	665	455
Equity-settled share option					
expense	13,928	4,961	2,947	1,813	612
Pension scheme contributions	664	856	683	427	260
Total	<u>20,613</u>	<u>14,220</u>	<u>10,814</u>	<u>6,281</u>	<u>3,671</u>

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

	Number of employees				
	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(unaudited)	
HKD500,001 to HKD1,000,000 . . .	—	—	—	—	1
HKD1,000,001 to HKD1,500,000 .	—	—	—	3	2
HKD1,500,001 to HKD2,000,000 .	—	—	—	2	—
HKD2,000,001 to HKD2,500,000 .	—	1	2	—	—
HKD2,500,001 to HKD3,000,000 .	—	1	—	—	—
HKD3,000,001 to HKD3,500,000 .	—	2	—	—	—
HKD3,500,001 to HKD4,000,000 .	1	1	2	—	—
HKD5,000,001 to HKD5,500,000 .	1	—	—	—	—
HKD5,500,001 to HKD6,000,000 .	1	—	—	—	—
HKD8,000,001 to HKD8,500,000 .	1	—	—	—	—
Total	<u>4</u>	<u>5</u>	<u>4</u>	<u>5</u>	<u>3</u>

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10. INCOME TAX

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

Chinese mainland

The companies incorporated in Chinese mainland are subject to tax at the statutory rate of 25% on the taxable profits determined in accordance with the PRC Corporate Income Tax Law which became effective on 1 January 2008, except for those subject to preferential tax rates set out below. No provision for PRC profits tax has been made as the Group did not generate any assessable profits derived arising in Chinese mainland during the Relevant Periods and the six months ended 30 June 2025.

The Company was granted the qualification of High and New Technology Enterprises (“HNTTE”) and was entitled to a preferential corporate income tax rate of 15% during the Relevant Periods and the six months ended 30 June 2025.

Hong Kong

The subsidiary incorporated in Hong Kong is qualified as an entity under the two-tiered profits tax rates regime. Accordingly, it was subject to Hong Kong profits tax at the rate of 8.25% for taxable income not exceeding HKD2,000,000, and 16.5% for taxable income exceeding HKD2,000,000 on any estimated assessable profits arising in Hong Kong during the Relevant Periods and the six months ended 30 June 2025. No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits derived arising in Hong Kong during the Relevant Periods and the six months ended 30 June 2025.

A reconciliation of the tax charge applicable to (loss)/profit before tax at the statutory rates for the jurisdictions in which the Company and its subsidiaries are domiciled and/or operate to the tax position is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
(Loss)/profit before tax	(158,536)	12,395	(15,956)	16,853	(39,012)
Tax at the statutory tax rate	(39,634)	3,099	(3,989)	4,213	(9,753)
Lower tax rate enacted by local authority	15,840	(1,309)	1,264	(1,865)	4,014
Expenses not deductible for tax . .	16,424	4,536	2,463	1,212	413
Super deduction on research and development expenses (a)	(15,991)	(17,277)	(17,538)	(8,976)	(10,121)
Tax losses and temporary differences not recognised	23,361	10,951	17,800	5,416	15,447
Tax position	—	—	—	—	—

Note:

- (a) Based on Public Notice 2023 No. 7 issued by the State Tax Bureau of the PRC on 26 March 2023, the enterprises were eligible for an additional 100% deduction of eligible R&D expenses from 1 January 2023. The Company has claimed such additional super deduction during the Relevant Periods and the six months ended 30 June 2025.

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11. DIVIDENDS

No dividends were paid or declared by the Company during the Relevant Periods and the six months ended 30 June 2025.

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

The calculation of the basic (loss)/earnings per share amounts is based on the (loss)/profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares outstanding during the Relevant Periods and the six months ended 30 June 2025.

No adjustment has been made to the basic loss per share amounts presented for the Relevant Periods and the six months ended 30 June 2025 in respect of a dilution as the impact of the redeemable preferred shares had an anti-dilutive effect on the basic loss per share amounts presented.

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(unaudited)	
(Loss)/earnings					
(Loss)/earnings attributable to ordinary equity holders of the parent (<i>RMB'000</i>)	(158,536)	12,395	(15,956)	16,853	(39,012)
Shares					
Weighted average number ('000) of ordinary shares during the year/period	29,436	30,000	30,000	30,000	30,000
(Loss)/earnings per share					
Basic and diluted (<i>RMB</i>).	(5.39)	0.41	(0.53)	0.56	(1.30)

On 22 May 2023, the Shareholders resolved to convert RMB19,379,000 from the capital reserve into share capital for all shareholders in proportion by issuing a total of 19,379,526 shares. After the completion of this conversion, the registered shares of the Company increased from RMB10,621,000 to RMB30,000,000. The calculation of basic and diluted (loss)/earnings per share for all periods presented was retrospectively adjusted.

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13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery	Office equipment and electronic devices	Vehicles	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2023					
At 1 January 2023:					
Cost	7,539	7,576	686	2,058	17,859
Accumulated depreciation	(2,600)	(4,075)	(157)	(424)	(7,256)
Net carrying amount.	<u>4,939</u>	<u>3,501</u>	<u>529</u>	<u>1,634</u>	<u>10,603</u>
At 1 January 2023, net of accumulated depreciation	4,939	3,501	529	1,634	10,603
Additions.	10,811	217	—	186	11,214
Depreciation provided during the year	(2,029)	(1,553)	(131)	(493)	(4,206)
At 31 December 2023, net of accumulated depreciation	<u>13,721</u>	<u>2,165</u>	<u>398</u>	<u>1,327</u>	<u>17,611</u>
At 31 December 2023:					
Cost	18,350	7,793	686	2,244	29,073
Accumulated depreciation	(4,629)	(5,628)	(288)	(917)	(11,462)
Net carrying amount.	<u>13,721</u>	<u>2,165</u>	<u>398</u>	<u>1,327</u>	<u>17,611</u>
	Machinery	Office equipment and electronic devices	Vehicles	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2024					
At 1 January 2024:					
Cost	18,350	7,793	686	2,244	29,073
Accumulated depreciation	(4,629)	(5,628)	(288)	(917)	(11,462)
Net carrying amount.	<u>13,721</u>	<u>2,165</u>	<u>398</u>	<u>1,327</u>	<u>17,611</u>
At 1 January 2024, net of accumulated depreciation	13,721	2,165	398	1,327	17,611
Additions.	1,581	170	—	—	1,751
Depreciation provided during the year	(2,058)	(1,092)	(130)	(519)	(3,799)
At 31 December 2024, net of accumulated depreciation	<u>13,244</u>	<u>1,243</u>	<u>268</u>	<u>808</u>	<u>15,563</u>
At 31 December 2024:					
Cost	19,931	7,963	686	2,244	30,824
Accumulated depreciation	(6,687)	(6,720)	(418)	(1,436)	(15,261)
Net carrying amount.	<u>13,244</u>	<u>1,243</u>	<u>268</u>	<u>808</u>	<u>15,563</u>

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	Machinery	Office equipment and electronic devices	Vehicles	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2025					
At 1 January 2025:					
Cost	19,931	7,963	686	2,244	30,824
Accumulated depreciation	(6,687)	(6,720)	(418)	(1,436)	(15,261)
Net carrying amount.	<u>13,244</u>	<u>1,243</u>	<u>268</u>	<u>808</u>	<u>15,563</u>
At 1 January 2025, net of accumulated depreciation	13,244	1,243	268	808	15,563
Additions.	5,115	197	—	—	5,312
Depreciation provided during the year	(2,406)	(567)	(130)	(426)	(3,529)
At 31 December 2025, net of accumulated depreciation	<u>15,953</u>	<u>873</u>	<u>138</u>	<u>382</u>	<u>17,346</u>
At 31 December 2025:					
Cost	25,046	8,160	686	2,244	36,136
Accumulated depreciation	(9,093)	(7,287)	(548)	(1,862)	(18,790)
Net carrying amount.	<u>15,953</u>	<u>873</u>	<u>138</u>	<u>382</u>	<u>17,346</u>
	Machinery	Office equipment and electronic devices	Vehicles	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
30 June 2026					
At 1 January 2026:					
Cost	25,046	8,160	686	2,244	36,136
Accumulated depreciation	(9,093)	(7,287)	(548)	(1,862)	(18,790)
Net carrying amount.	<u>15,953</u>	<u>873</u>	<u>138</u>	<u>382</u>	<u>17,346</u>
At 1 January 2026, net of accumulated depreciation.	15,953	873	138	382	17,346
Additions.	2,420	109	—	—	2,529
Depreciation provided during the period.	(1,448)	(136)	(66)	(208)	(1,858)
At 30 June 2026, net of accumulated depreciation.	<u>16,925</u>	<u>846</u>	<u>72</u>	<u>174</u>	<u>18,017</u>
At 30 June 2026:					
Cost	27,466	8,269	686	2,244	38,665
Accumulated depreciation	(10,541)	(7,423)	(614)	(2,070)	(20,648)
Net carrying amount.	<u>16,925</u>	<u>846</u>	<u>72</u>	<u>174</u>	<u>18,017</u>

Management of the Group assessed and identified there were indicators of impairment for long-lived assets mainly included property plant and equipment, other intangible assets and right-of-use assets, with a consideration of net loss during the Relevant Periods.

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The recoverable amounts of the cash-generating units including such long-lived assets at the end of each of the Relevant Periods had been determined based on value in use calculations, using cash flow projections covering the corresponding operating periods. The pre-tax discount rates applied to the cash flow projections were 12.0%, 12.2%, 12.4% and 11.6%, respectively, as at 31 December 2023, 2024 and 2025 and 30 June 2026. In the opinion of the Company’s directors, any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the cash-generating unit’s carrying amount to exceed its recoverable amount.

Based on the result of the assessments, the directors of the Group concluded that the recoverable amounts of the cash-generating units were higher than their carrying amounts and no impairment was recognised during the Relevant Periods.

The Company

	Machinery	Office equipment and electronic devices	Vehicles	Leasehold improvements	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
31 December 2023					
At 1 January 2023:					
Cost	7,539	7,561	686	2,058	17,844
Accumulated depreciation	(2,600)	(4,073)	(157)	(424)	(7,254)
Net carrying amount.	<u>4,939</u>	<u>3,488</u>	<u>529</u>	<u>1,634</u>	<u>10,590</u>
At 1 January 2023, net of accumulated depreciation	4,939	3,488	529	1,634	10,590
Additions.	10,811	217	—	186	11,214
Depreciation provided during the year	(2,029)	(1,548)	(131)	(493)	(4,201)
At 31 December 2023, net of accumulated depreciation	<u>13,721</u>	<u>2,157</u>	<u>398</u>	<u>1,327</u>	<u>17,603</u>
At 31 December 2023:					
Cost	18,350	7,778	686	2,244	29,058
Accumulated depreciation	(4,629)	(5,621)	(288)	(917)	(11,455)
Net carrying amount.	<u>13,721</u>	<u>2,157</u>	<u>398</u>	<u>1,327</u>	<u>17,603</u>

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	Machinery	Office equipment and electronic devices	Vehicles	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2024					
At 1 January 2024:					
Cost	18,350	7,778	686	2,244	29,058
Accumulated depreciation	(4,629)	(5,621)	(288)	(917)	(11,455)
Net carrying amount.	13,721	2,157	398	1,327	17,603
At 1 January 2024, net of accumulated depreciation	13,721	2,157	398	1,327	17,603
Additions.	1,581	170	—	—	1,751
Depreciation provided during the year	(2,058)	(1,087)	(130)	(519)	(3,794)
At 31 December 2024, net of accumulated depreciation	13,244	1,240	268	808	15,560
At 31 December 2024:					
Cost	19,931	7,948	686	2,244	30,809
Accumulated depreciation	(6,687)	(6,708)	(418)	(1,436)	(15,249)
Net carrying amount.	13,244	1,240	268	808	15,560
	Machinery	Office equipment and electronic devices	Vehicles	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2025					
At 1 January 2025:					
Cost	19,931	7,948	686	2,244	30,809
Accumulated depreciation	(6,687)	(6,708)	(418)	(1,436)	(15,249)
Net carrying amount.	13,244	1,240	268	808	15,560
At 1 January 2025, net of accumulated depreciation	13,244	1,240	268	808	15,560
Additions.	5,115	197	—	—	5,312
Depreciation provided during the year	(2,406)	(565)	(130)	(426)	(3,527)
At 31 December 2025, net of accumulated depreciation	15,953	872	138	382	17,345
At 31 December 2025:					
Cost	25,046	8,145	686	2,244	36,121
Accumulated depreciation	(9,093)	(7,273)	(548)	(1,862)	(18,776)
Net carrying amount.	15,953	872	138	382	17,345

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	Machinery	Office equipment and electronic devices	Vehicles	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
30 June 2026					
At 1 January 2026:					
Cost	25,046	8,145	686	2,244	36,121
Accumulated depreciation	(9,093)	(7,273)	(548)	(1,862)	(18,776)
Net carrying amount.	<u>15,953</u>	<u>872</u>	<u>138</u>	<u>382</u>	<u>17,345</u>
At 1 January 2026, net of accumulated depreciation.	15,953	872	138	382	17,345
Additions.	2,420	109	—	—	2,529
Depreciation provided during the period.	(1,448)	(136)	(66)	(208)	(1,858)
At 30 June 2026, net of accumulated depreciation.	<u>16,925</u>	<u>845</u>	<u>72</u>	<u>174</u>	<u>18,016</u>
At 30 June 2026:					
Cost	27,466	8,254	686	2,244	38,650
Accumulated depreciation	(10,541)	(7,409)	(614)	(2,070)	(20,634)
Net carrying amount.	<u>16,925</u>	<u>845</u>	<u>72</u>	<u>174</u>	<u>18,016</u>

14. LEASES

The Group and the Company as a lessee

The Group has lease contracts for various items of office buildings used in its operations. Leases of office buildings generally have lease terms between 2 years and 6 years. Other equipment generally has lease terms of 12 months or less or is individually of low value. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

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(a) *Right-of-use assets*

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

The Group and the Company

	Leased office buildings
	<i>RMB’000</i>
As at 1 January 2023	8,554
Additions	350
Depreciation charge	(2,461)
As at 31 December 2023 and 1 January 2024	6,443
Additions	225
Depreciation charge	(2,467)
As at 31 December 2024 and 1 January 2025	4,201
Additions	544
Lease modification	(189)
Depreciation charge	(2,353)
As at 31 December 2025 and 1 January 2026	2,203
Additions	3,853
Depreciation charge	(1,138)
As at 30 June 2026	4,918

Management of the Group assessed and identified there were indicators of impairment for long-lived assets, which mainly included property, plant and equipment, other intangible assets and right-of-use assets, with a consideration of net loss during the Relevant Periods. Further details are given in note 13 to the Historical Financial Information.

(b) *Lease liabilities*

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

The Group and the Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Carrying amount at 1 January	9,338	7,478	5,101	2,745
New leases	350	225	544	3,853
Lease modification	—	—	(189)	—
Accretion of interest recognised during the year/period	368	283	159	81
Payments	(2,578)	(2,885)	(2,870)	(1,508)
Carrying amount at the end of the year/period	7,478	5,101	2,745	5,171
Analysed into:				
Current portion	2,396	2,528	2,726	2,217
Non-current portion	5,082	2,573	19	2,954

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The maturity analysis of lease liabilities is disclosed in note 37 to the Historical Financial Information.

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

The Group

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest on lease liabilities	368	283	159	84	81
Depreciation charge of right-of-use assets	2,461	2,467	2,353	1,177	1,138
Expenses relating to short-term and low-value leases	1,044	591	393	199	203
Total amount recognised in profit or loss	<u>3,873</u>	<u>3,341</u>	<u>2,905</u>	<u>1,460</u>	<u>1,422</u>

The Company

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest on lease liabilities	368	283	159	84	81
Depreciation charge of right-of-use assets	2,461	2,467	2,353	1,177	1,138
Expenses relating to short-term leases and low value leases	672	419	338	171	176
Total amount recognised in profit or loss	<u>3,501</u>	<u>3,169</u>	<u>2,850</u>	<u>1,432</u>	<u>1,395</u>

(d) The total cash outflows for leases are disclosed in note 31 to the Historical Financial Information.

15. INTANGIBLE ASSETS

The Group and the Company

	Software	Licences	Total
	RMB'000	RMB'000	RMB'000
31 December 2023			
Cost	—	2,836	2,836
Accumulated amortisation	—	(2,386)	(2,386)
Net carrying amount	<u>—</u>	<u>450</u>	<u>450</u>
Cost at 1 January 2023, net of accumulated amortisation	—	450	450
Additions	68	—	68
Amortisation provided during the year	(11)	(389)	(400)
At 31 December 2023	<u>57</u>	<u>61</u>	<u>118</u>

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	Software	Licences	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 31 December 2023 and at 1 January 2024:			
Cost	68	2,837	2,905
Accumulated amortisation	(11)	(2,776)	(2,787)
Net carrying amount	57	61	118
31 December 2024			
Cost at 1 January 2024, net of accumulated amortisation	57	61	118
Amortisation provided during the year	(23)	(61)	(84)
At 31 December 2024	34	—	34
At 31 December 2024 and at 1 January 2025:			
Cost	68	2,837	2,905
Accumulated amortisation	(34)	(2,837)	(2,871)
Net carrying amount	34	—	34
31 December 2025			
Cost at 1 January 2025, net of accumulated amortisation	34	—	34
Amortisation provided during the year	(22)	—	(22)
At 31 December 2025	12	—	12
At 31 December 2025 and at 1 January 2026:			
Cost	68	2,837	2,905
Accumulated amortisation	(56)	(2,837)	(2,893)
Net carrying amount	12	—	12
30 June 2026			
Cost at 1 January 2026, net of accumulated amortisation	12	—	12
Amortisation provided during the period	(10)	—	(10)
At 30 June 2026	2	—	2
At 30 June 2026:			
Cost	68	—	68
Accumulated amortisation	(66)	—	(66)
Net carrying amount	2	—	2

Management of the Group assessed and identified there were indicators of impairment for long-lived assets, which mainly included property, plant and equipment, other intangible assets and right-of-use assets, with a consideration of net loss during the Relevant Periods. Further details are given in note 13 to the Historical Financial Information.

16. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Investments	3,994	5,209	6,232	7,254

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17. INVENTORIES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	43,797	20,010	55,124	62,706
Work in progress	22,810	33,924	68,410	85,062
Contract fulfilment costs	20,893	1,467	—	—
Finished goods	23,031	31,899	100,978	47,693
Total	110,531	87,300	224,512	195,461

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	43,797	20,010	55,124	62,706
Work in progress	22,810	33,924	68,410	85,062
Contract fulfilment costs	20,630	1,467	—	—
Finished goods	23,031	31,899	100,978	47,693
Total	110,268	87,300	224,512	195,461

18. TRADE RECEIVABLES

The Group and the Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	60,489	72,466	86,841	97,256
Impairment.	—	(375)	(5,006)	(4,628)
Net carrying amount.	60,489	72,091	81,835	92,628

The Group’s trading terms with its customers are mainly on credit. The credit terms granted generally range from 15 to 60 days, depending on the specific payment terms in each contract. Each customer has a maximum credit limit, except for some customers without credit limits, where payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Within a month	57,463	58,161	69,557	73,003
1 to 2 months	3,026	827	11,975	15,033
2 to 3 months	—	2,915	—	4,568
Over 3 months	—	10,188	303	24
Total	60,489	72,091	81,835	92,628

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

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
At beginning of year/period.	120	—	375	5,006
Impairment losses, net	(120)	375	4,631	(378)
At end of year/period	—	375	5,006	4,628

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than three year and are not subject to enforcement activity.

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

As at 31 December 2023

	Current	Past Due				Total
		Less than 1 month	1 to 2 months	2 to 3 months	Over 3 months	
Expected credit loss rate	0.00%	0.00%	—	—	—	0.00%
Gross carrying amount (RMB’000)	59,784	705	—	—	—	60,489
Expected credit losses (RMB’000)	—	—	—	—	—	—

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As at 31 December 2024

	Current	Past Due				Total
		Less than 1 month	1 to 2 months	2 to 3 months	Over 3 months	
Expected credit loss rate	0.07%	0.31%	1.42%	2.78%	—	0.52%
Gross carrying amount (RMB’000)	58,708	322	2,957	10,479	—	72,466
Expected credit losses (RMB’000)	41	1	42	291	—	375

As at 31 December 2025

	Current	Past Due				Total
		Less than 1 month	1 to 2 months	2 to 3 months	Over 3 months	
Expected credit loss rate	0.62%	2.84%	—	—	93.45%	5.76%
Gross carrying amount (RMB’000)	74,260	7,958	—	—	4,623	86,841
Expected credit losses (RMB’000)	460	226	—	—	4,320	5,006

As at 30 June 2026

	Current	Past Due				Total
		Less than 1 month	1 to 2 months	2 to 3 months	Over 3 months	
Expected credit loss rate	0.02%	0.09%	—	—	99.48%	4.76%
Gross carrying amount (RMB’000)	78,224	14,409	—	—	4,623	97,256
Expected credit losses (RMB’000)	16	13	—	—	4,599	4,628

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Current portion:				
Deposits	38	47	14	14
Other tax recoverable	450	171	45,084	6,174
Prepayments	129,438	58,866	51,680	47,083
Prepaid expenses	358	195	939	191
Deferred [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	3	22	194	11
Subtotal	130,287	59,301	99,900	55,582
Non-current portion:				
Deposits	741	741	741	741
Prepayments	—	—	1,390	1,053
Subtotal	741	741	2,131	1,794
Total	131,028	60,042	102,031	57,376

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The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Current portion:				
Deposits	5	5	5	5
Other tax recoverable	285	2	45,083	6,140
Prepayments	129,438	58,866	51,680	47,083
Prepaid expenses	171	139	923	152
Deferred [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	3	22	194	11
Subtotal	129,902	59,034	99,874	55,500
Non-current portion:				
Deposits	741	741	741	741
Prepayments	—	—	1,390	1,053
Subtotal	741	741	2,131	1,794
Total	130,643	59,775	102,005	57,294

An impairment analysis was performed at the end of each of the Relevant Periods. Based on the result of the assessment, the directors of the Group concluded that the amount of impairment is insignificant at the end of each of the Relevant Periods.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OT LOSS

The Group and the Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Wealth management products	644,030	718,453	562,243	768,842

The above wealth management products were issued by banks in Chinese mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

21. CASH AND CASH EQUIVALENTS, TIME DEPOSITS AND RESTRICTED CASH

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances	22,311	35,280	88,629	102,805
Time deposit	222,028	229,318	213,928	—
Subtotal	244,339	264,598	302,557	102,805
Less: Restricted cash	—	(58)	—	—
Short-term time deposits	—	(21,970)	(213,928)	—
Long-term time deposits	(222,028)	(207,348)	—	—
Cash and cash equivalents	22,311	35,222	88,629	102,805

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Denominated in:

Cash and bank equivalents

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Denominated in USD	21,591	35,083	77,711	102,629
Denominated in RMB	720	139	10,918	176
Total	22,311	35,222	88,629	102,805

Restricted cash

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Denominated in RMB	—	58	—	—
Total	—	58	—	—

Time deposits

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Denominated in RMB	222,028	229,318	213,928	—
Total	222,028	229,318	213,928	—

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances	22,075	35,240	88,590	101,907
Time deposit	222,028	229,318	213,928	—
Subtotal	244,103	264,558	302,518	101,907
Less: Restricted cash	—	(58)	—	—
Short-term time deposits	—	(21,970)	(213,928)	—
Long-term time deposits	(222,028)	(207,348)	—	—
Cash and cash equivalents	22,075	35,182	88,590	101,907

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Denominated in:

Cash and bank equivalents

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Denominated in USD	21,591	35,083	77,711	101,737
Denominated in RMB	484	99	10,879	170
Total	22,075	35,182	88,590	101,907

Restricted cash

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Denominated in RMB	—	58	—	—
Total	—	58	—	—

Time deposits

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Denominated in RMB	222,028	229,318	213,928	—
Total	222,028	229,318	213,928	—

The RMB is not freely convertible into other currencies, however, under Chinese mainland’s Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates.

The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

22. TRADE PAYABLES

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

The Group and the Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 3 months	22,695	13,762	23,899	41,480

The trade payables are non-interest-bearing and are normally settled within 30 to 90 days upon receipt of the invoices and bills.

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23. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Current portion:				
Contract liabilities (a)	25,965	3,980	4,178	6,211
Payroll and welfare payable	20,973	24,058	24,333	16,194
Other tax payables	3,477	4,218	4,981	2,914
Deferred income	40	—	22	22
Payable for [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other payables	3,535	195	2,672	175
Subtotal	53,990	32,451	36,566	26,118
Non-current portion:				
Deferred income	—	—	66	55
Total	53,990	32,451	36,632	26,173

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

Note:

(a) Details of contract liabilities are as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Short-term advances received from customers				
Sale of chips	2,287	1,230	3,946	6,041
License and service	23,678	2,750	232	170
Total	25,965	3,980	4,178	6,211

Contract liabilities include short-term advances received from customers for the sale of chips and licensing revenue. The increase/decrease in contract liabilities during the Relevant Periods was mainly due to the increase/decrease in short-term advances received from customers in relation to the sale of chips and licensing revenue at the end of the respective year.

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The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Current portion:				
Contract liabilities (a)	25,965	3,980	4,178	6,211
Payroll and welfare payable	20,532	24,019	24,297	15,918
Other tax payables	3,452	4,218	4,969	2,914
Deferred income	40	—	22	22
Payable for [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other payables	3,330	—	2,672	175
Subtotal	53,319	32,217	36,518	25,842
Non-current portion:				
Deferred income	—	—	66	55
Total	53,319	32,217	36,584	25,897

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

Note:

(a) Details of contract liabilities are as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Short-term advances received from customers				
Sale of chips	2,287	1,230	3,946	6,041
License and service	23,678	2,750	232	170
Total	25,965	3,980	4,178	6,211

24. INTEREST-BEARING BANK BORROWINGS

The Group and the Company

	As at 31 December 2024		
	Effective interest rate (%)	Maturity	RMB'000
Current			
Bank overdrafts — unsecured	LPR-85BP ~ LPR-75BP	On demand	7,439
Total			7,439

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As at 31 December 2025			
	<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB’000</i>
Current			
Bank overdrafts — unsecured	LPR-85BP ~ LPR-80BP	On demand	65,004
Total			<u>65,004</u>
As at 30 June 2026			
	<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB’000</i>
Current			
Bank overdrafts — unsecured	2.11%	On demand	14,334
Bank borrowings — unsecured	LPR-92BP	2026	24,523
Total			<u>38,857</u>

The Group’s bank loans are denominated in RMB.

25. PROVISIONS

The Group and the Company

Warranties	
	<i>RMB’000</i>
At 1 January 2023	1,117
Additional provision	1,358
Amounts utilised during the year	(206)
At 31 December 2023	<u>2,269</u>
Warranties	
	<i>RMB’000</i>
At 1 January 2024	2,269
Additional provision	911
Amounts utilised during the year	(1,245)
At 31 December 2024	<u>1,935</u>
Warranties	
	<i>RMB’000</i>
At 1 January 2025	1,935
Additional provision	1,183
Amounts utilised during the year	(300)
At 31 December 2025	<u>2,818</u>

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	Warranties
	<i>RMB’000</i>
At 1 January 2026	2,818
Additional provision	429
Amounts utilised during the period	(172)
At 30 June 2026	<u>3,075</u>

The Group provides warranties to its customers on certain of its chip products ranging from one to three years. The amount of the provision for the warranties is estimated based on sales revenue and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

26. OTHER FINANCIAL LIABILITIES

On 27 November 2025, the Company and [REDACTED] investors entered into a supplemental agreement to the Shareholders’ agreement (“**Supplemental Agreement**”), agreeing that the Company granted redemption rights to certain [REDACTED] Investors.

Investors’ redemption rights

Certain [REDACTED] investors would have the right but not the obligation to request the Company to purchase all or part of the shares of the Company held by them, upon the occurrence of any of the specified contingent events, including but not limited to:

- (i) the Company fails to complete a qualified [REDACTED] within a three-year period commencing from the effective date of the Supplemental Agreement;
- (ii) the Company and/or the founding shareholder breaches any of its representations or warranties under the capital increase agreement or the joint venture contract, and such breach is not cured or remedied within 30 days after receipt of a written notice from that investor;
- (iii) intellectual property disputes between the founding shareholder and any third party which result in the Company being unable to operate normally for a cumulative period of 30 days or directly result in the Company being unable to complete a qualified [REDACTED] within three years from the date of the Supplemental Agreement (i.e., intellectual property disputes are the direct and primary cause of the Company’s failure to complete a qualified [REDACTED] on time);
- (iv) a material change occurs in the Company’s principal business without the approval of the board of directors and consent from SVF II Aggregator (Singapore) Pte. Ltd;
- (v) the founding shareholder commits personal integrity violations, including: (a) deliberate misappropriation of the Company’s interests by the founding shareholder without the knowledge of the investors; (b) unrecorded cash sales proceeds that were not disclosed to the investors due to the fault of the founding shareholder; (c) provision of falsified materials during the due diligence process conducted by legal or financial representatives of certain [REDACTED] investors; or

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- (vi) a deadlock or any of following circumstances occurs due to a fault of the founding shareholder, without the knowledge or consent of the investors: (a) consolidation, merger or transfer of the Company’s equity interests that result in a change in control of the Company; (b) sale, transfer or other dispose of all or substantially all of the assets of the Company; (c) exclusive transfer of all or substantially all of the Company’s intellectual property rights; (d) any other circumstance caused by a fault of the founding shareholder that results in the Company being unable to operate normally.

The redemption price of each share shall equal to the aggregate of the original issue price plus interest at 20%, except for Cathay Growth Fund II, the redemption price of which is a fixed amount based on its capital investment.

Presentation and classification

As the occurrence of specified redemption triggering events is beyond the Company’s control, the Company recognised financial liabilities for its obligation to buy back shares as the financial instruments. The financial liabilities are recognised initially at the carrying amount of the redemption amount. The redemption amount is fixed, which is equal to the aggregate of the original issue price plus interest at 20%, except for Cathay Growth Fund II as mentioned above.

27. DEFERRED TAX

The Group and the Company

The movements in deferred tax assets of the Group and the Company during each of the Relevant Periods are as follows:

	Lease liabilities	Tax losses	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As at 1 January 2023	1,283	2,119	3,402
Deferred tax (charged)/credited to profit or loss during the year	(317)	120	(197)
As at 1 January 2024	966	2,239	3,205
Deferred tax (charged)/credited to profit or loss during the year	(336)	647	311
As at 1 January 2025	630	2,886	3,516
Deferred tax charged to profit or loss during the year	(218)	(933)	(1,151)
As at 1 January 2026	412	1,953	2,365
Deferred tax credited to profit or loss during the period	364	9	373
As at 30 June 2026	776	1,962	2,738

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The movements in deferred tax liabilities of the Group and the Company during the Relevant Periods are as follows:

	Depreciation allowance in excess of related depreciation	Financial assets at fair value through profit or loss	Right-of-use assets	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023	767	1,352	1,283	3,402
Deferred tax (credited)/charged to profit or loss during the year.	(205)	325	(317)	(197)
As at 1 January 2024	562	1,677	966	3,205
Deferred tax (credited)/charged to profit or loss during the year.	(111)	758	(336)	311
As at 1 January 2025	451	2,435	630	3,516
Deferred tax credited to profit or loss during the year	(103)	(748)	(300)	(1,151)
As at 1 January 2026	348	1,687	330	2,365
Deferred tax (credited)/charged to profit or loss during the period	(38)	3	408	373
As at 30 June 2026.	310	1,690	738	2,738

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

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position.	—	—	—	—
Net deferred tax liabilities recognised in the consolidated statement of financial position.	—	—	—	—

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

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Tax losses	637,980	713,060	827,347	930,673
Deductible temporary differences.	8,767	6,687	11,080	10,727

The Group has tax losses arising in Chinese mainland of RMB637,980,000, RMB713,060,000, RMB827,347,000, and RMB930,673,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively, that will expire in one to ten years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

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28. PAID-IN CAPITAL/SHARE CAPITAL

The Group and the Company

Shares

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Issued and fully paid:				
Paid-in capital/share capital.	30,000	30,000	30,000	30,000

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

	Notes	Numbers of ordinary shares	Paid-in capital/share capital RMB'000
As at 1 January 2023		N/A	10,115
Issue of ordinary shares upon conversion into a joint company	(i)	10,114,737	—
Capital injection	(ii)	505,737	506
Transfer of capital reserve to share capital	(iii)	19,379,526	19,379
As at 1 January 2024, 31 December 2024, 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026		30,000,000	30,000

Notes:

- (i) Pursuant to shareholders’ resolutions passed on 10 April 2023, the shareholders approved the conversion into a joint-stock company with limited liability. On 18 April 2023, the Company was renamed as Shanghai Eigencomm Technologies Co., Ltd. (上海移芯通信科技股份有限公司). Pursuant to a promoters’ agreement dated 24 March 2023, RMB10,115,000 was credited as the registered share capital of the Company.
- (ii) In May 2023, the Company further increased the registered capital from approximately RMB10,115,000 to RMB10,621,000 pursuant to which Mr. Liu Shi, Shanghai Xiagengchengzhi Technology Partnership Enterprise (Limited Partnership), Shanghai Xiagengjihui Technology Partnership Enterprise (Limited Partnership) each subscribed to 202,295, 171,157 and 132,285 shares, totalling to 505,737 shares.
- (iii) In May 2023, the Company agreed to use RMB19,379,000 from its capital reserve as of 30 April 2023, to convert into share capital proportionally to all shareholders, totalling 19,379,526 shares. Upon completion of this conversion of capital reserve, the registered capital will increase from RMB10,621,000 to RMB30,000,000, and the total number of the shares increased from 10,620,474 to 30,000,000.

29. SHARE-BASED PAYMENTS

For the purpose of awarding the employees and directors of the Group to secure their services and incentivise their maximum effort towards the Group’s success, the Group set up several limited partnerships in the PRC as onshore shareholding platforms.

In 2017, the Group adopted a share incentive scheme (the “**2017 Share Incentive Scheme**”), which requires grantee to meet the service condition from the date of grant to the earlier of (1) the “Service Period”, where the shares are released in equal 10% over a period of 10 years from the grant date and (2) the date of successful [REDACTED] of the Company.

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In June 2023, the Group adopted a share incentive scheme (the “**2023 Share Incentive Scheme**”), which requires grantee to meet the service condition from the date of grant to the earlier of (1) the “Service Period”, where the shares are released in equal 10% over a period of 10 years from the grant date and (2) the date of successful [REDACTED] of the Company and completing 5 years’ service period from the date of the employment. At the same time, the service condition of the 2017 Share Incentive Scheme was modified and applied the same service condition of 2023 Share Incentive Scheme, and was approved by the Shareholders, for which no incremental fair value was identified.

Employees became limited partners according to the number of shares granted under the share incentive scheme and indirectly hold the shares underlying the shares by virtue of their capacity as partners of the relevant equity incentive platform.

After taking into consideration of the best estimation of the [REDACTED] timetable, the management determined the vesting period of the relevant shares based on the above service conditions. As such, the share-based payment expenses are amortised during the vesting period.

The numbers and subscription price of the Schemes granted are summarised as follows:

	Number of shares	Subscription price
2017 Share Incentive Scheme		
Prior to 31 December 2022	1,462,280	RMB1.06
In 2023	178,839	RMB0.38
2023 Share Incentive Scheme		
In 2023	1,435,044	RMB3.50
In 2024	7,448	RMB3.50
In 2025	9,111	RMB3.50
In 30 June 2026	4,090	RMB3.50

The fair value of the restricted shares granted was determined by two methods: (1) referencing the investors’ recent capital injection price; and (2) applying DCF method, which involves selecting an appropriate discount rate and calculating the present value of the expected future cash flows. The following table lists the fair value at measurement date and the significant inputs to the fair value model used in DCF method:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(unaudited)	
Discount rates (%)	11.2	11.2	11.2	11.2	11.2

Movements in the number of restricted shares granted were as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
Outstanding balance at 1 January	748,964	2,234,852	1,757,398	1,275,654
Granted during the year/period	1,613,883	7,448	9,111	4,090
Vested during the year/period	(1,282,691)	(478,682)	(481,744)	(505,601)
Adjustment in number of shares*	1,173,560	—	—	—
Forfeited during the year/period	(18,864)	(6,220)	(9,111)	(4,090)
Outstanding balance at year/period end	<u>2,234,852</u>	<u>1,757,398</u>	<u>1,275,654</u>	<u>770,053</u>

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* In May 2023, the Shareholders resolved to convert RMB19,379,000 from the capital reserve into share capital for all shareholders in proportion by issuing a total of 19,379,526 shares. After the completion of this conversion, the registered shares of the Company increased from 10,620,474 shares to 30,000,000 shares, and the number of restricted shares granted was adjusted accordingly.

30. RESERVES

The amounts of the Group’s reserves and the movements therein for the Relevant Periods and the six months ended 30 June 2025 are presented in the consolidated statements of changes in equity within the Historical Financial Information.

(i) Capital reserve

The capital reserve of the Group mainly represents the premium in issuing shares.

(ii) Share-based payment reserve

The share-based payment reserve represents the equity-settled share awards as set out in note 29 to the Historical Financial Information.

(iii) Other reserve

Other reserves of the Group represent the carrying amounts of the redemption rights issued to investors as stipulated in note 26 to the Historical Financial Information.

(iv) Exchange fluctuation reserve

The exchange fluctuation reserve of the Group represents exchange differences arising from the translation of financial statements of foreign operations.

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	Capital reserve	Share-based payment reserve	Other reserve	Accumulated losses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	Note 28	Note 29			
As at 1 January 2023	1,435,521	21,147	—	(303,825)	1,152,843
Total comprehensive loss for the year . . .	—	—	—	(158,403)	(158,403)
Capital injection	4,494	—	—	—	4,494
Share-based payments (note 29)	—	119,328	—	—	119,328
Transfer of share-based payment reserve upon the vesting of restricted shares . . .	107,731	(107,731)	—	—	—
Conversion into a joint-stock company . . .	(203,181)	—	—	203,181	—
Transfer of capital reserve to share capital .	(19,379)	—	—	—	(19,379)
As at 31 December 2023 and 1 January 2024.	1,325,186	32,744	—	(259,047)	1,098,883
Total comprehensive income for the year . .	—	—	—	13,092	13,092
Share-based payments (note 29)	—	21,042	—	—	21,042
Transfer of share-based payment reserve upon the vesting of restricted shares . . .	14,079	(14,079)	—	—	—
As at 31 December 2024 and 1 January 2025.	1,339,265	39,707	—	(245,955)	1,133,017
Total comprehensive income for the year . .	—	—	—	(12,641)	(12,641)
Share-based payments (note 29)	—	16,003	—	—	16,003
Transfer of share-based payment reserve upon the vesting of restricted shares . . .	13,024	(13,024)	—	—	—
Recognition of financial liabilities in respect of redemption rights issued to investors (note 26).	—	—	(1,629,600)	—	(1,629,600)
As at 31 December 2025 and 1 January 2026.	1,352,289	42,686	(1,629,600)	(258,596)	(493,221)
Total comprehensive loss for the period. . .	—	—	—	(40,138)	(40,138)
Share-based payments (note 29)	—	2,677	—	—	2,677
Transfer of share-based payment reserve upon the vesting of restricted shares . . .	7,056	(7,056)	—	—	—
As at 30 June 2026	1,359,345	38,307	(1,629,600)	(298,734)	(530,682)

31. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB350,000, RMB225,000, RMB544,000 and RMB3,853,000 respectively, in respect of lease arrangements for leased office buildings.

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(b) Changes in liabilities arising from financing activities

	Interest-bearing bank borrowings	Lease liabilities	Payable for [REDACTED] expenses
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	—	9,338	[REDACTED]
Changes from financing cash flows	(56)	(2,578)	[REDACTED]
New leases	—	350	[REDACTED]
Interest expense	56	368	[REDACTED]
At 31 December 2023	—	7,478	[REDACTED]
Changes from financing cash flows	7,310	(2,885)	[REDACTED]
New leases	—	225	[REDACTED]
Interest expense	129	283	[REDACTED]
At 31 December 2024	7,439	5,101	[REDACTED]
Changes from financing cash flows	56,790	(2,870)	[REDACTED]
Changes from operating cash flows	—	—	[REDACTED]
New leases	—	544	[REDACTED]
Lease modification	—	(189)	[REDACTED]
Interest expense	775	159	[REDACTED]
Increase in deferred [REDACTED] expenses [REDACTED] expenses	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]
At 31 December 2025	65,004	2,745	[REDACTED]
Changes from financing cash flows	(26,709)	(1,508)	[REDACTED]
Changes from operating cash flows	—	—	[REDACTED]
New leases	—	3,853	[REDACTED]
Interest expense	562	81	[REDACTED]
Increase in deferred [REDACTED] expenses [REDACTED] expenses	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]
At 30 June 2026	38,857	5,171	[REDACTED]

(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	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Within operating activities	1,044	591	393	199	203
Within financing activities	2,578	2,885	2,870	1,352	1,508
Total	3,622	3,476	3,263	1,551	1,711

32. CONTINGENT LIABILITIES

As at 31 December 2023, 2024 and 2025 and 30 June 2026, neither the Group nor the Company had any material contingent liabilities.

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33. COMMITMENTS

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

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contracted, but not provided for:				
Property, plant and equipment	—	4,385	244	2,457

34. RELATED PARTY TRANSACTIONS

(a) Names of related parties and relationship with the Group

Names of related parties	Relationship with the Group
Ms. Cha Li.	Spouse of the shareholder of the Group

(b) Transactions with related parties:

The Group had the following material transactions with related parties during the Relevant Periods and the six months ended 30 June 2025:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Purchases of service from Ms. Cha Li	141	215	258	253	—

(c) Compensation of key management personnel of the Group

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Salaries, bonuses, allowances and benefits in kind	2,596	3,650	4,314	1,729	2,405
Performance related bonuses	655	975	1,165	386	495
Share-based payments	68,897	1,250	993	497	299
Pension scheme contributions	498	691	870	348	440
Total compensation paid to key management personnel	72,646	6,566	7,342	2,960	3,639

Further details of directors’ emoluments are included in note 8 to the Historical Financial Information.

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35. FINANCIAL INSTRUMENTS BY CATEGORY

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

As at 31 December 2023

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	644,030	—	644,030
Time deposits	—	222,028	222,028
Trade receivables	—	60,489	60,489
Financial assets included in prepayments, other receivables and other assets	—	779	779
Cash and cash equivalents	—	22,311	22,311
Total	644,030	305,607	949,637

Financial liabilities

	Financial liabilities at amortised cost	Total
	RMB'000	RMB'000
Trade payables	22,695	22,695
Financial liabilities included in other payables and accruals	3,535	3,535
Lease liabilities	7,478	7,478
Total	33,708	33,708

As at 31 December 2024

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	718,453	—	718,453
Restricted cash	—	58	58
Time deposits	—	229,318	229,318
Trade receivables	—	72,091	72,091
Financial assets included in prepayments, other receivables and other assets	—	788	788
Cash and cash equivalents	—	35,222	35,222
Total	718,453	337,477	1,055,930

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Financial liabilities

	Financial liabilities at amortised cost	Total
	RMB’000	RMB’000
Trade payables	13,762	13,762
Financial liabilities included in other payables and accruals	195	195
Lease liabilities	5,101	5,101
Interest-bearing bank borrowings	7,439	7,439
Total	26,497	26,497

As at 31 December 2025

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB’000	RMB’000	RMB’000
Financial assets at fair value through profit or loss	562,243	—	562,243
Time deposits	—	213,928	213,928
Trade receivables	—	81,835	81,835
Financial assets included in prepayments, other receivables and other assets	—	755	755
Cash and cash equivalents	—	88,629	88,629
Total	562,243	385,147	947,390

Financial liabilities

	Financial liabilities at amortised cost	Total
	RMB’000	RMB’000
Trade payables	23,899	23,899
Financial liabilities included in other payables and accruals	3,052	3,052
Other financial liabilities	1,629,600	1,629,600
Lease liabilities	2,745	2,745
Interest-bearing bank borrowings	65,004	65,004
Total	1,724,300	1,724,300

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As at 30 June 2026

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	768,842	—	768,842
Trade receivables	—	92,628	92,628
Financial assets included in prepayments, other receivables and other assets	—	755	755
Cash and cash equivalents	—	102,805	102,805
Total	<u>768,842</u>	<u>196,188</u>	<u>965,030</u>

Financial liabilities

	Financial liabilities at amortised cost	Total
	RMB'000	RMB'000
Trade payables	41,480	41,480
Financial liabilities included in other payables and accruals	777	777
Other financial liabilities	1,629,600	1,629,600
Lease liabilities	5,171	5,171
Interest-bearing bank borrowings	38,857	38,857
Total	<u>1,715,885</u>	<u>1,715,885</u>

36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted cash, current portion of time deposits, trade receivables, financial assets included in prepayments, other receivables and other assets, trade payables, financial liabilities included in other payables and accruals, lease liabilities and short-term interest-bearing bank borrowings, other financial liabilities approximate to their carrying amounts largely due to the short term maturities of these instruments. The fair values of non-current time deposits have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities, and were assessed to approximate to their carrying amounts.

The Group’s finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the Relevant Periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for annual financial reporting.

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

The Group invests in financial assets at fair value through profit or loss, which represent wealth management products, issued by banks in Chinese mainland. The Group has estimated the fair values of these wealth management products based on the net values announced by the banks at the end of each reporting period.

Fair value hierarchy

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

Assets and liabilities measured at fair value:

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	633,902	10,128	—	644,030

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	708,365	10,088	—	718,453

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	562,243	—	—	562,243

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As at 30 June 2026

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB’000	RMB’000	RMB’000	RMB’000
Financial assets at fair value through profit or loss	768,842	—	—	768,842

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

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments mainly include interest-bearing bank borrowings, financial assets at fair value through profit or loss, time deposit and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group’s operations. The Group has other financial assets and liabilities such as trade receivables, trade payables, financial assets included in prepayments, other receivables and other assets, and financial liabilities included in other payables and accruals, which arise directly from its operations.

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

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units’ functional currencies. Approximately 28.79%, 31.99%, 52.37%, 68.69% (unaudited) and 69.46% of the Group’s sales were denominated in currencies other than the functional currencies of the operating units making the sale for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively, whilst approximately 2.73%, 8.80%, 24.38%, 16.34% (unaudited) and 13.02% of the purchase were denominated in the units’ functional currencies for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in USD and RMB exchange rates, with all other variables held constant, of the Group’s profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group’s equity.

	Increase/(decrease) in USD rate	Increase/(decrease) in profit before tax	Increase/(decrease) in equity
	%	RMB’000	RMB’000
31 December 2023			
If the RMB weakens against the USD	5	2,383	2,383
If the RMB strengthens against the USD	(5)	(2,383)	(2,383)

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	Increase/(decrease) in USD rate	Increase/(decrease) in profit before tax	Increase/(decrease) in equity
	%	RMB’000	RMB’000
31 December 2024			
If the RMB weakens against the USD	5	2,346	2,346
If the RMB strengthens against the USD	(5)	(2,346)	(2,346)
	Increase/(decrease) in USD rate	Increase/(decrease) in profit before tax	Increase/(decrease) in equity
	%	RMB’000	RMB’000
31 December 2025			
If the RMB weakens against the USD	5	6,415	6,415
If the RMB strengthens against the USD	(5)	(6,415)	(6,415)
	Increase/(decrease) in USD rate	Increase/(decrease) in profit before tax	Increase/(decrease) in equity
	%	RMB’000	RMB’000
30 June 2026			
If the RMB weakens against the USD	5	8,518	8,518
If the RMB strengthens against the USD	(5)	(8,518)	(8,518)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without specific verification procedures.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group’s credit policy, which is mainly based on invoice date information unless other information is available without undue cost or effort, and year-end staging classification. The amounts presented are gross carrying amounts for financial assets.

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As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	60,489	60,489
Financial assets included in prepayments, other receivables and other assets					
— Normal**	779	—	—	—	779
Cash and cash equivalents					
— Not yet past due	22,311	—	—	—	22,311
Time deposits					
— Not yet past due	222,028	—	—	—	222,028
Total	245,118	—	—	60,489	305,607

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	72,466	72,466
Financial assets included in prepayments, other receivables and other assets					
— Normal**	788	—	—	—	788
Cash and cash equivalents					
— Not yet past due	35,222	—	—	—	35,222
Restricted cash					
— Not yet past due	58	—	—	—	58
Time deposits					
— Not yet past due	229,318	—	—	—	229,318
Total	265,386	—	—	72,466	337,852

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As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	86,841	86,841
Financial assets included in prepayments, other receivables and other assets					
— Normal**	755	—	—	—	755
Cash and cash equivalents					
— Not yet past due	88,629	—	—	—	88,629
Time deposits					
— Not yet past due	213,928	—	—	—	213,928
Total	<u>303,312</u>	<u>—</u>	<u>—</u>	<u>86,841</u>	<u>390,153</u>

As at 30 June 2026

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	—	—	—	97,256	97,256
Financial assets included in prepayments, other receivables and other assets					
— Normal**	755	—	—	—	755
Cash and cash equivalents					
— Not yet past due	102,805	—	—	—	102,805
Total	<u>103,560</u>	<u>—</u>	<u>—</u>	<u>97,256</u>	<u>200,816</u>

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix 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”.

Liquidity risk

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

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings.

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

As at 31 December 2023

	Less than 3 months or on demand	More than 3 months and within 1 year	Over 1 year	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	22,695	—	—	22,695
Financial liabilities included in other payables and accruals	3,535	—	—	3,535
Lease liabilities	568	2,106	5,317	7,991
Total	26,798	2,106	5,317	34,221

As at 31 December 2024

	Less than 3 months or on demand	More than 3 months and within 1 year	Over 1 year	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	13,762	—	—	13,762
Financial liabilities included in other payables and accruals	195	—	—	195
Lease liabilities	629	2,070	2,637	5,336
Interest-bearing bank borrowings	7,500	—	—	7,500
Total	22,086	2,070	2,637	26,793

As at 31 December 2025

	Less than 3 months or on demand	More than 3 months and within 1 year	Over 1 year	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	23,899	—	—	23,899
Financial liabilities included in other payables and accruals	3,052	—	—	3,052
Other financial liabilities	1,629,600	—	—	1,629,600
Lease liabilities	749	2,038	19	2,806
Interest-bearing bank borrowings	65,377	—	—	65,377
Total	1,722,677	2,038	19	1,724,734

APPENDIX I

ACCOUNTANTS’ REPORT

As at 30 June 2026

	Less than 3 months or on demand	More than 3 months and within 1 year	Over 1 year	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	41,480	—	—	41,480
Financial liabilities included in other payables and accruals	777	—	—	777
Other financial liabilities	1,629,600	—	—	1,629,600
Lease liabilities	759	1,613	3,027	5,399
Interest-bearing bank borrowings	38,968	—	—	38,968
Total	<u>1,711,584</u>	<u>1,613</u>	<u>3,027</u>	<u>1,716,224</u>

Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares.

The Group monitors capital using an asset-liability ratio. The asset-liability 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	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total liabilities	86,432	60,688	1,760,698	1,744,356
Less: Other financial liabilities	—	—	(1,629,600)	(1,629,600)
Adjusted net debt	<u>86,432</u>	<u>60,688</u>	<u>131,098</u>	<u>114,756</u>
Total assets	<u>1,214,589</u>	<u>1,222,282</u>	<u>1,292,739</u>	<u>1,240,049</u>
Adjusted asset-liability ratio	<u>7.12%</u>	<u>4.97%</u>	<u>10.14%</u>	<u>9.25%</u>

38. EVENTS AFTER THE RELEVANT PERIODS

There were no significant events subsequent to 30 June 2026.

39. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 30 June 2026.