声通科技
voicecomm

聲通科技股份有限公司
Voicecomm Technology Co., Ltd.*

(A joint stock company incorporated in the People's Republic of China with limited liability)
Stock Code : 2495

2024
ANNUAL REPORT

* For Identification Purpose Only

CONTENTS

DEFINITIONS

"AGM"	the annual general meeting of the Company to be held on Friday, June 20, 2025
"AI"	artificial intelligence
"Articles" or "Articles of Association"	the articles of association of the Company
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors of the Company
"China" or "PRC"	the People's Republic of China
"Company", "our Company" or "the Company"	Voicecomm Technology Co., Ltd. (聲通科技股份有限公司)*, a joint stock company incorporated in the PRC with limited liability on May 7, 2015 and the H Shares of which are listed on the Main Board of the Stock Exchange on July 10, 2024 (stock code: 2495)
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of our Company or any one of them
"Global Offering"	the global offering of the H Shares in connection with the Listing
"Group", "we", "our" or "us"	the Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
"H Share(s)"	overseas listed foreign invested ordinary share(s) in the ordinary share capital of our Company, with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK $"	Hong Kong dollars, the lawful currency of Hong Kong
"IFRS"	International Financial Reporting Standards issued by the International Accounting Standards Board

"Independent Third Party(ies)"	person(s) or company(ies) or their respective ultimate beneficial owner(s), who/which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is/are not our connected persons or associates of our connected persons as defined under the Listing Rules
"IoT"	internet of things, the extension of internet connectivity into physical devices and everyday objects
"IT"	information technology
"Latest Practicable Date"	April 24, 2025, being the latest practicable date prior to the publication of this annual report for the purpose of ascertaining certain information contained herein
"Listing"	the listing of the H Shares on the Main Board of the Stock Exchange
"Listing Date"	July 10, 2024, on which the H Shares were listed and dealings in the H Shares first commenced on the Stock Exchange
"Listing Rules"	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
"Nomination Committee"	the nomination committee under the Board
"Prospectus"	the prospectus issued by the Company dated June 28, 2024
"Reporting Period"	the year ended December 31, 2024
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SFC"	the Securities and Futures Commission of Hong Kong

DEFINITIONS

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) in the capital of our Company with nominal value of RMB1.00 each, comprising the Unlisted Shares and the H Shares
"Shareholder(s)"	holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Supervisor(s)"	the Supervisors of our Company prior to the dissolution of the Supervisory Committee
"Supervisory Committee"	the supervisory committee of the Company established pursuant to the PRC Company Law, which has been dissolved with effect from January 13, 2025
"Unlisted Share(s)"	ordinary Share(s) in the share capital of our Company with a nominal value of RMB1.0 each, which are not listed in any stock exchange
"5G"	the 5th generation mobile network, a new global wireless standard after 1G, 2G, 3G, and 4G networks
"%"	per cent

* *for identification purpose only*

In this report, the terms "associate," "close associate," "connected person," "connected transaction," "continuing connected transaction," "controlling shareholder," "core connected person," "subsidiary", "insignificant subsidiary", "substantial shareholder" and "treasury share(s)" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

If there is any inconsistency between the Chinese names of the laws and regulations, governmental authorities, institutions, natural persons, entities or enterprises established in the PRC mentioned in this report and their English translations, the Chinese names shall prevail. The English translations of such Chinese names are provided for identification purposes only.

Certain amounts and percentage figures included in this report have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Tang Jinghua *(Chairman)*
Mr. Sun Qi

Non-executive Directors

Mr. Yang Xiaoyuan
Mr. Tan Xiaobo
Mr. Chen Yulei
Ms. Ma Tiantian

Independent non-executive Directors

Mr. Liu Rong
Mr. Wu Haipeng
Mr. Mu Binrui
Mr. Sinn Wai Kin Derek
(resigned with effect from August 1, 2024)
Mr. Leung Kin Hong
(appointed with effect from September 4, 2024)

AUDIT COMMITTEE

Mr. Leung Kin Hong *(Chairman)*
(appointed with effect from September 4, 2024)
Mr. Sinn Wai Kin Derek *(Former Chairman)*
(resigned with effect from August 1, 2024)
Mr. Wu Haipeng
Mr. Yang Xiaoyuan

REMUNERATION COMMITTEE

Mr. Liu Rong *(Chairman)*
Mr. Tang Jinghua
Mr. Leung Kin Hong
(appointed with effect from September 4, 2024)
Mr. Sinn Wai Kin Derek
(resigned with effect from August 1, 2024)

NOMINATION COMMITTEE

Mr. Mu Binrui *(Chairman)*
Mr. Tang Jinghua
Mr. Liu Rong

STRATEGY AND SUSTAINABLE DEVELOPMENT COMMITTEE*

Mr. Tang Jinghua *(Chairman)*
Mr. Sun Qi
Mr. Chen Yulei

* *The Board has resolved to change the name of the Strategy Committee to the Strategy and Sustainable Development Committee on the Board meeting held on December 16, 2024.*

SUPERVISORS*

Ms. Wu Yongzheng *(Chairman)**
Ms. Xu Xiaodi*
Mr. Xiao Dong*

* *The Company no longer sets up a supervisory committee and all of the supervisors resigned as supervisors of the Company accordingly with effect from January 13, 2025.*

JOINT COMPANY SECRETARIES

Ms. Liu Yihan
Mr. Cheung Kai Cheong Willie

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

4th Floor, F11 Building, Phase 4.1,
Wuhan Software New City, East Lake
High-tech Development Zone, Wuhan,
Hubei Province, PRC

AUTHORIZED REPRESENTATIVES

Mr. Tang Jinghua
Ms. Liu Yihan

HONG KONG LEGAL ADVISORS

Han Kun Law Offices LLP
Rooms 4301-10, 43/F, Gloucester Tower
The Landmark, 15 Queen's Road Central
Hong Kong, China

CORPORATE INFORMATION

AUDITOR

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
8/F, Prince's Building
10 Chater Road
Central
Hong Kong, China

COMPLIANCE ADVISER

Maxa Capital Limited
2602 Golden Centre
188 Des Voeux Road Central
Sheung Wan
Hong Kong, China

REGISTERED OFFICE

4th Floor, F11 Building, Phase 4.1,
Wuhan Software New City, East Lake
High-tech Development Zone, Wuhan,
Hubei Province, PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai, Hong Kong, China

COMPANY'S WEBSITE

www.voicecomm.cn

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong, China

PRINCIPAL BANKS

Wuhan East Lake High-Tech Sub-branch,
Bank of China
Wuhan Huashan Sub-branch,
Agricultural Bank of China Limited

STOCK CODE

2495

FINANCIAL SUMMARY AND OPERATING METRICS

Condensed consolidated statement of comprehensive income

	For the year ended December 31,				
	2024	2023	2022	2021	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	941,414	813,017	514,992	459,935	347,171
Cost of Revenue	(430,992)	(487,600)	(313,526)	(307,773)	(235,406)
Gross profit	510,422	325,417	201,446	152,162	111,765
Operating (loss)/profit[1]					
(Loss)/profit before income tax	(478,954)	(28,755)	(90,884)	44,431	43,845
(Loss)/profit for the year	(481,451)	(29,201)	(85,811)	36,384	34,889
(Loss)/profit attributable to:					
– Equity shareholders of the Company	(488,675)	(33,754)	(87,155)	36,895	35,168
– Non-controlling interests	7,224	4,553	1,344	(511)	(279)
Adjusted net profit (non-IFRS measure)	151,369	117,691	71,693	62,334	59,805

Note:

1. Operating (loss)/profit represents gross profit net of (i) selling and marketing expenses, (ii) administrative and other operating expenses, (iii) research and development expenses, (iv) net impairment loss on financial assets, (v) other income, and (vi) other losses, net.

FINANCIAL SUMMARY

Condensed consolidated statement of financial position

	For the year ended December 31,				
	2024 RMB'000	2023 RMB'000	2022 RMB'000	2021 RMB'000	2020 RMB'000
Assets					
Non-current assets	865,463	489,064	300,678	152,991	14,884
Current assets	1,529,858	891,068	594,596	461,224	293,949
Total assets	2,395,321	1,380,132	895,274	614,215	308,833
Liabilities					
Non-current liabilities	13,354	25,552	23,433	9,677	19,997
Current liabilities	781,210	1,347,008	837,198	494,778	218,537
Total liabilities	794,564	1,372,560	860,631	504,455	238,534
Total equity	1,600,757	7,572	34,643	109,760	70,299

KEY OPERATING DATA

The following table sets forth the number of our projects and the rolling backlog of our projects by outstanding contract sum at the end of each period presented.

	For the year ended December 31,		Year-on-year change
	2024	2023	%
Number of ongoing projects at the beginning of the year	150	84	78.6
Add: Number of newly awarded projects	377	298	26.5
Less: Number of projects completed	301	232	29.7
Number of ongoing projects at the end of the year	226	150	50.7
	(RMB'000)	(RMB'000)	
Outstanding balance at the beginning of the year	500,850	382,476	30.9
Add: Contract value of newly awarded projects	1,311,040	1,013,744	29.3
Less: Revenue (VAT inclusive) recognized during the year[1]	1,145,659	895,370	28.0
Outstanding contract sum at the end of the year	666,231	500,850	33.0

Note:

(1) As the contract value according to the agreement is inclusive of VAT, for the purposes of calculating the project backlog, the revenue recognized during the relevant year also includes VAT. Moreover, to reflect the implementation and completion of the agreement, the effect of net basis on revenue recognisation has not been taken into consideration in the calculation methodology.

I. OVERVIEW

We are an IT solution provider in China committed to providing services for enterprise customers to improve the level of convenience and intelligence for their information exchanges and business interactions. Based on unified communications technologies, core conversational AI technologies and product engine technologies, we are capable of addressing enterprise-level users' demand for "communication", "thinking" and "execution", facilitating a comprehensive enterprise-level conversational AI experience.

We recorded a revenue of RMB941.4 million in 2024, representing a year-on-year increase of 15.8%, and a gross profit of RMB510.4 million, representing a year-on-year increase of 56.9% with gross profit margin up by 14.2 percentage points to 54.2%. The adjusted net profit amounted to RMB151.4 million in 2024, representing a year-on-year increase of 28.6%, and the adjusted net profit margin increased by 1.6 percentage points to 16.1%. Overall results showed a steady growth trend.

In 2024, we continued to advance our conversational AI technology, developing highly mature and commercially valuable products and solutions. Our efforts remained focused on our four core application scenarios including city management and administration, automotive and transportation, telecommunications, and finance. At the same time, we actively expanded into emerging application scenarios such as energy management and holistic healthcare.

In terms of research and development, we are actively monitoring technological advancements in AI and continuously innovating by integrating them with real-world business scenarios. We have launched products such as intelligent work badge and video-information integrated media customer service platform and we have integrated DeepSeek into our smart government affairs solutions framework to better meet customer needs and continuously improve user experience. In terms of capital strategy, we co-established an investment and M&A fund aligned with our industrial strategy to foster an AI industrial ecosystem. In terms of brand recognition, we were recognized in renowned AI industry rankings, including those by Forbes and Hurun. In addition, we hosted the Yanxi Lake Artificial Intelligence Forum (嚴西湖人工智能論壇), bringing together experts, academics, and entrepreneurs across the industry, academia, and research sectors, demonstrating our influence in the field of artificial intelligence.

II. BUSINESS REVIEW

Continuously Enriching Our Solutions based on Conversational AI Technologies

Since our inception, we have evolved from integrated communications to conversational AI-driven technological innovation. Guided by our steadfast commitment to the philosophy of "building an ecosystem with technology as the core" (科技為核，構建生態), we are committed to advancing industry transformation and developing intelligent ecosystems.

We focus on targeted development in core areas and emerging industries, covering four major application scenarios including city management and administration, automotive and transportation, telecommunications, and finance while actively expanding into emerging areas such as energy management and holistic healthcare.

City Management and Administration

We have developed an integrated intelligent community ecosystem, covering diverse application scenarios ranging from community property owners and property service companies to public areas and surrounding businesses. Through this platform, property owners can enjoy convenient services such as smart home control, online payment and community interaction, while property service companies can make use of digitalization to achieve efficient property management and resource scheduling. In addition, the IoT and 5G technology are used to realize the interconnection and interoperability of all smart devices in the community, including smart access control, elevator control and parking management. Residents in the community can remotely control their equipment at home through the one-stop service mobile application and enjoy seamless property services, such as online repair reports, payment notifications and community activity participation. In addition, public areas in the community are equipped with intelligent surveillance systems and emergency alarm devices, combined with AI technology for real-time analysis and risk warning to ensure a safe environment for the community.

Jinxun Digital Intelligence, our non-wholly-owned subsidiary, specializes in the field of public services and has made breakthroughs in practical applications. It has fully integrated DeepSeek into its smart government affairs solutions framework, significantly enhancing the smart government affairs system's core capabilities in intelligent interactions and data governance. This achievement demonstrates the profound value of advanced AI technologies in practical industry applications.

In the field of government affairs hotlines, our solutions have successfully covered more than 130 prefecture-level cities, making us one of the service providers with the leading number of prefecture-level cities covered in the full-stack enterprise-level conversational AI solution market in China in 2024, laying a solid foundation for the popularization and development of smart government affairs.

Automotive and Transportation

Unmanned Driving Project in Mianyang Sci-Tech City New Area

We kickstarted and implemented the first local unmanned driving project, an important practice in the field of intelligent transportation, in the Mianyang Sci-Tech City New Area (綿陽市科技城新區). The integration of conversational AI technologies and unmanned driving technologies provides broad development prospects for the construction of a smart city in the Mianyang Sci-Tech City New Area.

The "Mianyang City Pilot Project for Autonomous Driving Applications in Urban Travel and Logistics Services" (綿陽城市出行與物流服務自動駕駛先導應用試點) is also the only autonomous driving pilot project in Sichuan Province. As of the end of December 2024, the project has put 52 trial vehicles into operation, which are under testing by the customer, and five major application scenarios have been planned. These include 17 self-driving buses, 4 self-driving shuttle vehicles, 12 outdoor unmanned delivery vehicles, 6 unmanned retail vehicles, 4 unmanned cleaning vehicles, and 9 sets of indoor unmanned delivery robots. The buses and shuttles have travelled a total of more than 85,000 kilometers, serving more than 95,000 people in total; the unmanned retail vehicles have sold more than 1,900 food and beverage items; and the unmanned cleaning vehicles have cleaned an area of more than 4.75 million square meters. To date the project is still undergoing tests. By virtue of its innovation and practical applications in the field of intelligent transportation, the project was successfully selected for inclusion in the "2024 Artificial Intelligence Application Benchmark TOP100" (2024人工智能應用標桿TOP100). With its notable achievements, the "National Intelligent Transportation Pilot Project – Construction of Mianyang Intelligent Connected Vehicles" (全國智能交通試點項目——綿陽智能網聯車構建) has demonstrated its exemplary effect in the field of intelligent transportation.

Telecommunications

We continue to upgrade our intelligent work badge products to integrate functions such as voice recognition, attendance management, and intelligent voice quality inspection to automate service management and supervision processes. The intelligent work badge supports real-time voice recording and analysis, which provides reliable digital support for performance assessments. In addition, the product also supports access management and multi-level data encryption technology to ensure safer data transmission.

We have entered into a strategic cooperation framework agreement with Microware Group Limited (1985.HK) ("**Microware**") to provide a full range of services from IT infrastructure solutions to service operations and maintenance, primarily for the Chinese mainland, Hong Kong, and Macau markets. With nearly four decades of history as a professional enterprise, Microware serves more than 60% of Hong Kong's top 100 listed companies, demonstrating its strong brand recognition and extensive industry expertise across the Chinese mainland, Hong Kong, and Macau markets. This collaboration leverages both parties' technological advantages, market resources, and service networks to create a synergistic ecosystem. We aim to promote the strengthening of the market-oriented technical services and platform-based development, and jointly enhance the diversity of customer service systems. For details of the strategic cooperation framework agreement, please refer to the Company's voluntary announcement dated July 25, 2024.

Finance

We provide intelligent financial solutions for the financial industry, covering three core functions: video-information integrated media customer service platform, intelligent voice quality inspection and data analysis, and multi-channel integration and security protection. The platform helps banks and insurance companies improve the quality of customer services through the integration of audio and video conversations, remote wealth management consultation, and remote signature with facial recognition in video conferences. The AI-driven voice quality inspection function enables the real-time analysis of customer interactions to ensure service quality. At the same time, the system's multi-channel support and powerful data encryption mechanism provide financial institutions with secure and compliant digital services. Such solutions simplify business processes and promote the intelligent transformation of the financial industry.

III. MILESTONES

Ranked among Forbes China's 2024 Top 50 AI Technology Enterprises (2024福布斯中國人工智能科技企業TOP50榜單)

On April 28, 2024, the results of Forbes China's 2024 Top 50 AI Technology Enterprises were officially released. The Company made it onto Forbes China's 2024 Top 50 AI Technology Enterprises with its outstanding performance in enterprise-level full-stack conversational AI solutions, which demonstrated that the Company excelled in AI technology development, application scenarios and industrial ecology and was recognized by the industry.

Present at the 2024 World Artificial Intelligence Conference

The 2024 World Artificial Intelligence Conference was held in Shanghai on July 4, 2024. The Company's Chief Scientist, Academician Jifeng He, attended the opening ceremony. Mr. Tang Jinghua, our chairman, delivered a keynote speech titled "Multimodal Fusion for AI Evolution" (《多模融合，AI進化》) to discuss the application and development trend of multimodal AI technology. Mr. Sun Qi, the Company's general manager, attended the round-table forum on "Artificial Intelligence and Future Life" (《人工智能與未來生活》) where he discussed with industry experts the impact of AI on future life. At the same time, as an exhibitor in the metaverse technology exhibition area, the Company showcased technologies and products such as digital humans and human-computer interaction.

Listed on the Stock Exchange

The H Shares of the Company were successfully listed on the Main Board of the Stock Exchange on July 10, 2024 with the stock code of 2495. This major milestone marks a brand-new stage in the Company's development, which not only manifests the capital market's high recognition of the Company's business model, core competitiveness and future growth potential, but also provides greater room for the Company's future development.

Headquartered in Wuhan Optics Valley

On September 6, 2024, the Company officially located its headquarters in Wuhan Donghu New Technology Development Zone ("**Wuhan Optics Valley**"), marking an important step forward for the Company in regional layout and strategic development. Furthermore, the Company is accelerating the construction of its headquarters building in Wuhan which is expected to be officially put into use in 2025, and will by then become a vital base for the Company's technological research and development, industrial collaboration and innovation incubation.

With its strong industrial foundation, big talent pool and superior location advantages, Wuhan Optics Valley provides unique conditions for the Company to further promote technological innovation and industrial ecological construction. Relying on its Wuhan headquarters, the Company will conduct in-depth research and development of core AI technologies, focus on technological breakthroughs and application innovation, and actively expand new AI application scenarios. The Company will also join hands with upstream and downstream industrial chain partners to build an AI-centered industrial ecosystem and promote resource integration and collaborative development.

Construction of AI ecosystem

Financial Investment

Hukou Ruili High Quality Development Private Equity Fund Partnership (Limited Partnership) (湖口瑞力高品質發展私募股權基金合夥企業(有限合夥))

In December 2024, the Company, together with Hukou County Xinghu Holding Industry Group Co., Ltd. (湖口縣興湖控股產業集團有限公司) and Shanghai Haixuan Enterprise Management Partnership (Limited Partnership) (上海海楦企業管理合夥企業(有限合夥)), set up a partnership, namely Hukou Ruili High Quality Development Private Equity Fund Partnership (Limited Partnership) (湖口瑞力高品質發展私募股權基金合夥企業(有限合夥)), with a total scale of RMB600 million, of which the Company contributed 29%. The partnership shall focus on investments in the following sectors: new energy and new materials, fine chemicals, advanced manufacturing, electronic information and digital economy, medical and healthcare, intelligent logistics port, steel and non-ferrous metals, biomedicine, intelligent manufacturing, electronic information, piers, consumption and rural revitalization, biotechnology, culture and tourism, and other industries. For further details of the establishment of the partnership, please refer to the Company's announcement dated December 3, 2024.

Brand Communication

Yanxi Lake Artificial Intelligence Forum

On August 31, 2024, the "Connect the World with AI and Embrace the Future – Yanxi Lake Artificial Intelligence Forum" (智通四海，擁抱未來——嚴西湖人工智能論壇) was successfully held in Wuhan Optics Valley by the Company. This event brought together officials and experts from the government, academia, industry, finance and media sectors to engage in multi-dimensional discussions on the technological innovation and industrial application of AI, with an aim to promote technological exchange and cooperation and jointly draw a new blueprint for the intelligent era.

During the event, important cooperation agreements were signed by multiple parties in relation to, inter alia, the location of the Company's Wuhan headquarters, AI application scenarios and projects related to industry funds. On top of that, the Company displayed innovative products such as virtual digital humans and intelligent video inspection platforms. Experts from academia, e.g. Shanghai Jiao Tong University and Wuhan University, were assembled in the industry-academia-research exchange to jointly explore the technology implementation and talent cultivation model of AI.

The 22nd China Intelligent Customer Service Conference (第二十二屆中國智能客服發佈會)

The Company successfully hosted the 22nd China Information Technology Services & Intelligent Customer Service Best Practice Conference (第二十二屆中國信息技術服務智能客戶服務最佳實踐發佈會) in Chongming, Shanghai from December 12 to December 13, 2024. Titled "New Business Forms, New Models and New Abilities" (新業態•新模式•新能力), this conference gathered government, enterprise and industry experts to discuss how intelligent customer services can promote industrial digital transformation and improve service quality and efficiency. As a leader in the field of conversational AI in China, the Company will as always uphold the spirit of innovation, enhance its intelligent customer service capabilities, and provide efficient solutions for enterprises to underpin the development of the digital economy. It will also contribute to the development of the industry and the improvement of public service quality under the "people-oriented" (以人民為中心) service tenet.

Strategic Cooperation Agreements

Microware

The Company has entered into a strategic cooperation framework agreement with Microware. Please refer to the section headed "II. BUSINESS REVIEW – Telecommunications" above.

Qinghai Hydropower (Group) Co., Ltd. (青海省水利水電(集團)有限責任公司) ("Qinghai Hydropower Group")

The Company has entered into a memorandum of understanding with Qinghai Hydropower Group, under which both parties agreed to engage in in-depth cooperation in the industries of intelligent hydropower, clean energy, artificial intelligence (AI) and big data. Both parties will share their resources in the areas of research and development, marketing and industry convergence, with a view to co-build a new informational and intelligent service platform and ecosystem catering to the needs of the intelligent hydropower industry. By leveraging Qinghai Hydropower Group's resource advantage in existing hydropower projects and the Company's technology advantage in AI, the parties will establish a sustainable strategic partnership to realize mutual benefits. They will also assist each other in gaining market share and creating business value by implementing multiple projects. For details of the memorandum of understanding, please refer to the Company's voluntary announcement dated September 30, 2024.

China Construction First Building Group Construction Development Co., Ltd. (中建一局集團建設發展有限公司) ("China Construction First Building Construction Development")

The Company entered into a strategic cooperation agreement with China Construction First Building Construction Development, pursuant to which both parties will engage in in-depth cooperation across multiple fields. According to the strategic cooperation agreement, the Company will gradually participate in industrial park construction projects located in Shanghai, Wuhan and Malaysia. China Construction First Building Construction Development will fully leverage its expertise and experiences in the area of construction to provide high quality construction service in tandem with the Company, and ensure the quality, safety and timely delivery of the projects, thereby offering comprehensive support for further expansion of the Company's business.

Meanwhile, the subsidiary of China Construction First Building Construction Development, CSCEC-CP Science & Technology Co., Ltd., has rolled out "Linker", a smart construction site system and an intelligent construction platform, which is poised to offer all-round smart management for multiple upcoming construction projects. Building upon this foundation, both parties will forge in-depth cooperation and jointly promote the intelligent transformation of construction projects during the construction process, setting a benchmark for industry advancement.

In addition, both parties will engage in comprehensive cooperation in terms of intelligent operations. By establishing a collaboration model on the industry value chain, both parties aim to consolidate resources and complement strengths to bring about mutual benefits. The Company will be responsible for the comprehensive operation services of the industrial park project, while China Construction First Building Construction Development will focus on leading the construction phase. Both parties will integrate multiple resources, work sincerely together, and jointly promote the efficient implementation and successful execution of the project. For details of the strategic cooperation agreement, please refer to the Company's voluntary announcement dated September 2, 2024.

IV. BUSINESS OUTLOOK

Expanding Application Scenarios to Create the Second Growth Curve

With the backing of the four core scenarios that we have cultivated over the years, the Company will fully leverage its advantages in technological accumulation, market experience and resource integration to identify the horizontal expansion of its business areas as the second growth curve driving the future development of the Company. Through continuous exploration and discovery of new application scenarios, the Company is committed to creating innovative solutions with high added value in the fields of energy management and holistic healthcare.

Energy Management

Our AI-empowered intelligent charging solution is designed to connect charging piles, intelligent parking lots and other ecosystems, achieving seamless connection between piles and vehicles, automatic recognition and automatic charging services. Meanwhile, we have integrated China's charging pile resources and covered mainstream charging pile networks in various Southeast Asian countries, offering car owners more charging options with high standards. Besides, the self-developed intelligent charging algorithm based on an AI foundation can help charging enterprises and governments optimize the charging equipment deployment and energy management.

Specifically, our one-stop charging solution is based on an integrated digital platform, which provides consumers with one-stop services such as checking, guiding, charging and paying; offering business operators with operational tools such as station management, order management and data analytics etc.; and supplying government departments with a unified platform for access, supervision and services, to support the formulation of policies and collaborations within the industry. Meanwhile, the solution supports various hardware compatibilities and protocol standards to meet the needs of different brands and types of charging piles. It provides users with convenient services such as route planning, energy consumption prediction, and QR-code charging activation through smart charging maps on the mobile-end and vehicle-end. In addition, we offer users life cycle management, benefits allocation, campaign operation as well as after-sales support to help customers optimize operational efficiency and enhance user experience. The flexible and customizable overall solution adapts to diverse market needs and drives the intelligent and sustainable development of the global charging network.

Holistic Healthcare

Intelligentized Elderly Care

As population aging intensifies and family-based elderly care as a tradition weakens, the existing healthcare system struggles to meet the new business demands for integrated medical and elderly care services. To address this societal challenge, we have introduced an intelligent elderly care solution.

The intelligent elderly care platform project aims to improve elderly care services across the board and establishes a comprehensive service system that combines home-based elderly care, community-based elderly care and institutional elderly care through informatization and intelligentization. Built on an elderly database, a call center, and smart terminal devices, the platform delivers three core services: emergency response, living assistance, and proactive care. It provides an efficient and convenient service medium while empowering governments with operational and management tools, ultimately strengthening public governance capabilities.

The platform covers the application of advanced technologies including mental health monitoring and evaluation, large-model for emotional analysis, and large-model for health analysis. For instance, it employs multi-modal data analysis such as voice, text, and facial expressions, to evaluate the emotional states of elderly people, identify emotional fluctuations such as depression or anxiety, and generate emotional trend curves. These insights enable personalized companionship recommendations for family members and caregivers. In addition, by collecting physiological data such as heart rate and blood pressure, the platform creates dynamic health profiles to predict risks, generates tailored health management advice, and automatically produces health reports. This holistic approach ensures the comprehensive safeguarding of the physical and mental well-being of the elderly.

Intelligent Work Badge Project for Chongqing Pharmaceutical (Group) Co., Ltd.

We established deep business collaborations with Chongqing Pharmaceutical (Group) Co., Ltd. ("**Chongqing Pharmaceutical Group**"). As an industry leader, Chongqing Pharmaceutical Group's front-line sales services encompass processes such as medication recommendations, prescription reminders, and client relationship management, which require not only extensive expertise, but also sophisticated sales and service techniques. However, Chongqing Pharmaceutical Group still lacks efficient solutions in terms of hands-on training and operational supervision.

To address this pain point, we proposed a solution centered around the intelligent work badge. Predicated on advanced technologies such as automatic speech recognition (ASR), natural language processing (NLP), and a customizable quality inspection platform, we created an intelligent training and quality inspection system to holistically improve the average professional skills and service level of employees.

By collecting and uploading real-time, front-line sales and service data, intelligent work badges enable comprehensive supervision over employees' service and marketing processes as well as the accurate identification of procedural deviations through a customized scoring system. This solution not only helps Chongqing Pharmaceutical Group optimize its employee training system by strengthening employees' professional know-how and marketing capabilities, but also markedly enhances the conversion ability of "one customer, multiple orders". Leveraging the solution, Chongqing Pharmaceutical Group precisely aligned employees' execution with management's strategic objectives, injecting powerful impetus into its performance growth.

Establishing an AI Industry Ecosystem by Getting Involved in Investments and Mergers and Acquisitions

The Company will fully utilize its resource endowment and brand influence as a listed company, actively deploying and highly engaging in the integration of upstream and downstream industry chain with the Company as the core by means of direct investment or the establishment of industrial funds. At the same time, the Company will focus on quality enterprises in the field of artificial intelligence and digital economy, accelerating the expansion of its core business and the release of synergies through strategic mergers and acquisitions or investments.

Through this series of initiatives, the Company aims to establish an AI technology and industry ecosystem with itself as the core, further strengthen the collaborative relationships with partners and achieve closed-loop production with resource sharing, technology co-creation and co-benefits, so as to consolidate the competitive advantage of the Company in the emerging technology field and realize sustainable growth and value creation.

Developing Overseas Markets while Adhering to International Brand Strategy

In February 2025, the Company has successfully completed the registration of its Malaysian subsidiary, Voicecomm Technology (Malaysia) SDN. BHD. With Malaysia as the core, the Company will continue to deepen its channel expansion and market layout in the ASEAN region, fully tapping into the huge potential of emerging markets for enterprise-level artificial intelligence solutions. The Company will promote the extensive application of its core technologies and innovative products in the ASEAN market by establishing strategic partnerships with leading local technology enterprises, further enhancing the technological influence and brand awareness of the Company in the international market. In the meantime, the Company will integrate the market characteristics and policy advantages of ASEAN countries, optimize the allocation of resources, and strengthen localized operational capabilities to ensure the efficiency and effectiveness of the implementation of the strategy.

Based on the above, the Company will also deploy its business system in the Middle East in a timely manner, focusing on countries with rapid growth economies and high technology demand, such as the United Arab Emirates, Saudi Arabia, and Oman. By the export of advanced technology solutions, the Company will actively empower the local industrial upgrading and digital transformation to help the Middle East realize technological modernization and sustainable development.

The Company is of the view that, with its technological advantages in the field of artificial intelligence and its global vision, it is capable of establishing a long-term and solid business foundation in the ASEAN and Middle East markets, injecting strong momentum into the advancement of the Company’s overall internationalization strategy.

V. FINANCIAL REVIEW

The following table sets forth our audited condensed consolidated statements of profit or loss for the Reporting Period together with the change (expressed in percentages) for the year ended December 31, 2023 to the corresponding period in 2024:

	For the year ended December 31,		Year-on-year change
	2024	2023	change
	RMB'000	RMB'000	%
Revenue	941,414	813,017	15.8
Cost of revenue	(430,992)	(487,600)	(11.6)
Gross profit	510,422	325,417	56.9
Other revenue	10,893	27,226	(60.0)
Other net gain/(loss)	747	(25)	(3,088.0)
Research and development expenses	(133,728)	(98,798)	35.4
Selling and marketing expenses	(21,589)	(10,347)	108.6
Administrative and other operating expenses	(77,340)	(58,499)	32.2
Impairment loss on trade receivables	(121,253)	(55,379)	119.0
Profit from operations	168,152	129,595	29.8
Net finance costs	(18,239)	(11,696)	55.9
Changes in carrying amount of redeemable capital contributions	(632,820)	(146,892)	330.8
Changes in fair value of financial assets measured at fair value through profit or loss	3,952	258	1,431.8
Share of gain/(loss) of an associate	1	(20)	(105.0)
Loss before taxation	(478,954)	(28,755)	1,565.6
Income tax	(2,497)	(446)	459.9
Loss for the year	(481,451)	(29,201)	1,548.7
Attributable to			
Equity shareholders of the Company	(488,675)	(33,754)	1,347.8
Non-controlling interests	7,224	4,553	58.7

Revenue

During the Reporting Period, we generated our revenue on a project basis mainly from offering enterprise-level solutions enabled primarily by our technologies on unified communications and AI to our customers. Depending upon specific users' concrete needs, the extent to which a certain solution involves each category of technologies may vary. The following table sets forth a breakdown of our total revenue by offering categories for the years indicated:

	For the year ended December 31,		Year-on year change
	2024	2023	
	RMB'000	RMB'000	%
Enterprise-level solutions	932,484	801,060	16.4
Others[(1)]	8,930	11,957	(25.3)
Total	941,414	813,017	15.8

Note:

(1) Primarily related to promoting products empowered by our conversational AI technologies for our customers, from which we generated revenue.

During the Reporting Period, our customers for our solutions included: (i) system integrators that embedded our solutions into their offerings to enterprise-level users; and (ii) enterprise-level users that used our solutions directly. The following table sets forth a breakdown of our revenue generated from offering solutions by customer types, in absolute amounts and as a percentage of total solution revenue, for the periods indicated:

	For the year ended December 31,		Year-on-year change
	2024	2023	
	RMB'000	RMB'000	%
Revenue from			
– *System integrators*	754,134	638,528	18.1
– *Enterprise-Level users*	178,350	162,532	9.7
Total	932,484	801,060	16.4

Our total revenue increased from RMB813.0 million for the year ended December 31, 2023 to RMB941.4 million for the same period in 2024, representing a year-on-year increase of 15.8%, primarily due to the fact that we continue to invest in research and development and continue to enhance the practicality and commercial value of our solutions through technological innovation and product iteration, to meet the diverse needs of the market and our customers more efficiently and accurately. Meanwhile, we closely track industry trends and changes in the market environment and make timely adjustments to our marketing strategies and business development focus, to maintain the leading advantage in the competition. At the same time, our strong customer stickiness has ensured the continued contribution of stable income from other revenue sources. Continuous and stable customer repurchase, and rapid development of new customer channels constituted the dual drivers for revenue growth.

During the Reporting Period, we generated our revenue primarily from providing our solutions in a number of end-customer industries, mainly including city management and administration, automotive and transportation, telecommunications, and finance. The following table sets forth a breakdown of our revenue generated from offering solutions by end-customer industries, in absolute amounts and as a percentage of total solution revenue, for the periods indicated:

	For the year ended December 31,				Year-on-year change
	2024		2023		
	RMB'000	%	RMB'000	%	%
City management and administration	388,545	41.7	321,239	40.1	21.0
Automotive and transportation	198,696	21.3	191,077	23.9	4.0
Telecommunications	172,220	18.5	173,976	21.7	(1.0)
Finance	100,674	10.8	84,530	10.6	19.1
Other industries	72,349	7.7	30,238	3.7	139.3
Total	932,484	100.0	801,060	100.0	16.4

Our revenue from city management and administration increased from RMB321.2 million for the year ended December 31, 2023 to RMB388.5 million for the same period in 2024, representing a year-on-year increase of 21.0%, primarily due to the fact that we continue to enrich products and solutions for the construction of smart city, digital intelligence government governance, smart community intelligence and other scenarios, as well as actively expand new city cooperation projects and continuously develop new customer resources.

Our revenue from automotive and transportation increased from RMB191.1 million for the year ended December 31, 2023 to RMB198.7 million for the same period in 2024, representing a year-on-year increase of 4.0%, primarily due to the fact that the commercial vehicle market remains in a period of adjustment in 2024, with downward pressure on the overall market, while the new energy commercial vehicle market continues to grow robustly. While maintaining our existing customers, we actively explore the new energy commercial vehicle market and maintain the revenue of automotive and transportation scenarios stable.

Our revenue from telecommunications decreased from RMB174.0 million for the year ended December 31, 2023 to RMB172.2 million for the same period in 2024, representing a year-on-year decrease of 1.0%, primarily due to the fact that the Company generally cooperate with large telecommunication operators and the projects usually bear cyclicality, which in turn affects the Company's revenue, which remains stable overall.

Our revenue from the finance industry increased from RMB84.5 million for the year ended December 31, 2023 to RMB100.7 million for the same period in 2024, representing a year-on-year increase of 19.1%, primarily due to the fact that the Company continues to enrich its related product portfolio, launch innovative digital solutions such as the intelligent employee training platform and Internet video customer service and expand its customer base through the new provision of service to various first-class enterprises in the fields of banking, securities and fund.

Our revenue from other industries increased from RMB30.2 million for the year ended December 31, 2023 to RMB72.3 million for the same period in 2024, representing a year-on-year increase of 139.3%, primarily due to the fact that the Company actively explores diversified businesses. The new business segments have started to generate revenue, which represents a rapid growth.

With the steady increase in the Company's market presence and strengthening of our brand image, we have earned a high level of customer recognition in the market. This significant increase in recognition has consolidated our leading position in the four major end-customer industries. The trust and reliance of these customers on our products further proves that our products not only have excellent applicability in specific fields, but also have the potential for a wide range of cross-industry and cross-domain applications.

Costs and Expenses

During the Reporting Period, our cost of revenue primarily consisted of (i) equipment costs in relation to hardware devices such as communication devices, servers and computers that were integrated into our solutions; (ii) network and other telecommunication resource costs, which primarily represented the network resources we procured for our city management and administration projects; (iii) employee benefit expenses; (iv) depreciation and amortization; (v) costs mainly in relation to providing promotion services for the sales of telecommunications terminals and other telecommunications resources and services; (vi) externally outsourced services primarily on developing project-specific software tailoring to certain customers' specific demand on functionalities that are incidental to our technologies in order to enable offering total solutions; and (vii) other costs.

The following table sets forth a breakdown of our cost of revenue by nature, in absolute amounts and as a percentage of the total cost of revenue for the periods indicated:

	For the year ended December 31,			
	2024		2023	
	RMB'000	%	RMB'000	%
Equipment costs	152,616	35.4	300,593	61.7
Network and other telecommunication resource costs	100,348	23.3	100,390	20.6
Employee benefit expenses	7,209	1.7	10,908	2.2
Depreciation and amortization	16,099	3.7	4,367	0.9
Promotion service costs	11,836	2.7	11,670	2.4
Costs of outsourced services	117,792	27.3	53,775	11.0
Others	25,092	5.9	5,897	1.2
Total	430,992	100.0	487,600	100.0

Our cost of revenue decreased from RMB487.6 million for the year ended December 31, 2023 to RMB431.0 million for the same period in 2024, representing a year-on-year decrease of 11.6%, which was mainly due to the increase in the proportion of high net profit projects and decrease of hardware delivery.

Gross Profit and Gross Profit Margin

As a result of the foregoing, for the Reporting Period, we recorded a gross profit of RMB510.4 million, representing a year-on-year increase of 56.9%, due to the overall growth of our revenue and the increase in the proportion of high net profit projects. Our gross profit margin increased by 14.2 percentage points from 40.0% for the year ended December 31, 2023 to 54.2% for the same period in 2024.

Other Revenue

Our other revenue decreased from RMB27.2 million for the year ended December 31, 2023 to RMB10.9 million for the same period in 2024, primarily due to (i) the Company receiving a tax refund of approximately RMB18.6 million in early 2023 and (ii) the one-off government subsidy of approximately RMB8.5 million received by the Company in 2023. Excluding these two factors, the overall other revenue remained consistent.

Research and Development Expenses

Our research and development expenses increased from RMB98.8 million for the year ended December 31, 2023 to RMB133.7 million for the same period in 2024, primarily due to the continuous increase in our research and development efforts to enhance our technological capabilities and to meet the needs of our business growth, including the addition of property and equipment such as servers and intangible assets that incurred more depreciation and amortization and implementation of technical services from third parties.

Selling and Marketing Expenses

Our selling and marketing expenses increased from RMB10.3 million for the year ended December 31, 2023 to RMB21.6 million for the same period in 2024, primarily due to (i) the increased headcounts and compensation level of our selling and marketing staff as a result of the expansion of our sales team, and (ii) increased marketing activities to further develop customers and markets.

Administrative and Other Operating Expenses

Our administrative and other operating expenses increased from RMB58.5 million for the year ended December 31, 2023 to RMB77.3 million for the same period in 2024, primarily due to (i) the increased headcounts and compensation level of our administrative staff, (ii) increase in depreciation as a result of an increase in assets and office leased premises, and (iii) an increase in consulting service fee.

Impairment Loss on Trade Receivables

Our impairment loss on trade receivables increased from RMB55.4 million for the year ended December 31, 2023 to RMB121.3 million for the same period in 2024, primarily due to (i) the increase in the balance of trade receivables with the growth of revenue, (ii) the change in the aging structure of trade receivables, of which long-term trade receivables took up a larger proportion, and (iii) change of registered address of the Company and change of the Company's name in the second half of 2024 which involved registration of industrial and commercial change, leading to delays in the progress of billing and collection of payments.

Net Finance Costs

Our net finance costs increased from RMB11.7 million for the year ended December 31, 2023 to RMB18.2 million for the same period in 2024, primarily due to an increase in bank loans and a corresponding increase in interest on bank loans.

Changes in Carrying Amount of Redeemable Capital Contributions

As of June 30, 2024, December 31, 2023, June 30, 2023 and December 31, 2022, redeemable capital contributions were measured at the fair value of the shares of the Company held by the Pre-IPO Investors (as described in the Prospectus). Our changes in carrying amount of redeemable capital contributions increased from RMB146.9 million as of 2023 to RMB632.8 million in 2024, primarily due to increase of carrying amount of redeemable capital contributions before the completion of the Global Offering from RMB852.9 million as of December 31, 2023 to RMB1,485.7 million as of the date of completion of the Global Offering. The balance were reclassified as equity upon Listing due to the special rights associated with the investors were unconditionally terminated.

Changes in Fair Value of Financial Assets Measured at Fair Value through Profit or Loss

Our changes in fair value of financial assets measured at fair value through profit or loss increased from a fair value gain of RMB0.3 million for the year ended December 31, 2023 to a fair value gain of RMB4.0 million for the same period in 2024. This was mainly due to the increase of RMB6.5 million in fair value of wealth management products purchased by the Company during the Reporting Period.

Income Tax

Our income tax increased from a tax charge of RMB0.4 million for the year ended December 31, 2023 to a tax charge of RMB2.5 million for the same period in 2024, primarily due to the increase in the tax charge in line with the increase in profit of this year.

Loss for the year

As a result of the foregoing, our loss for the year increased from RMB29.2 million for the year ended December 31, 2023 to a loss of RMB481.5 million for the same period in 2024, primarily due to the increase of changes in carrying amount of redeemable capital contributions.

Non-IFRS Measure

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use the adjusted net profit (a non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe that such non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of the adjusted net profit (a non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define the adjusted net profit (a non-IFRS measure) as profit for the period by eliminating the impacts of changes in carrying amount of redeemable capital contributions. The following table reconciles our adjusted net profit (a non-IFRS measure) presented to the financial measure calculated and presented in accordance with IFRS, namely profit/loss for the year:

	For the year ended December 31,		Year-on-year change
	2024	2023	
	RMB'000	RMB'000	%
Reconciliation of loss for the year and adjusted net profit (a non-IFRS measure)			
Loss for the year	**(481,451)**	(29,201)	1,548.7
Add:			
Changes in carrying amount of redeemable capital contributions	**632,820**	146,892	330.8
Adjusted net profit (a non-IFRS measure)	**151,369**	117,691	28.6

Our management considers that changes in carrying amount of redeemable capital contributions is a non-cash item, primarily due to which we incurred net loss as of July 10, 2024 and the balance of the redeemable capital contributions were reclassified from financial liabilities to equity upon Listing. Therefore, by eliminating the impacts of the said item in the calculation of the adjusted net profit (a non-IFRS measure), such measure could better reflect our underlying operating performance and could better facilitate the comparison of operating performance from year to year.

Liquidity and Capital Resources

We have maintained a comprehensive treasury policy detailing specific functions and internal control measures for capital use. These functions and measures include but are not limited to procedures of capital management and liquidity management. We manage and maintain our liquidity through the use of internally generated cash flows from operations and bank borrowings. We regularly review our major funding positions to ensure that we have adequate financial resources in meeting our financial obligations.

For the Reporting Period, we funded our working capital and other capital expenditure requirements through a combination of income generated from operations and investments received. The following table sets forth a summary of our cash flows for the periods indicated:

	For the year ended December 31,	
	2024	2023
	RMB'000	RMB'000
Net cash used in operating activities	(129,211)	(68,069)
Net cash used in investing activities	(613,424)	(184,386)
Net cash generated from financing activities	790,448	278,897
Net increase in cash	47,813	26,442
Cash at beginning of the period	46,876	20,434
Effect of foreign exchange rate changes	454	–
Cash at the end of the period	95,143	46,876

Cash

For the Reporting Period, our net cash used in operating activities was RMB129.2 million, which was primarily attributable to the increase in our trade and other receivables and prepayments.

For the Reporting Period, our net cash used in investing activities was RMB613.4 million, primarily as a result of payment for the acquisition of property and equipment and intangible assets of RMB399.1 million and the purchase of wealth management products of RMB219.2 million.

For the Reporting Period, our net cash generated from financing activities was RMB790.4 million, primarily as a result of proceeds from bank loans of RMB689.8 million, partially offset by repayment of bank loans of RMB455.7 million and Global Offering funds of RMB620.3 million.

As a result of the foregoing, our cash, which were primarily held in Renminbi, increased by 102.8% from RMB46.9 million as of December 31, 2023 to RMB95.1 million as of December 31, 2024.

As of December 31, 2024, the Group and its subsidiaries and branches mainly operated in China and overseas regions such as Hong Kong. In order to meet daily business needs, we held a certain amount of Hong Kong dollars and offshore RMB, and were therefore exposed to foreign exchange risks due to exchange rate fluctuations. We will continue to monitor changes in exchange rate and make prudent analyses. We will take measures such as hedging and fund structure optimization where necessary to mitigate impact from exchange rate fluctuations.

Indebtedness

As of December 31, 2024, as we had utilized a credit limit of RMB421.0 million for bank borrowings, our unutilized banking facilities were RMB229.9 million. Our bank loans carry fixed or floating interest rates. As at December 31, 2024, approximately 86.3% of our bank loans were at fixed interest rates and the remainder was at floating rates. Our bank loans carried an interest rate ranging from 2.7% to 7.0% per annum and matured within one year. To manage our interest rate exposure, we optimise our debt portfolio and enter into hedges (if appropriate).

Gearing Ratio

As of December 31, 2024, our gearing ratio, being total liabilities divided by total assets and multiplied by 100%, was 33.2%.

Capital Expenditures

We regularly incur capital expenditures to purchase our property and equipment, as well as intangible assets, in order to enhance our research and development and commercialization capabilities, and expand our business operations. The following table sets forth our capital expenditure for the periods indicated:

	As of December 31,	
	2024 RMB'000	2023 RMB'000
Payment for the acquisition of property and equipment and intangible assets	399,080	182,914
Total	399,080	182,914

Contingent Liabilities

As of December 31, 2024, we did not have any material contingent liabilities.

Significant Investments and Future Plans for Material Investments or Capital Assets

As of December 31, 2024, we did not hold any significant investment. In addition, save for the expansion plans as disclosed in the sections headed "Business" and "Future Plans and Use of Proceeds" in the Prospectus, we have no future plans for material investments or capital assets.

Material Acquisitions and Disposals

For the Reporting Period, we did not conduct any material acquisitions or disposals of subsidiaries, associates or joint ventures.

Charges on Group Assets

As of December 31, 2024, we did not have any charged assets.

Continuing Disclosure Obligations Pursuant to the Listing Rules

The Company does not have any disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

OVERVIEW

The Board currently consists of ten Directors, comprising two executive Directors, four non-executive Directors and four independent non-executive Directors. The functions and duties of our Board include convening general meetings, implementing the resolutions passed at general meetings, determining business and investment plans, and formulating our proposals for profit distributions as well as exercising other powers, functions and duties as conferred by the Articles of Association. The Directors are appointed for a term of three years and are eligible for re-election and re-appointment upon expiry of their term of office.

During the Reporting Period, the supervisory committee of the Company consisted of three supervisors and was primarily responsible for supervising the performance of the Board and members of the senior management in performing their duties to the Company. The supervisory committee had been dissolved after the special resolution regarding the amendments to the Articles of Association was passed by the Shareholders at the extraordinary general meeting of the Company on January 13, 2025. All the supervisors continue to serve the Company in the capacity as employees after the dissolution. Please refer to the announcement of the Company dated February 13, 2025 for further details.

The senior management, together with the executive Directors, is responsible for the day-to-day management of our business.

BIOGRAPHICAL DETAILS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Chairman and executive Director

Mr. Tang Jinghua (湯敬華), aged 48, is our founder, chairman of the Board and executive Director. Mr. Tang served as the chairman and general manager of the Company between December 2005 and June 2017. He was subsequently re-appointed as our Director in December 2020 and as chairman of the Board in June 2021, and was re-designated as our executive Director in May 2023. In addition, Mr. Tang has been our technical director since December 2005 and is currently the director of several of our subsidiaries, including, Shandong Voicecomm Intelligent Technology, Shandong Voicecomm Information Technology and Hainan Voicecomm Intelligent Technology. He is primarily responsible for the overall strategy, planning and deployment, and technology research and development of our Company. Mr. Tang has served as the associate dean of the Sci-tech Achievement Transformation Institute of the National AI Industry & Education Integrated Innovation Platform (國家人工智能產教融合創新平台科技成果轉化研究院) at Shanghai Jiao Tong University since November 2024. Between September 2016 and October 2018, pursuant to the invitation by Xinhuanet, Mr. Tang joined Xinhuanet Yilian (Beijing) Technology Co., Ltd. (新華網億連(北京)科技有限責任公司) as a deputy general manager, and was responsible for the industrial implementation of "Internet Plus" strategy.

Mr. Tang has over 20 years of extensive research and development experience in the industry and has expertise in the field of conversational AI. Mr. Tang has led and completed the research and development of software products for National Natural Science Foundation of China (國家自然科學基金) and Shanghai Sci-Tech Innovation Center Capital (上海科創基金) for numerous times. The products which were developed under the leadership of Mr. Tang have received numerous renowned honours and awards, including the "Shanghai Sci-tech Achievements Award".

Prior to establishing our Group, Mr. Tang served as product manager at the technical department of Shanghai Shengruan Message Technology Co., Ltd. (上海聲軟信息技術有限公司) between January 2002 and November 2005, where he was responsible for the development and application of computer telephony integration technology.

Mr. Tang obtained a master degree in software engineering from Shanghai Jiao Tong University (上海交通大學) in the PRC in March 2005, and is currently a PhD candidate in artificial intelligence at Shanghai Jiao Tong University (上海交通大學) in the PRC, with a research focus on distributed artificial intelligence and knowledge graph.

Mr. Tang was a director and a general manager of Hangzhou Bojue Network Technology Co., Ltd. (杭州舶珏網絡科技有限公司), a company established in the PRC engaged in the business of software application development and system integration.

Executive Directors

Mr. Sun Qi (孫琪), aged 50, is our executive Director and general manager. Mr. Sun joined our Group in October 2012 as the sales director of our Company. He has been our Director since April 2015 and the general manager of our Company since January 2017, and he was re-designated as our executive Director in May 2023. He is currently the director of several of our subsidiaries, including Voicecomm Jiachen, Voicecomm Gengyou and Voicecomm Yilian. He is primarily responsible for the overall operation and business development of our Group.

Mr. Sun has 20 years of rich experience in corporate management, sales and marketing. Prior to joining our Group, Mr. Sun served as (i) the deputy general manager of the Shanghai branch of Shenzhen Kingdom Sci-tech Co., Ltd. (a company listed on the Shanghai Stock Exchange (stock code: 600446)) from September 1998 to September 2002; (ii) the sales manager of Eastern China Region at Gaoyang Soft-tech Information Technology (Shanghai) Co., Ltd (高陽軟科信息技術(上海)有限公司)) from November 2003 to August 2005, where he was responsible for the sales and marketing activities of the company in the Eastern China Region; and (iii) the co-founder and the deputy general manager at Shanghai Lingteng Network Technology Co., Ltd (上海靈騰網絡科技有限公司) from October 2005 to September 2012, where he was responsible for the daily management and channel expansion of the company. Mr. Sun graduated from Hefei University of Technology (合肥工業大學) in the PRC after completion of the undergraduate programme in engineering in July 1997.

Non-executive Directors

Mr. Yang Xiaoyuan (楊曉源), aged 48, is our non-executive Director. Mr. Yang joined our Group in May 2018 and has been our Director since then. He was subsequently re-designated as our non-executive Director in May 2023. Mr. Yang is primarily responsible for providing guidance and advice on the corporate and business strategies to the Board.

Mr. Yang worked at Shanghai Potevio Co., Ltd (上海普天郵通科技股份有限公司) from September 1999 to May 2006 where he last served as the marketing director. In October 2005, Mr. Yang founded Beijing Haizhide Technology Co., Ltd (北京海致得科技有限公司), a company in the scientific research and technical service industry. In January 2016, Mr. Yang founded Shanghai Jiangcheng Asset Management Co., Ltd (上海江程資產管理有限公司), a company primarily engaging in, among others, asset management, where his current position is general manager. He is also currently serving as the director or supervisor of various subsidiaries of Shanghai Jiangcheng Asset Management Co., Ltd, the operation of which include information technology, leasing of non-residential properties and corporate management, etc.

Mr. Yang graduated from Donghua University (東華大學) (formerly known as China Textile University (中國紡織大學) in the PRC with a bachelor's degree in industrial automation in July 1999, and subsequently obtained a master degree in electronics and communication engineering from Shanghai Jiao Tong University (上海交通大學) in the PRC in March 2008.

Mr. Tan Xiaobo (譚曉波), aged 47, is our non-executive Director. Mr. Tan joined our Group in April 2019 and has been our Director since then. He was subsequently re-designated as our non-executive Director in May 2023. Mr. Tan is primarily responsible for providing guidance and advice on the corporate and business strategies to the Board.

Mr. Tan served as the general manager at Shanghai Softstone International Trading Co., Ltd (上海柔石國際貿易有限公司) from February 2002 to January 2017. Since January 2017, Mr. Tan has been working at Shanghai Zepure International Trading Co., Ltd (上海澤溥國際貿易有限公司) (a company principally engaged in the import and distribution of plastics and chemicals) and he is currently serving as its executive director and general manager.

Mr. Tan graduated from Shanghai Ocean University (上海海洋大學) (formerly known as Shanghai Fisheries University (上海水產大學) in the PRC upon completion of the undergraduate programme in mechanical design and manufacturing and automation in July 2000.

Mr. Chen Yulei (陳宇雷), aged 42, is our non-executive Director. Mr. Chen joined our Group in May 2021 and has been our Director since then. He was subsequently re-designated as our non-executive Director in May 2023. Mr. Chen is primarily responsible for providing guidance and advice on the corporate and business strategies to the Board.

Mr. Chen is experienced in the investment field, including in the technology, media and telecommunication (TMT) area. From April 2016 to April 2019, Mr. Chen worked at Shanghai Baoju Investment Management Group Co., Ltd. (上海寶聚昌投資管理集團有限公司), where his last held position was investment director. From November 2019 to September 2023, Mr. Chen worked at Yingke Innovation Asset Management Co., Ltd. (盈科創新資產管理有限公司), and is served as one of the partners and the chief investment officer, where he was primarily responsible for investment in the technology and innovation industry. In particular, Mr. Chen had handled several investment projects in the TMT field, including (i) a company listed on the Shanghai Stock Exchange that provides foundry services for analog chips and module packaging, (ii) a company established in the PRC which engaged in the research, production, sales, and recycling of sputtering targets and evaporative materials for vacuum coating, the products of which are primarily used in the fields of display, photovoltaics and data storage, etc., (iii) an enterprise engaged in the research, production, and sales of new energy intelligent connected vehicles, and (iv) a chip manufacturing company, whose products are applied in the fields of, among others, internet of things (IOT), automotive electronics, and 5G etc. Mr. Chen served as the vice president and regional manager of the Industrial Fund Department in the East China region at Shanghai Fudi Industrial Development Group Co., Ltd. (上海復地產業發展集團有限公司) from September 2023 to December 2023. Mr. Chen has served as an executive director and the legal representative of Shanghai Xinghao Management Consulting Co., Ltd. (上海星號管理諮詢有限公司) since August 2013 and September 2015, respectively. Mr. Chen graduated from Ningbo University (寧波大學) in the PRC with a bachelor's degree in computer science and technology in July 2005, and subsequently graduated from University of Keele in the United Kingdom with a master's degree in financial management in November 2006.

Ms. Ma Tiantian (馬天添), aged 34, is our non-executive Director. Ms. Ma joined our Group in May 2021 and has been our Director since then. She was subsequently re-designated as our non-executive Director in May 2023. Ms. Ma is primarily responsible for providing guidance and advice on the corporate and business strategies to the Board.

Ms. Ma worked as an institutional sales at Tebon Fund Management Co., Ltd (德邦基金管理有限公司) from October 2015 to July 2016. She then served as a project manager at Dongyang Datang Entertainment TV and Film Production Co., Ltd (東陽大唐影視文化股份有限公司) from February 2017 to September 2018. From December 2018 to October 2020, she served as the executive director at Shanghai Yueran Culture Communication Co., Ltd (上海躍燃文化傳播有限公司). Since October 2020, Ms. Ma has been working at Gongqingcheng Softbank Zhongan Investment Co., Ltd (共青城軟銀中安投資有限公司) and her current position is supervisor and development manager. Ms. Ma has served as an executive director of Qianhai New Intelligent Technology (Shanghai) Co., Ltd. (乾海新智能科技(上海)有限公司) since October 2023.

Ms. Ma graduated from University of Sydney in Australia with a bachelor's degree in economics in May 2013, and subsequently obtained a postgraduate in business management from University of Technology Sydney in Australia in March 2015.

Independent non-executive Directors

Mr. Liu Rong (劉榕), aged 76, is our independent non-executive Director. Mr. Liu has been appointed as our independent Director since April 2020, and was subsequently reconfirmed as our independent non-executive Director in May 2023. Mr. Liu is primarily responsible for supervising and providing independent advice to the Board.

Mr. Liu worked at SAIC Motor Industrial (Group) Co., Ltd. (上海汽車工業(集團)有限公司) between April 1990 and December 2004, during which he served various positions including manager assistant of the finance department (asset operation department), deputy manager, deputy chief accountant and manager of the asset operation department. Subsequently between December 2004 and May 2013, Mr. Liu served in various positions at SAIC Motor Corp., Ltd. (上海汽車集團股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600104), and a company controlled by (上海汽車工業(集團)有限公司)), including deputy chief accountant and chief operation officer. Mr. Liu is currently an independent director of Shanghai Lianming Machine Share Co., Ltd (上海聯明機械股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 603006)), Shanghai Naen Automotive Technology Co., Ltd (上海納恩汽車技術股份公司), Kuangda Technology Co. Ltd. (曠達科技集團股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002516)) and Hangzhou BOSOM New Materials Technology Co., Ltd (杭州本松新材料技術股份有限公司). He was an independent director of (i) Shanghai Jingzhi Enterprise Co., Ltd (上海精智實業股份有限公司) (a company quoted on National Equities Exchange and Quotations (stock code: 873842) from March 2020 to March 2023; and (ii) Flying Technology Co., Ltd. (展鵬科技股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 603488) between December 2020 to August 2022.

Mr Liu has been awarded the "Advanced Production Work (先進生產工作者)" by SAIC Motor Corporation Limited in March 2007 and the "Advanced Accountant in Shanghai (上海市先進會計工作者)" awarded by Shanghai Municipal Finance Bureau in August 2009.

Mr. Liu completed the training programme in accounting in Shanghai First Mechanical and Electrical Industry Bureau (上海市第一機電工業局) in the PRC in June 1981. Mr. Liu subsequently graduated from the international finance and commerce college class of Institute of Adult Education of East China Normal University (華東師範大學成人教育學院) in the PRC in July 1997 and completed the on-the-job postgraduate course majoring in global economy at the International Finance Department of East China Normal University (華東師範大學) in the PRC in April 1999.

Mr. Liu earned the qualification of senior accountant in Shanghai in April 2002. Mr. Liu was also certified as having 30 years' experience in accounting by the Ministry of Finance of the People's Republic of China (中華人民共和國財政部) in August 2008.

Mr. Wu Haipeng (吳海鵬), aged 45, is our independent non-executive Director. Mr. Wu has been appointed as our independent Director since June 2021, and was subsequently reconfirmed as our independent non-executive Director in May 2023. Mr. Wu is primarily responsible for supervising and providing independent advice to the Board.

Mr. Wu served at Fujian Mintian Law Firm (福建閩天律師事務所) from September 2001 to June 2010 and his last position was partner. Mr. Wu then served as a partner at Fujian Junli Law Firm (福建君立律師事務所) from July 2010 to December 2017. Mr. Wu is currently a partner at Grandall (Fuzhou) Law Firm (國浩律師(福州)事務所). He is also currently an independent director of Nanjing Aolian Automobile Electronics Co., Ltd (南京奧聯汽車電子電器股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 300585)).

Mr. Wu graduated from Jilin University (吉林大學) in the PRC with a bachelor's degree in the law of International Economics in June 2001. He is a registered lawyer in the PRC.

Mr. Mu Binrui (牟斌瑞), aged 68, is our independent non-executive Director. Mr. Mu has been appointed as our independent Director since November 2021, and was subsequently reconfirmed as our independent non-executive Director in May 2023. Mr. Mu is primarily responsible for supervising and providing independent advice to the Board.

Before his retirement in 2016, Mr. Mu worked at the Bank of Communications Co., Ltd. (交通銀行股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 601328)), during which he was appointed as general manager in the credit management department in October 2004 and as the vice chief credit executive officer in March 2013. He is currently an independent non-executive director of China Yongda Automobiles Services Holdings Limited (中國永達汽車服務控股有限公司) (a company listed on the Stock Exchange (Stock code: 3669) and was an independent non-executive director of China Bohai Bank Co., Ltd (渤海銀行股份有限公司) (a company listed on the Stock Exchange (stock code: 9668) from September 2018 to January 2025.

Mr. Mu graduated from the School of Network Education of Renmin University of China (中國人民大學網絡教育學院) in the PRC after completion of the long distance course majoring in finance in March 2005.

Mr. Mu has earned the honour of Special Allowances of the State Council as a National Expert (國務院政府特殊津貼專家) awarded by The State Council (中華人民共和國國務院) in February 2013.

Mr. Leung Kin Hong (梁健康), aged 54, is our independent non-executive Director. Mr. Leung has been appointed as our independent non-executive Director since September 2024. He has been the Group Financial Controller of Shanghai Industrial Urban Development Group Limited, a company listed on the Stock Exchange (stock code: 563), where his duties include overseeing the finance activities, monitoring business planning and corporate financing since November 2012. Prior to that, Mr. Leung has worked in an international professional accounting firm and several listed companies in Hong Kong to gain his extensive experience in financial and general management. Mr. Leung was an independent non-executive director of Doyen International Holdings Limited, a company delisted from the Stock Exchange since March 6, 2025 (previous stock code: 668) from July 2019 to March 2025.

Mr. Leung has been an associate member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants since 1998. He obtained his master degree of finance in 2002 from the Curtin University of Technology.

Supervisors*(Note)*

Ms. Wu Yongzheng (伍永政)*(Note)*, aged 48, was our chairman of the supervisory committee of the Company. Ms. Wu joined our Company in June 2011 and was the chairman of the supervisory committee of the Company from May 7, 2015 to January 12, 2025. She is the supervisor of the Shandong Voicecomm Intelligent Technology.

Prior to joining our Group, Ms. Wu worked (i) as a technical engineer at Shanghai Camelot Information System Co., Ltd. (上海柯萊特信息系統有限公司) between July 2004 and April 2006, where her clientele included a multinational technology corporation; and (ii) at China HP Co., Ltd. (中國惠普有限公司) (formerly known as China Hewlett-Packard Co., Ltd. (惠普科技(北京)有限公司)), where her last held position was systems administrator before her resignation in November 2010.

Ms. Wu graduated from Chinese People's Liberation Army Guilin Military Academy (桂林陸軍學院) in the PRC majoring in computer application in June 1999. Ms. Wu subsequently graduated from Shanghai Polytechnic University (上海第二工業大學) in the PRC majoring in computer science (adult higher education) through part-time study in January 2009. Ms. Wu obtained a master degree of software engineering from Tongji University (同濟大學) in the PRC in March 2017.

Ms. Wu received the First prize for scientific progress awarded by Beihai People's Government Science and Technology Progress Award Review Committee (科學技術進步獎評審委員會) in January 2001.

Ms. Xu Xiaodi (徐曉迪)*(Note)*, aged 31, was our supervisor. Ms. Xu joined our Company in April 2015 and has been our supervisor till January 2025. She is also the general manager of the Voicecomm Jiachen and the supervisor of the Hainan Voicecomm Intelligent Technology.

In addition, Ms. Xu served as an administrator and sales assistant at our Company from April 2015 to September 2018, and later as assistant general manager of our Company since February 2021.

Ms. Xu obtained online college degree of economic management from Huazhong University of Science and Technology (華中科技大學) in the PRC in January 2015, and completed her undergraduate studies in Huazhong Normal University (華中師範大學) in the PRC majoring in business administration in January 2021 through an online program.

Mr. Xiao Dong (肖東)*(Note)*, aged 37, was our employee representative supervisor from February 2016 to January 2025. Mr. Xiao joined our Group in October 2012 and has been serving as the system integration engineer of the technical department of our Company since August 2017, where he was responsible for the project research and development of the technical department.

Mr. Xiao graduated from Southwest University of Science and Technology (西南科技大學) in the PRC upon completion of an online education undergraduate program on computer science and technology in January 2017.

Note: The Company no longer sets up a supervisory committee and all of the supervisors resigned as supervisors of the Company accordingly with effect from January 13, 2025. Please refer to the announcements of the Company dated February 13, 2025 for further details.

Senior management

Mr. Zheng Bo (鄭波), aged 48, is our deputy general manager and technical deputy director. Mr. Zheng has been our technical deputy director since February 2021. Mr. Zheng Bo was further appointed as our deputy general manager since May 2023. He is primarily responsible for assisting in supervising the day-to-day operation of the technical department.

Prior to joining our Group in 2021, Mr. Zheng served (i) at Shanghai Lingteng Network Technology Co., Ltd. (上海靈騰網絡科技有限公司) as the chief technology officer between May 2007 and September 2010, where he was responsible for leading the daily operation of the technical department; (ii) at Jiangxi Nanchang High-tech District Talent Center between October 2010 and January 2014, where he was responsible for the establishment of network and information system; (iii) at our Company as our chief technology officer between February 2014 and May 2017; and (iv) as the vice president at Hefei Yipin Science and Trade Co., Ltd. (合肥逸品科貿有限公司) between February 2020 and January 2021.

Mr. Zheng graduated from Nanchang University (南昌大學) in the PRC upon completion of the undergraduate programme of computer and application in July 1998.

Mr. Ouyang Yiqing (歐陽一青), aged 46, is our deputy general manager. Mr. Ouyang joined our Group in June 2023 and has been our deputy general manager since November 2023. He is primarily responsible for formulating and implementing marketing strategies and client success.

Mr. Ouyang possesses extensive experience in serving B2B enterprises and government enterprises, and had helped several leading Chinese companies and government institutions in industries such as healthcare, education, publishing, and government achieve digital transformation. Prior to joining our Group, Mr. Ouyang served in various software and technology companies from 2005 to 2014, where he was principally responsible for sales and business development. From September 2014 to November 2020, Mr. Ouyang served as general manager of public services industry group at SAP (China) Co. Ltd (思愛普(中國)有限公司), where he was responsible for the formulation and implementation of marketing strategies and client success. Subsequently between November 2020 and June 2023, Mr. Ouyang served as senior sales director at Fourth Paradigm (Beijing) Data & Technology Co., Ltd. (第四範式(北京)技術有限公司) (a subsidiary of Beijing Fourth Paradigm Technology Co., Ltd. (北京第四範式智能技術股份有限公司), a company listed on the Stock Exchange (stock code: 6682)), where he was responsible for business development of the company's innovative business and client success. Mr. Ouyang also served as an executive director of Shanghai Paradigm Digital Software Technology Co. Ltd. (上海範式數科軟件技術有限公司) (a subsidiary of Fourth Paradigm (Beijing) Data & Technology Co., Ltd.) from July 2022 to August 2023.

Mr. Ouyang graduated from the Dundalk Institute of Technology in Ireland in June 2005 with a bachelor's degree in business.

Mr. Wei Yangchun (衛陽春), aged 43, is the deputy general manager of the Company and the general manager of Shanghai Yuanya Information Technology Co., Ltd., a subsidiary of the Company. Mr. Wei joined the Group in July 2021 and has served as the Company's deputy general manager since July 2024. He is primarily responsible for the expansion of automotive and transportation scenarios as well as international business of the Company.

With over 15 years of experience in digital marketing and marketing IT in the automotive industry, Mr. Wei possesses deep insights into the marketing business in the automotive industry. He specializes in integrating innovative concepts, such as digital marketing, operation of internet-based social media, and management of private domain traffic, into the marketing business in the automotive industry. Additionally, he leverages internet technologies to launch digital marketing products and applies the methodology of internet product operation to continuously upgrade services, products, and platforms. Prior to this, Mr. Wei held key roles at renowned automotive enterprises, including SAIC General Motors, Weichai Power Group, and Borgward Automotive.

Mr. Wei graduated from Dalian Maritime University with a bachelor's degree of engineering, majoring in automation.

Mr. Zhang Wenzhao (張文釗), aged 47, is our chief financial officer. Mr. Zhang joined our Group in November 2022 and has been our chief financial officer since then. He is primarily responsible for overseeing the finance and accounting matters and financial reporting of our Group.

Prior to joining our Group, Mr. Zhang had worked at the accounting and financial field, for instance he had (i) worked in accounting at Hulunbeier Branch of China Netcom (Group) Co., Ltd. (中國網通(集團)有限公司呼倫貝爾市分公司) between July 2003 and August 2005; (ii) served as a finance officer at Shanghai Metersbonwe Fashion & Accessories Co., Ltd. (上海美特斯邦威服飾股份有限公司) (a company listed on the Shenzhen Exchange (stock code: 002269)) between March 2006 and December 2008; (iii) served as a finance manager of Shanghai Metersbonwe Fashion & Accessories Sales Co., Ltd. (上海美特斯邦威服飾銷售有限公司) between December 2008 and September 2010; (iv) served as a financial manager at Xijiewei (Shanghai) Enterprise Management Co., Ltd. (希傑希界維(上海)企業管理有限公司) between October 2012 and June 2018; and (v) served as the financial controller at Shanghai Zhitong Construction Development Co., Ltd. (上海智通建設發展股份有限公司) (a company quoted on the National Equities Exchange and Quotations (stock code: 831395)) from October 2020 to November 2022.

Mr. Zhang graduated from Inner Mongolia Finance and Economics College (內蒙古財經學院, currently known as Inner Mongolia University of Finance and Economics (內蒙古財經大學)) in the PRC in July 2003 with a bachelor's degree in business administration.

Mr. Zhang obtained (i) the tax advisor qualification issued by The China Certified Tax Agents Association (中國註冊稅務師協會) in November 2019 and (ii) the Certificate for Passing All the Required Subjects of the National Uniform CPA Examination (註冊會計師全國統一考試全科合格證) in December 2020 from The Certified Public Accountant Examination Committee of The Ministry of Finance of the PRC (中國財政部註冊會計師考試委員會).

Ms. Liu Yihan (劉藝涵), aged 40, is our secretary of the Board and one of our joint company secretaries. Ms. Liu joined our Group in June 2021 and has been our secretary of the Board since then. She is subsequently appointed as one of the joint company secretaries of the Company in May 2023 with effect upon the Listing Date. After joining our Group, Ms Liu is primarily responsible for the equity financing and listing preparation works of the Company, including the Series B, Series B+ and Series C Financing (the Pre-IPO Investments in our Company). Ms. Liu has years of experience as IPO projects consultant, full-time stock trader in secondary market, and corporate senior management.

Ms. Liu graduated from Jilin University (吉林大學) in the PRC in July 2007 with two bachelor's degrees in engineering, and received a master of Laws degree from Peking University in the PRC and a degree of Juris Doctor conferred by Peking University School of Transnational Law in July 2018.

Joint company secretaries

Ms. Liu Yihan (劉藝涵) is one of our joint company secretaries. For biographical details of Ms. Liu, see "－Senior Management" in this section.

Mr. Cheung Kai Cheong Willie (張啟昌), aged 50, is one of our joint company secretaries. Mr. Cheung was appointed as the other joint company secretary of our Company in May 2023 with effect from July 2024. Mr. Cheung is a senior manager of SWCS Corporate Services Group (Hong Kong) Limited mainly responsible for assisting listed companies in professional company secretarial work. Prior to joining SWCS Corporate Services Group (Hong Kong) Limited, Mr. Cheung served as the company secretary of certain companies, each of which is listed on the Stock Exchange.

Mr. Cheung is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the United Kingdom.

Mr. Cheung obtained a bachelor's degree of Arts (Honors) in Accounting and Finance at the University of Glamorgan in the United Kingdom in June 1996.

CHANGES IN THE INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of the Directors, Supervisors and chief executive of the Company during the Reporting Period and up to the Latest Practicable Date are as follows:

(i) Mr. Tang Jinghua has served as the associate dean of the Sci-tech Achievement Transformation Institute of the National AI Industry & Education Integrated Innovation Platform (國家人工智能產教融合創新平台科技成果轉化研究院) at Shanghai Jiao Tong University since November 2024;

(ii) Mr. Mu Binrui resigned as an independent non-executive director of China Bohai Bank Co., Ltd (渤海銀行股份有限公司) (a company listed on the Stock Exchange (stock code: 9668)) with effect from January 20, 2025;

(iii) Mr. Leung Kin Hong ceased to be an independent non-executive director of Doyen International Holdings Limited, a company delisted from the Stock Exchange (previous stock code: 668) since March 2025; and

(iv) Mr. Sinn Wai Kin Derek resigned from the position of an independent non-executive Director with effect from August 1, 2024 in order to reduce his workload and dedicate more time to pursue his other personal endeavors and work commitments. Mr. Sinn Wai Kin Derek has confirmed that he has no disagreement with the Board and there is no matter that needs to be brought to the attention of the shareholders of the Company and the Stock Exchange in relation to his resignation.

REPORT OF THE BOARD OF DIRECTORS

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended December 31, 2024.

BUSINESS

Principal activities

We are an IT solution provider in China committed to providing services for enterprise customers to improve the level of convenience and intelligence for their information exchanges and business interactions. Based on unified communications technologies, core conversational AI technologies and product engine technologies, we are capable of addressing enterprise-level users' demand for "communication", "thinking" and "execution", facilitating a comprehensive enterprise-level conversational AI experience.

In 2024, we continued to advance our conversational AI technology, developing highly mature and commercially valuable products and solutions. Our efforts remained focused on our four core application scenarios including city management and administration, automotive and transportation, telecommunications, and finance. At the same time, we actively expanded into emerging application scenarios such as energy management and holistic healthcare.

For further details of our activities in 2024, please refer to the section headed "Management Discussion and Analysis" of this annual report.

Results of operations

The results of the Group for the year ended December 31, 2024 are set out in the consolidated statement of profit or loss in this annual report.

Business review

A pertinent review of the Group's business, including an analysis of the Group's financial performance, indicators of the likely future development of the Group's business are set out in the "Management Discussion and Analysis" section of this annual report. These discussions form part of the Group's business review.

DIVIDEND POLICY

The Company is a joint stock limited company incorporated under the laws of the People's Republic of China. Pursuant to the Articles of Association, the Company may apply cash or by way of shares to distribute dividends. Any plans for the distribution of dividends shall be formulated by the Board and subject to consideration and approval on general meeting of the Company.

The Board does not recommend the payment of a final dividend for the year ended December 31, 2024.

MAJOR RISKS AND UNCERTAINTIES

We are subject to the following major risks and uncertainties:

- With the rapid development of AI technology, our business expansion may be constrained if the Company fails to increase R&D investments promptly and deliver highly practical and innovative solutions that meet evolving client demands.
- Failure to maintain strong relationships with existing clients could lead to customer attrition, adversely impacting business stability.
- Obstacles in carrying out businesses in newly expanded vertical scenarios may pose challenges to the Company's future market prospects.
- In overseas markets such as Southeast Asia, inadequate localization aligned with regional conditions and demands could adversely impact our expansion into overseas markets.
- Insufficiently attractive talent policies may result in the loss of core personnel and difficulty in recruiting external talent, potentially weakening the Company's R&D, sales, and management capabilities.
- With the evolving AI-related laws and regulations, product commercialization and compliance may be adversely affected if the Company's products fail to comply with the latest regulations.

As the major risks and uncertainties mentioned above are not exhaustive, please refer to the section headed "Risk Factors" in the Prospectus for detailed information.

ENVIRONMENTAL POLICY AND PERFORMANCE

The Group is not exposed to significant environmental risks. During the Reporting Period, no fines or other penalties were imposed on the Group for non-compliance with environmental regulations.

Details of the Group's environmental policy and performance will be provided in the Company's environmental, social and governance report (the "**ESG Report**") to be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.voicecomm.cn) at the same time as the publication of this annual report.

RELATIONSHIP WITH STAKEHOLDERS

Employees

As of December 31, 2024, we had 300 full-time employees, the majority of which were based in Wuhan and Shanghai. We conduct new staff training regularly to guide new employees and help them adapt to the new working environment. In addition, we provide online and in-person comprehensive and formal company-level and department-level training to our employees on a quarterly basis in addition to on-the-job training. We also encourage our employees to attend external seminars and workshops to enrich their technical knowledge and develop competencies and skills, and provide training and development programs as well as external training sessions to our employees from time to time to improve their technical skills and ensure their awareness and compliance with our various policies and procedures.

The remuneration of our employees is determined with reference to market conditions and individual employees' performance, qualification and experience. In line with the performance of us and individual employees, a competitive remuneration package is offered to retain employees, including salaries, discretionary bonuses and benefit plans. For the year ended December 31, 2024, total remuneration of our employees amounted to approximately RMB86.9 million (for the year ended December 31, 2023: approximately RMB69.8 million).

Customers and suppliers

During the Reporting Period, we mainly had two main categories of customers: (i) solution partner customers, who were primarily third-party system integrators that embedded our solutions into their offerings to cater to enterprise-level users' needs; and (ii) enterprise-level users purchasing and using our solutions directly. Our suppliers consisted primarily of (i) providers of hardware components such as communication devices, servers and computers that were or are to be integrated into our solutions; (ii) telecommunications companies with whom we cooperated for providing network and other telecommunication resources; (iii) providers of certain non-core and less sophisticated research and development programs; (iv) providers of cloud services; and (v) our business partners whose software/services were embedded into our solutions.

For the year ended December 31, 2024, the revenue contribution from the Group's top five customers were 34.9% and our largest customer generated approximately RMB113.4 million of revenue, accounting for approximately 12.0% of our total revenue, whereas the purchase out of total purchase from top five suppliers were 45.7% and our purchases from our largest supplier accounted for approximately 14.0%, of our total purchases.

During the year ended December 31, 2024, to the knowledge of the Directors, none of the Directors or any of their close associates or any Shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had an interest in any of the Company's top five customers or suppliers.

PROPERTY AND EQUIPMENT

During the Reporting Period, details of changes in the Group's property and equipment are set out in Note 11 to the consolidated financial statements of this annual report.

SHARE CAPITAL

Details of movements in the Company's share capital for the year ended December 31, 2024 are set out in Note 29 to the financial statements of this annual report.

CAPITAL RESERVES AND DISTRIBUTABLE RESERVES

Details of the changes in reserves during the Reporting Period are set out in the consolidated statement of changes in equity in Note 29 to the financial statements. For the year ended December 31, 2024, the Company has no distributable reserves.

BANK LOANS AND OTHER BORROWINGS

Details of bank loans or other borrowings of the Group for the year ended December 31, 2024 are set out in Note 24 to the financial statements.

ISSUANCE OF DEBENTURES

During the Reporting Period, no debentures were issued by the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

From the Listing Date up to December 31, 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including treasury shares).

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Company received net proceeds of approximately HK$571.65 million (equivalent to approximately RMB522.1 million[(1)]) from the Global Offering, pursuant to which a total of 4,365,660 new H Shares were issued at HK$152.10 each. On August 2, 2024, the Company also received net proceeds of approximately HK$11.65 million (equivalent to approximately RMB10.6 million[(2)]) from the partial exercise of the over-allotment option (as described in the Prospectus) , pursuant to which a total of 99,320 new H Shares were issued at HK$152.10 each. The total net proceeds amounted to approximately HK$583.3 million (equivalent to approximately RMB532.7 million[(3)]). The aforementioned net proceeds amounts were arrived at after deducting the underwriting commissions and other estimated expenses payable by the Company in connection with the Global Offering and the partial exercise of the over-allotment option.

There was no change in the intended use of net proceeds as previously disclosed in the Prospectus and the net proceeds from the Global Offering had been utilized in accordance with the purposes set out in the Prospectus since the Listing Date and up to the Latest Practicable Date, namely:

Intended use of proceeds	Percentage of intended use of proceeds *(%)*	Intended use of proceeds from the Global Offering *(In RMB million)*	Actual usage between the Listing Date and December 31, 2024 *(In RMB million)*	Unutilized net proceeds as at December 31, 2024 *(In RMB million)*	Expected time of full utilization
Enhancing the fundamental research on our key technologies, improving the development of our standardized solutions and iteratively launching diverse commercialization applications and functions for more business scenarios	60.0	319.6	173.8	145.8	December 2025[(4)]
– Strengthening our research and development team	30.0	159.8	62.8	97.0	December 2025[(4)]
(i) Allocation for our research and development team on further explorations into our key technological areas:	23.0	122.5	46.9	75.6	December 2025[(4)]
(1) reinforcement learning, transfer learning and federated learning technologies	10.0	53.3	13.9	39.4	March 2025
(2) technologies related to visualizable conversational AI empowered by computer vision AI	10.0	53.3	20.0	33.3	December 2025[(4)]
(3) technologies related to next-generation unified communications compatible with visualizable conversational AI	3.0	16.0	13.0	3.0	June 2025[(4)]
(ii) Allocation for our research and development team on the improvement of our standardized solutions to enhance their functionalities as applied in various application scenarios of different end-customer industries	7.0	37.3	15.9	21.4	December 2025[(4)]
– Strengthening our technological infrastructure and research and development capabilities	30.0	159.8	111.0	48.8	December 2025
(i) Allocation for the procurement and installation of equipment, devices and/or software	20.0	106.5	105.1	1.4	December 2025
(ii) Allocation on technology development fees in relation to research and development activities	10.0	53.3	5.9	47.4	December 2025

Intended use of proceeds	Percentage of intended use of proceeds (%)	Intended use of proceeds from the Global Offering (In RMB million)	Actual usage between the Listing Date and December 31, 2024 (In RMB million)	Unutilized net proceeds as at December 31, 2024 (In RMB million)	Expected time of full utilization
Expanding our solution offerings, building our brand and enhancing our commercialization capabilities	**20.0**	**106.5**	**85.0**	**21.5**	**December 2025[5]**
– Enhancing our business development efforts and increasing market penetration	8.0	42.6	26.1	16.5	December 2025[5]
– Enhancing our brand awareness through various channels and develop relationships with industry participants	12.0	64.0	58.9	5.1	June 2025
(i) Brand promotion and exposure	6.0	32.0	32.0	–	Not Applicable
(ii) Collaborating with our eco-partners in other forms of marketing	6.0	32.0	26.9	5.1	June 2025
Pursuing domestic and overseas strategic investment and acquisition opportunities	**10.0**	**53.3**	**52.0**	**1.3**	**June 2025[6]**
General corporate purposes	**10.0**	**53.3**	**51.6**	**1.7**	**Not Applicable**
Total	**100.0**	**532.7**	**362.4**	**170.3**	

Notes:

(1) Based on the exchange rate of HK$1: RMB0.91329 published by the State Administration of Foreign Exchange of the PRC on July 10, 2024 for illustration purpose.

(2) Based on the exchange rate of HK$1: RMB0.91343 published by the State Administration of Foreign Exchange of the PRC on August 2, 2024 for illustration purpose.

(3) Based on the RMB equivalent of aggregate net proceeds from the Global Offering and the partial exercise of the Over-allotment Option.

(4) As of the Latest Practicable Date, the Board is aware that the utilization of the intended use of the proceeds has been delayed as compared to the implementation plan disclosed in the 2024 interim report for the six months ended June 30, 2024 of the Company issued on September 13, 2024, mainly because we have reassessed the implementation plan of commercialization of our research and development projects in view of the changes in the market environment in 2024, including the changes in the market demand and technology trend, and have adjusted the priority of certain research and development projects to better serve the market demand. Currently, the Company has no intention to change the use of the unutilized net proceeds.

(5) As of the Latest Practicable Date, the Board is aware that the utilization of the intended use of the proceeds has been delayed as compared to the implementation plan disclosed in the 2024 interim report for the six months ended June 30, 2024 of the Company issued on September 13, 2024, as the Company has allocated funds for business expansion and brand enhancement based on our own needs, and the current use of proceeds is sufficient to meet the Company's needs. Therefore, we have retained a portion of the funds for subsequent business activities. Currently, the Company has no intention to change the use of the unutilized net proceeds.

(6) As of the Latest Practicable Date, the Board is aware that the utilization of the intended use of the proceeds has been delayed as compared to the implementation plan disclosed in the 2024 interim report for the six months ended June 30, 2024 of the Company issued on September 13, 2024, as the Company remained prudent in investment and strictly selected investment targets. The progress of use of proceeds mainly depended on the progress of the Company's selection of investment targets. Currently, the Company has no intention to change the use of the unutilized net proceeds.

PRE-EMPTIVE RIGHTS

In 2024, the Company had no arrangement for pre-emptive rights. Neither the Articles of Association nor the PRC laws stipulates that the Company shall give priority to existing shareholders in offering new shares in proportion to their shareholdings.

TAX CONCESSION AND EXEMPTION

The Company is not aware of any tax concession or exemption for any Shareholders who hold securities of the Company. Shareholders are advised to consult an expert if they are in any doubt about the tax implications of purchasing, holding, disposing of and trading in shares or exercising any of their rights in relation to them, including any right to tax concession.

EMOLUMENT POLICY

The Directors believe that the ability to attract, motivate and retain skilled and experienced personnel, including the employees responsible for research and development as well as quality control, is of significant importance to the long-term successful development of the Group. The remuneration package of the Group's employees includes salaries, allowances, benefit in kind and performance-related bonuses. The Group has established a Remuneration Committee to establish and review the policy and structure of the remuneration for the Directors and senior management and make recommendations on employee benefit arrangement. In general, the Group determines the emolument payable to its Directors based on the Company's guidelines and objectives, remuneration paid by comparable companies, time commitment and responsibilities of the directors and senior management, and employment conditions elsewhere within the Company, as well as the performance of the Group.

COMPETING BUSINESS

During the Reporting Period, none of the controlling Shareholders, Directors, Supervisors, chief executives of the Company or their respective associates was deemed to be directly or indirectly interested in a business which competed or might compete with the businesses of the Group (as defined under the Listing Rules).

MANAGEMENT CONTRACT

During the Reporting Period, no contracts were entered into in relation to the management and administration of the whole or any substantial part of the business of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the Latest Practicable Date, the Company has maintained a sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

REPORT OF THE BOARD OF DIRECTORS

LEGAL PROCEEDINGS AND COMPLIANCE

The Group may from time to time be involved in various legal procedures, arbitrations or proceedings in the course of its ordinary business. During the Reporting Period, the Group was not involved in any legal procedures, arbitrations or proceedings that we believe would have a material adverse effect on the ordinary business, financial condition or business performance, and to the best of our knowledge, there was no risk of any such legal procedures, arbitrations or proceedings.

The Group's business operations are subject to applicable Chinese laws and regulations. During the Reporting Period, the Group has not been involved in, nor does it involve in any non-compliance incidents resulting in fines, enforcement actions or other penalties that may individually or collectively have a material adverse impact on the Group's business, financial condition or operating performance, and the Group has complied with applicable laws and regulations in all material respects.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Completion of the H Share Full Circulation

On January 3, 2025, the Stock Exchange granted its conditional approval for the listing of and permission to deal in 15,436,067 H Shares converted from 15,436,067 Unlisted Shares. On January 23, 2025, the conversion of 15,436,067 Unlisted Shares into H Shares on a one-to-one basis was completed, and the listing of the converted H Shares on the Stock Exchange commenced at 9:00 a.m. on January 24, 2025. Please refer to the Company's announcements dated July 21, 2024, July 30, 2024, August 4, 2024, December 27, 2024, January 5, 2025 and January 23, 2025 for further details.

Amendment of the Articles of Association and Dissolution of the Supervisory Committee

On December 16, 2024, in view of the amendments to The Company Law of the People's Republic of China (《中華人民共和國公司法》) coming into force on July 1, 2024 (the "**New Company Law**") and to further improve the corporate governance of the Company, the Board resolved and proposed to amend the existing Articles, the Rules of Procedure for Meetings of Shareholders, the Rules of Procedures for Meetings of Directors, the Working System for Independent Non-Executive Directors, the Administrative Rules for Connected Transactions, the Administrative Rules for External Guarantee, and the Administrative Rules for External Investment (collectively, the "**Related Rules**") in accordance with the New Company Law, the Securities Law of the People's Republic of China, the Listing Rules and the actual needs of the Company's strategic development. In particular, the amendments involve cancellation of the establishment of the Company's supervisory committee and its functions would be transferred to the Audit Committee.

In the extraordinary general meeting of the Company held on January 13, 2025, among other things, the ordinary resolution to consider and approve the proposed amendments to the Related Rules and the special resolution to consider and approve the proposed amendments to the Articles were passed by the Shareholders. The supervisory committee of the Company had been dissolved following the passing of the special resolution regarding the amendments to the Articles. All the Supervisors will continue to serve the Company in the capacity as employees. Please refer to the announcements of the Company dated December 16, 2024, January 13, 2025 and February 13, 2025, and the circular of the Company dated December 27, 2024 for further details.

Change of Company Name

References are made to the announcements of the Company dated November 25, 2024 and February 13, 2025.

On November 28, 2024, the Administration for Market Regulation of Wuhan Municipality issued the business license in relation to the change of Company name and the Chinese name of the Company was changed from "湖北聲通科技股份有限公司" to "聲通科技股份有限公司". On February 12, 2025, the Registrar of Companies in Hong Kong issued the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company confirming the registered name of the Company had been changed to "聲通科技股份有限公司" under part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). Please refer to the announcements of the Company dated November 25, 2024 and February 13, 2025 for further details.

Save as the above, there are no material events subsequent to December 31, 2024 which could have a material impact on our operating and financial performance as of the Latest Practicable Date.

2025 ANNUAL GENERAL MEETING

The AGM will be held on June 20, 2025. A notice convening the AGM will be published and despatched to the Shareholders in the manner required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS AND ENTITLEMENT TO ATTEND AND VOTE AT THE AGM

For the purpose of ascertaining the members' eligibility to attend and vote at the AGM, the Company's register of members will be closed from June 16, 2025 to June 20, 2025, both days inclusive, during which period no transfer of share will be registered. The Shareholders whose names appear on the register of members of the Company on June 20, 2025 will be entitled to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on June 13, 2025.

DIRECTORS

The Board comprises the following Directors during the Reporting Period and up to the date of this annual report:

Executive Directors

Mr. Tang Jinghua *(Chairman)*
Mr. Sun Qi

Non-executive Directors

Mr. Yang Xiaoyuan
Mr. Tan Xiaobo
Mr. Chen Yulei
Ms. Ma Tiantian

Independent non-executive Directors

Mr. Liu Rong
Mr. Wu Haipeng
Mr. Mu Binrui
Mr. Sinn Wai Kin Derek *(resigned with effect from August 1, 2024)*
Mr. Leung Kin Hong *(appointed with effect from September 4, 2024)*

SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

We enter into contracts with each of our Directors and Supervisors in respect of, among other things, compliance with relevant laws and regulations, and observance of the Articles of Association.

Save as disclosed above, none of the Directors or Supervisors has entered into any service contracts as a director or supervisor with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as the significant related party transactions as disclosed in Note 33 to the financial statements of this annual report, there were no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director, Supervisor and/or any of his/her connected entity had a material interest, whether directly or indirectly, and there was no transaction, arrangement or contract of significance between the Company or any of its subsidiaries and the Company's controlling shareholders or any of its subsidiaries, subsisted at the end of, or at any time during the year ended December 31, 2024.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "The Interests and Short Positions of each of Our Directors, Supervisors and Chief Executive in the Shares, Underlying Shares and Debentures" in this annual report, at any time, during the Reporting Period and up to the Latest Practicable Date, none of the Company, or any of its subsidiaries or its holding company or any of the subsidiaries of the Company's holding company, have entered into any arrangement to enable the Directors or Supervisors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other corporate body, and none of the Directors and Supervisors or their spouses and children under the age of 18 had any right to subscribe for the securities of the Company or had exercised any such right during such period.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Company are set out in Note 6 to the financial statements of this annual report.

During the Reporting Period, no forfeited contributions had been used by the Group to reduce the existing level of contributions.

PERMITTED INDEMNITY PROVISIONS

The Company has maintained Directors liability insurance to protect the Directors against any losses that may arise out of their actual or alleged misconduct.

THE INTERESTS AND SHORT POSITIONS OF EACH OF OUR DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As of December 31, 2024, the interests and short positions of each of our Directors, Supervisors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of our associated corporations (within the meaning of Part XV of the SFO) which is required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which is required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which is required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors) were as follows:

Name of Director, Supervisor or chief executive	Description of Shares	Capacity/Nature of interest	Number of Shares interested	Approximate percentage of shareholding in the relevant class of shares (%)[1]	Approximate percentage of shareholding in the total issued share capital (%)[1]
Mr. Tang[3][4]	Unlisted Shares	Interest of controlled corporation; Beneficial owner; Interests held jointly with another person	11,099,558	49.48	31.25
	H Shares	Interests held jointly with another person	72,000	0.55	0.20
Mr. Sun[3][5]	Unlisted Shares	Interests held jointly with another person; Beneficial owner; Interest of controlled corporation	11,099,558	49.48	31.25
	H Shares	Interests held jointly with another person	72,000	0.55	0.20
Mr. Yang[3][6][7]	Unlisted Shares	Interests held jointly with another person; Interest of controlled corporation	11,099,558	49.48	31.25
	H Shares	Interest of controlled corporation	72,000	0.55	0.20

Notes:

(1) The calculation is based on the total number of 35,524,210 Shares in issue comprising 22,433,317 Unlisted Shares and 13,090,893 H Shares as of December 31, 2024.

(2) All interests are long positions.

(3) Pursuant to the Concert Party Agreement dated March 20, 2021, Mr. Tang, Mr. Sun and Jiangfan Technology agreed that they shall act in concert with respect to, inter alia, the right to convene board meetings and general meetings, right to propose resolutions, nomination right, voting rights, nomination of senior management, and other matters which are subject to approval in general meetings or board meetings of the Company, for the period since the date of the Concert Party Agreement and up until they cease to hold any shares of the Company or upon the termination of the Concert Party Agreement. For details, see "History, Development and Corporate Structure – Concert Party Arrangement" in the Prospectus. As such, each of the Concert Parties is deemed to be interested in the Shares each other is interested in.

(4) As of December 31, 2024, Shares in which Mr. Tang is interested consist of (i) 3,498,000 Unlisted Shares held by him in his own personal capacity; (ii) 5,093,558 Unlisted Shares held by Voicecomm Rongzhi, a company held as to 99% by Mr. Tang and 1% by his spouse, in which Mr. Tang is deemed to be interested under the SFO; and (iii) 2,508,000 Unlisted Shares and 72,000 H Shares in which Mr. Tang is deemed to be interested as a result of being a party acting-in-concert with Mr. Sun and Jiangfan Technology.

(5) As of December 31, 2024, Shares in which Mr. Sun is interested consist of (i) 1,800,000 Unlisted Shares held by him in his own personal capacity; (ii) 540,000 Unlisted Shares held by Jiageng Culture, a company wholly-owned by Mr. Sun, in which Mr. Sun is deemed to be interested under the SFO; and (iii) 8,759,558 Unlisted Shares and 72,000 H Shares in which Mr. Sun is deemed to be interested as a result of being a party acting-in-concert with Mr. Tang and Jiangfan Technology.

(6) Jiangfan Technology is wholly-owned by Jiangcheng Asset Management, which is in turn held as to 60.0% by Mr. Yang and 40.0% by Mr. Jiang Haisheng (姜海生). By virtue of the SFO, each of Mr. Yang and Mr. Jiang Haisheng is deemed to be interested in the Shares that Jiangfan Technology is interested in.

(7) As of December 31, 2024, Shares in which Jiangfan Technology is interested consist of (i) 168,000 Unlisted Shares and 72,000 H Shares held by it in its own capacity; and (ii) 10,931,558 Unlisted Shares in which Jiangfan Technology is deemed to be interested as a result of being a party acting-in-concert with Mr. Tang and Mr. Sun.

Save as disclosed above, as of December 31, 2024, none of the Directors, Supervisors and chief executive of the Company had or was deemed to have interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including their interests and short positions deemed or taken under the relevant provisions of the SFO), or which were required to be entered in the register required to be kept by the Company under section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of December 31, 2024, to the best of Directors' knowledge, the following persons (other than the Directors, Supervisors and chief executive of the Company) had interests or short positions in the Shares or underlying Shares, which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register of the Company required to be kept pursuant to section 336 of the SFO:

Name of substantial shareholder	Description of Shares	Capacity/Nature of interest	Number of Shares interested	Approximate percentage of shareholding in the relevant class of shares (%)[1]	Approximate percentage of shareholding in the total issued share capital (%)[1]
Mr. Jiang Haisheng[3][6][7]	Unlisted Shares	Interests held jointly with another person; Interest of controlled corporation	11,099,558	49.48	31.25
Ms. Xu[3][4]	Unlisted Shares	Spousal interest	11,099,558	49.48	31.25
	H Shares		72,000	0.55	0.20
Voicecomm Rongzhi[3][4]	Unlisted Shares	Interests held jointly with another person; Beneficial owner	11,099,558	49.48	31.25
Jiangfan Technology[3][6][7]	Unlisted Shares	Interests held jointly with another person; Beneficial owner	11,099,558	49.48	31.25
	H Shares	Beneficial owner	72,000	0.55	0.20
Jiangcheng Asset Management[3][6][7]	Unlisted Shares	Interests held jointly with another person; Interest of controlled corporation	11,099,558	49.48	31.25
	H Shares	Interest of controlled corporation	72,000	0.55	0.20
Jiageng Culture[3][5]	Unlisted Shares	Interests held jointly with another person; Beneficial owner	11,099,558	49.48	31.25

Notes:

(1) The calculation is based on the total number of 35,524,210 Shares in issue comprising 22,433,317 Unlisted Shares and 13,090,893 H Shares as of December 31, 2024.

(2) All interests are long positions.

(3) Pursuant to the Concert Party Agreement dated March 20, 2021, Mr. Tang, Mr. Sun and Jiangfan Technology agreed that they shall act in concert with respect to, inter alia, the right to convene board meetings and general meetings, right to propose resolutions, nomination right, voting rights, nomination of senior management, and other matters which are subject to approval in general meetings or board meetings of the Company, for the period since the date of the Concert Party Agreement and up until they cease to hold any shares of the Company or upon the termination of the Concert Party Agreement. For details, see "History, Development and Corporate Structure – Concert Party Arrangement" in the Prospectus. As such, each of the Concert Parties are deemed to be interested in the Shares each other is interested in.

(4) As of December 31, 2024, Shares in which Mr. Tang is interested consist of (i) 3,498,000 Unlisted Shares held by him in his own personal capacity; (ii) 5,093,558 Unlisted Shares held by Voicecomm Rongzhi, a company held as to 99% by Mr. Tang and 1% by his spouse, in which Mr. Tang is deemed to be interested under the SFO; and (iii) 2,508,000 Unlisted Shares and 72,000 H Shares in which Mr. Tang is deemed to be interested as a result of being a party acting-in-concert with Mr. Sun and Jiangfan Technology.

(5) As of December 31, 2024, Shares in which Mr. Sun is interested consist of (i) 1,800,000 Unlisted Shares held by him in his own personal capacity; (ii) 540,000 Unlisted Shares held by Jiageng Culture, a company wholly-owned by Mr. Sun, in which Mr. Sun is deemed to be interested under the SFO; and (iii) 8,759,558 Unlisted Shares and 72,000 H Shares in which Mr. Sun is deemed to be interested as a result of being a party acting-in-concert with Mr. Tang and Jiangfan Technology.

(6) Jiangfan Technology is wholly-owned by Jiangcheng Asset Management, which is in turn held as to 60.0% by Mr. Yang and 40.0% by Mr. Jiang Haisheng. By virtue of the SFO, each of Mr. Yang and Mr. Jiang Haisheng is deemed to be interested in the Shares that Jiangfan Technology is interested in.

(7) As of December 31, 2024, Shares in which Jiangfan Technology is interested consist of (i) 168,000 Unlisted Shares and 72,000 H Shares held by it in its own capacity; and (ii) 10,931,558 Unlisted Shares in which Jiangfan Technology is deemed to be interested as a result of being a party acting-in-concert with Mr. Tang and Mr. Sun.

Save as disclosed above, as at December 31, 2024, the Directors were not aware of any persons (other than the Directors, Supervisors and chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which were required to be notified to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered in the register to be kept by the Company under section 336 of the SFO.

EQUITY-LINKED AGREEMENTS

The Company did not enter into, and did not have, any equity-linked agreements which would or might result in the issue of Shares by the Company, or require the Company to enter into any agreements which would or might result in the issue of Shares by the Company, during the Reporting Period and up to the Latest Practicable Date.

RELATED PARTY TRANSACTIONS

The Group entered into certain transactions with "related parties" as defined under applicable accounting standards during the financial year ended December 31, 2024 which were disclosed in Note 33 to the financial statements. No related party transactions disclosed in the consolidated financial statements constituted a connected transaction or continuing connected transaction as defined under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

During the Reporting Period, the Group did not have any connected transactions required to be disclosed under the Listing Rules and has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules.

AUDITORS

The Company's accompanying financial statements prepared in accordance with IFRS, have been audited by KPMG.

The Company did not change its auditor in the preceding three years.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL INFORMATION

The Board has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. As of the Latest Practicable Date, the Audit Committee consists of three members, namely Mr. Leung Kin Hong, Mr. Wu Haipeng, and Mr. Yang Xiaoyuan. Mr. Leung Kin Hong, being the chairman of the Audit Committee, holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, without limitation, assisting the Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of the Group and overseeing the audit process.

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended December 31, 2024. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Group with senior management members and the Group's auditor, KPMG, Certified Public Accountants, and discussed matters with respect to internal controls with senior management members. Based on this review and discussions with the management and KPMG, the Audit Committee was satisfied that the Group's consolidated financial statements were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the year ended December 31, 2024.

The Company has prepared its annual results for the year ended December 31, 2024 in accordance with IFRS.

On behalf of the Board
Chairman
Mr. Tang Jinghua
Hong Kong, March 28, 2025

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all Shareholders.

As the H Shares were listed on the Stock Exchange on July 10, 2024, the Corporate Governance Code as set out in Appendix C1 to the Listing Rules was applicable to the Company during the Reporting Period. The Board is of the view that, since the Listing Date and up to the Latest Practicable Date, the Company has complied with all applicable code provisions as set out in Part 2 of the Corporate Governance Code, save as disclosed below:

Code provision C.2.7 of the Corporate Governance Code provides that the chairman should at least annually hold meetings with the independent non-executive Directors without the presence of other Directors. During the year ended December 31, 2024, a formal meeting between the chairman of the Company and the independent non-executive Directors without the presence of other Directors could not be arranged due to their conflicting schedules and prior business engagements. Although such a meeting was not held during the year, the chairman of the Company had delegated the joint company secretary of the Company to gather any concerns and/or questions that the independent non-executive Directors might have and report to him to consider whether any follow-up meeting is necessary.

The Board will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with statutory and professional standards and align with the latest development.

CORPORATE CULTURE

Upholding the business philosophy of "Technology as the Core, Building an Ecosystem (科技為核，構建生態)" and the forward-looking R&D strategy of "Achieving a measured lead in the market (領先市場半步)", we drive corporate growth through innovation-driven R&D while guided by implementation in commercial scenarios. We strive to set the trend in the industry and occupy the leading position in innovation in rapidly evolving markets through continuous breakthroughs in core technologies and optimization of product experience. With conversational AI as the core driver, the Company builds a symbiotic smart ecosystem across industrial chains. With synchronized advancement in business and technology, we collaborate with partners to propel the comprehensive upgrade of industrial value chains and jointly shape the future of intelligent technologies.

"Voicecomm Connects the World (聲通溝通世界)", our vision and mission, inspires us to continually push boundaries. With AI technologies, we reshape the information exchange, intelligent decision-making and efficient execution in commercial scenarios, empowering clients' digital transformation and upgrade. We seek to provide clients with exceptional products and innovative services, and adopt an open and collaborative approach to build a smarter, more efficient and interconnected community.

BOARD OF DIRECTORS

Board composition

As at the date of this annual report, the Board comprises the following Directors:

Executive Directors

Mr. Tang Jinghua *(Chairman)*
Mr. Sun Qi

Non-executive Directors

Mr. Yang Xiaoyuan
Mr. Tan Xiaobo
Mr. Chen Yulei
Ms. Ma Tiantian

Independent non-executive Directors

Mr. Liu Rong
Mr. Wu Haipeng
Mr. Mu Binrui
Mr. Leung Kin Hong

An up-to-date list of the Directors and their roles and functions is maintained on the Company's website and the Stock Exchange's website. The biographical details of the Directors are set out in the section headed "Directors, Supervisors and Senior Management" of this annual report.

Save as disclosed in the section headed "Directors, Supervisors and Senior Management", the Directors have no other financial, business, family or other material/relevant relationships with one another.

To provide transparency to the investor community and in compliance with the Listing Rules and the Corporate Governance Code, the independent non-executive Directors of the Company are clearly identified in all corporate communications containing the names of the Directors.

The Company has received annual written confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines as set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Each of our Directors as at Listing, namely Mr. Tang Jinghua, Mr. Sun Qi, Mr. Yang Xiaoyuan, Mr. Tan Xiaobo, Mr. Chen Yulei, Ms. Ma Tiantian, Mr. Liu Rong, Mr. Wu Haipeng, Mr. Mu Binrui and Mr. Sinn Wai Kin Derek*, had obtained the legal advice referred to in Rule 3.09D of the Listing Rules on June 25, 2023, before the commencement of trading in the H Shares on the Stock Exchange, and confirmed that he or she understood his or her obligations as a director of a listed issuer under the Listing Rules.

During the year ended December 31, 2024, Mr. Leung Kin Hong, who was appointed as a Director with effect from September 4, 2024, had obtained the legal advice referred to in Rule 3.09D of the Listing Rules on August 26, 2024 and confirmed that he understood his obligations as a director of a listed issuer under the Listing Rules.

* *Mr. Sinn Wai Kin Derek resigned from the position of independent non-executive Director with effect from August 1, 2024.*

Responsibilities and delegation

The Board is responsible for the leadership and control of the Company, directing and supervising the Company's affairs and acting in the best interests of the Company and its Shareholders.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound risk management and internal control systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. All Directors have full and timely access to all the information of the Company, and may upon request, seek independent professional advice in appropriate circumstances at the Company's expenses for discharging their duties to the Company. The Directors have disclosed to the Company details of other offices held by them.

The Board reserves its discretion on all major matters relating to policy matters, strategies and budgets, risk management and internal control, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the chief executive officer and management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the aforesaid officers.

Compliance with Rules 3.10(2), 3.21, 3.25 and 19A.18(1) of the Listing Rules

Following the resignation of Mr. Sinn Wai Kin Derek with effect from August 1, 2024, (a) the Board comprised two executive Directors, four non-executive Directors and three independent non-executive Directors; (b) the Audit Committee comprised a non-executive Director and an independent non-executive Director with the position of chairman being vacated; (c) the Remuneration Committee comprised an independent non-executive Director and an executive Director; and (d) none of the independent non-executive Directors was ordinarily resident in Hong Kong. As a result of the foregoing, the Company did not comply with the requirements of (i) Rule 3.21 of the Listing Rules that the Audit Committee must comprise a minimum of three members, at least one of whom is an independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules, the majority of the Audit Committee members must be independent non-executive Directors and the Audit Committee must be chaired by an independent non-executive Director; (ii) Rule 3.25 of the Listing Rules that the Remuneration Committee must comprise a majority of independent non-executive Directors; and (iii) Rule 19A.18(1) of the Listing Rules that at least one of the independent non-executive Directors must be ordinarily resident in Hong Kong.

Upon the appointment of Mr. Leung Kin Hong as an independent non-executive Director on September 4, 2024, he has also been appointed as the chairman of the Audit Committee and a member of the Remuneration Committee with effect from September 4, 2024. Mr. Leung is ordinarily resident in Hong Kong. Accordingly, the Company has re-complied with Rules 3.10(2), 3.21, 3.25 and 19A.18(1) of the Listing Rules since September 4, 2024.

Chairman and General Manager

Under the code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive officer should be segregated and performed by different individuals. During the Review Period, Mr. Tang Jinghua is the chairman of the Board and Mr. Sun Qi is the general manager of the Company.

Board meetings

During the period from the Listing Date to the end of the Reporting Period, the Company held 8 Board meetings, 1 Audit Committee meeting, 1 Remuneration Committee meeting, 2 Nomination Committee meetings, 1 Strategy and Sustainable Development Committee meeting and two general meetings. The attendance record of each Director at the above meetings are set out in the table below:

	Number of meetings attended						
Directors	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Strategy and Sustainable Development Committee Meeting	Annual General Meeting	Extraordinary General Meeting
Mr. Tang Jinghua	8/8	N/A	1/1	2/2	1/1	N/A	2/2
Mr. Sun Qi	7/8	N/A	N/A	N/A	1/1	N/A	2/2
Mr. Yang Xiaoyuan	7/8	1/1	N/A	N/A	N/A	N/A	2/2
Mr. Tan Xiaobo	8/8	N/A	N/A	N/A	N/A	N/A	2/2
Mr. Chen Yulei	7/8	N/A	N/A	N/A	1/1	N/A	1/2
Ms. Ma Tiantian	6/8	N/A	N/A	N/A	N/A	N/A	1/2
Mr. Liu Rong	7/8	N/A	1/1	2/2	N/A	N/A	2/2
Mr. Wu Haipeng	7/8	1/1	N/A	N/A	N/A	N/A	2/2
Mr. Mu Binrui	8/8	N/A	N/A	2/2	N/A	N/A	2/2
Mr. Leung Kin Hong (appointed with effect from September 4, 2024)	5/5	0/0	0/0	N/A	N/A	N/A	1/1
Mr. Sinn Wai Kin Derek (resigned with effect from August 1, 2024)	1/1	0/0	0/0	N/A	N/A	N/A	0/0

Appointment and re-election

Code provision B.2.2 of the Corporate Governance Code states that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Each Director (including the non-executive Directors and independent non-executive Directors) is engaged for a term of three years. They are subject to re-election in accordance with the provisions of the Articles of Association.

Training and professional development

Pursuant to code provision C.1.4 of the Corporate Governance Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills, so as to ensure that their contribution to the board remains informed and relevant.

To help the Directors develop and refresh their knowledge and skills, internally-facilitated briefings for Directors would be arranged and reading materials on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the Reporting Period, the Company also arranged for its Hong Kong legal advisor in relation to the Listing to provide training to all Directors (including independent non-executive Directors) at Listing and its Hong Kong legal advisors to provide training to the director appointed subsequent to Listing. The training session covered a wide range of relevant topics including directors' duties and responsibilities, corporate governance and requirements under the Listing Rules.

The Directors are required to provide details of the training they received in each financial year to the Company for the maintenance of proper training records. Throughout the period from the Listing Date to the end of the Reporting Period, the training received by the Directors was as follows:

Directors	Type of continuous professional development training
Mr. Tang Jinghua	A&B
Mr. Sun Qi	A&B
Mr. Yang Xiaoyuan	A&B
Mr. Tan Xiaobo	A&B
Mr. Chen Yulei	A&B
Ms. Ma Tiantian	A&B
Mr. Liu Rong	A&B
Mr. Wu Haipeng	A&B
Mr. Mu Binrui	A&B
Mr. Leung Kin Hong (appointed with effect from September 4, 2024)	A&B
Mr. Sinn Wai Kin Derek (resigned with effect from August 1, 2024)	A&B

Notes:

A: Attending seminar(s), conference(s), forum(s) and/or training course(s) arranged by the Company or external parties.

B: Perusing materials provided by the Company or external parties, such as materials relating to the Company's business updates, directors' duties and responsibilities, corporate governance and regulatory updates, and other applicable regulatory requirements.

BOARD COMMITTEES

The Board has established four Board committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategy and Sustainable Development Committee, for overseeing particular aspects of the Company's affairs. All Board committees are established with specific terms of reference which deal clearly with their authority and duties, and are posted on the Company's website and the Stock Exchange's website.

Audit Committee

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of part II of the Corporate Governance Code.

As at the date of this annual report, the Audit Committee consists of one non-executive Director, namely Mr. Yang Xiaoyuan, and two independent non-executive Directors, namely Mr. Leung Kin Hong (the chairman of the Audit Committee) and Mr. Wu Haipeng. On August 1, 2024, Mr. Sinn Wai Kin Derek ceased to be the chairman of the Audit Committee and Mr. Leung Kin Hong was appointed as the chairman of the Audit Committee on September 4, 2024. The duties and responsibility of the Audit Committee includes but not limited to the following:

- making recommendations to the Board on the appointment, re-appointment, replacement, dismissal and removal of the external auditor, approving and examining audit fees, remuneration and engagement terms of the external auditor and dealing with any issues concerning resignation or dismissal of such external auditor, adopting appropriate measures to supervise the work of the external auditor, and reviewing reports from the external auditor.

- reviewing and monitoring the independence and objectivity of the external auditor and the effectiveness of the audit process in accordance with applicable standards, and discussing with the external auditor on the nature, scope and relevant reporting obligations of the audit before the audit commences.

- formulating, developing and implementing policies on engaging external auditor to supply non-audit services. For this purpose, the "external auditor" includes any entity that is under the common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Committee shall report to the Board, identifying and making recommendations as to any actions to be taken or any matters to be improved as it deems necessary.

- serving as the Company's key representative body for overseeing the Company's relations with the external auditor.

- monitoring the integrity of the Company's financial statements, annual reports and accounts, interim reports and, if prepared for publication, quarterly reports, and reviewing the significant financial reporting judgements contained in them. The Audit Committee shall particularly review the below matters before submitting the relevant statements and reports to the Board:

    1. any change in the accounting policies and practices;
    2. major judgmental areas;
    3. significant adjustment resulting from audit;
    4. the going concern assumptions and any qualifications of the opinion;
    5. compliance with accounting standards;
    6. compliance with the Listing Rules and legal requirements in relation to financial reporting.

- reviewing the Company's financial control, risk management and internal control systems and monitoring the implementation of such systems on an on-going basis; and ensuring that the effectiveness of the risk management and internal control system of the Company and its subsidiaries is reviewed at least once a year.

- discussing on the risk management and internal control systems with the management to ensure that the management has performed its duty to establish effective systems. The discussion should include the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function; supervising the effective implementation of internal control and self-assessment of internal control, and coordinating internal control audit and other related matters.

- on its own initiative or as assigned by the Board, considering material findings of investigations of risk management and internal control matters and the feedback by the management to such findings.

- ensuring coordination between the internal audit department and external auditor, ensuring that the internal audit department is adequately resourced and has appropriate standing within the Company, and reviewing and supervising the effectiveness of the internal audit department.

- reviewing the financial and accounting policies and practices of the Company and its subsidiaries.

- reviewing the management letter (《審核情況說明函件》) issued by the external auditor to the management, any material queries raised by the auditor to the management about accounting records, financial accounts or systems of control and the management's response.

- ensuring that the Board will provide a timely response to the issues raised by the external auditor in the management letter.

- ensuring the Company has established suitable channels for employees to report or raise any concerns, in confidence, about possible inappropriateness in financial reporting, internal control or other matters, reviewing relevant arrangements from time to time, and ensuring proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up actions.

- reporting the annual report on overall risk management to the Board.
- reviewing the risk management strategies and material risks management solutions of the Company, reviewing and monitoring the Company's policies and practices in respect of compliance with legal and regulatory requirements.
- reviewing the judgment criteria or the judgment mechanism related to major decision-makings, major risks, major events and important business procedures, as well as the risk assessment report of major decisions.
- reporting to the Board on related issues within the scope of the Committee's duties; and reporting to the Board about the Audit Committee's decisions or recommendations, except those which cannot be reported according to legal or regulatory restrictions.
- developing and reviewing the policies and practices on corporate governance of the Company and making recommendations to the Board.
    - reviewing and monitoring the training and continuing professional development of the directors and senior management.
    - reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements.
    - developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and directors.
    - reviewing the Company's compliance with the Corporate Governance Code as set out in the Listing Rules and the disclosure in the Corporate Governance Report.
    - establish a whistleblowing policy and system for employees and those who deal with the Company to raise concerns, in confidence and anonymity, with the Committee about possible improprieties in any matter related to the Company.

The attendance records of the Audit Committee are set out in the section headed "Board meetings" above. During the period from the Listing Date to the end of the Reporting Period, the Audit Committee has performed the following major duties:

i. reviewed the interim results of the Company for the six months ended June 30, 2024;

ii. reviewed the effectiveness of the Company's financial controls, internal control and risk management systems, and internal control function.

The auditor was invited to attend the Audit Committee meetings to discuss with the Audit Committee on issues arising from the audit and financial reporting matters. The Audit Committee also met with the auditor in the absence of the executive Directors. The Audit Committee is satisfied with the independence and engagement of the auditor. As such, the Audit Committee has recommended its re-appointment.

Directors' Responsibilities for Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements which should give a true and fair view of the state of affairs of the Company and of the results and cash flows for such reporting period.

In preparing the financial statements, the Board has adopted generally accepted accounting standards in Hong Kong and suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable, and prepared the financial statements on a going concern basis. The Board is responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company.

The Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Company's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the financial statements.

The auditor is responsible for auditing and reporting its opinion on the financial statements of the Company. The independent auditor's report for the Reporting Period is set out in the section headed "Independent Auditor's Report" of this annual report.

Auditor's Remuneration

For the year ended December 31, 2024, the remuneration for the audit services paid to the auditor (which excludes the service fees in connection with the initial public offering) amounted to RMB3,700,000; while no non-audit services (which mainly include professional services on tax advisory and internal control consultation services) has been provided by the auditor.

Nomination Committee

The Company has established the Nomination Committee with written terms of reference in compliance with paragraph B.3 of part II of the Corporate Governance Code.

The Nomination Committee consists of three Directors, namely Mr. Mu Binrui, Mr. Liu Rong and Mr. Tang Jinghua. Mr. Mu Binrui serves as the chairman of the Nomination Committee, whereas Mr. Tang Jinghua is an executive Director and both Mr. Mu Binrui and Mr. Liu Rong are independent non-executive Directors. The duties and responsibility of the Nomination Committee include but not limited to the following:

- reviewing the structure, size and composition (including skills, knowledge and experience) of the Board at least once a year, and making recommendations on any changes to the Board to complement the Company's corporate strategies.
- studying and advising on the standards, procedures and methods for the election of directors and senior management.
- identifying individuals suitably qualified to become directors and senior management.

- selecting or making recommendations to the Board on the selection of individuals nominated for directorships and senior management. Where the Board proposes to put forward a resolution to elect an individual as an independent non-executive director at the general meeting, it shall set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting with the following details: (1) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent; (2) if the proposed independent non-executive director will be holding his or her seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board; (3) the views, perspectives, skills and experience that the individual can bring to the Board; and (4) how the individual contributes to the diversity of the Board.
- assessing the independence of the independent non-executive directors.
- making recommendations to the Board on the appointment or re-appointment of directors and senior management, as well as the succession plan for directors and senior management (especially the chairman of the Board and the chief executive).
- reporting its decisions or opinions to the Board, unless otherwise restricted by laws or regulations.

The attendance records of the Nomination Committee are set out in the section headed "Board meetings" above. During the Reporting Period, the Nomination Committee has reviewed the structure, size and composition of the Board, assessed the independence of the independent non-executive Directors, reviewed the implementation and effectiveness of the Board Diversity Policy, made recommendations to the Board for re-election of Directors at the annual general meeting, and reviewed the disclosure of the Company.

Board Diversity Policy

In order to enhance the effectiveness of the Board and to maintain the high standard of corporate governance, the Company has adopted the board diversity policy which sets out the objective and approach to achieve and maintain diversity of the Board. Pursuant to the board diversity policy, the Company seeks to achieve Board diversity through the consideration of a number of factors when selecting the candidates to the Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural, education background, ethnicity and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to the Board.

The Directors have a balanced mix of knowledge and skills, including overall management and strategic development, quality assurance and control, finance and accounting and corporate governance in addition to industry experience relevant to the Group's operations and business. They obtained degrees in various majors including engineering, economics, and business administration. The Company has four independent non-executive Directors with different industry backgrounds, representing one third of the members of the Board. Furthermore, the Board has a diverse age and gender representation. Taking into account the Company's existing business model and specific needs as well as the different background of the Directors, the composition of the Board satisfies the board diversity policy.

The Nomination Committee is responsible for reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors. After the Listing, the Nomination monitors and evaluates the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness, and when necessary, makes any revisions that may be required and recommend any such revisions to the Board for consideration and approval. The Nomination Committee will also include in annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

In terms of gender diversity, the Board currently has one female member, and the Board is of the view that it has achieved gender diversity. The Board strives to maintain or enhance gender diversity in the foreseeable future. To achieve this objective, the Board has been developing a pipeline of potential successors by providing more training and opportunity to female members of the senior management.

The Company is committed to promoting gender diversity not only within the Board but among its workforce generally. As at December 31, 2024, the gender ratio in the Company's workforce (including senior management) is as follows:

Male	62.7%
Female	37.3%
Total	**100%**

To continue to achieve gender diversity in the workforce, we are committed to creating favourable conditions in our working environment to continue to attract both men and women to join the Company, thereby maintaining and further enhancing the gender diversity of the Company. During the process, we may face the issue of whether the supply of personnel of a particular gender in the human resources market matches the required qualifications, experience and skills required for positions within the Company. Despite these challenges, we will endeavour to maintain gender balance in the workforce.

Nomination Procedures

The Nomination Committee shall formulate a proposal after studying the nomination criteria, selection procedure and term of office of a director or senior management pursuant to the actual situation of the Company, the relevant laws and regulations, and the Articles of Association of the Company. Such proposal shall be made and submitted to the Board of Directors for approval on implementation.

The Shareholder who nominates a Director shall provide information of the nominee that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules. The Board shall publish the aforesaid relevant information of the Directors prior to the general meeting for the election of Directors. A cumulative voting system may be adopted for the election of Directors at the general meeting pursuant to the provisions of the Articles of Association or a resolution of the general meeting. The cumulative voting system refers to the voting for the election of Directors where each share is entitled to the voting rights equivalent to the number of directors to be elected at the general meeting, and Shareholders may consolidate their votes when casting a vote. The Board of Directors shall provide the resumes and general information of the candidates to the Shareholders.

Mechanisms for the Board to Obtain Independent Views and Opinions

At board meetings, Directors are free to express their opinions, and important decisions can only be made after detailed discussions. Pursuant to the Articles of Association, with the consent of all independent non-executive Directors, the independent non-executive Directors may engage external auditing and consultancy firms with respect to the auditing and consulting of specific matters of the Company. The costs so incurred shall be borne by the Company. If a Director is interested in a matter proposed by the Board, the relevant Director must withdraw from the discussion of the relevant proposal and abstain from voting, and such Director will not be counted in the quorum for voting on the proposal. In addition, independent non-executive Directors should also express objective and impartial independent opinions on matters discussed by the Company. The independent non-executive Directors do not hold other positions in the Company, do not have relationship with the Company or the Company's substantial shareholders which may affect their independent and objective judgment, and do not have any business or financial interests in the Company and its subsidiaries. Therefore, the participation of independent non-executive Directors also ensures a strong and sufficient independent element on the Board.

The Board is of the view that during the period from the Listing Date to the end of the Reporting Period, the Board has implemented effective mechanism to ensure independent views and input are available to the Board. The Board will review the implementation and effectiveness of the aforementioned mechanism annually.

Remuneration Committee

The Company has established the Remuneration Committee with written terms of reference in compliance with paragraph E.1 of part II of the Corporate Governance Code.

As at the date of this annual report, the Remuneration Committee consists of one executive Director, namely Mr. Tang Jinghua, and two independent non-executive Directors, namely Mr. Liu Rong (the chairman of the Remuneration Committee) and Mr. Leung Kin Hong. On August 1, 2024, Mr. Sinn Wai Kin Derek ceased to be a member of the Remuneration Committee and Mr. Leung Kin Hong was appointed as a member of the Remuneration Committee on September 4, 2024. The duties and responsibility of the Remuneration Committee includes but not limited to the following:

- making recommendations to the Board on the Company's overall remuneration policy and structure for all directors' and senior management's remuneration, and the establishment of a formal and transparent procedure for developing remuneration policy.
- studying appraisal criteria, performance evaluation procedures, remuneration and rewards and punishment policies for directors and senior management, and submitting them to the Board for approval.
- reviewing the performance of duties by directors and senior management of the Company, and conducting performance appraisal and evaluation over them.
- reviewing and approving proposals on management's remuneration in accordance with the Company's corporate goals and objectives approved by the Board.

- recommending to the Board on the remuneration packages formulated (including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment) for the Company's individual executive directors, non-executive directors and senior management. In formulating the remuneration packages for directors and senior management, factors to be considered by the Committee include the Company's goals and objectives, remuneration paid by comparable companies, time commitment and responsibilities of the directors and senior management, and employment conditions elsewhere within the Company and its subsidiaries.
- reviewing and approving the compensation payable to executive directors and senior management for any loss or termination of the office or appointment to ensure that it is consistent with relevant contractual terms; in case of any inconsistency, such compensation shall be fair, reasonable and not excessive.
- reviewing and approving the compensation arrangements with regard to the dismissal or removal of directors due to their misconduct to ensure that they are consistent with relevant contractual terms; in case of any inconsistency, such compensation shall be reasonable and appropriate.
- ensuring any directors or any of their associates not to determine by themselves, or be involved in determining, their remuneration.
- supervising the implementation of the Company's remuneration system.
- reporting to the Board on its decisions or recommendations, unless as restricted by the laws or regulations.

The attendance records of the Remuneration Committee are set out in the section headed "Board meetings" above. During the period from the Listing Date to the Reporting Period, the Remuneration Committee has reviewed and made recommendations to the Board on the remuneration policies of all Directors and senior management, assessed the performance of the executive Directors and approved the terms under the executive Directors' service contracts.

Pursuant to code provision E.1.5 of the Corporate Governance Code, the annual remuneration (including share-based compensation) of the members of senior management, including those members of senior management who are also executive Directors, by band for the Reporting Period is set out below:

	2024 Number of individuals
HKD1,000,001 – HKD1,500,000	1
HKD1,500,001 – HKD2,000,000	2
HKD2,500,001 – HKD3,000,000	1
HKD3,000,001 – HKD3,500,000	1

Strategy and Sustainable Development Committee

We have established a Strategy and Sustainable Development Committee comprising two executive Directors, namely Mr. Tang Jinghua (chairman of the Strategy and Sustainable Development Committee) and Mr. Sun Qi, and one non-executive Director, namely Mr. Chen Yulei.

The primary duties of the Strategy and Sustainable Development Committee include, but are not limited to, the following:

- to study and advise on the long-term development strategy planning of the Company;
- to study and make recommendations on major investment and financing schemes;
- to study and make recommendations on major capital operations and asset management projects;
- to study and make recommendations on other major issues that may affect the development of the Company; and
- to check the implementation of the above matters.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company is dedicated to the establishment and maintenance of a robust risk management and internal control system. The Directors acknowledge their responsibility for the Company's risk management and internal control systems and review their effectiveness for the Reporting Period. We have adopted and continually improve our internal control mechanisms to ensure the compliance of our business operations. Such mechanisms are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Furthermore, we conduct annual review of the implementation of our risk management policies and internal control measures to ensure their effectiveness and sufficiency.

We have been committed to promoting a compliance culture and will adopt policies and procedures on various compliance matters, including the Stock Exchange's requirements on corporate governance and environmental, social and governance matters. Our Board will be collectively responsible for the establishment and operations of mechanisms in relation to corporate governance and environmental, social and governance. Our Directors are involved in the formulation of such mechanisms and the related policies.

We have adopted and implemented risk management policies in various aspects of our business operations to address various potential risks in relation to financial reporting, operations, compliance, information security and data privacy, intellectual property, and investment.

Business operational risk management

Business operational risk refers to the risk of direct or indirect financial loss resulting from incomplete or problematic internal processes, personnel mistakes, IT system failures or external events. We have established a series of internal procedures to manage such risk.

We take a comprehensive approach with regard to operational risk management and implement a mechanism with detailed and decentralized responsibilities, clear rewards and punishment systems. Our business operations, finance, information technology, and human resources departments are collectively responsible in ensuring that the compliance of our business operations conform with internal procedures. On the occurrence of a major adverse event, the matter will be escalated to our senior management and the Board of Directors may need to take appropriate measures. Through effective business operational risk management, we expect to control operational risks within a reasonable range by identifying, measuring, monitoring and containing operational risks to reduce potential losses.

Intellectual property risk management

In order to fully leverage the significant role of intellectual property management in the Company's internal control, promote the Company's technological innovation, and establish a comprehensive independent intellectual property system, the Company has set up the Intellectual Property Management Department, which is responsible for the review, application and maintenance of intellectual property rights as well as rights protection for qualification application projects. We have established an intellectual property information database and formulated an intellectual property management system. We regulate the licensing and transfer of intellectual property according to the system while strengthening the awareness of intellectual property protection. Additionally, we have formulated management regulations on intellectual property, pursuant to which cash rewards and performance-based incentives are provided for on-the-job inventions, so as to promote the transformation of technological achievements into intangible assets.

Anti-corruption risk management

Anti-corruption risk refers to the risk of use of cheating, bribery or other illegal measures for (i) the pursuit of improper personal benefits at the expense of our Group's economic interests and (ii) the pursuit of improper interests of the Group. We have established our anti-corruption risk management policies prohibiting any corruption activities by the employees, either for the pursuit of improper personal benefits or improper interests of the Company. Our internal control department is directly responsible for the anti-corruption risk management with an anti-corruption committee established under it, comprising of designated personnel from our human resources, internal control and legal departments. We have maintained a whistle-blower mechanism encouraging the internal report of suspicious activities. We have zero-tolerance of corruption and do not accept employment or promotion of persons responsible for corruption incidents. We conduct routine internal training and require all suppliers to execute anti-corruption commitments before engagement.

Ongoing review

To monitor the ongoing implementation of our risk management policies, the Audit Committee reviews and supervises our financial reporting process and internal control system on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations.

Our internal audit department is responsible for reviewing the effectiveness of internal controls and reporting issues identified and improving our internal control system and procedures by identifying internal control failures and weaknesses on an ongoing basis. The internal audit department reports any major issues identified to the Audit Committee and the Board of Directors on a timely basis.

In respect of the Reporting Period, the Board through the Audit Committee conducted a review of the risk management and internal control systems of the Company, and concluded that they were effective and adequate.

SECURITIES DEALING AND HANDLING OF INSIDE INFORMATION

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' and Supervisors' securities transactions since the Listing Date. Having made specific enquiries of all Directors and Supervisors, each of the Directors and Supervisors has confirmed that he or she had complied with the requirements as set out in the Model Code since the Listing Date and during the rest of the Reporting Period.

The Company's employees, who are likely to be in possession of unpublished inside information of the Company, are also subject to the Model Code. No incident of non-compliance with the Model Code by the employees was noted by the Company since the Listing Date and during the rest of the Reporting Period.

To supplement the Model Code, the Company has also implemented a policy in relation to the handling and dissemination of inside information. Access to inside information is at all times confined to relevant personnel (i.e. Directors, senior management and relevant employees) on a need-to-know basis, until the inside information is properly disclosed in accordance with applicable laws and regulations. Directors, Supervisors, senior management and relevant employees in possession of inside information or potential inside information are required to take reasonable steps to preserve confidentiality and to ensure that its recipients recognize their obligations to maintain confidentiality.

JOINT COMPANY SECRETARIES

The Joint Company Secretaries are responsible for advising the Board on corporate governance matters and ensuring that the Board policies and procedures, as well as the applicable laws, rules and regulations are followed. The current Joint Company Secretaries are Ms. Liu Yihan and Mr. Cheung Kai Cheong Willie. The biographical details of Ms. Liu Yihan and Mr. Cheung Kai Cheong Willie are set out in the section headed "Directors, Supervisors and Senior Management – Joint Company Secretaries" of this annual report.

During the Reporting Period, each of the Joint Company Secretaries has attended a total of no less than 15 hours of training courses on the Listing Rules, corporate governance, information disclosure, investors relation as well as the functions and duties of the company secretary of a Hong Kong listed issuer as required under Rule 3.29 of the Listing Rules.

RELATIONSHIP WITH SHAREHOLDERS

Communication with Shareholders

The Board believes that effective communication with the Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognizes the importance of transparency and timely disclosure of its corporate information, which enables the Shareholders and investors to make the best investment decision.

The Company communicates with the Shareholders and the investment community mainly through the Company's financial reports (including the interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications and other corporate publications on the Company's website. The Company also convenes conference calls after the publication of its annual, interim and quarterly results to discuss questions of common concerns with investors and Shareholders as appropriate.

Shareholders' meetings

The general meetings of the Company serve as an opportunity for the Directors and senior management to communicate with the Shareholders. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. Notice in writing is given by the Company to the Shareholders at least 20 days prior to the annual general meeting or at least 15 days prior to the extraordinary general meeting.

Board members, in particular, the chairperson of Board committees or their delegates, appropriate management executives and external auditors will attend annual general meetings to answer Shareholders' questions.

The process of the Company's general meeting will be monitored and reviewed on a regular basis, and, if necessary, changes will be made to ensure that Shareholders' needs are best served.

Corporate communication

Corporate communication will be provided to Shareholders in plain language and in both English and Chinese versions to facilitate Shareholders' understanding about the content of the communication. Shareholders have the right to choose the language (either English or Chinese) or means of receipt of the corporate communications (in hard copy or through electronic means). Shareholders are encouraged to provide, amongst other things, in particular, their email addresses to the Company in order to facilitate timely and effective communications.

Company's website

The Company maintains a website www.voicecomm.cn as a communication platform with the Shareholders and investors. Information on the Company's website is updated on a regular basis. Information released by the Company to the website of the Stock Exchange is also posted on the Company's website for corporate communications immediately thereafter. Such information includes financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents etc.

Shareholders' enquiries

Shareholders and investors may send written enquiries or requests to the Company, for the attention of the Board of Directors. The contact details are as follows:

Address: 7DEF Building G, No.2337, Gudai Road, Minhang District, Shanghai
Email: ir@voicecomm.cn

Shareholders may direct their questions about their shareholdings to the Company's H share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. The Company ensures that the H Share Registrar maintains the most up-to-date information relating to the Shares at all times so that it can respond effectively to the Shareholders' enquiries.

Policies relating to shareholders

The Company considers effective communication with Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders. At general meetings, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

The Company discloses information and publishes periodic reports and announcements to the public in accordance with the Listing Rules, the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling Shareholders, investors as well as the public to make rational and informed decisions.

Shareholders' Communication Policy

The Company has established a shareholders' communication policy with the objective of ensuring that the Shareholders and the investment community at large are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable Shareholders to exercise their rights in an informed manner, and to enhance the communication among Shareholders, the investment community and the Company. Pursuant to the shareholders' communication policy, the Company establishes different communication channels with shareholders and stakeholders including: (i) provision of printed or electronic copies of corporate communications; (ii) provision of timely corporate information on the company website; (iii) holding of annual general meetings to provide a platform for shareholders to raise comments and exchange views with the board; and (iv) arrangement in servicing the shareholders in respect of all share registration matters.

The Board reviews the shareholders' communication policy on a regular basis to ensure its effectiveness, particularly with regards to the requirements of Part 2 in the Corporate Governance Code. The Board has reviewed the implementation and effectiveness of the shareholders' communication policy during its meetings, and is of the view that the shareholders' communication policy has been effectively implemented and that the dissemination of information to the Shareholders' were effective based on the measures adopted above considering the following aspects:

(1) Monitoring the functioning of diverse communication channels: The Board has reviewed the functioning of various communication channels including the corporate website, announcements, general meetings and periodic reports. The Company ensures all announcements and material information are timely and accurately communicated to all Shareholders;

(2) Review the compliance of information disclosure: Regular reviews are conducted to verify that all information disclosures comply with the Listing Rules and relevant regulations, thus ensuring no material omissions or delays in disclosure and maintaining fairness and transparency in information dissemination;

(3) Effective communication of critical matters: The Board has assessed the actual communication effectiveness of key information such as release of financial results, major transactions and changes in corporate governance, in order to ensure that the management proactively communicates such matters in accordance with policy requirements and that Shareholders are informed of and timely respond to such matters;

(4) Monitoring the protection of minority shareholders' interests: Special attention is given to safeguarding minority investors' right to information access. This includes collecting feedback from minority Shareholders, addressing their specific concerns and demands, and ensuring their access to the same information as major Shareholders.

Dividend Policy

Pursuant to Code Provision F.1.1 of the Corporate Governance Code, the Company has adopted a dividend policy (the "Dividend Policy") in relation to the declaration, payment or distribution of the Company's net profits as dividends to the Shareholders.

The Company currently does not have any fixed dividend pay-out ratio. No dividend shall be declared or payable except out of the profits and reserves lawfully available for distribution. According to relevant PRC laws, any future net profit that the Company makes will have to be first applied to make up for the historically accumulated losses, after which the Company will be obliged to allocate 10% of the net profit to the statutory common reserve fund until such fund has reached more than 50% of the registered capital. The Company will, therefore, only be able to declare dividends after: (i) all the historically accumulated losses have been made up for; and (ii) the Company has allocated sufficient net profit to the statutory common reserve fund as described above.

Shareholders' rights

To safeguard the Shareholders' interests and rights, separate resolutions are proposed at the general meetings on each substantial issue, including the election of individual Directors, for the Shareholders' consideration and voting. All resolutions put forward at the general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company (www.voicecomm.cn) and the Stock Exchange (www.hkexnews.hk) after each general meeting.

Pursuant to the Articles, Shareholders individually or in aggregate holding more than 10% of Shares of the Company are entitled to request the Board of Directors in writing to convene an extraordinary general meeting. Where the Board of Directors disagrees to convene the extraordinary general meeting, or does not reply within 10 days upon receipt of the proposal, Shareholders individually or in aggregate holding more than 10% of the Shares of the Company for over 90 consecutive days shall have the right to propose to the Board in writing to convene an extraordinary general meeting. If the Board does not give consent to convene an extraordinary general meeting or does not issue feedback within ten days from the receipt of the request, Shareholders holding individually or in aggregate more than 10% of the Shares of the Company for more than 90 consecutive days can convene and chair the general meeting by themselves. The Company shall bear costs and reasonable expenses incurred in the general meeting convened by the supervisory committee or the Shareholders themselves.

In accordance with Article 62 of the Articles of Association, Shareholders individually or jointly holding more than 1% of the Company's shares may make provisional proposals and submit them to the convener in writing 10 days before a general meeting. The convener shall, within two days upon receipt of the proposal, issue a supplementary notice of the general meeting announcing the contents of such provisional proposals, which exclude those violating the requirements of the laws, administrative regulations or the Articles of Association, or falling out of the scope of the authority of the general meeting.

Articles of Association

First amendment of the Articles of Association

On July 21, 2024, the Board resolved and proposed to amend the Articles to change the scope of business of the Company following the cancellation of the value-added telecommunication services operating license.

On August 20, 2024, the Board resolved to change the Company's headquarter and principal place of business in the PRC and the Company's name to reflect the Change of Address in the Company's name. Following the change of address and the change of company name, the Board proposed to make corresponding amendments to the Articles.

On August 20, 2024, the Board resolved and proposed to amend the Articles to make corresponding changes following the partial exercise of the over-allotment option (as defined in the Prospectus) and other miscellaneous changes.

The said proposed amendments to the Articles were considered and approved by the Shareholders at the extraordinary general meeting of the Company held on September 4, 2024. For details, please refer to the announcements of the Company dated July 21, 2024, August 20, 2024 and September 4, 2024, and the circular of the Company dated August 20, 2024.

Second amendment of the Articles of Association

On November 4, 2024, the Board resolved and proposed to change the Company's name from "湖北聲通科技股份有限公司" to "聲通科技股份有限公司" and the English name of the Company from "Hubei Voicecomm Technology Co., Ltd." to "Voicecomm Technology Co., Ltd.*" as part of the Company's internationalization strategy. Following the change of company name, the Board proposed to make corresponding amendments to the Articles of Association.

On November 4, 2024, the Board resolved and proposed to amend the Articles of Association to change the scope of business of the Company to include the sale of certain class of medical equipment.

The said proposed amendments to the Articles were considered and approved by the Shareholders at the extraordinary general meeting of the Company held on November 25, 2024. For details, please refer to the announcements of the Company dated November 4, 2024 and November 25, 2024, and the circular of the Company dated November 8, 2024.

The Articles of Association is available on the website of the Company (www.voicecomm.cn) and the Stock Exchange (www.hkexnews.hk). Save as disclosed hereinabove, during the period from the Listing Date to the end of the Reporting Period, no amendments were made to the Articles of Association. After the Reporting Period, amendments were made to the Articles to, among other things, reflect the amendments to the Company Law. Please refer to the section headed "Significant Events after the Reporting Period" in this annual report for further details.

* *for identification purpose only*

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the shareholders of Voicecomm Technology Co., Ltd.

(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of 聲通科技股份有限公司 Voicecomm Technology Co., Ltd. ("the Company") and its subsidiaries ("the Group") set out on pages 80 to 172, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the People's Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of revenue from enterprise-level solutions

Refer to note 4 to the consolidated financial statements and the accounting policies on pages 105 to 106.

The Key Audit Matter	How the matter was addressed in our audit
The Group's revenue primarily arises from the provision of enterprise-level solutions which accounts for 99% of total revenue. The Group's enterprise-level solutions are offered by software license or software license with hardware. The Group recognised revenue from enterprise-level solutions of RMB932 million for the year ended 31 December 2024. Management evaluates the terms of individual contracts to determine the Group's performance obligations and appropriate timing of revenue recognition. Revenue from enterprise-level solutions is recognised at the point in time when the control of the goods or service has been transferred to customers, being when the goods are delivered and accepted.	Our audit procedures to assess the recognition of revenue included the following: • obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition, including the controls over recording delivery of solution, invoicing and cash receipts; • inspecting sales contracts, on a sample basis, to understand the terms of the sales transactions to assess if the Group's revenue recognition accounting policy was in accordance with the requirements of the prevailing accounting standards; • comparing sales transactions recorded during the year, on a sample basis, with invoices, sales contracts, and customer acceptance records, to assess whether the related revenue was recognised in accordance with the Group's revenue recognition accounting policy;

KEY AUDIT MATTERS (Continued)

Recognition of revenue from enterprise-level solutions

Refer to note 4 to the consolidated financial statements and the accounting policies on pages 105 to 106.

The Key Audit Matter	How the matter was addressed in our audit
We identified the recognition of revenue from enterprise-level solutions as a key audit matter because revenue generated therefrom accounts for the majority of the Group's revenue and involves large number of individual sales orders and because revenue is one of the key performance indicators of the Group which increases the risk of misstatement of the timing and amount of revenue recognised by management to meet specific targets or expectations.	• confirming, on a sample basis, the amount of sales transactions for the year ended 31 December 2024 directly with customers; • inspecting, on a sample basis, sales contracts, customer acceptance records and license authorization records for revenue transactions recorded before and after the year end date to determine whether the related revenue had been recognised in the appropriate financial year; and • inspecting manual adjustments to revenue during the financial year which met specific risk-based criteria, enquiring of management about the reasons for such adjustments and comparing details of the adjustments with relevant underlying documentation.

KEY AUDIT MATTERS (Continued)

Expected credit loss allowances for trade receivables

Refer to note 20 to the consolidated financial statements and the accounting policies on pages 98 to 99.

The Key Audit Matter	How the matter was addressed in our audit
As at 31 December 2024, net trade receivables was RMB908 million which represented 38% of the total assets of the Group and against which loss allowance of RMB243 million for expected credit losses ("ECLs") was recorded. Trade receivables are generally due within 180 to 270 days from the date of billing. The Group measures loss allowances on trade receivables at amounts equal to lifetime ECL using a provision matrix. We identified assessing expected credit loss allowances for trade receivables as a key audit matter because of the significance of the balances of trade receivables to the consolidated financial statements and because of the significant management judgement required in estimating the ECL allowances at the reporting date, which can be inherently subjective.	Our audit procedures to assess the expected credit loss allowances for trade receivables included the following: • obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls relating to credit control, debt collection and estimating loss allowances for trade receivables; • evaluating the Group's policy for estimating the credit loss allowance according to the applicable accounting standard; • obtaining an understanding on the key data and assumption of the expected credit loss model adopted by the management, including the historical collection data, and the assumptions involved in management's estimated loss rates;

KEY AUDIT MATTERS (Continued)

Expected credit loss allowances for trade receivables

Refer to note 20 to the consolidated financial statements and the accounting policies on pages 98 to 99.

The Key Audit Matter	How the matter was addressed in our audit
	• assessing the appropriateness of management's estimates of loss allowance by examining the information used by management to derive such estimates, including comparing, on a sample basis, the categorisation of trade receivables in the ageing report with invoices issued, contract terms, acceptance note and other relevant underlying documentation and evaluating whether the historical loss rates are appropriately adjusted based on adjusting factors that are specific to the debtors; • re-performing the calculation of the loss allowance as at 31 December 2024 based on the Group's credit loss allowance policies; and • assessing the Group's disclosures in the consolidated financial statements in respect of trade receivables with reference to the requirements of the prevailing accounting standards.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chan Ting Yuen.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

28 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Renminbi)

	Note	2024 RMB'000	2023 RMB'000
Revenue	4	941,414	813,017
Cost of revenue		(430,992)	(487,600)
Gross profit		510,422	325,417
Other revenue	5(a)	10,893	27,226
Other net gain/(loss)	5(b)	747	(25)
Research and development expenses		(133,728)	(98,798)
Selling and marketing expenses		(21,589)	(10,347)
Administrative and other operating expenses		(77,340)	(58,499)
Impairment loss on trade receivables		(121,253)	(55,379)
Profit from operations		168,152	129,595
Net finance costs	6(a)	(18,239)	(11,696)
Changes in carrying amount of redeemable capital contributions	26	(632,820)	(146,892)
Changes in fair value of financial assets measured at fair value through profit or loss	18	3,952	258
Share of gain/(loss) of an associate	16	1	(20)
Loss before taxation	6	(478,954)	(28,755)
Income tax	7	(2,497)	(446)
Loss for the year		(481,451)	(29,201)
Attributable to:			
Equity shareholders of the Company		(488,675)	(33,754)
Non-controlling interests		7,224	4,553
Loss for the year		(481,451)	(29,201)
Loss per share	10		
Basic (RMB)		(8.62)	(1.13)
Diluted (RMB)		(8.62)	(1.13)

The notes on pages 88 to 172 form part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Renminbi)

	Note	2024 RMB'000	2023 RMB'000
Loss for the year		(481,451)	(29,201)
Other comprehensive income for the year (after tax and reclassification adjustments)			
Item that will not be reclassified to profit or loss:			
Equity investments at FVOCI – net movement in fair value reserves (non-recycling) (net of tax RMB23,000 (2023: RMB31,000))	17	(129)	180
		(129)	180
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of:			
– financial statements of an overseas subsidiary		(6)	–
		(6)	–
Other comprehensive income for the year		(135)	180
Total comprehensive income for the year		(481,586)	(29,021)
Attributable to:			
Equity shareholders of the Company		(488,810)	(33,574)
Non-controlling interests		7,224	4,553
Total comprehensive income for the year		(481,586)	(29,021)

The notes on pages 88 to 172 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi)

	Note	2024 RMB'000	2023 RMB'000
Non-current assets			
Property and equipment	11	115,130	96,647
Right-of-use assets	12	16,070	14,616
Intangible assets	13	139,154	110,682
Goodwill	15	39,168	39,168
Interests in associates	16	231	230
Equity security designated at fair value through other comprehensive income ("FVOCI")	17	619	771
Financial assets measured at fair value through profit or loss ("FVPL")	18	26,341	28,595
Prepayments	20	467,446	179,956
Other receivables	20	12,000	–
Deferred tax assets	27(b)	49,304	18,399
		865,463	489,064
Current assets			
Inventories and other contract costs	19	44,771	7,653
Trade and other receivables	20	926,615	602,705
Prepayments	20	244,488	233,834
Financial assets measured at fair value through profit or loss ("FVPL")	18	218,841	–
Cash	21(a)	95,143	46,876
		1,529,858	891,068

The notes on pages 88 to 172 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi)

	Note	2024 RMB'000	2023 RMB'000
Current liabilities			
Trade and other payables	22	84,040	43,389
Contract liabilities	23	67,632	97,423
Bank loans	24	586,100	342,000
Lease liabilities	25	11,349	8,115
Taxation payable	27(a)	32,089	3,169
Redeemable capital contributions	26	–	852,912
		781,210	1,347,008
Net current assets/(liabilities)		748,648	(455,940)
Total assets less current liabilities		1,614,111	33,124
Non-current liabilities			
Bank loans	24	–	10,000
Lease liabilities	25	10,608	10,684
Deferred tax liabilities	27(b)	1,724	2,832
Deferred income	28	1,022	2,036
		13,354	25,552
NET ASSETS		1,600,757	7,572

The notes on pages 88 to 172 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi)

	Note	2024 RMB'000	2023 RMB'000
CAPITAL AND RESERVES			
Share capital	29(c)	35,524	31,059
Reserves		1,536,304	(42,742)
Total equity/(deficit) attributable to equity shareholders of the Company		1,571,828	(11,683)
Non-controlling interests		28,929	19,255
TOTAL EQUITY		1,600,757	7,572

Approved and authorised for issue by the board of directors on 28 March 2025

	)	
Jinghua Tang	)	
	)	Directors
Qi Sun	)	
	)	

The notes on pages 88 to 172 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Renminbi)

		Attributable to equity shareholders of the Company								
	Note	Share capital RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	PRC statutory reserves RMB'000	Fair value reserve (non-recycling) RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2023		28,290	(10,949)	–	8,495	51	(5,946)	19,941	14,702	34,643
Changes in equity for 2023:										
(Loss) /profit for the year		–	–	–	–	–	(33,754)	(33,754)	4,553	(29,201)
Other comprehensive income		–	–	–	–	180	–	180	–	180
Total comprehensive income		–	–	–	–	180	(33,754)	(33,574)	4,553	(29,021)
Issue of ordinary shares	29(c)	2,769	177,231	–	–	–	–	180,000	–	180,000
Recognition of redeemable capital contributions as current liabilities	26	–	(178,050)	–	–	–	–	(178,050)	–	(178,050)
Balance at 31 December 2023 and 1 January 2024		31,059	(11,768)	–	8,495	231	(39,700)	(11,683)	19,255	7,572
Changes in equity for 2024:										
(Loss) /profit for the year		–	–	–	–	–	(488,675)	(488,675)	7,224	(481,451)
Other comprehensive income		–	–	(6)	–	(129)	–	(135)	–	(135)
Total comprehensive income		–	–	(6)	–	(129)	(488,675)	(488,810)	7,224	(481,586)
Issue of ordinary shares by initial public offering, net of issuance costs	29(c)	4,465	582,124	–	–	–	–	586,589	–	586,589
Capital contribution from non-controlling interests		–	–	–	–	–	–	–	2,450	2,450
Reclassification of redeemable capital contributions as equity	26	–	1,485,732	–	–	–	–	1,485,732	–	1,485,732
Balance at 31 December 2024		35,524	2,056,088	(6)	8,495	102	(528,375)	1,571,828	28,929	1,600,757

The notes on pages 88 to 172 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Renminbi)

	Note	2024 RMB'000	2023 RMB'000
Operating activities			
Cash used in operations	21(b)	(123,863)	(66,615)
Tax paid	27(a)	(5,348)	(1,454)
Net cash used in operating activities		(129,211)	(68,069)
Investing activities			
Payment for the acquisition of property and equipment and intangible assets		(399,080)	(182,914)
Payment for purchase of wealth management products		(219,214)	–
Proceeds from redemption of wealth management products		18,521	–
Payment for purchase of equity securities		(11,692)	–
Acquisition of a subsidiary		(3,000)	(3,295)
Proceeds from disposal of interests in an associate		–	2,000
Payment for investments in interests in an associate		–	(250)
Interest received from bank deposits		1,041	73
Net cash used in investing activities		(613,424)	(184,386)

The notes on pages 88 to 172 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

(Expressed in Renminbi)

	Note	2024 RMB'000	*2023* RMB'000
Financing activities			
Proceeds from bank loans	21(c)	689,782	312,000
Repayment of bank loans	21(c)	(455,682)	(181,650)
Capital contribution from non-controlling interests		2,450	–
Interest element of lease rentals paid	21(c)	(730)	(637)
Capital element of lease rentals paid	21(c)	(3,983)	(1,958)
Proceeds from redeemable capital contributions	21(c)	–	161,295
Payment for capitalisation of listing expenses	21(c)	(31,111)	(971)
Capital contribution from investors		–	1,950
Payment for acquisition of non-controlling interests		(12,000)	–
Proceeds from issue of ordinary shares by initial public offering	29(c)	620,272	–
Interest paid	21(c)	(18,550)	(11,132)
Net cash generated from financing activities		790,448	278,897
Net increase in cash		47,813	26,442
Cash at 1 January	21(a)	46,876	20,434
Effect of foreign exchange rate changes		454	–
Cash at 31 December	21(a)	95,143	46,876

The notes on pages 88 to 172 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Renminbi unless otherwise indicated)

1 GENERAL INFORMATION

Voicecomm Technology Co., Ltd. (previously known as "Shanghai Voicecomm Information Technology Co., Ltd.", the "Company") was incorporated in the People's Republic of China (the "PRC") on 5 December 2005 as a limited liability company under the Company Law of the PRC. Upon approval by the Company's board meeting held on 26 April 2015, the Company was converted from a limited liability company into a joint stock limited liability company. The Company's H shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 10 July 2024. Upon approval by the Company's extraordinary general meeting held on 6 September 2024, the name of the Company was changed from Shanghai Voicecomm Information Technology Co., Ltd. to Voicecomm Technology Co., Ltd. and the registered office of the Company was changed from Unit 418, Building 2, No. 508, Chundong Road, Minhang District, Shanghai to 4th Floor, F11 Building, Phase 4.1, Wuhan Software New City, East Lake High-tech Development Zone, Wuhan, Hubei Province.

The Company and its subsidiaries (collectively referred to as "the Group") are principally engaged in the provision of enterprise-level solutions including audio and video communication hardware and software to enterprise customers. The Group's principal operations and geographic markets are in the PRC. The information of the subsidiaries is set out in note 14.

2 MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standards Board ("IASB") and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Material accounting policies adopted by the Group are disclosed below.

The IASB has issued certain amendments to IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2024 comprise the Group and the Group's interest in associates.

Items included in these consolidated financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity ("functional currency"). The functional currency of the Company is RMB. The consolidated financial statements are presented in RMB, rounded to nearest thousands, which is the presentation currency.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

– investments in debt and equity securities (see note 2(g)).

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Changes in accounting policies

The Group has applied the following amendments to IFRSs issued by the IASB to these financial statements for the current accounting period:

- Amendments to IAS 1, *Classification of liabilities as current or non-current* and amendments to IAS 1, *Non-current liabilities with covenants*
- Amendments to IFRS 16, *Lease liability in a sale and leaseback*
- Amendments to IAS 7 and IFRS 7, *Supplier finance arrangements*

None of these amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(p) or 2(s) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(k)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

2 MATERIAL ACCOUNTING POLICIES (Continued)

(e) Associates

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies.

An interest in an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate, after applying the ECL model to such other long-term interests where applicable (see note 2(k)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

(f) Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see note 2(k)(ii)).

(g) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries and associates, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 30(e). These investments are subsequently accounted for as follows, depending on their classification.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(g) Other investments in securities (Continued)

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

– amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see note 2(x)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

– FVOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.

– FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(h) Property and equipment

The following items of property and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see note 2(k)):

– right-of-use assets arising from leasehold properties where the Group is not the registered owner of the property interest; and

– items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see note 2(j)).

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

Electronic equipment	3 years
Furniture	5 years
Servers	5 years
Vehicles	4 years
Leasehold improvements	Shorter of estimated useful life and remaining lease terms
Right-of-use assets	Over the lease term

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

Construction in progress represents properties under construction and machinery and equipment pending installation and is stated at cost less impairment losses (see note 2(k)(ii)). Cost comprises the purchase costs of the asset and the related construction and installation costs.

Construction in progress is transferred to property and equipment when the asset is substantially ready for its intended use and depreciation will be provided at the appropriate rates in accordance with the depreciation policies specified above.

No depreciation is provided in respect of construction in progress.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(i) Intangible assets (other than goodwill)

Intangible assets (other than goodwill) that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses (see note 2(k)(ii)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

Software	5 years
Patents	8 years

Amortisation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(j) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease components and non-lease components, the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(j) Leased assets (Continued)

(i) As a lessee (Continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(h) and 2(k)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost (see notes 2(g)(i), 2(x) and 2(k)(i)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses ("ECL"s) on:

– financial assets measured at amortised cost (including cash, trade receivables and other receivables that are held for the collection of contractual cash flows which represent solely payments of principal and interest).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

– fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;

– variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

– lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

– the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

– the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial instruments (Continued)

Credit-impaired financial assets (Continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or being more than 90 days past due;

– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

– it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than property carried at revalued amounts, investment property, inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (“CGU”s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Credit losses and impairment of assets (Continued)

(ii) Impairment of other non-current assets (Continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with IAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see note 2(k)(i)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(l) Inventories and other contract costs

(i) Inventories

Inventories are measured at the lower of cost and net realisable value as follows:

Cost is calculated using the specific identification method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory (see note 2(l)(i)), property and equipment (see note 2(h)) or intangible assets (see note 2(i)).

Incremental costs of obtaining a contract, e.g. sales commissions, are capitalised if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Otherwise, costs of fulfilling a contract, which are not capitalised as inventory, property and equipment or intangible assets, are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Amortisation of capitalised contract costs is recognised in profit or loss when the revenue to which the asset relates is recognised (see note 2(w)).

(m) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2(w)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see note 2(n)).

2 MATERIAL ACCOUNTING POLICIES (Continued)

(n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see note 2(k)(i)).

(o) Cash

Cash comprise cash at bank and on hand that are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash are assessed for ECL (see note 2(k)(i)).

(p) Trade and other payables (other than refund liabilities)

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(q) Redeemable capital contribution

The Company entered into a series of investment agreements with certain independent investors, pursuant to which, these investors agreed to make cash investments to the Company to acquire the equity interest of the Company (collectively referred as "Series A, Series B, Series B+ and Series C Financing").

Capital contributions from the Series A, Series B, Series B+ and Series C Financing are classified as financial liabilities or equity in accordance with the substance of the share purchase arrangements and the definitions of a financial liability and an equity instrument.

Capital contributions from the Series A, Series B, Series B+ and Series C Financing are classified as equity if they are nonredeemable by the Company or redeemable only at the Company's option. Dividends on capital contributions from the Series A, Series B, Series B+ and Series C Financing classified as equity are recognised as distributions within equity.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(q) Redeemable capital contribution (Continued)

The Company recognised the financial instruments issued to investors as financial liabilities, because not all triggering events mentioned in the key terms above are within the control of the Company and these financial instruments did not meet the definition of equity for the Company. The financial liabilities are measured at the higher amount expected to be paid to the investors upon redemption or liquidation, on a present value basis, which is assumed to be at the dates of issuance and at the end of each reporting period. Any changes in the carrying amount of the financial liabilities were recorded in "Changes in carrying amount of redeemable capital contributions".

Capital contributions are classified as non-current liabilities or current liabilities depending on whether the capital contribution can demand the Company to redeem the preferred shares for cash at least 12 months after the end of the reporting period or not.

(r) Research and development costs

Research and development costs comprise all expenses that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Research and development costs are recognised as expenses in the period in which they are incurred.

(s) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with note 2(aa).

(t) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

Contributions to local retirement schemes pursuant to the relevant labor rules and regulations in the jurisdictions in which the Group's subsidiaries located are recognised as an expense in profit or loss as incurred.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(t) Employee benefits (Continued)

(ii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(u) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Global Anti-Base Erosion Model Rules (“Pillar Two model rules”) published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(u) Income tax (Continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(v) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see note 2(k)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(w) Revenue recognition

Income is classified by the Group as revenue when it arises from the sale of goods and the provision of services in the ordinary course of the Group's business.

Further details of the Group's revenue recognition policies are as follows:

(i) Revenue from contracts with customers

Revenue is recognised when control over a product or service is transferred to the customer. For each performance obligation satisfied over time, the Group recognises revenue over time by measuring the progress toward complete satisfaction of that performance obligation. If the Group does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue is allocated to each performance obligation based on its standalone selling price. The Group generally determines standalone selling prices based on observable prices. If the standalone selling price is not observable through past transactions, the Group estimates the standalone selling price based on multiple factors, including, but not limited to management approved price list or cost-plus margin analysis.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(w) Revenue recognition (Continued)

(i) Revenue from contracts with customers (Continued)

(a) Revenue from enterprise-level solutions

The Group's enterprise-level solutions are offered on solutions come with functionalities and interfacing capabilities tailored to customers' operation environment integrated with communication devices or other hardware and other service and software license. The Group determines that such contracts typically comprise one single performance obligation. Revenues are recognised at a point in time upon customer's acceptance of the respective solutions or products, which is when the control over the Group's goods or services is transferred to customers.

The Group recognises enterprise-level solutions revenue mostly on a gross basis because the Group is the principal and controls the hardware to be provided to the customer before the hardware is transferred to that customer. In addition, the Group is primarily responsible for fulfilling the promise to provide the hardware and has discretion in establishing the price for the hardware. However, in some cases, the Group is not the primary obligor, is not subject to inventory risk and does not have latitude in establishing prices and selecting suppliers. Enterprise-level solutions revenue is recognised on a net basis which excludes costs of outsourced services.

(b) Revenue from other services primarily include promotion service

The maintenance services are provided to customers for a fixed amount over the service period, usually within one year. The Group recognises revenues from maintenance services over the period when the services were provided, since customers simultaneously receive and consume the benefit of the services. The Group uses straight-line method to recognise revenue rateably over the service period. The other services provided to customers are recognised based on usage over the period.

(x) Interest income

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(y) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Group for the cost of an asset are recognised initially as deferred income and amortised to profit or loss on a straight-line basis over the useful life of the asset by way of being recognised in other revenue.

(z) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Renminbi at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Renminbi at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(aa) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(bb) Related parties

(a) A person, or a close member of that person's family, is related to the Group if 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 the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (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 Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2 MATERIAL ACCOUNTING POLICIES (Continued)

(cc) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

Determining whether the Group is acting as a principal or as an agent in the sales of goods on the Group's platform requires judgement and consideration of all relevant facts and circumstances. In evaluation of the Group acting as a principal or an agent, the Group considers, individually or in combination whether the Group is primarily responsible for fulfilment the contract, is subject to the inventory risk, has discretion to establish prices. Having considered the relevant facts and circumstances, the directors consider that the Group obtains control of those goods sold in commerce business before the goods are transferred to the customers. Accordingly, the Group is acting as a principal for the merchandise sales and the related revenue is presented on a gross basis. However, in some cases, the Group is acting as an agent for the revenue from enterprise-level solutions and the related revenue is presented on a net basis.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

(b) Sources of estimation uncertainty

Notes 17, 18 and 30(e) contain information about the assumptions and their risk factors relating to valuation of fair value of financial assets. Other significant sources of estimation uncertainty are as follows:

(i) Fair value measurement of financial instruments using valuation techniques

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The valuation techniques include the comparable company approach, market approach backsolve method, market approach with calibration analysis, market approach and so on. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see note 30(e). The use of different valuation techniques or inputs may result in significant differences in fair value estimate. The fair value generated by valuation technique is also verified with transactions of same or similar financial instruments in observable markets according to market practice.

(ii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in note 15.

(iii) 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.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

(b) Sources of estimation uncertainty (Continued)

(iv) Loss allowance for expected credit losses

The Group estimates the amount of loss allowance for ECLs on trade and other receivables that are measured at amortised cost based on the credit risk of the respective financial instruments. The loss allowance amount is measured as the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss of the respective financial instrument. The assessment of the credit risk of the respective financial instrument involves high degree of estimation and uncertainty. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are provision of on-premised integrated enterprise-level solutions including software license, hardware and services.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major business lines is as follows:

	2024 RMB'000	2023 RMB'000
Revenue from contracts with customers within the scope of IFRS 15		
– Enterprise-level solutions	932,484	801,060
– Others	8,930	11,957
	941,414	813,017

4 REVENUE AND SEGMENT REPORTING (Continued)

(a) Revenue (Continued)

(i) Disaggregation of revenue (Continued)

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	2024 RMB'000	2023 RMB'000
Disaggregated by timing of revenue recognition		
Point in time	830,316	689,493
Over time	111,098	123,524
	941,414	813,017

The Group's customer base is diversified and includes one (2023: nil) customer with whom transactions have exceeded 10% of the Group's revenues for the year ended 31 December 2024. In 2024, revenues from sales of enterprise-level solutions to this customer, including sales to entities which are known to the Group to be under common control with this customer, amounted to RMB113,395,000 (2023: RMB80,168,000), and arose only in Chinese Mainland. Details of concentrations of credit risk arising from the customers are set out in note 30(a).

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales contracts for goods such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales of goods that had an original expected duration of one year or less.

(b) Segment reporting

IFRS 8, *Operating Segments*, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment during the year.

4 REVENUE AND SEGMENT REPORTING (Continued)

(c) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the solution or services were accepted. The Group's principal assets are in the Chinese mainland.

	2024 RMB'000	2023 RMB'000
Chinese Mainland (place of domicile)	897,430	807,017
Hong Kong	27,366	–
Other countries	16,618	6,000
	43,984	6,000
	941,414	813,017

5 OTHER REVENUE AND OTHER NET GAIN/(LOSS)

(a) Other revenue

	2024 RMB'000	2023 RMB'000
Government grants	10,893	27,226

During the year ended 31 December 2024, the Group received unconditional government grants of RMB10,679,000 (2023: RMB27,084,000) as rewards of the Group's contribution to technology innovation and regional economic development.

During the year ended 31 December 2024, the Group has not received conditional government grants (2023: RMB1,440,000) as encouragement of project development. The Group recognised such type of grants of RMB214,000 (2023: RMB142,000) in the consolidated statements of profit or loss when related conditions were satisfied.

5 OTHER REVENUE AND OTHER NET GAIN/(LOSS) (Continued)

(b) Other net gain/(loss)

	2024 RMB'000	2023 RMB'000
Net loss on disposal of an associate	–	(41)
Net gain on disposal of property and equipment and right-of-use assets	24	16
Net realised gain on wealth management product	253	–
Net foreign exchange gain	470	–
	747	(25)

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

(a) Net finance costs

	2024 RMB'000	2023 RMB'000
Interest income from bank deposits	(1,041)	(73)
Finance income	(1,041)	(73)
Interest on bank loans (note 21(c))	18,550	11,132
Interest on lease liabilities (note 21(c))	730	637
Finance costs	19,280	11,769
	18,239	11,696

6 LOSS BEFORE TAXATION (Continued)

(b) Staff costs

	2024 RMB'000	2023 RMB'000
Salaries, wages and other benefits	79,065	63,380
Contributions to defined contribution retirement plan	7,785	6,431
	86,850	69,811

(c) Other items

	2024 RMB'000	2023 RMB'000
Cost of inventories (note 19)	152,616	302,493
Depreciation charge		
– property and equipment (note 11)	21,485	1,801
– right-of-use assets (note 12)	5,711	4,148
Amortisation of intangible assets (note 13)	38,195	24,578
Research and development expenses (note (i))	133,728	98,798
Impairment loss on trade receivables	121,253	55,379
Listing expenses	46,141	15,934
Auditors' remuneration		
– audit services	3,700	–
– other services (note (ii))	2,201	3,650

(i) Research and development costs include amounts relating to staff costs, depreciation and amortisation expenses, which are also included in the respective total amounts disclosed separately above or in note 6(b) for each of these types of expenses.

(ii) Other services include RMB2,176,000 (2023: RMB3,201,000) which is also included in the listing expenses disclosed separately above. It represents the fees for IPO-related services that have been charged to profit or loss. Generally, this figure will be smaller than the amount as disclosed in the Corporate Governance Report, as a portion of such fee was capitalised upon listing.

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

	2024 RMB'000	2023 RMB'000
Current tax		
PRC Corporate Income Tax		
Provision for the year	34,239	10,354
Under/(over)-provision in respect of prior years	220	(375)
	34,459	9,979
Hong Kong Profits Tax		
Provision for the year	28	–
	34,487	9,979
Deferred tax		
Origination and reversal of temporary differences (note 27(b))	(31,990)	(9,533)
	(31,990)	(9,533)
	2,497	446

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

(a) Taxation in the consolidated statement of profit or loss represents: (Continued)

There is only one subsidiary of the Group is applicable to the income tax rules and regulations of Hong Kong, which is a qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HKD2,000,000 of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

The provision for Hong Kong Profits Tax for 2024 takes into account a reduction granted by the Hong Kong SAR Government of 100% of the tax payable for the year of assessment 2023/24 subject to a maximum reduction of HKD6,000 for each business (2023: nil).

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

The Company and PRC subsidiaries of the Group are subject to PRC Corporate Income Tax ("CIT Law") at a statutory rate of 25%, except for the following specified subsidiaries:

According to the Administrative Measures for Determination of High-Tech Enterprises (Guokefahuo [2016] No. 32), the Company obtained the qualification as high-technology enterprise and was entitled to a preferential income tax rate of 15% for the years from 2021 to 2024. Since the registered office of the Company was changed to Wuhan this year, it renewed the qualification and was entitled to a preferential income tax rate of 15% from 2024 to 2027.

Shanghai Yuanya Information Technology Co., Ltd. obtained the qualification as high-technology enterprise and was entitled to a preferential income tax rate of 15% for the years from 2023 to 2026.

Xian Jinxun Digital Intelligence Information Technology Co., Ltd. obtained the qualification as high-technology enterprise and was entitled to a preferential income tax rate of 15% for the years from 2024 to 2027.

According to Announcement [2023] No. 6, "The Announcement of Implementation of Income Tax Incentives for Micro and Small Enterprises and Individually-owned Businesses" issued by Ministry of Finance of the PRC and National Tax Bureau on 26 March 2023, the small-scaled minimal profit enterprise with an annual taxable income below RMB1,000,000 (RMB1,000,000 included) is entitled to a preferential tax treatment of 75% exemption of taxable income and application of income tax rate as 20% for the years from 2023 to 2024.

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

(a) Taxation in the consolidated statement of profit or loss represents: (Continued)

Certain subsidiaries in the Group meet the conditions as small-scaled minimal profit enterprise were qualified for the entitlement of such preferential tax treatment during the years ended 31 December 2024 and 2023.

According to Announcement [2023] No. 7 of the Ministry of Finance and the State Taxation Administration, the enterprises entitled to the current additional tax deduction ratio of 100% for research and development expenses during the years ended 31 December 2024 and 2023.

(b) Reconciliation between tax expense and accounting loss at applicable tax rates

	2024 RMB'000	2023 RMB'000
Loss before taxation	(478,954)	(28,755)
Notional tax on loss before taxation, calculated at the rates applicable to profits in the countries concerned	(119,805)	(7,189)
Effect of preferential tax rates	36,340	(1,238)
Super-deduction of research and development expenses	(20,656)	(14,561)
Tax effect of non-deductible expenses	487	291
Effect of utilisation of deductible losses previously not recognised	–	(526)
Tax effect of changes in the carrying amount of redeemable capital contributions	94,923	22,034
Tax effect of deductible temporary differences or deductible losses not recognised	11,272	2,078
Effect on deferred tax balances at 1 January resulting from a change in tax rate	(278)	(68)
Statutory tax concession	(6)	–
Under/(over)-provision in prior years	220	(375)
Actual tax expense	2,497	446

8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Termination benefits RMB'000	2024 Total RMB'000
Executive directors						
Jinghua Tang	–	2,521	–	57	–	2,578
Qi Sun	–	2,807	–	57	–	2,864
Non-Executive directors						
Xiaoyuan Yang	73	–	–	–	–	73
Xiaobo Tan	–	–	–	–	–	–
Yulei Chen	–	–	–	–	–	–
Tiantian Ma	–	–	–	–	–	–
Independent non-executive directors						
Rong Liu	89	–	–	–	–	89
Binrui Mu	89	–	–	–	–	89
Haipeng Wu	89	–	–	–	–	89
Sinn Wai Kin Derek (resigned on 1 August 2024)	244	–	–	–	–	244
Leung Kin Hong (appointed on 4 September 2024)	139	–	–	–	–	139
Supervisors						
Dong Xiao	–	433	–	58	–	491
Yongzheng Wu	–	226	–	35	–	261
Xiaodi Xu	–	293	–	40	–	333
	723	6,280	–	247	–	7,250

8 DIRECTORS' EMOLUMENTS (Continued)

	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	Termination benefits RMB'000	2023 Total RMB'000
Executive directors						
Jinghua Tang	–	2,029	–	68	–	2,097
Qi Sun	–	2,034	–	68	–	2,102
Non-Executive directors						
Xiaoyuan Yang	73	–	–	–	–	73
Xiaobo Tan	–	–	–	–	–	–
Yulei Chen	–	–	–	–	–	–
Tiantian Ma	–	–	–	–	–	–
Independent non-executive directors						
Rong Liu	72	–	–	–	–	72
Binrui Mu	72	–	–	–	–	72
Haipeng Wu	72	–	–	–	–	72
Sinn Wai Kin Derek (appointed on 19 June 2023)	195	–	–	–	–	195
Supervisors						
Dong Xiao	–	389	–	51	–	440
Yongzheng Wu	–	225	–	34	–	259
Xiaodi Xu	–	313	–	35	–	348
	484	4,990	–	256	–	5,730

For the years ended 31 December 2024 and 2023, no amounts were paid or payable by the Group to the directors and supervisors as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2023: two) are directors whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the remaining individuals are as follows:

	2024 RMB'000	2023 RMB'000
Salaries, allowances and benefits in kind	3,659	3,408
Discretionary bonuses	669	453
Retirement scheme contributions	172	204
	4,500	4,065

The emoluments of the three (2023: three) individuals with the highest emoluments are within the following bands:

	2024 Number of individuals	2023 Number of individuals
HKDnil – HKD500,000	–	–
HKD500,001 – HKD1,000,000	–	1
HKD1,000,001 – HKD1,500,000	1	1
HKD1,500,001 – HKD2,000,000	2	–
HKD2,000,001 – HKD2,500,000	–	1

10 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to the ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue during the year, calculated as follows:

Loss attributable to ordinary equity shareholders of the Company

	2024 RMB'000	2023 RMB'000
Loss attributable to equity shareholders of the Company	(488,675)	(33,754)
Allocation of loss attributable to redeemable capital contributions	263,993	14,241
Loss attributable to ordinary equity shareholders of the Company	(224,682)	(19,513)

Weighted average number of ordinary shares

	2024 '000	2023 '000
Issued ordinary shares at 1 January	31,059	28,290
Effect of ordinary shares issued for redeemable capital contributions	(7,145)	(11,074)
Effect of ordinary shares issued by initial public offering	2,150	–
Weighted average number of ordinary shares at 31 December	26,064	17,216

Effect of ordinary shares issued for redeemable capital contributions represent the weighted average number of ordinary shares of the Company associated with the redeemable capital contributions (see note 26), which were subject to redemption and were excluded from the calculation of the basic loss per share.

(b) Diluted loss per share

For the years ended 31 December 2024 and 2023, redeemable capital contributions were excluded from the calculation of diluted loss per share as their effect would have been anti-dilutive. Accordingly, diluted loss per share for the years ended 31 December 2024 and 2023 are the same as basic loss per share of the respective years.

11 PROPERTY AND EQUIPMENT

	Electronic equipment RMB'000	Furniture RMB'000	Servers RMB'000	Vehicles RMB'000	Construction-in-process RMB'000	Leasehold improvements RMB'000	Total RMB'000
Cost:							
At 1 January 2023	2,329	437	2,939	470	60,172	870	67,217
Additions	313	443	7,191	–	29,091	1,319	38,357
Transfers	1,769	–	72,672	–	(89,263)	10,397	(4,425)
Disposals	(8)	(60)	–	–	–	–	(68)
At 31 December 2023 and 1 January 2024	4,403	820	82,802	470	–	12,586	101,081
Additions	635	54	–	18	105,928	–	106,635
Transfers	1,610	–	36,681	–	(105,928)	970	(66,667)
At 31 December 2024	6,648	874	119,483	488	–	13,556	141,049
Accumulated depreciation:							
At 1 January 2023	(854)	(177)	(646)	(447)	–	(563)	(2,687)
Charge for the year	(756)	(114)	(588)	–	–	(343)	(1,801)
Written back on disposals	8	46	–	–	–	–	54
At 31 December 2023 and 1 January 2024	(1,602)	(245)	(1,234)	(447)	–	(906)	(4,434)
Charge for the year	(1,412)	(168)	(15,747)	(1)	–	(4,157)	(21,485)
At 31 December 2024	(3,014)	(413)	(16,981)	(448)	–	(5,063)	(25,919)
Net book value:							
At 31 December 2024	3,634	461	102,502	40	–	8,493	115,130
At 31 December 2023	2,801	575	81,568	23	–	11,680	96,647

12 RIGHT-OF-USE ASSETS

The Group has obtained the right to use certain office buildings through tenancy agreements during the reporting period. The leases typically run for a period of 2 to 6 years, some leases include an option to renew the lease when all terms are renegotiated. None of the leases include variable lease payments. The analysis of the net book value of right-of-use assets by class of underlying asset is presented below:

	Property leased for own use RMB'000
At 1 January 2023	10,694
Additions	4,917
Modification	3,519
Disposals	(679)
Depreciation charge for the year	(4,148)
Depreciation written back on disposal	313
At 31 December 2023 and 1 January 2024	14,616
Additions	7,397
Disposals	(401)
Depreciation charge for the year	(5,711)
Depreciation written back on disposal	169
At 31 December 2024	16,070

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2024 RMB'000	2023 RMB'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Office buildings	5,711	4,148
Interest on lease liabilities (note 6(a))	730	637
Expense relating to short-term leases	23	45
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	33	26

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 21(d) and 25, respectively.

13 INTANGIBLE ASSETS

	Software RMB'000	Patents RMB'000	Total RMB'000
Cost:			
At 1 January 2023	108,918	17,600	126,518
Additions	19,885	–	19,885
Transfers	4,425	–	4,425
At 31 December 2023 and 1 January 2024	133,228	17,600	150,828
Transfers	66,667	–	66,667
At 31 December 2024	199,895	17,600	217,495
Accumulated amortisation:			
At 1 January 2023	(13,862)	(1,706)	(15,568)
Charge for the year	(22,378)	(2,200)	(24,578)
At 31 December 2023 and 1 January 2024	(36,240)	(3,906)	(40,146)
Charge for the year	(35,995)	(2,200)	(38,195)
At 31 December 2024	(72,235)	(6,106)	(78,341)
Net book value:			
At 31 December 2024	127,660	11,494	139,154
At 31 December 2023	96,988	13,694	110,682

13 INTANGIBLE ASSETS (Continued)

During the years ended 31 December 2024 and 2023, the amounts of amortisation expense charged to cost of revenue, research and development expenses and administrative and other operating expenses are as follows:

	2024 RMB'000	2023 RMB'000
Cost of revenue	15,866	4,099
Research and development expenses	15,582	13,744
Administrative and other operating expenses	6,747	6,735
	38,195	24,578

14 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

			Proportion of ownership interest			
Name of company	Place of incorporation and business	Particulars of registered and paid-in capital	Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
Shanghai Yuanya Information Technology Co., Ltd. (上海淵雅信息科技有限公司) (notes (i) and (iii))	The PRC 27 July 2017	RMB10,000,000/ RMB10,000,000	51%	51%	0%	Software and information technology services
Voicecomm Yilian (Shanghai) Software Technology Co., Ltd. (聲通一璉(上海)軟件科技有限公司) (note (i))	The PRC 13 July 2020	RMB10,000,000/ RMB3,625,700	67%	67%	0%	Software and information technology services
Shandong Voicecomm Information Technology Co., Ltd. (山東聲通信息科技有限公司) (note (i))	The PRC 10 November 2020	RMB10,000,000/ RMB10,000,000	100%	100%	0%	Software and information technology services
Shandong Voicecomm Intelligent Technology Co., Ltd. (山東聲通智能科技有限公司) (note (i))	The PRC 20 April 2021	RMB10,000,000/ RMB10,000,000	100%	0%	100%	Software and information technology services

(Expressed in Renminbi unless otherwise indicated)

14 INVESTMENTS IN SUBSIDIARIES (Continued)

Name of company	Place of incorporation and business	Particulars of registered and paid-in capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
Xian Jinxun Digital Intelligence Information Technology Co., Ltd. (西安金訊數智信息技術有限公司) (note (i))	The PRC 7 July 2022	RMB5,500,000/ RMB5,500,000	51%	51%	0%	Software and information technology services
Sichuan Voicecomm Jiachen Information Technology Co., Ltd. (四川聲通甲辰信息科技有限公司) (note (i))	The PRC 30 August 2022	RMB20,000,000/ RMB2,629,000	100%	100%	0%	Software and information technology services
Hainan Voicecomm Intelligent Technology Co., Ltd. (海南聲通智能科技有限責任公司) (note (i))	The PRC 5 December 2022	RMB10,000,000/ RMB2,030,000	100%	100%	0%	Software and information technology services
Sichuan Shengtong Xuanwu Information Technology Co., Ltd. (四川聲通玄武信息科技有限公司) (note (i))	The PRC 11 May 2023	RMB20,000,000/ RMB5,869,000	100%	100%	0%	Software and information technology services
Sichuan Shengtong Gengyou Automotive Parts Intelligent Manufacturing Co., Ltd. (四川聲通庚酉汽車零部件智能製造有限公司) (note (i))	The PRC 10 May 2023	RMB20,000,000/ RMB6,302,000	100%	100%	0%	Manufactory and technology services
Chongqing Shengtong Intelligent Technology Co., Ltd. (重慶聲通智能科技有限公司) (note (i))	The PRC 8 June 2023	RMB10,000,000/ RMB3,156,000	100%	100%	0%	Software and information technology services
Sichuan Shengtong Zhigan Technology Co., Ltd. (四川聲通智感科技有限公司) (note (i))	The PRC 28 June 2023	RMB20,000,000/ RMB145,000	100%	100%	0%	Software and information technology services
Sichuan Shengtong Yunxiu Information Technology Co., Ltd. (四川聲通蘊秀信息科技有限公司) (note (i))	The PRC 28 June 2023	RMB20,000,000/ RMB372,000	100%	100%	0%	Software and information technology services

(Expressed in Renminbi unless otherwise indicated)

14 INVESTMENTS IN SUBSIDIARIES (Continued)

Name of company	Place of incorporation and business	Particulars of registered and paid-in capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
Sichuan Shengtong Zhishi Technology Co., Ltd.(四川聲通智識科技有限公司) (note (i))	The PRC 31 July 2023	RMB30,000,000/ RMB3,750,500	100%	100%	0%	Software and information technology services
Guang'an Shengtong Information Technology Co., Ltd. (廣安聲通信息科技有限公司) (note (i))	The PRC 23 August 2023	RMB10,000,000/ RMB119,000	100%	100%	0%	Software and information technology services
Sichuan Voicecomm Yunji Information Technology Co., Ltd. (四川聲通蘊吉信息科技有限公司) (note (i))	The PRC 19 April 2024	RMB50,000,000/ RMBnil	100%	100%	0%	Software and information technology service
Voicecomm Limited (香港聲通智能技術有限公司) (note (ii))	Hong Kong ("HK") 24 May 2024	HKD1/ HKD1	100%	0%	100%	Software and information technology service
Hubei Voicecomm Intelligence Technology Co., Ltd. (湖北聲通智能技術有限公司) (note (i))	The PRC 18 July 2024	HKD537,455,000/ HKDnil	100%	0%	100%	Software and information technology service
Wuxi Voicecomm Zhitou Technology Co., Ltd. (無錫聲通智投科技有限公司) (note (i))	The PRC 30 August 2024	RMB40,000,000/ RMB40,000,000	100%	100%	0%	Software and information technology service
Shanghai Voicecomm Zhiming Technology Co., Ltd. (上海聲通智明科技有限公司) (note (i))	The PRC 9 September 2024	RMB50,000,000/ RMB16,170,000	100%	100%	0%	Software and information technology service

(i) These entities are limited liability companies established in the PRC. The official names of these entities are in Chinese. The English translation of the Company names is for identification purpose only.

(ii) The entity is a limited liability company established in Hong Kong. The official name of the entity is in English. The Chinese translation of the entity name is for identification purpose only.

(iii) On 6 January 2025, the industrial and commercial registration procedures of the Group's acquisition of additional 19% equity interests in Yuanya Information have been completed. The deposit of equity acquisition of RMB12,000,000 has been reclassified as part of the consideration for the equity acquisition. The Group held 70% equity interests of Yuanya Information.

During the years ended 31 December 2024 and 2023, the Group's non-controlling interests are diverse among the subsidiaries. None of the Group's subsidiaries has a material non-controlling interest.

15 GOODWILL

	RMB'000
Cost:	
At 1 January 2023, 31 December 2023 and 31 December 2024	39,168
Accumulated impairment losses:	
At 1 January 2023, 31 December 2023 and 31 December 2024	–
Carrying amount:	
At 31 December 2024	**39,168**
At 31 December 2023	39,168

Goodwill represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired in the acquisition. The goodwill is not deductible for tax purposes.

Impairment tests for cash-generating units containing goodwill

The goodwill mainly arose from the acquisitions of Shanghai Yuanya Information Technology Co., Ltd. ("Yuanya Information") on 19 July 2021 and Xian Jinxun Digital Intelligence Information Technology Co., Ltd. ("Jinxun Digital Intelligence") on 30 December 2022, amounting to RMB17,111,000 and RMB22,057,000, respectively.

Goodwill is attributable to the acquired market share and economies of scale expected to be derived from combining with the operations of the Group following these acquisitions. The Group carries out its annual impairment test on goodwill by comparing the recoverable amounts of CGU or group of CGUs to the carrying amounts. Goodwill arising from the acquisition of Yuanya Information and Jinxun Digital Intelligence, was monitored separately and assessed as separate CGUs for the purpose of impairment testing.

Impairment review on the goodwill has been conducted by the management as of 31 December 2024 and 2023. The recoverable amount of the CGUs is determined based on value-in-use calculations. The Group engaged an independent professional valuer to assist with the calculation. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate. The growth rates used do not exceed the long-term average growth rates for the business in which the CGU operates.

15 GOODWILL (Continued)

Impairment tests for cash-generating units containing goodwill (Continued)

Key assumptions of the significant CGUs as at 31 December 2024 and 2023 are set out as follow:

	2024		2023	
	Yuanya Information	Jinxun Digital Intelligence	Yuanya Information	Jinxun Digital Intelligence
Compound annual growth rate of revenue during the 5-year forecast period	5.2%	7.2%	8.1%	19.5%
Long-term growth rate	2.0%	2.0%	2.2%	2.2%
Pre-tax discount rate	15.3%	15.5%	16.3%	16.8%

Details of the headroom calculated based on the recoverable amounts deducting the carrying amount allocated for the significant CGUs are set out as follows:

	2024 RMB'000	2023 RMB'000
Yuanya Information	7,945	7,864
Jinxun Digital Intelligence	6,385	7,861

(Expressed in Renminbi unless otherwise indicated)

15 GOODWILL (Continued)

Impairment tests for cash-generating units containing goodwill (Continued)

Management have undertaken sensitivity analysis on the impairment test of goodwill. The following table sets out the hypothetical changes to annual growth rate during the 5-year forecast and discount rate that would, in isolation, have removed the remaining headroom respectively as at 31 December 2024:

	Yuanya Information	Jinxun Digital Intelligence
Compound annual growth rate of revenue during the 5-year forecast period	-1.2%	-1.4%
Pre-tax discount rate	+1.8%	+1.2%

Management have undertaken sensitivity analysis on the impairment test of goodwill. The following table sets out the hypothetical changes to annual growth rate during the 5-year forecast and discount rate that would, in isolation, have removed the remaining headroom respectively as at 31 December 2023:

	Yuanya Information	Jinxun Digital Intelligence
Compound annual growth rate of revenue during the 5-year forecast period	-2.0%	-2.0%
Pre-tax discount rate	+1.9%	+1.6%

The Company performs annual impairment test on goodwill at the end of the reporting year. The recoverable amount of the CGU based on the value-in-use calculations is higher than its carrying amount as at 31 December 2024 and 2023. With regard to the assessment of the value-in-use of the CGUs, the directors of the Company believe that any reasonably possible change in any of the above key assumptions would not cause the carrying value, including goodwill, of the CGUs to exceed the recoverable amounts.

(Expressed in Renminbi unless otherwise indicated)

16 INTERESTS IN ASSOCIATES

The following list contains the particulars of associates of the Group, all of which are unlisted corporate entities whose quoted market price is not available:

Name of associate	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest as at 31 December 2024: Group's effective interest	Proportion of ownership interest as at 31 December 2024: Held by the Company	Principal activity
Shanghai Voicecomm Yuanzhi Technology Co., Ltd. ("Voicecomm Yuanzhi") (上海聲通垣智科技有限公司) (note (i))	The PRC	RMB10,000,000/ RMB10,000,000	0%	0%	Software and Information Technology Services
SDG Voicecomm Service (Wuhan) Co., Ltd. ("SDG Voicecomm") (特發聲通科技服務(武漢)有限公司)(note (ii))	The PRC	RMB5,000,000/ RMB2,500,000	10%	10%	Provision of technology related services
Hukou County Ruili Voicecomm Equity Investment Fund Partnership (Limited Partnership) ("Hukou County Ruili Voicecomm") (湖口縣瑞力聲通股權投資基金合夥企業(有限合夥)) (note (iii))	The PRC	RMB600,000,000/ RMBnil	0%	0%	Asset management fund

* The English translation of the associates' names is for reference only. The official names of these companies are in Chinese.

16 INTERESTS IN ASSOCIATES (Continued)

(i) In September 2023, the Group dispose its 20% of the equity interest of Voicecomm Yuanzhi to Shanghai Voicecomm Rongzhi Technology Group Co., Ltd., a company controlled by Jinghua Tang, at a consideration of RMB2,000,000 in cash. The loss of the disposal amounted to RMB41,000 was recorded in the other net gain/(loss) of the consolidated statements of profit or loss.

(ii) In August 2023, the Group invested 10% of the equity interest in SDG Voicecomm with contributed registered capital in RMB500,000. In 2023, the Group made the capital injection in RMB250,000.

The Group accounts for SDG Voicecomm as an investment in an associate using the equity method in the consolidated financial statements of the Group under applicable financial reporting standards, as the Group has the right to appoint a director in the board of directors of SDG Voicecomm.

(iii) In December 2024, the Company subscribed 29% of the equity interest in Hukou County Ruili Voicecomm. Total capital commitment of the Company was RMB174 million in aggregate, of which RMBnil million was paid as at 31 December 2024. Detailed information is disclosed in note 31(ii).

The Group accounts for Hukou County Ruili Voicecomm as an investment in an associate using the equity method in the consolidated financial statements of the Group under applicable financial reporting standards, as the Group has the right to appoint two members in the investment decision committee of Hukou County Ruili Voicecomm.

All of the above associates are accounted for using the equity method in the consolidated financial statements during the years ended 31 December 2024 and 2023.

Aggregate information of associates that are not individually material:

	2024 RMB'000	2023 RMB'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	231	230
Aggregate amounts of the Group's share of those associates'		
Profit/(loss) from continuing operations	1	(20)
Other comprehensive income	–	–
Total comprehensive income	1	(20)

17 EQUITY SECURITY DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 RMB'000	2023 RMB'000
Equity security designated at FVOCI (non-recycling)		
– Unlisted equity security	619	771

The unlisted equity security at FVOCI (non-recycling), represent investment in unlisted equity interest of a private entity incorporated in the PRC. This entity is principally engaged in software development.

The Group designated the investment at FVOCI (non-recycling), as the investment is held for strategic purposes. No dividends were received on this investment during the year (2023: nil).

The analysis on the fair value measurement of the above financial asset is disclosed in note 30(e).

For the year ended 31 December 2024, the changes in fair value in amount of RMB152,000 (2023: RMB211,000) (note 30) which is net off tax impact in amount of RMB129,000 (2023: RMB180,000) (note 27(b)) is recognised in other comprehensive income (after tax).

18 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVPL")

	2024 RMB'000	2023 RMB'000
Financial assets at FVPL-non-current portion		
– Unlisted equity security (note (i))	26,341	28,595
Financial assets at FVPL-current portion		
– Wealth management products (note (ii))	207,451	–
– Equity securities (note (iii))	11,390	–
	218,841	–

(i) In June 2021, the Group invested 3.95% of the equity interest in another private company, which is incorporated in the PRC and principally engaged in the AI hardware manufacturing and sales, for a consideration of RMB20,000,000 in cash.

The investment was classified as financial asset measured at FVPL, because the investment contains substantive liquidation preference and is redeemable at the option of the Group if the investee is liquidated in the future. The redeemable amount is calculated by investment consideration plus remaining net assets on pro rata basis.

18 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVPL") (Continued)

(ii) The Group invests its spare cash in wealth management products offered by other financial institutions. These products generally have a pre-set maturity and expected return, with its underlying assets being a wide range of government and corporate bonds and money market funds. The Group evaluates these products on a fair value basis.

During the year, the net unrealised gain in these investments of HKD7,024,000 (equivalent to RMB6,505,000) (2023: nil) was recognised as a gain in changes in fair value recognised in profit or loss during the period. And the net realised gain in these investments of HKD273,000 (equivalent to RMB253,000) (2023: nil) was recognised as other net gain.

Neither the single investment nor investment made with the same financial institution on an aggregate basis accounted for over 5% of the Group's total assets.

(iii) In September 2024, the Group invested HKD12,626,000 (equivalent to RMB11,692,000) in listed equity investments.

The listed equity investments held by the Group, other than the investments in unlisted equity security, were classified as FVPL, as the Group plans not to elect option to irrevocably designate as FVOCI (non-recycling) under IFRS 9 and these investments have been classified as FVPL.

During the year, the net unrealised loss of listed equity investments held by the Group of HKD326,000 (equivalent to RMB302,000) (2023: nil) were recognised as a loss in changes in fair value recognised in profit or loss during the period.

No dividend income received for the year ended 31 December 2024 (2023: nil).

For the year ended 31 December 2024, the Group recognised RMB3,952,000 (2023: RMB258,000) in the changes in fair value of financial asset measured at fair value through profit or loss.

The analysis on the fair value measurement of the above financial asset is disclosed in note 30(e).

19 INVENTORIES AND OTHER CONTRACT COSTS

	2024 RMB'000	2023 RMB'000
Inventories		
Intelligent connected vehicles	38,430	–
Servers, computers and communication devices	561	593
Perception equipment and accessories	948	5,561
Others	556	36
	40,495	6,190
Other contract costs	4,276	1,463
	44,771	7,653

(a) **The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:**

	2024 RMB'000	2023 RMB'000
Carrying amount of inventories sold	152,616	302,493

All inventories are expected to be recovered within one year.

(b) **Contract costs**

Contract costs capitalised as at 31 December 2024 relate to either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory. Contract costs are recognised as part of "cost of revenue" in the statement of profit or loss in the period in which revenue from the related sales is recognised. The amount of capitalised costs recognised in profit or loss during the year was RMB1,463,000. There was no impairment in relation to the opening balance of capitalised costs or the costs capitalised during the year.

All of the capitalised contract costs are expected to be recovered within one year.

20 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2024 RMB'000	2023 RMB'000
Trade and other receivables		
Current		
Trade receivables	1,151,249	704,682
Less: loss allowance on trade receivables	(243,123)	(121,858)
	908,126	582,824
Value added tax ("VAT") recoverable	13,949	13,430
Taxation recoverable (note 27(a))	431	650
Capitalisation of listing expenses	–	3,564
Other deposit and receivable	4,109	2,237
	926,615	602,705
Non-current		
Deposit of equity acquisition (note (i))	12,000	–
Prepayments		
Current		
Prepayments for goods and services	244,488	233,834
Non-current		
Prepayments for purchase of property and equipment and intangible assets	459,856	145,002
Prepayments for services	7,590	34,954
	467,446	179,956

20 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (Continued)

As at 31 December 2024, except for the rental deposits of RMB1,364,000 (2023: RMB921,000) all of the Group's other receivables are expected to be recovered or recognised as expense within a year.

(i) During the reporting period, the board of the Group approved the arrangement to acquire additional 19% equity interests in Yuanya Information, from the respective non-controlling interests and further increased its ownership in Yuanya Information while the Group retains the control.

As at 31 December 2024, the Group paid a refundable deposit of RMB12,000,000 as trade deposit, which would be fully refundable if the transaction was not completed within 3 months from the payment date of trade deposit. The deposit will automatically be reclassified as part of the consideration for the equity acquisition once completion of transaction. On 6 January 2025, the acquisition transaction was completed (note 35).

Ageing analysis of trade receivables

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	2024 RMB'000	2023 RMB'000
Within 1 year	722,182	505,107
After 1 year but within 2 years	165,733	72,420
After 2 years but within 3 years	20,211	5,297
	908,126	582,824

Trade receivables are generally due within 180 days to 270 days from the date of billing. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 30(a).

21 CASH AND OTHER CASH FLOW INFORMATION

(a) Cash comprise:

	2024 RMB'000	2023 RMB'000
Cash at bank	95,143	46,876

As at 31 December 2024, cash situated in Chinese Mainland amounted to RMB45,222,000 (2023: RMB46,870,000). Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

(b) Reconciliation of loss before taxation to cash used in operations:

	Note	2024 RMB'000	2023 RMB'000
Loss before taxation		(478,954)	(28,755)
Adjustments for:			
Depreciation	6(c)	27,196	5,949
Amortisation	6(c)	38,195	24,578
Impairment loss on trade receivables	30(a)	121,253	55,379
Changes in the carrying amount of redeemable capital contributions	26	632,820	146,892
Changes in fair value of financial assets measured at fair value through profit or loss	18	(3,952)	(258)
Finance costs	6(a)	19,280	11,769
Finance income	6(a)	(1,041)	(73)
Net loss on disposal of an associate	5	–	41
Share of (gain)/loss of an associate	16	(1)	20
Gain on disposal of property and equipment and right-of-use assets	5(b)	(24)	(16)
Foreign exchange gain		(457)	–
Net realised gain on financial assets at fair value through profit or loss	5(b)	(253)	–
Changes in working capital:			
(Increase)/decrease in inventories and other contract costs		(37,118)	87,616
Increase in trade and other receivables		(448,946)	(323,092)
Increase in prepayments		(8,674)	(116,130)
Increase in trade and other payables		47,618	2,004
(Decrease)/increase in contract liabilities		(29,791)	66,296
(Decrease)/increase in deferred income		(1,014)	1,165
Cash used in operations		(123,863)	(66,615)

21 CASH AND OTHER CASH FLOW INFORMATION (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities

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

	Bank loans RMB'000 (Note 24)	Lease liabilities RMB'000 (Note 25)	Redeemable capital contributions RMB'000 (Note 26)	Capitalisation of listing expenses RMB'000	Total RMB'000
At 1 January 2024	352,000	18,799	852,912	2,593	1,226,304
Changes from financing cash flows:					
Proceeds from new bank loans	689,782	–	–	–	689,782
Repayment of bank loans	(455,682)	–	–	–	(455,682)
Capital element of lease rentals paid	–	(3,983)	–	–	(3,983)
Interest element of lease rentals paid	–	(730)	–	–	(730)
Payment for capitalisation of listing expenses	–	–	–	(31,111)	(31,111)
Interest paid	(18,550)	–	–	–	(18,550)
Total changes from financing cash flows	215,550	(4,713)	–	(31,111)	179,726
Other changes:					
Increase in lease liabilities from entering into new leases during the year	–	7,397	–	–	7,397
Increase in capitalisation of listing expenses during the year	–	–	–	30,119	30,119
Interest expenses (note 6(a))	18,550	730	–	–	19,280
Disposal of right-of-use assets	–	(256)	–	–	(256)
Changes in the carrying amount of redeemable capital contributions	–	–	632,820	–	632,820
Reclassification of redeemable capital contributions as equity	–	–	(1,485,732)	–	(1,485,732)
Total other changes	18,550	7,871	(852,912)	30,119	(796,372)
At 31 December 2024	586,100	21,957	–	1,601	609,658

21 CASH AND OTHER CASH FLOW INFORMATION (CONTINUED)

(c) Reconciliation of liabilities arising from financing activities (Continued)

	Bank loans RMB'000 (Note 24)	Lease liabilities RMB'000 (Note 25)	Redeemable capital contributions RMB'000 (Note 26)	Capital contribution from an investor RMB'000 (Note 22)	Capitalisation of listing expenses RMB'000	Total RMB'000
At 1 January 2023	221,650	12,717	527,970	16,755	–	779,092
Changes from financing cash flows:						
Proceeds from new bank loans	312,000	–	–	–	–	312,000
Repayment of bank loans	(181,650)	–	–	–	–	(181,650)
Capital element of lease rentals paid	–	(1,958)	–	–	–	(1,958)
Interest element of lease rentals paid	–	(637)	–	–	–	(637)
Proceeds from redeemable capital contributions	–	–	161,295	–	–	161,295
Payment for capitalisation of listing expenses	–	–	–	–	(971)	(971)
Interest paid	(11,132)	–	–	–	–	(11,132)
Total changes from financing cash flows	119,218	(2,595)	161,295	–	(971)	276,947
Other changes:						
Increase in lease liabilities from entering into new leases during the year	–	4,917	–	–	–	4,917
Increase in capitalisation of listing expenses during the year	–	–	–	–	3,564	3,564
Interest expenses (note 6(a))	11,132	637	–	–	–	11,769
Disposal of right-of-use assets	–	(396)	–	–	–	(396)
Modification of right-of-use assets	–	3,519	–	–	–	3,519
Changes in the carrying amount of redeemable capital contributions	–	–	163,647	(16,755)	–	146,892
Total other changes	11,132	8,677	163,647	(16,755)	3,564	170,265
At 31 December 2023	352,000	18,799	852,912	–	2,593	1,226,304

21 CASH AND OTHER CASH FLOW INFORMATION (CONTINUED)

(d) Total cash outflow for leases

Amounts included in the consolidated cash flow statement for leases comprise the following:

	2024 RMB'000	2023 RMB'000
Within operating cash flows	56	71
Within financing cash flows	4,713	2,595
	4,769	2,666

These amounts relate to the following:

	2024 RMB'000	2023 RMB'000
Lease rentals paid	4,769	2,666

22 TRADE AND OTHER PAYABLES

	2024 RMB'000	2023 RMB'000
Trade payables	53,441	14,402
Accrued payroll and benefits	11,478	8,493
Other taxes payable	3,009	3,680
Consideration payable for Jinxun Digital Intelligence acquisition	–	3,000
Payable for acquisition of property and equipment	3,582	6,557
Payable for acquisition of service	216	213
Accrual listing expenses	4,694	5,829
Deposits received	381	60
Other payables and accrual expenses	7,239	1,155
	84,040	43,389

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

22 TRADE AND OTHER PAYABLES (Continued)

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	2024 RMB'000	2023 RMB'000
Within 6 months	50,907	13,806
After 6 months but within 1 year	1,090	477
After 1 year	1,444	119
	53,441	14,402

23 CONTRACT LIABILITIES

Movements in contract liabilities

	2024 RMB'000	2023 RMB'000
Balance at the beginning of the year	97,423	31,127
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(93,230)	(30,967)
Increase in contract liabilities as a result of receiving advance payment during the year	216,517	132,644
Decrease in contract liabilities as a result of recognising revenue during the same year	(153,078)	(35,381)
Balance at the end of the year	67,632	97,423

Contract liabilities of the Group mainly arise from the non-refundable advance payments made by customers while the underlying services are yet to be provided.

24 BANK LOANS

The analysis of the repayment schedule of bank loans is as follows:

	2024 RMB'000	2023 RMB'000
Within 1 year or on demand	586,100	342,000
After 1 year but within 2 years	–	10,000
After 2 years but within 5 years	–	–
After 5 years	–	–
	–	10,000
	586,100	352,000

At the end of each reporting period, the bank loans were secured as follows:

	2024 RMB'000	2023 RMB'000
Current		
– Unsecured and unguaranteed	115,000	30,000
– Secured and guaranteed (i)	471,100	312,000
	586,100	342,000
Non-current		
– Secured and guaranteed (i)	–	10,000
	–	10,000

(i) As at 31 December 2024 and 2023, certain bank facilities granted to the Group for bank loans were guaranteed by Mr. Jinghua Tang, Mr. Qi Sun and Mr. Yerong Shi (collected referred to "Shareholders") as the shareholders of the Company and their spouses.

24 BANK LOANS (Continued)

The maturity of the secured borrowings is within 1 year. As at 31 December 2024, secured borrowings carried an interest rate ranging from 2.7% to 7.0% (2023: 1.4% to 17.7%) per annum.

Certain banking facilities of the Group are subject to the fulfilment of financial covenants relating to certain of the financial ratios of the Group or the subsidiary of the Group, as are commonly found in lending arrangements with financial institutions. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in Note 30(b). As at 31 December 2024 and 2023, none of the covenants relating to drawn down facilities was breached.

As at 31 December 2024, the Group had unutilised banking facilities for bank loans totaling RMB229,900,000 and (2023: RMB101,000,000).

25 LEASE LIABILITIES

At 31 December 2024, the lease liabilities were repayable as follows:

	2024 RMB'000	2023 RMB'000
Within 1 year	11,349	8,115
After 1 year but within 2 years	6,430	4,652
After 2 years but within 5 years	4,178	6,028
After 5 years	–	4
	10,608	10,684
	21,957	18,799

26 REDEEMABLE CAPITAL CONTRIBUTIONS

In 2020, the Company entered into investment agreements with Series A investors, pursuant to which, these investors agreed to subscribe 4,960,000 shares of the Company at a consideration of RMB74,400,000 (referred as "Series A Financing").

Pursuant to the Series A investment agreements, two of Series A investors ("Series A-1 investor") are entitled to the redemption rights, liquidation preference and anti-dilution rights, while the remaining two Series A investors ("Series A-2 investor") are entitled to the liquidation preference and one director nomination rights for each investors.

In 2021, the Company entered into investment agreements with Series B investors, pursuant to which, these investors agreed to subscribe 3,510,000 shares of the Company at a consideration of RMB140,400,000 (referred as "Series B Financing").

In 2022, the Company entered into investment agreements with Series B+ investors, pursuant to which, these investors agreed to subscribe 2,620,000 shares of the Company at a consideration of RMB104,800,000 (referred as "Series B+ Financing").

In 2023, the Company entered into investment agreements with Series C investors, pursuant to which, these investors agreed to subscribe 2,769,230 shares of the Company at a consideration of RMB180,000,000 in which 2,739,230 shares of the Company at a consideration of RMB178,049,940 are entitled to the redemption rights, liquidation preference and anti-dilution rights (referred as "Series C Investment").

The Series A, Series B, Series B+ and Series C investors (collectively refer to "the investors") are entitled to the same voting rights and dividend rights as other founding shareholders of the Company. Certain key special rights attributable to the investors of the investments are summarised as follows:

26 REDEEMABLE CAPITAL CONTRIBUTIONS (Continued)

Redemption rights

Shares issued by the Company for the Series A-1, Series B, Series B+ and Series C shall be redeemable by the Company and the founder of the Company upon the occurrence of certain events, with the main conditions being:

(i) a qualified IPO does not occur within 31 December 2024 for Series A-1, Series B, Series B+ and Series C Financing.

(ii) the Company didn't meet guaranteed profit from 2020 to 2025; or

(iii) changes to the Company's controlling shareholder.

The redemption price of the shares issued in the investments shall equal to the higher of (i) the aggregate of the original issue price for the respective series plus an amount accruing daily at 8% of the original preferred shares issue price per annum minus all paid dividends (ii) fair market value of the shares of relevant series on the date of redemption.

Liquidation preference

In the event of any liquidation including deemed liquidation, dissolution, bankruptcy, acquisitions, sale or transfer of all or part of the core assets, winding up of the Company, the founder of the Company and the Company shall ensure that the investors of the investments are entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to founder in order of priority, an amount equals to the aggregate of the original issue price for the respective series plus an amount declared but not paid dividends and the remaining assets of the Company available for distribution shall be distributed rateably among the shareholders.

26 REDEEMABLE CAPITAL CONTRIBUTIONS (Continued)

Anti-dilution right

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

Presentation and classification

The Company recognised the financial instruments issued to investors as financial liabilities, because not all triggering events mentioned in the key terms above are within the control of the Company and these financial instruments did not meet the definition of equity for the Company. The financial liabilities are measured at the higher amount expected to be paid to the investors upon redemption or liquidation which is assumed to be at the dates of issuance and at the end of each reporting period. Any changes in the carrying amount of the financial liabilities were recorded in "Changes in carrying amount of redeemable capital contributions".

On 10 July 2024, the Company's H shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited. The special rights associated with the investors were unconditionally terminated and the redeemable capital contributions of RMB1,485,732,000 were reclassified as equity upon the listing of the Company's H shares.

The movements of redeemable capital contributions during the reporting period are set out in Note 21(c).

27 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2024 RMB'000	2023 RMB'000
At the beginning of the year	2,519	(6,006)
Provision for PRC Corporate Income Tax for the year	34,459	9,979
Provision for Hong Kong Profits Tax for the year	28	–
Tax paid	(5,348)	(1,454)
At the end of the year	31,658	2,519
Represented by:		
Taxation recoverable (note 20)	(431)	(650)
Taxation payable	32,089	3,169
	31,658	2,519

27 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	Credit loss allowance RMB'000	Deferred income RMB'000	Right-of-use assets RMB'000	Lease liabilities RMB'000	Deductible tax losses RMB'000	Equity security designated at fair value through other comprehensive income RMB'000	Financial assets measured at fair value through profit or loss RMB'000	Appraisal of intangible asset appreciation RMB'000	Depreciation of property and equipment RMB'000	Total RMB'000
At 1 January 2023	12,176	131	(1,914)	2,168	6,454	(9)	(1,250)	(3,974)	(7,717)	6,065
Credited/(charged) to profit or loss	10,432	175	149	153	(2,479)	–	(39)	1,142	–	9,533
Charged to reserves	–	–	–	–	–	(31)	–	–	–	(31)
At 31 December 2023 and 1 January 2024	22,608	306	(1,765)	2,321	3,975	(40)	(1,289)	(2,832)	(7,717)	15,567
Credited/(charged) to profit or loss	22,611	(152)	(674)	525	6,758	–	338	1,108	1,476	31,990
Credited to reserves	–	–	–	–	–	23	–	–	–	23
At 31 December 2024	45,219	154	(2,439)	2,846	10,733	(17)	(951)	(1,724)	(6,241)	47,580

27 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax assets and liabilities recognised: (Continued)

(ii) Reconciliation to the consolidated statement of financial position

	2024 RMB'000	2023 RMB'000
Net deferred tax asset in the consolidated statement of financial position	49,304	18,399
Net deferred tax liability in the consolidated statement of financial position	(1,724)	(2,832)
	47,580	15,567

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 2(u), the Group has not recognised deferred tax assets of RMB14,440,000 (2023: RMB3,966,000) in respect of cumulative tax losses of RMB57,759,000 (2023: RMB15,865,000) as at 31 December 2024. The Group has not recognised deferred tax assets of RMB1,261,000 (2023: RMB462,000) in respect of cumulative time differences of RMB4,888,000 (2023: RMB1,850,000) as at 31 December 2024. It is not probable that future taxable profits against which the losses and time differences can be utilised will be available in the relevant tax jurisdiction and entities.

28 DEFERRED INCOME

As at 31 December 2024, deferred income of the Group represented unamortised conditional government grants amounted to RMB1,022,000 (2023: RMB2,036,000) for the purchase of research and development equipment.

We recognise government grants in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that we will comply with the conditions attaching to them. Grants that compensate us for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate us for the cost of an asset are recognised initially as deferred income and amortised to profit or loss on a straight-line basis over the useful life of the asset by way of being recognised in other revenue.

29 CAPITAL AND RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company	Note	Share capital RMB'000	Capital reserve RMB'000	PRC statutory reserves RMB'000	Fair value reserve (non-recycling) RMB'000	Accumulated losses RMB'000	Total RMB'000
Balance at 1 January 2023		28,290	(10,949)	8,495	51	(543)	25,344
Changes in equity for 2023:							
Loss for the year		–	–	–	–	(17,664)	(17,664)
Other comprehensive income		–	–	–	180	–	180
Total comprehensive income for the year		–	–	–	180	(17,664)	(17,484)
Issue of ordinary shares	29(c)	2,769	177,231	–	–	–	180,000
Recognition of redeemable capital contributions as current liabilities	26	–	(178,050)	–	–	–	(178,050)
Balance at 31 December 2023 and 1 January 2024		31,059	(11,768)	8,495	231	(18,207)	9,810
Changes in equity for 2024:							
Loss for the year		–	–	–	–	(408,803)	(408,803)
Other comprehensive income		–	–	–	(129)	–	(129)
Total comprehensive income for the year		–	–	–	(129)	(408,803)	(408,932)
Issue of ordinary shares by initial public offering, net of issuance costs	29(c)	4,465	582,124	–	–	–	586,589
Reclassification of redeemable capital contributions as equity	26	–	1,485,732	–	–	–	1,485,732
Balance at 31 December 2024		35,524	2,056,088	8,495	102	(427,010)	1,673,199

29 CAPITAL AND RESERVES AND DIVIDENDS (Continued)

(b) Dividends

No dividends were paid or declared by the Company or any of its subsidiaries during the years ended 31 December 2024 and 2023.

(c) Share capital

	2024		2023	
	No. of shares ('000)	RMB'000	No. of shares ('000)	RMB'000
Ordinary shares, issued and fully paid:				
At 1 January	31,059	31,059	28,290	28,290
Ordinary shares issued	–	–	2,769	2,769
Issues of ordinary shares by initial public offering	4,465	4,465	–	–
At 31 December	35,524	35,524	31,059	31,059

On 30 June 2023, the Company entered into an investment agreement with certain investors, pursuant to which, these investors agreed to invest RMB179,999,940 in the Company in exchange of 2,769,230 shares of the Company. During the year ended 31 December 2023, the share capital of the Company increased from RMB28,290,000 to RMB31,059,230 by issue of additional 2,769,230 ordinary shares at RMB1 per share.

On 10 July 2024, the Company issued 4,365,660 shares at an offer price of HKD152.10 per share by way of the initial public offering to investors. Net proceeds from these issues amounted to RMB573,506,000 equivalent (after offsetting issuance costs directly attributable to the issue of shares of RMB32,934,000), out of which RMB4,366,000 and RMB569,140,000 were recorded in share capital and capital reserve accounts, respectively.

On 7 August 2024, pursuant to the partial exercise of the over-allotment option of the initial public offering, the Company allotted and issued additional 99,320 shares at the offer price of HKD152.10 per share. The additional net proceeds from the exercise of over-allotment option amounted to RMB13,083,000 equivalent (after offsetting issuance costs directly attributable to the issue of shares of RMB749,000), out of which RMB99,000 and RMB12,984,000 were recorded in share capital and capital reserve accounts, respectively.

29 CAPITAL AND RESERVES AND DIVIDENDS (Continued)

(d) Capital reserve

The capital reserve comprises the following:

– the difference between consideration received for ordinary shares subscription net of any transaction costs directly attributable to the subscription and the par value of the ordinary shares subscribed; and

– the amount arises from the reclassification of redeemable capital contributions as equity.

(e) PRC statutory reserve

Statutory reserve is established in accordance with the relevant PRC rules and regulations and the articles of association of the companies comprising the Group which are incorporated in the PRC.

For the entity concerned, statutory reserves can be used to make good previous years' losses, if any, and may be converted into capital in proportion to the existing equity interests of investors, provided that the balance of the reserve after such conversion is not less than 25% of the entity's registered capital.

(f) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under IFRS 9 that are held at the end of the reporting period (see note 2(g)).

(g) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations with functional currency other than Renminbi. The reserve is dealt with in accordance with the accounting policies set out in note 2(z).

(h) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

29 CAPITAL AND RESERVES AND DIVIDENDS (Continued)

(h) Capital management (Continued)

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes interest-bearing loans, and lease liabilities but excludes redeemable capital contributions) less cash. Adjusted capital comprises all components of equity and redeemable capital contributions.

The Group's adjusted net debt-to-capital ratio at 31 December 2024 and 2023 was as follows:

	Note	2024 RMB'000	2023 RMB'000
Current liabilities:			
Bank loans	24	586,100	342,000
Lease liabilities	25	11,349	8,115
		597,449	350,115
Non-current liabilities:			
Bank loans	24	–	10,000
Lease liabilities	25	10,608	10,684
		10,608	20,684
Total debt		608,057	370,799
Less: Cash	21(a)	(95,143)	(46,876)
Adjusted net debt		512,914	323,923
Total equity		1,600,757	7,572
Add: Redeemable capital contributions	26	–	852,912
Adjusted capital		1,600,757	860,484
Adjusted net debt-to-capital ratio		32.0%	37.6%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables and other receivables. The Group's exposure to credit risk arising from cash is limited because the counterparties are reputable banks which the Group considers to represent low credit risk. The Group's exposure to credit risk arising from refundable rental deposits is considered to be low, taking into account (i) the landlords' credit rating and (ii) the remaining lease term and the period covered by the rental deposits. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

The Group does not provide any other guarantees which would expose the Group to credit risk.

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are generally due within 180 to 270 days from the date of billing.

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 24.0% (2023: 36.1%) of the total trade receivables was due from the Group's five largest customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished among the Group's different customer bases.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

	2024		
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Current (not past due)	15.6%	802,618	125,376
Less than 12 months past due	26.8%	235,416	63,139
More than 12 months but less than 24 months past due	44.1%	103,536	45,649
More than 24 months but less than 36 months past due	92.1%	9,159	8,439
More than 36 months past due	100.0%	520	520
		1,151,249	243,123

	2023		
	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Current (not past due)	10.7%	491,480	52,433
Less than 12 months past due	26.4%	177,186	46,837
More than 12 months but less than 24 months past due	60.9%	33,882	20,634
More than 24 months but less than 36 months past due	91.0%	1,996	1,816
More than 36 months past due	100.0%	138	138
		704,682	121,858

Expected loss rates are based on actual loss experience over the past years. These rates are adjusted to reflect differences between economic conditions during the year over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (Continued)

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	2024 RMB'000	2023 RMB'000
Balance at the beginning of the year	121,858	66,479
Impairment losses recognised	121,253	55,379
Exchange adjustment	12	–
Balance at the end of the year	243,123	121,858

The following significant changes in the gross carrying amounts of trade receivables contributed to the increase in the loss allowance:

- origination of new trade receivables net of those settled resulted in an increase in loss allowance of RMB72,943,000 (2023: RMB34,880,000);
- change in past due trade receivables resulted in an increase in loss allowance of RMB48,322,000 (2023: RMB20,499,000); and
- a write-off of trade receivables with a gross carrying amount of RMBnil (2023: nil) resulted in a decrease in loss allowance of RMBnil (2023: nil).

(b) Liquidity risk

The Group are responsible for their own cash management, including the investment of cash surpluses and the raising of loans to cover expected cash demands. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk (Continued)

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the date the Group is contractually required to pay, or if the counterparty has the choice of when the amount should be paid (irrespective of the fulfilment of covenants), the earliest date the Group can be required to pay:

	2024 Contractual undiscounted cash outflow				
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	Total RMB'000	Carrying amount at 31 Dec RMB'000
Bank loans	595,823	–	–	595,823	586,100
Trade and other payables	69,553	–	–	69,553	69,553
Lease liabilities	11,907	6,720	4,267	22,894	21,957
	677,283	6,720	4,267	688,270	677,610

	2023 Contractual undiscounted cash outflow					
	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	More than 5 years RMB'000	Total RMB'000	Carrying amount at 31 Dec RMB'000
Bank loans	348,553	10,700	–	–	359,253	352,000
Trade and other payables	39,709	–	–	–	39,709	39,709
Lease liabilities	8,690	5,008	6,192	4	19,894	18,799
Redeemable capital contributions	852,912	–	–	–	852,912	852,912
	1,249,864	15,708	6,192	4	1,271,768	1,263,420

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from bank loans and lease liabilities. Instruments bearing interest at variable rates and fixed rates expose the Group to cashflow interest rate risk and fair value interest rate risk respectively. The Group regularly reviews its strategy on interest rate risk management in the light of the prevailing market condition. The Group's interest rate profile as monitored by management is set out in (i) below.

(i) Interest rate profile

The following table, as reported to the management of the Group, details the interest rate risk profile of the Group's financial assets and liabilities at the end of the reporting period:

	2024		2023	
	Effective interest rate %	RMB'000	Effective interest rate %	RMB'000
Fixed rate instruments:				
Lease liabilities	4.15%	21,957	4.20%	18,799
Bank loans	3.45%	506,000	3.59%	322,000
		527,957		340,799
Variable rate instruments:				
Bank loans	3.42%	80,100	4.03%	30,000
Total borrowings		608,057		370,799
Fixed rate borrowings as a percentage of total borrowings		86.83%		91.91%

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(c) Interest rate risk (Continued)

(ii) Sensitivity analysis

At 31 December 2024, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have increased/decreased the Group's loss after tax and accumulated losses by RMB681,000 (2023: RMB255,000).

The sensitivity analysis above indicates the instantaneous change in the Group's loss after tax (and accumulated losses) and other components of consolidated equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's loss after tax (and accumulated losses) and other components of consolidated equity is estimated as an annualised impact on interest expense of such a change in interest rates. The analysis is performed on the same basis as 2023.

(d) Currency risk

The Group is exposed to currency risk primarily through cash at bank, trade receivables and financial assets at FVPL that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily HKD and RMB.

(i) Exposure to currency risk

The following table details Group's exposure as at 31 December 2024 to currency risk arising from the recognised assets denominated in a currency other than the functional currency of the entity to which they relate. For presentation purpose, the amounts of exposure are shown in RMB translated using the spot rate of the end of each reporting period. Differences resulting from the translation of the financial statements of the Group's subsidiaries with functional currency other than RMB into the Group's presentation currency are excluded.

	2024		2023	
	HKD'000	RMB'000	HKD'000	RMB'000
Cash at bank	20,577	20,007	6	–
Trade receivables	26,948	–	–	–
Financial assets at FVPL	207,450	–	–	–
Net exposure arising from recognised assets	254,975	20,007	6	–

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous change in the Group's loss after tax (and accumulated losses) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	2024		2023	
	Increase/ (decrease) in foreign exchange rates	Decrease/ (increase) in loss after tax and accumulated losses RMB'000	Increase/ (decrease) in foreign exchange rates	Decrease/ (increase) in loss after tax and accumulated losses RMB'000
Hong Kong dollars	5%	10,836	5%	–
	(5%)	(10,836)	(5%)	–
Renminbi	5%	850	5%	–
	(5%)	(850)	(5%)	–

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, and then translated into Renminbi at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of the financial statements of entities whose functional currency is not Renminbi. The analysis is performed on the same basis for 2023.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs

The Group has an external team performing valuations for the financial instruments, including unlisted equity securities and redeemable capital contributions which are categorised into Level 3 of the fair value hierarchy. The team reports directly to the chief financial officer and the audit committee. A valuation report with analysis of changes in fair value measurement is prepared by the team at each interim and annual reporting date, and is reviewed and approved by the chief financial officer.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

Analysis on fair value measurement of financial instruments as at 31 December 2024 and 2023 are as follows:

	Fair value at 31 December 2024 RMB'000	Fair value measurements as at 31 December 2024 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurements				
Assets:				
Financial asset at FVOCI:				
– Unlisted equity security (i)	619	–	–	619
Financial assets at FVPL:				
– Unlisted equity security (ii)	26,341	–	–	26,341
– Wealth management products	207,451	–	207,451	–
– Equity securities listed in Hong Kong	11,390	11,390	–	–

	Fair value at 31 December 2023 RMB'000	Fair value measurements as at 31 December 2023 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurements				
Assets:				
Financial asset at FVOCI:				
– Unlisted equity security (i)	771	–	–	771
Financial asset at FVPL:				
– Unlisted equity security (ii)	28,595	–	–	28,595
Liabilities:				
Redeemable capital contributions	852,912	–	–	852,912

(Expressed in Renminbi unless otherwise indicated)

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

During the years ended 31 December 2024 and 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs
Unlisted equity security (i)	The comparable company approach	Discounts for lack of marketability ("DLOM")
Unlisted equity security (ii)	Market Approach Backsolve Method and Market Approach with calibration analysis	DLOM and changing trend of average market multiples of comparable companies
Redeemable capital contributions	Market approach	DLOM

(i) The fair value of certain unlisted equity security is determined average market multiples of comparable companies. As at 31 December 2024, it is estimated that with all other variables held constant, an decrease/increase in change of DLOM by 5% would have increased/decreased the Group's other comprehensive income by RMB44,000 (2023: RMB39,000).

(ii) The fair value of certain unlisted equity security is determined by market approach using latest round financing price with calibration analysis and applied the equity allocation model which is different from the adjusted latest round financing price approach of previous years. The reason for the change of valuation technique is that the invested enterprise has new financing with different preference right embedded in the new issued shares in 2024. As at 31 December 2024, it is estimated that with all other variables held constant, an increase/decrease in DLOM by 5% would have increased/decreased the Group's loss by RMB912,000, an increase/decrease in change of average market multiples of comparable companies by 5% would have decreased/increased the Group's loss by RMB1,368,000. As at 31 December 2023, it is estimated that with all other variables held constant, an increase/decrease in change of average market multiples of comparable companies by 5% would have decreased/increased the Group's loss by RMB1,512,000.

30 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Information about Level 3 fair value measurements (Continued)

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	2024 RMB'000	2023 RMB'000
Financial asset at FVOCI:		
At 1 January	771	560
Net unrealised gains or losses recognised in other comprehensive income during the period	(152)	211
At 31 December	619	771
Financial asset at FVPL:		
At 1 January	28,595	28,337
Changes in fair value recognised in profit or loss during the period	(2,254)	258
At 31 December	26,341	28,595

Any gain or loss arising from the remeasurement of the Group's unlisted equity securities held for strategic purposes are recognised in the fair value reserve (non-recycling) in other comprehensive income. Upon disposal of the equity securities, the amount accumulated in other comprehensive income is transferred directly to accumulated loss.

The gains arising from the financial asset at FVPL are presented in the "Changes in fair value of financial asset measured at fair value through profit or loss" line item in the consolidated statements of profit or loss.

All financial instruments carried at cost or amortised cost are at amounts not materially different from their values as at 31 December 2024 and 2023.

31 COMMITMENTS

(i) Capital commitments

Commitments outstanding at 31 December 2024 not provided for in the financial statements were as follows:

	2024 RMB'000	2023 RMB'000
Contracted for:		
Purchase of network and other telecommunication resource costs	86,306	180,306
Purchase of property and equipment and intangible assets	318,666	95,300
	404,972	275,606

(ii) Investment commitments

As at 31 December 2024, a total amount of RMB174,000,000 was disclosed as investment commitments contracted but not provided for (2023: nil).

On 3 December 2024, the Company entered into a limited partnership agreement for the formation of a private fund. The formation of the fund is to invest directly or indirectly in investee enterprises of new energy and new materials, fine chemicals, advanced manufacturing, electronic information and digital economy, medical and healthcare, intelligent logistics port, steel and non-ferrous metals, biomedicine, intelligent manufacturing, electronic information, piers, consumption and rural revitalization, biotechnology, culture and tourism, and other industries by equity and other means as permitted by applicable laws, so as to achieve investment returns for the partners. The size of the fund is RMB600 million, with the Company (as a Limited Partner) intending to subscribe for RMB174 million. As at 31 December 2024, no investment was made to the fund.

As at 31 December 2024, a total amount of RMB40,000,000 was disclosed as investment commitments authorised but not contracted for (2023: nil).

On 16 December 2024, the Board of the Company approved the formation of a private fund. The formation of the fund is to invest directly or indirectly in investee enterprises of cultural tech innovation and cultural consumption innovation by equity and other means as permitted by applicable laws, so as to achieve investment returns for the partners. The size of the fund is RMB122 million, with the Company (as a Limited Partner) intending to subscribe for RMB40 million.

32 CONTINGENT LIABILITIES

As at 31 December 2024 and 2023, the Group does not have any material contingent liabilities.

33 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees as disclosed in note 9, is as follows:

	2024 RMB'000	2023 RMB'000
Short-term employee benefits	10,619	8,167
Contributions to defined contribution retirement plans	502	497
	11,121	8,664

Total remuneration is included in "staff costs" (see note 6(b)).

(b) Names and relationships of the related parties that had other material transactions with the Group during the year

During the years ended 31 December 2024 and 2023, the directors are of the view that the following personals and companies are related parties:

Name of party	Relationship
Jinghua Tang	Founder of the Company and Shareholder
Yerong Shi	Shareholder
SDG Voicecomm Technology Service (Wuhan) Co., Ltd.*	Associate
Shanghai Voicecomm Rongzhi Technology Group Co., Ltd.*	The entity controlled by Jinghua Tang
QianHai (ShangHai) Technology Inc., Co.*	The entity controlled by Tiantian Ma

* The English translation of these entities is for reference only. The official names of the entities established in the PRC are in Chinese.

33 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Guarantees and pledges issued by related parties

Certain bank facilities granted to the Group were guaranteed or secured with pledges issued by related parties. An analysis of the carrying value of these liabilities in note 24.

(d) Significant related party transactions

During the years ended 31 December 2024 and 2023, the Group had following transactions with related parties:

	2024 RMB'000	2023 RMB'000
Trade in nature		
– Sales to		
SDG Voicecomm Technology Service (Wuhan) Co., Ltd.	425	–
– Purchase from		
QianHai (ShangHai) Technology Inc., Co. (i)	–	14,708
Non-trade in nature		
– Disposal of interests in associates		
Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (note 16)	–	2,000
– Expenses paid on behave of shareholders		
Yerong Shi	–	684
Jinghua Tang	–	26
	–	710
– Repayment of company advances		
Yerong Shi	–	684
Jinghua Tang	–	26
	–	710

(i) The Group purchased hardware and software for fulfilment of sales contract.

33 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(e) Significant related party balances

At 31 December 2024 and 2023, the Group had following balances with related parties:

	2024 RMB'000	2023 RMB'000
Trade in nature		
– Trade receivables		
SDG Voicecomm Technology Service (Wuhan) Co., Ltd.	90	–
– Prepayment-current		
QianHai (ShangHai) Technology Inc., Co.	386	386

(f) Applicability of the Listing Rules relating to connected transactions

None of the above related party transactions falls under the definition of connected transaction or continuing connected transaction as defined in Chapter 14A of the Listing Rules.

34 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	2024 RMB'000	2023 RMB'000
Non-current assets		
Property and equipment	106,201	84,843
Right-of-use assets	6,304	4,962
Intangible assets	108,996	70,994
Interests in subsidiaries	147,388	74,439
Interests in associates	231	230
Equity security designated at fair value through other comprehensive income ("FVOCI")	619	771
Financial assets measured at fair value through profit or loss ("FVPL")	26,341	28,595
Prepayments	451,491	163,086
Other receivables	12,000	–
Deferred tax assets	13,515	5,211
	873,086	433,131
Current assets		
Inventories and other contract costs	7,562	6,164
Trade and other receivables	1,022,050	637,334
Prepayments	239,049	226,537
Financial assets measured at fair value through profit or loss ("FVPL")	207,450	–
Cash	54,515	38,364
	1,530,626	908,399
Current liabilities		
Trade and other payables	104,913	33,901
Contract liabilities	18,948	96,941
Bank loans	570,100	340,000
Lease liabilities	2,489	1,752
Taxation payable	28,397	195
Redeemable capital contributions	–	852,912
	724,847	1,325,701

34 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (Continued)

		2024 RMB'000	2023 RMB'000
Net current liabilities		805,779	(417,302)
Total assets less current liabilities		1,678,865	15,829
Non-current liabilities			
Lease liabilities		4,644	3,983
Deferred income		1,022	2,036
		5,666	6,019
NET ASSETS		1,673,199	9,810
CAPITAL AND RESERVES			
Share capital	29	35,524	31,059
Reserves		1,637,675	(21,249)
TOTAL EQUITY		1,673,199	9,810

35 SUBSEQUENT EVENTS

Subsequent to 31 December 2024, there is no significant subsequent event.

36 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2024, the directors consider the immediate controlling parties of the Group to be Jinghua Tang and his concert parties and ultimate controlling party of the Group to be Jinghua Tang.

(Expressed in Renminbi unless otherwise indicated)

37 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2024

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability*	1 January 2025
Amendments to IFRS 9, *Financial instruments and IFRS 7, Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18, *Presentation and disclosure in financial statements*	1 January 2027
IFRS 19, *Subsidiaries without public accountability: disclosures*	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.