The following is the text of a report, prepared for the purpose of incorporation in this document, received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong.

"[To insert the firm's letterhead]"

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ORBBEC INC. AND Goldman Sachs (Asia) L.L.C. AND Haitong International Capital Limited

Introduction

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

Directors' responsibility for the Historical Financial Information

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

Reporting accountants' responsibility

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

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

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

Opinion

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

Review of interim financial information

We have reviewed the interim financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group for the six months ended 30 June 2025 and 2026, and the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2026 and other explanatory information (the "**Interim Financial Information**"). The directors of the Company are responsible for the preparation and presentation of the Interim Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

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

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[4] have been made.

Dividends

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

[●]
Certified Public Accountants
Hong Kong
[Date]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

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

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

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December			Six months ended 30 June	
	Notes	**2023**	**2024**	**2025**	**2025**	**2026**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
REVENUE	*5*	360,006	564,459	940,744	435,469	437,606
Cost of sales		(214,132)	(344,751)	(547,537)	(260,079)	(234,844)
Gross profit		145,874	219,708	393,207	175,390	202,762
Other income and gains	*5*	99,131	115,630	105,126	49,124	45,885
Selling and marketing expenses		(68,803)	(73,440)	(69,112)	(32,935)	(37,099)
Administrative expenses		(134,833)	(108,854)	(100,247)	(47,619)	(56,785)
Research and development expenses		(300,810)	(204,335)	(202,534)	(91,181)	(111,393)
Reversal of impairment loss/(impairment loss) on financial assets, net		2,231	(1,265)	(1,276)	618	(470)
Other expenses		(7,527)	(10,128)	(4,629)	(603)	(2,921)
Finance costs	*7*	(4,391)	(3,707)	(2,551)	(1,578)	(708)
Share of profits and losses of associates	*17*	261	971	843	641	28
(LOSS)/PROFIT BEFORE TAX	*6*	(268,867)	(65,420)	118,827	51,857	39,299
Income tax (expense)/credit	*10*	(6,677)	2,521	8,794	7,816	1,487
(LOSS)/ PROFIT FOR THE YEAR/PERIOD		(275,544)	(62,899)	127,621	59,673	40,786

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
OTHER COMPREHENSIVE INCOME						
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:						
Exchange realignment		218	(195)	683	–	(1,177)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:						
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax		(3,512)	(65,064)	4,640	–	1,087
OTHER COMPREHENSIVE INCOME FOR THE YEAR/PERIOD, NET OF TAX		(3,294)	(65,259)	5,323	–	(90)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		(278,838)	(128,158)	132,944	59,673	40,696
Profit attributable to:						
Owners of the parent		(275,885)	(62,907)	127,910	60,190	41,641
Non-controlling interests		341	8	(289)	(517)	(855)
		(275,544)	(62,899)	127,621	59,673	40,786
Total comprehensive income attributable to:						
Owners of the parent		(279,179)	(128,166)	133,233	60,190	41,551
Non-controlling interests		341	8	(289)	(517)	(855)
		(278,838)	(128,158)	132,944	59,673	40,696
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*12*					
Basic *(RMB per share)*		(0.69)	(0.16)	0.32	0.15	0.10
Diluted *(RMB per share)*		(0.69)	(0.16)	0.32	0.15	0.10

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
NON-CURRENT ASSETS					
Property, plant and equipment	*13*	297,311	410,105	471,746	472,839
Other intangible assets	*14*	24,529	12,480	7,058	4,641
Right-of-use assets	*15*	125,566	103,637	98,541	142,786
Investments in associates	*17*	15,654	16,626	18,489	18,517
Equity investments designated at fair value through other comprehensive income	*18*	169,992	94,345	99,804	101,084
Goodwill	*19*	3,217	3,217	3,217	3,217
Prepayments, other receivables and other assets	*22*	662,805	1,082,174	1,064,410	736,278
Time deposits	*25*	–	–	–	123,092
Deferred tax assets	*31*	162,943	176,947	190,372	200,569
Total non-current assets		1,462,017	1,899,531	1,953,637	1,803,023
CURRENT ASSETS					
Inventories	*20*	159,040	219,943	185,634	256,176
Trade and bills receivables	*21*	83,173	154,275	137,128	129,521
Prepayments, other receivables and other assets	*22*	93,688	103,755	112,413	506,969
Financial assets at fair value through profit or loss ("**FVTPL**")	*23*	388,419	345,000	310,145	163,969
Debt investments at fair value through other comprehensive income ("**FVOCI**")	*24*	–	–	84,130	37,245
Time deposits	*25*	306,752	348,730	359,801	311,250
Restricted cash	*25*	1,320	8,232	2,763	1,942
Cash and cash equivalents	*25*	889,809	249,525	267,171	1,220,986
Total current assets		1,922,201	1,429,460	1,459,185	2,628,058

	Notes	As at 31 December 2023	2024	2025	As at 30 June 2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
CURRENT LIABILITIES					
Trade and bills payables, other payables and accruals	*26*	153,285	217,451	230,791	261,201
Contract liabilities	*27*	24,858	15,878	18,306	24,925
Lease liabilities	*15*	13,798	1,943	532	2,773
Interest-bearing bank borrowings	*28*	147,511	167,961	127,261	90,689
Total current liabilities		339,452	403,233	376,890	379,588
NET CURRENT ASSETS		1,582,749	1,026,227	1,082,295	2,248,470
TOTAL ASSETS LESS CURRENT LIABILITIES		3,044,766	2,925,758	3,035,932	4,051,493
NON-CURRENT LIABILITIES					
Deferred income	*29*	20,947	50,622	41,466	39,293
Lease liabilities	*15*	13,277	856	297	2,016
Deferred tax liabilities	*30*	16	–	1	–
Total non-current liabilities		34,240	51,478	41,764	41,309
Net assets		3,010,526	2,874,280	2,994,168	4,010,184
EQUITY					
Equity attributable to owners of the parent					
Share capital	*31*	400,001	400,001	401,144	411,247
Treasury shares	*31*	–	(33,844)	(81,913)	(95,803)
Reserves	*32*	2,615,776	2,501,146	2,657,575	3,678,233
		3,015,777	2,867,303	2,976,806	3,993,677
Non-controlling interests		(5,251)	6,977	17,362	16,507
Total equity		3,010,526	2,874,280	2,994,168	4,010,184

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent								
	Share capital	Treasury Shares	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total
	RMB'000 (note 31)	*RMB'000 (note 31)*	*RMB'000 (note 32)*	*RMB'000 (note 32)*	*RMB'000 (note 32)*	*RMB'000 (note 32)*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	400,001	–	4,072,373	71,263	(590)	(1,312,033)	3,231,014	(9,076)	3,221,938
Loss for the year	–	–	–	–	–	(275,885)	(275,885)	341	(275,544)
Other comprehensive income for the year:									
Exchange realignment	–	–	–	–	218	–	218	–	218
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	(3,512)	–	–	(3,512)	–	(3,512)
Total comprehensive loss for the year	–	–	–	(3,512)	218	(275,885)	(279,179)	341	(278,838)
Equity-settled share-based compensation expenses	–	–	63,942	–	–	–	63,942	3,484	67,426
At 31 December 2023	400,001	–	4,136,315*	67,751*	(372)*	(1,587,918)*	3,015,777	(5,251)	3,010,526

Year ended 31 December 2024

	Attributable to owners of the parent								
	Share capital	Treasury Shares	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total
	RMB'000 (note 31)	*RMB'000 (note 31)*	*RMB'000 (note 32)*	*RMB'000 (note 32)*	*RMB'000 (note 32)*	*RMB'000 (note 32)*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	400,001	–	4,136,315	67,751	(372)	(1,587,918)	3,015,777	(5,251)	3,010,526
Loss for the year	–	–	–	–	–	(62,907)	(62,907)	8	(62,899)
Other comprehensive income for the year:									
Exchange realignment	–	–	–	–	(195)	–	(195)	–	(195)
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	(65,064)	–	–	(65,064)	–	(65,064)
Total comprehensive loss for the year	–	–	–	(65,064)	(195)	(62,907)	(128,166)	8	(128,158)
Equity-settled share-based compensation expenses	–	–	33,155	–	–	–	33,155	1,026	34,181
Shares repurchased	–	(33,844)	–	–	–	–	(33,844)	–	(33,844)
Acquisition of non-controlling interests	–	–	(19,619)	–	–	–	(19,619)	11,194	(8,425)
At 31 December 2024	400,001	(33,844)	4,149,851*	2,687*	(567)*	(1,650,825)*	2,867,303	6,977	2,874,280

Year ended 31 December 2025

	Attributable to owners of the parent								
	Share capital	Treasury Shares	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total
	RMB'000 (note 31)	*RMB'000 (note 31)*	*RMB'000 (note 32)*	*RMB'000 (note 32)*	*RMB'000 (note 32)*	*RMB'000 (note 32)*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	400,001	(33,844)	4,149,851	2,687	(567)	(1,650,825)	2,867,303	6,977	2,874,280
Profit for the year	–	–	–	–	–	127,910	127,910	(289)	127,621
Other comprehensive income for the year:									
Exchange realignment	–	–	–	–	683	–	683	–	683
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	4,640	–	–	4,640	–	4,640
Total comprehensive income for the year	–	–	–	4,640	683	127,910	133,233	(289)	132,944
Exercise of Restricted Shares units	1,143	–	12,860	–	–	–	14,003	–	14,003
Equity-settled share-based compensation expenses	–	–	21,196	–	–	–	21,196	(186)	21,010
Shares repurchased	–	(48,069)	–	–	–	–	(48,069)	–	(48,069)
Acquisition of non-controlling interests	–	–	(10,860)	–	–	–	(10,860)	10,860	–
At 31 December 2025	401,144	(81,913)	4,173,047*	7,327*	116*	(1,522,915)*	2,976,806	17,362	2,994,168

Six months ended 30 June 2025 (Unaudited)

	Attributable to owners of the parent								
	Share capital	Treasury Shares	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total
	RMB'000 (note 31)	*RMB'000 (note 31)*	*RMB'000 (note 32)*	*RMB'000 (note 32)*	*RMB'000 (note 32)*	*RMB'000 (note 32)*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	400,001	(33,844)	4,149,851	2,687	(567)	(1,650,825)	2,867,303	6,977	2,874,280
Profit for the period (unaudited)	–	–	–	–	–	60,190	60,190	(517)	59,673
Other comprehensive income for the period:									
Exchange realignment (unaudited)	–	–	–	–	–	–	–	–	–
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax (unaudited)	–	–	–	–	–	–	–	–	–
Total comprehensive income for the period (unaudited)	–	–	–	–	–	60,190	60,190	(517)	59,673
Exercise of Restricted Shares units (unaudited)	1,099	–	12,361	–	–	–	13,460	–	13,460
Equity-settled share-based compensation expenses (unaudited)	–	–	11,162	–	–	–	11,162	(112)	11,050
Shares repurchased (unaudited)	–	(20,038)	–	–	–	–	(20,038)	–	(20,038)
At 30 June 2025 (unaudited)	401,100	(53,882)	4,173,374	2,687	(567)	(1,590,635)	2,932,077	6,348	2,938,425

Six months ended 30 June 2026 (Unaudited)

	Attributable to owners of the parent								
	Share capital	Treasury Shares	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total
	RMB'000 (note 31)	*RMB'000 (note 31)*	*RMB'000 (note 32)*	*RMB'000 (note 32)*	*RMB'000 (note 32)*	*RMB'000 (note 32)*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	401,144	(81,913)	4,173,047	7,327	116	(1,522,915)	2,976,806	17,362	2,994,168
Profit for the year (unaudited)	–	–	–	–	–	41,641	41,641	(855)	40,786
Other comprehensive income for the year:									
Exchange realignment (unaudited)	–	–	–	–	(1,177)	–	(1,177)	–	(1,177)
Changes in fair value of equity investments at fair value through other comprehensive income, net of tax (unaudited)	–	–	–	1,087	–	–	1,087	–	1,087
Total comprehensive income for the year (unaudited)	–	–	–	1,087	(1,177)	41,641	41,551	(855)	40,696
Exercise of Restricted Shares units (unaudited)	–	3,388	(2,193)	–	–	–	1,195	–	1,195
Equity-settled share-based compensation expenses (unaudited)	–	–	16,969	–	–	–	16,969	–	16,969
Capital contribution by shareholders (unaudited)	10,103	–	964,331	–	–	–	974,434	–	974,434
Shares repurchased (unaudited)	–	(17,278)	–	–	–	–	(17,278)	–	(17,278)
At 30 June 2026 (unaudited)	411,247	(95,803)	5,152,154	8,414	(1,061)	(1,481,274)	3,993,677	16,507	4,010,184

* These reserve accounts comprised the consolidated reserves of RMB2,615,776,000, RMB2,501,146,000 and RMB2,657,575,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		(268,867)	(65,420)	118,827	51,857	39,299
Adjustments for:						
Finance costs	*7*	4,391	3,707	2,551	1,578	708
Interest income	*5*	(25,365)	(39,924)	(10,378)	(5,220)	(16,053)
Share of profits and losses of associates		(261)	(971)	(843)	(641)	(28)
(Reversal of impairment)/impairment of trade and bills receivables	*21*	(679)	3,851	1,680	(543)	(519)
Impairment of prepayments, other receivables and other assets	*22*	(1,552)	(2,586)	(404)	(75)	989
Write-down of inventories to net realisable value	*20*	7,654	16,127	18,420	4,337	9,692
Depreciation of property, plant and equipment	*13*	30,561	30,399	28,791	13,495	15,132
Depreciation of right-of-use assets	*15(a)*	21,879	13,389	5,077	2,541	2,975
Amortisation of other intangible assets	*14*	15,981	12,598	9,090	4,866	2,472
Investment income from financial asset at fair value through profit or loss		(19,153)	(11,277)	(8,584)	(4,230)	(1,355)
Investment income from certificates of deposits		(9,615)	(24,795)	(26,924)	(13,662)	(12,557)
(Gains)/losses on disposal of items of property, plant and equipment and other assets	*6*	(1,296)	4,139	471	174	(32)
Fair value losses/(gains) on financial assets measured at FVPL	*6*	6,537	(89)	(2,522)	(470)	(1,037)
Government grants		(24,602)	(21,440)	(17,107)	(8,329)	(6,607)
Equity-settled share-based payment expense	*33*	67,426	34,181	15,555	11,050	8,083
		(196,961)	(48,111)	133,700	56,728	41,162

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
(Increase)/decrease in inventories		(14,951)	(77,032)	15,908	5,051	(80,234)
Decrease/(increase) in trade and bills receivables		6,656	(143,712)	(242,094)	(43,464)	(18,256)
(Increase)/decrease in prepayments, other receivables and other assets		(6,860)	14,174	(1,266)	(3,683)	(30,760)
Increase in trade and bills payables, other payables and accruals		13,072	124,114	161,183	69,180	89,789
Increase/(decrease) in contract liabilities		11,533	(8,980)	2,427	(2,410)	6,620
Increase in deferred income		20,501	50,000	6,782	1,325	4,435
(Increase)/decrease in restricted cash		(597)	(6,912)	5,469	1,304	821
Cash (used in)/from operation		(167,607)	(96,459)	82,109	84,031	13,577
Interest received		7,846	10,134	711	426	256
Income tax (paid)/received		–	(16)	(95)	(95)	79
Net cash flows (used in)/from operating activities		(159,761)	(86,341)	82,725	84,362	13,912

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from disposal of items of property,plant and equipment and other intangible assets		4,411	1,072	206	–	–
Proceeds from maturity of time deposits		711,250	307,253	23,900	23,894	–
Proceeds from disposals of financial assets at fair value through profit or loss		1,424,910	1,665,885	1,704,867	777,090	838,467
Proceeds from maturity of certificates of deposits		51,850	54,356	254,569	254,569	307,615
Payment for acquisition of financial assets at fair value through profit or loss		(1,227,000)	(1,611,100)	(1,658,939)	(857,930)	(689,900)
Purchases of items of property, plant and equipment, other intangible assets and deferred mould cost		(129,601)	(199,943)	(63,116)	(46,989)	(35,553)
Purchases of items of leasehold land		(46,391)	(2,881)	–	–	(41,864)
Placement of time deposits		(300,000)	(343,362)	(25,304)	–	(70,000)
Payment for acquisition of certificates of deposits		(584,026)	(464,000)	(220,258)	(180,000)	(305,860)
Investment in equity investment at fair value through other comprehensive income		–	(900)	–	–	–
Purchase of interests in an associate		–	–	(1,020)	–	–
Net cash flows (used in)/from investing activities		(94,597)	(593,620)	14,905	(29,366)	2,905

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from subscription of Restricted Shares		–	–	14,003	13,460	20,641
Capital contribution from non-controlling interests		10,000	–	–	–	–
Capital contribution from shareholders		–	–	–	–	975,000
New bank borrowings		148,643	167,498	218,094	131,151	32,193
Borrowings from non-controlling interests		–	8,210	–	–	–
Repayment of bank borrowings		–	(80,000)	(259,311)	(167,871)	(68,897)
Lease payments		(19,016)	(11,324)	(821)	(408)	(1,166)
Interest paid		(2,335)	(2,659)	(1,992)	(1,207)	(678)
Payment for repurchase of own shares		–	(33,844)	(48,069)	(20,038)	(17,278)
Acquisition of non-controlling interests		–	(8,425)	–	–	–
Net cash flows from/(used in) financing activities		137,292	39,456	(78,096)	(44,913)	939,815
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(117,066)	(640,505)	19,534	10,083	956,632
Cash and cash equivalents at beginning of year/period		1,005,862	889,809	249,525	249,525	267,171
Exchange realignment, net		1,013	221	(1,888)	(196)	(2,817)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		889,809	249,525	267,171	259,412	1,220,986
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances	*25*	891,129	257,757	269,934	266,340	1,222,928
Less: restricted cash	*25*	1,320	8,232	2,763	6,928	1,942
Cash and bank balances as stated in the consolidated statements of financial position and statements of cash flows		889,809	249,525	267,171	259,412	1,220,986

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
NON-CURRENT ASSETS					
Property, plant and equipment	*13*	273,893	253,476	242,311	238,330
Other intangible assets	*14*	13,554	6,646	4,960	3,858
Right-of-use assets	*15*	54,425	55,220	53,068	51,992
Investments in subsidiaries	*16*	675,833	781,537	694,155	767,140
Investments in associates	*17*	13,972	14,606	16,111	16,085
Equity investments designated at fair value through other comprehensive income	*18*	169,992	94,345	99,804	101,084
Prepayments, other receivables and other assets	*22*	659,894	1,076,033	1,063,177	716,550
Time deposits	*25*	–	–	–	123,092
Deferred tax assets	*31*	163,364	168,343	182,315	193,645
Total non-current assets		2,024,927	2,450,206	2,355,901	2,211,776
CURRENT ASSETS					
Inventories	*20*	112,081	141,503	141,956	209,265
Trade and bills receivables	*21*	126,495	175,138	201,646	202,481
Prepayments, other receivables and other assets	*22*	259,250	237,243	263,027	689,826
Financial assets at FVTPL	*23*	380,000	315,000	261,345	140,185
Debt investments at FVOCI	*24*	–	–	83,611	34,581
Time deposits	*25*	306,752	277,693	286,944	237,490
Restricted cash	*25*	1,317	2,229	–	–
Cash and cash equivalents	*25*	699,354	135,864	146,068	1,039,295
Total current assets		1,885,249	1,284,670	1,384,597	2,553,123
CURRENT LIABILITIES					
Trade and bills payables, other payables and accruals	*26*	159,020	116,139	171,407	184,494
Contract liabilities	*27*	5,398	4,186	4,971	8,721
Interest-bearing bank borrowings	*28*	147,511	161,165	98,363	58,334
Total current liabilities		311,929	281,490	274,741	251,549
NET CURRENT ASSETS		1,573,320	1,003,180	1,109,856	2,301,574
TOTAL ASSETS LESS CURRENT LIABILITIES		3,598,247	3,453,386	3,465,757	4,513,350

	Notes	As at 31 December			As at 30 June
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
NON-CURRENT LIABILITIES					
Deferred income	*29*	4,634	42,309	38,164	36,578
Total non-current liabilities		4,634	42,309	38,164	36,578
Net assets		3,593,613	3,411,077	3,427,593	4,476,772
EQUITY					
Share capital	*31*	400,001	400,001	401,144	411,247
Treasury shares	*31*	–	(33,844)	(81,913)	(95,803)
Reserves	*32*	3,193,612	3,044,920	3,108,362	4,161,328
Total equity		3,593,613	3,411,077	3,427,593	4,476,772

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Orbbec Inc. (the "**Company**") is a company established under the laws of the People's Republic of China (the "**PRC**") with limited liability on 18 January 2013 and converted into a joint stock company with limited liability on 27 October 2020. With the approval of the China Securities Regulatory Commission, the Company's A shares was listed on the Shanghai Stock Exchange STAR Market (stock code: 688322. SH) on 7 July 2022. The registered office address of the Company is Room 2001, Aobi Technology Building, No. 88 Gaoxin North 1st Road, Songpingshan Community, Xili Street, Nanshan District, Shenzhen, Guangdong, PRC.

During the Relevant Periods, the Company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in the design, research and development ("**R&D**"), manufacturing, and sales of visual perception sensors, system-level devices, provision of services and others.

As of the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

Name	Place and date of incorporation/ registration and place of operations	Issued ordinary share/registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Aocheng Information Technology (Shanghai) Co., Ltd. (奥誠信息科技(上海)有限公司)* *(note(a))* *(note(d))*	PRC/ Chinese mainland, 27 June 2014	RMB60,000,000	100%	–	Chip-related R&D
Orbbec 3D Technology International,Inc. *(note(e))*	The United States, 1 October 2014	60,000 Shares	100%	–	Sales platform for the European and US markets
Xintuo 3D Technology (shenzhen) Co.,Ltd. (新拓三維技術(深圳)有限公司)* *(note(a))* *(note(b))* *(note(d))*	PRC/ Chinese mainland, 15 January 2018	RMB25,000,000	–	60%	R&D and sales of 3D inspection equipment and software for industrial applications
Xi'an Obituojiang Technology Co., Ltd. (西安奥比拓疆科技有限公司)* *(note(e))*	PRC/ Chinese mainland, 27 February 2018	RMB50,000,000	100%	–	R&D
Shenzhen Malio Technology Co., Ltd. (深圳螞里奥技術有限公司)* *(note(a))* *(note(b))(note(d))*	PRC/ Chinese mainland, 13 April 2018	RMB20,000,000	100%	–	R&D and sales of products related to payment and identification services
ORBBEC INTERNATIONAL LIMITED *(note(e))*	Hong Kong, 7 January 2019	USD1,400,000	100%	–	Sales
Shenzhen Opix Optotech Co.,Ltd (深圳奥辰光電科技有限公司)* *(note(e))*	PRC/ Chinese mainland, 8 March 2019	RMB10,526,316	48%	–	R&D
Oradar Technology Co., Ltd. (深圳奥銳達科技有限公司)* *(note(d))*	PRC/ Chinese mainland, 11 April 2019	RMB140,000,000	100%	–	R&D and sales
Shanghai Aoshida Intelligent Technology Co., Ltd. (上海奥視達智能科技有限公司)* *(note(c))*	PRC/ Chinese mainland, 3 June 2019	RMB75,000,000	97%	–	R&D and sales
Shenzhen Aorisheng Technology Co., Ltd. (深圳市奥日升技術有限公司)* *(note(e))*	PRC/ Chinese mainland, 2 December 2019	RMB31,000,000	100%	–	Manufacturing center
Shenzhen Qianhai Yuandian Enterprise Management Co., Ltd. (深圳市遠點企業管理有限公司)* *(note(e))*	PRC/ Chinese mainland, 25 December 2019	RMB10,000,000	100%	–	Investment
Joyful Vision Limited *(note(e))*	The Independent State of Samoa, 9 December 2019	USD1	–	100%	Investment
Shanghai Jiachen Intelligent Technology Co., Ltd. (上海迦辰智能科技有限公司)* *(note(e))*	PRC/ Chinese mainland, 20 August 2020	RMB10,000,000	–	97%	System Integration
Shenzhen Oxin Technology Co., Ltd. (深圳奥芯微視科技有限公司)* *(note(a))*	PRC/ Chinese mainland, 26 November 2020	RMB59,000,000	100%	–	R&D

Name	Place and date of incorporation/ registration and place of operations	Issued ordinary share/registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
XTOP 3D Technology (Xi'an) Co., Ltd. (新拓三維技術(西安)有限公司)* *(note(a)) (note(b)) (note(d))*	PRC/ Chinese mainland, 31 March 2023	RMB25,000,000	60%	–	R&D and sales
Orbbec (Guangdong, Shunde) Technology Co., Ltd. (奧比中光(廣東順德)科技有限公司)* *(note(a)) (note(b)) (note(d))*	PRC/ Chinese mainland, 12 September 2023	RMB100,000,000	100%	–	Manufacturing center
ROBOT VISION MANUFACTURING COMPANY PTE.LTD. *(note(e))*	Singapore, 13 November 2025	SGD300,000	–	100%	Investment
RVMC VIETNAM COMPANY LIMITED	VIETNAM, 2 March 2026	VND219,240,000,000	100%	–	Manufacturing and sales
Obi Zhongguang (Hangzhou) Technology Co., Ltd. (奧比中光(杭州)科技有限公司) *	PRC/ Chinese mainland, 26 March 2026	RMB300,000	100%	–	R&D

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

Notes:

(a) The statutory financial statements of these entities for the years ended 31 December 2023 and 2024 prepared under China Accounting Standards of Business Enterprises("CASBE") were audited by Shenzhen Jiadaxin Accountants Firm (深圳嘉達信會計師事務所(普通合夥)), certified public accountants registered in the PRC.

(b) The statutory financial statements of this entity for the year ended 31 December 2024 prepared under CASBE were audited by Shenzhen Jiadaxin Accountants Firm (深圳嘉達信會計師事務所(普通合夥)), certified public accountants registered in the PRC.

(c) The statutory financial statements of this entity for the year ended 31 December 2024 prepared under CASBE were audited by Pan-China Certified Public Accounts LLP (天健會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC.

(d) The statutory financial statements of this entity for the year ended 31 December 2025 prepared under CASBE were audited by Pan-China Certified Public Accounts LLP (天健會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC.

(e) As at the date of this report, no audited financial statements have been prepared for these entities for the years ended 31 December 2023, 2024 and 2025.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("**IASB**"). All IFRSs effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been consistently adopted by the Group in the preparation of the Historical Financial Information and the Interim Financial Information.

The Historical Financial Information has been prepared under the historical cost convention except for certain financial instruments which have been measured at fair value at the end of each of the Relevant Periods and in the periods covered by the Interim Financial Information.

Basis of consolidation

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

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

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

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

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

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

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

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]
IFRS 18	*Presentation and Disclosure in Financial Statements*[1]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
IFRS 20	*Regulatory Assets and Regulatory Liabilities*[3]
Amendments to IAS 28	*Amendments to the Fair Value Option for Investments in Associates and Joint Ventures in IAS 28*[4]

1 Effective for annual/reporting periods beginning on or after 1 January 2027
2 No mandatory effective date yet determined but available for adoption
3 Effective for annual periods beginning on or after 1 January 2029
4 The amendments are applied when an entity first applies IFRS 18

The Group is in the process of making an assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised IFRS Accounting Standards, except for IFRS 18, may result in changes in certain accounting policies but are likely to have a significant impact on the Group's financial performance and financial position in the period of initial application. The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statements of profit or loss and other comprehensive income and consolidated statements of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICIES

Investments in associates

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

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

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

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

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

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

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

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

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

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

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

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

Impairment of non-financial assets

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

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

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

Related parties

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

(a) the party is a person or a close member of that person's family and that person

  (i) has control over the Group;

  (ii) has significant influence over the Group; or

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

  or

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

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

  (iii) the entity and the Group are joint ventures of the same third party;

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

  (vi) the entity is controlled or jointly controlled by a person identified in (a);

  (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

  (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

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

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

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

Buildings	3.17% to 9.5%
Machinery and equipment	19% to 31.67%
Motor vehicles	19% to 31.67%
Electronic equipment and others	19% to 31.67%
Leasehold improvements	Shorter of lease term or estimated useful life

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

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

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

Intangible assets (other than goodwill)

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

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

Software	3 to 10 years
License	2 to 5 years

Research and development costs

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

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

Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

Buildings	2 to 5 years
Leasehold land	30 to 50 years

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

(b) Lease liabilities

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

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

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

The Group applies the short-term lease recognition exemption to its short-term leases of premises and employee dormitory (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

Investments and other financial assets

Initial recognition and measurement

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

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

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets at fair value through other comprehensive income (debt instruments)

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

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to the profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case,such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

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

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

Derecognition of financial assets

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

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

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

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

Impairment of financial assets

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

General approach

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

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

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

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

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

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

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

Stage 3 Financial assets that are credit-impaired at the end of each of the Relevant Periods (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate.

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

The Group's financial liabilities include trade and bills payables, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings.

Subsequent measurement

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

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

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

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

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

Treasury shares

Own equity instruments which are reacquired and held by the Company (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

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

Cash and cash equivalents

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

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above.

Income tax

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

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

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

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

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

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

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

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

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

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

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

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

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the profit or loss over the expected useful life of the related asset.

Revenue recognition

Revenue from contracts with customers

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

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

(a) Sale of products

The Group manufactures and sells 3D vision perception solutions, including sensor products and system-level devices. Revenue is recognised at the point in time when control of the products is transferred to the customer in accordance with the contract term, for domestic sales in Chinese mainland, generally upon customers' acceptance when the products are shipped to customers or their designated locations; for cross-border sales, generally upon customers' confirmation on the acceptance in bill of lading, in accordance with the mutually agreed international commerce term in the contract with customer.

(b) Provision of services and solutions

Services primarily consists of robotics OEM sales and R&D services. Solutions mainly are intelligent education solutions for primary and secondary schools. Revenue from the provision of services and solutions is recognized at the point in time when the services and solutions are rendered and accepted by the customers.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

Other income

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

Contract liabilities

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

Share-based payments

The Group operates Restricted Share Incentive Plans for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The fair value of Restricted Share granted is determined by using a Black-Scholes model. Further details are included in note 33 to the Historical Financial Information.

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

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

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

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

Where an equity-settled share-based award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding Restricted Shares is reflected as additional share dilution in the computation of earnings per share. More details are disclosed in note 12 to the Historical Financial Information.

Other employee benefits

Pension scheme

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

Housing fund and other social insurances

The Company and the Group's subsidiaries which mainly operate in Chinese mainland have participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. The Group's liability in respect of these funds is limited to the contributions payable in each of the Relevant Periods.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

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

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of each of the Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of each of the Relevant Periods and their profit or losses are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

Events after the reporting period

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Business models

The classification of financial assets at initial recognition depends on the Group's business model for managing financial assets. When determining the business model, the Group considers the methods used to evaluate and report financial asset performance to key management, the risks affecting the performance of financial assets and the risk management, and the manner in which the relevant management receives remuneration. When assessing whether the objective is to collect contractual cash flows, the Group needs to analyse and judge the reason, timing, frequency and value of the sale before the maturity date of the financial assets.

Development expenses

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

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 as well as the tax rate that is expected to apply to the period when taxable profits is settled, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

In 2023, 2024 and 2025, and for the six months ended 30 June 2026,the Group has tax losses of RMB1,056,784,000, RMB1,224,066,000, RMB1,225,529,000, and RMB1,284,719,000 carried forward. These losses related to parent company and subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The parent company and subsidiaries have neither sufficient taxable temporary difference nor sufficient tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

If the Group had been able to recognise all unrecognised deferred tax assets, the profit and equity would have increased by RMB207,511,000,RMB237,100,000,RMB233,324,000, RMB246,964,000. Further details are given in note 30 to the Historical Financial Information.

Estimation uncertainty

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

Share-based payment

The fair value of the Restricted Shares to employees is determined by Black-Scholes Model at the date they are granted. Significant estimates on assumptions, including the expected volatility, risk-free interest rate and expected life of Restricted Shares, are made by the management of the Group. Further details are included in note 33 to the Historical Financial Information.

Provision for expected credit losses on trade and other receivables

The Group makes allowances on trade and other receivables based on assumptions about risk of default and expected loss rates. The Group uses estimations in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each of the Relevant Periods.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and other receivables are disclosed in notes 21 and 22 to the Historical Financial Information.

Provision against obsolete and slow-moving inventories

The Group reviews the condition of its inventories and makes a provision against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use. Management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review at the end of each of the Relevant Periods and makes a provision against obsolete and slow-moving items. Management reassesses the estimation at the end of each of the Relevant Periods. The provision against obsolete and slow-moving inventories requires the use of estimates. Where the expectation is different from the original estimate, such difference will have an impact on the carrying value of inventories and the write-down of inventory amount in the year in which such estimates have been changed. Details of the Group's inventory provision during the Relevant Periods is disclosed in note 20 to the Historical Financial Information.

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on a market-based valuation technique and discounted cash flow method as detailed in note 39 to the Historical Financial Information. The market-based valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3 during the Relevant Periods and 30 June 2026. The discounted cash flow method is adopted with a fixed discount rate, which is a significant unobservable input, the Group classifies the fair value of these investments as Level 3 during the Relevant Periods and 30 June 2026. Further details are included in note 18 and note 39 to the Historical Financial Information.

Impairment of investments in associates

The Group determined whether there are indicators of impairment for investments in associates at the end of each of the Relevant Periods. Indicators of impairment included but not limited to serious deterioration of financial condition of the associate, adverse changes in the industry market environment and other circumstances indicated that the associate are unable to generate economic benefits for the Group. When such an indicator exists, the Group tested its investments in associates for impairment by comparing the estimated recoverable amounts with the carrying amounts. An impairment exists when the carrying value of investments in associates exceeds their respective recoverable amount.

Leases – Estimating the incremental borrowing rate

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

4. OPERATING SEGMENT INFORMATION

Management has determined the operating segment based on the information reviewed by the Company's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment.

Management monitors the results of the Company's operating segment separately for the purpose of making decisions about resource allocation and performance assessment, focuses on the operating results of the Company as a whole as the Company's resources are integrated and no discrete operating segment information is available. Accordingly, no further information about the operating segment is presented.

Geographical information

(a) Revenue from external customers

Revenues are attributed to geographical areas based on locations of the customers. Revenues by geographical segment based on locations of the customers for the Relevant Periods are presented as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Chinese mainland	321,406	504,197	854,022	401,127	370,319
Other countries or regions*	38,600	60,262	86,722	34,342	67,287
Total	360,006	564,459	940,744	435,469	437,606

* Primarily include the United States, Asia-Pacific and Europe.

(b) Non-current assets

	As at 31 December			As at 30 June
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Chinese mainland	502,382	567,536	610,644	604,676
Other countries or regions*	2,054	1,616	1,119	65,608
Total	504,436	569,152	611,763	670,284

* The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

Information about external customers from which the revenue amounted to over 10% of the total revenue of the Group is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Customer A	62,437	*	*	*	*
Customer B	*	159,663	281,970	116,908	119,618
Customer C	*	*	252,525	130,881	52,950

* The corresponding revenue of these customers are not disclosed as the revenue individually did not account for 10% or more of the Group's revenue during the respective period.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Revenue from contracts with customers					
Sensors	229,867	215,170	303,889	138,004	206,946
System-level devices and solutions	118,513	339,037	616,897	289,664	202,547
Others	10,031	9,723	17,894	7,167	27,337
Subtotal	358,411	563,930	938,680	434,835	436,830
Revenue from other sources					
Gross rental income:					
Other lease payments, including fixed payments	1,595	529	2,064	634	776
Total	360,006	564,459	940,744	435,469	437,606

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Types of goods or services					
Sensors	229,867	215,170	303,889	138,004	206,946
System-level devices and solutions	118,513	339,037	616,897	289,664	202,547
Others	10,031	9,723	17,894	7,167	27,337
Total	358,411	563,930	938,680	434,835	436,830
Timing of revenue recognition					
Goods and services transferred at a point in time	358,411	563,930	938,680	434,835	436,830
Total	358,411	563,930	938,680	434,835	436,830

The following table shows the amounts of revenue recognised in the current reporting periods that were included in the contract liabilities at the beginning of each of the reporting periods:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	6,471	16,384	11,839	11,491	7,897

(b) Performance obligations

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

Sensors and system-level devices

For domestic sales in Chinese mainland, the performance obligation is normally satisfied upon the customer's acceptance. For cross-border sales, the performance obligation is normally satisfied upon customers' acceptance.The payment is generally due within 0 to 120 days from the date of delivery.

Solutions and Others

For solutions and others, the performance obligation is typically satisfied upon customer acceptance. Solutions mainly are intelligent education solutions for primary and secondary schools, others primarily consists of robotics OEM sales and R&D services, of which payment terms and conditions are based on the billing schedule established in the contracts with customers. Generally, upfront payment is required and will be due within 5 to 10 days after contract signing, and the remaining balance will be due within 5 to 10 days after project acceptance.

The amounts of transaction prices allocated to the remaining performance obligations are generally expected to be recognised as revenue within one year. The Group has no significant unsatisfied performance obligations arising from revenue contracts that have an original expected duration of more than one year. Thus, management applied the practical expedient under IFRS 15 and is not disclosing the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially satisfied at the end of each of the Relevant Periods.

Other income and gains

An analysis of other income and gains is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Other income					
Interest income	25,365	39,924	10,378	5,220	16,053
Investment income	28,768	36,072	35,508	17,892	13,912
Government grants*	42,066	37,245	55,671	25,475	14,845
Others	20	1,892	938	67	4
Total other income	96,219	115,133	102,495	48,654	44,814
Gains					
Foreign exchange gains, net	944	208	–	–	–
Gains on disposal of property, plant and equipment	224	200	109	–	–
Gains on lease termination	1,744	–	–	–	34
Fair value gains on financial assets at FVTPL, net	–	89	2,522	470	1,037
Total gains	2,912	497	2,631	470	1,071
	99,131	115,630	105,126	49,124	45,885

* The government grants mainly represent subsidies received from the government that are relating to both income and assets.

The government grants related to income were awarded for the Group's contribution to the local economic growth and reimbursed for the Group's R&D expenditures. The grants related to income are recognised in profit or loss upon receipt and there are no unfulfilled conditions or contingencies relating to these grants.

The Group has also received certain government grants related to assets, which were recognised as deferred income upon receipt and released to profit or loss over the expected useful life of the relevant asset, when all attaching conditions and requirements are compliant with.

6. PROFIT BEFORE TAX

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

	Notes	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Cost of sales*		214,132	344,751	547,537	260,079	234,844
Research and development costs		300,810	204,335	202,534	91,181	111,393
Depreciation of property, plant and equipment**	*13*	30,561	30,399	28,791	13,495	15,132
Depreciation of right-of-use assets**	*15*	21,879	13,389	5,077	2,541	2,975
Amortisation of other intangible assets**	*14*	15,981	12,598	9,090	4,866	2,472
Gain on disposal of items of property, plant and equipment and other assets***		(224)	(204)	(109)	–	–
Loss on write-off of items of property, plant and equipment and other assets***		672	4,339	580	174	2
(Gain)/loss on early termination of a lease***		(1,744)	4	–	–	(34)
Foreign exchange losses/(gains), net***		(944)	(208)	2,570	496	2,792
Expenses relating to short-term leases	*15*	2,438	2,946	923	671	366
(Reversal of impairment)/impairment of trade and bills receivables	*21*	(679)	3,851	1,680	(543)	(519)
(Reversal of impairment)/impairment of other receivables	*22*	(1,552)	(2,586)	(404)	(75)	989
Impairment of other non-current assets	*22*	–	5,602	–	–	–
Investment (income)/expense on financial assets at fair value through profit or loss***		(19,153)	(11,277)	(8,584)	(4,230)	(1,355)
Investment income on certificates of deposits***		(9,615)	(24,795)	(26,924)	(13,662)	(12,557)
Fair value loss/(gain) on financial assets at fair value through profit or loss***		6,537	(89)	(2,522)	(470)	(1,037)
Auditor's remuneration		896	896	736	–	–
Write-down of inventories to net realisable value*		7,654	16,127	18,420	4,337	9,692
Employee benefit expenses (excluding directors' and supervisors' remuneration *(note 8)*):						
– Wages and salaries		294,410	249,309	275,293	120,455	162,310
– Pension scheme contributions		9,572	8,258	9,454	4,353	5,964
– Share-based payments expenses		66,046	32,971	14,957	10,672	7,991
Total employee benefit expenses		370,028	290,538	299,704	135,480	176,265

* Write-down of inventories to net realisable value are included in "Cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

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

*** The amounts are included in "Other income and gains" and "Other expense" in the consolidated statement of profit or loss and other comprehensive income.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Interest on interest-bearing bank borrowings	2,584	3,000	2,512	1,555	645
Interest on lease liabilities	1,807	707	39	23	63
Total	4,391	3,707	2,551	1,578	708

8. DIRECTORS' AND SUPERVISORS' REMUNERATION

Directors' and supervisors' remuneration during the Relevant Periods and six months ended 30 June 2025 and 2026, is set out as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Fees	402	400	400	200	200
Other emoluments:					
Salaries, bonuses, allowances and benefits in kind	7,125	6,475	5,156	2,564	2,131
Pension scheme contributions	230	257	196	108	90
Share-based payment expenses	1,380	1,209	598	377	92
Subtotal	8,735	7,941	5,950	3,049	2,313
Total	9,137	8,341	6,350	3,249	2,513

During the Relevant Periods and six months ended 30 June 2025 and 2026, certain directors were granted Restricted Shares awards, in respect of their services to the Group, under the Restricted Shares Incentive Plan of the Group, further details of which are included in the disclosures in note 33 to the Historical Financial Information. The fair value of such Restricted Shares awards, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods and six months ended 30 June 2025 and 2026 is included in the above remuneration disclosures.

(a) Independent non-executive directors

The independent non-executive directors' fees during the Relevant Periods and six months ended 30 June 2025 and 2026 were as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Mr. Fu Yu	100	100	100	50	50
Ms. Xu Xuemiao	100	100	100	50	50
Ms. Chen Danmin	18	100	100	50	50
Mr. Yan Lei	18	100	100	50	50
Ms. Liu Shuting *(a)*	83	–	–	–	–
Mr. Lin Binsheng *(b)*	83	–	–	–	–
Total	402	400	400	200	200

(b) Executive directors and supervisors

	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023				
Executive director:				
Mr. Huang Yuanhao *(c)*	1,052	37	–	1,089
Mr. Xiao Zhenzhong	908	37	–	945
Mr. Chen Bin	1,052	37	363	1,452
Mr. Hong Hu *(d)*	865	17	–	882
Mr. Jiang Longye	1,052	37	545	1,634
Mr. Zhou Guangda	–	–	–	–
Mr. Ji Gang	–	–	–	–
Mr. Zhang Dingjun	1,016	37	472	1,525
	5,945	202	1,380	7,527
Supervisor:				
Mr. Wang Xianguan *(e)*	500	14	–	514
Mr. Fu Guanqiang *(f)*	–	–	–	–
Ms. Yang Hui	85	3	–	88
Ms. Chen Jie	44	4	–	48
Ms. Zhan Xiaoqian	551	7	–	558
Ms. Qi Ran *(g)*	–	–	–	–
	1,180	28	–	1,208
	7,125	230	1,380	8,735

	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024				
Executive director:				
Mr. Huang Yuanhao *(c)*	1,082	40	–	1,122
Mr. Xiao Zhenzhong	938	40	–	978
Mr. Chen Bin	1,083	40	318	1,441
Mr. Jiang Longye *(h)*	672	40	477	1,189
Mr. Zhou Guangda	–	–	–	–
Mr. Ji Gang	–	–	–	–
Mr. Zhang Dingjun	1,387	40	414	1,841
	5,162	200	1,209	6,571
Supervisor:				
Ms. Yang Hui	679	20	–	699
Ms. Huang Ling *(i)*	108	8	–	116
Ms. Chen Jie	80	10	–	90
Ms. Zhan Xiaoqian *(j)*	251	10	–	261
Ms. Pan Cen	195	9	–	204
	1,313	57	–	1,370
	6,475	257	1,209	7,941

	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2025				
Executive director:				
Mr. Huang Yuanhao *(c)*	1,089	44	–	1,133
Mr. Xiao Zhenzhong	943	44	–	987
Mr. Chen Bin	1,230	44	260	1,534
Mr. Zhou Guangda	–	–	–	–
Mr. Ji Gang	–	–	–	–
Mr. Zhang Dingjun	1,554	44	338	1,936
	4,816	176	598	5,590
Supervisor:				
Ms. Yang Hui *(k)*	189	8	–	197
Ms. Chen Jie *(l)*	44	6	–	50
Ms. Pan Cen *(m)*	107	6	–	113
	340	20	–	360
	5,156	196	598	5,950

	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2025 (unaudited)				
Executive director:				
Mr. Huang Yuanhao *(c)*	592	22	–	614
Mr. Xiao Zhenzhong	506	22	–	528
Mr. Chen Bin	592	22	164	778
Mr. Zhou Guangda	–	–	–	–
Mr. Ji Gang	–	–	–	–
Mr. Zhang Dingjun	534	22	213	769
	2,224	88	377	2,689
Supervisor:				
Ms. Yang Hui	189	8	–	197
Ms. Chen Jie	44	6	–	50
Ms. Pan Cen	107	6	–	113
	340	20	–	360
	2,564	108	377	3,049

	Salaries, bonuses, allowances and benefits in kind	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2026 (unaudited)				
Executive director:				
Mr. Huang Yuanhao *(c)*	540	22	–	562
Mr. Xiao Zhenzhong	464	22	–	486
Mr. Chen Bin	540	22	40	602
Mr. Zhou Guangda	–	–	–	–
Mr. Ji Gang	–	–	–	–
Mr. Zhang Dingjun	587	24	52	663
	2,131	90	92	2,313

Notes:

(a) Ms. Liu Shuting was appointed as an independent non-executive director of the Company from August 2022 to October 2023.

(b) Mr. Lin Binsheng was appointed as an independent non-executive director of the Company from October 2020 to October 2023.

(c) Mr. Huang Yuanhao, the founder, is chief executive and executive director.

(d) Mr. Hong Hu was appointed as a director of the Company from October 2020 to October 2023.

(e) Mr. Wang Xianguan was appointed as a supervisor of the Company from October 2020 to October 2023.

(f) Mr. Fu Guanqiang was appointed as a supervisor of the Company from October 2020 to October 2023.

(g) Ms. Qi Ran was appointed as a supervisor of the Company from October 2020 to October 2023.

(h) Mr. Jiang Longye was appointed as a director of the Company from October 2020 to August 2024.

(i) Ms. Huang Ling was appointed as a supervisor of the Company from April 2024 to October 2024.

(j) Ms. Zhan Xiaoqian was appointed as a supervisor of the Company from October 2023 to April 2024.

(k) Ms. Yang Hui was appointed as a supervisor of the Company from October 2023 to May 2025.

(l) Ms. Chen Jie was appointed as a supervisor of the Company from October 2023 to May 2025.

(m) Ms. Pan Cen was appointed as a supervisor of the Company from October 2024 to May 2025.

(n) The Group announced in May 2025 that the supervisory board member was removed.

9. FIVE HIGHEST PAID EMPLOYEES

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

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Salaries, bonuses, allowances and benefits in kind	3,181	10,207	8,022	3,780	4,863
Pension scheme contributions	301	820	831	432	838
Share-based payment expenses	472	276	2,132	1,657	993
	3,954	11,303	10,985	5,869	6,694

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

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(unaudited)	*(unaudited)*
	Numbers of employees				
nil to HK$1,000,000	–	–	–	–	3
HK$1,000,001 to HK$1,500,000	1	–	1	2	1
HK$1,500,001 to HK$2,000,000	–	2	1	–	–
HK$2,000,001 to HK$2,500,000	1	–	1	–	1
HK$2,500,001 to HK$3,000,000	–	1	–	1	–
HK$3,000,001 to HK$3,500,000	–	–	–	–	–
HK$3,500,001 to HK$4,000,000	–	–	–	–	–
HK$4,000,001 to HK$4,500,000	–	1	1	–	–
	2	4	4	3	5

During the Relevant Periods and six months ended 30 June 2025 and 2026, certain non-director and non-chief executive highest paid employees were granted Restricted Shares awards, in respect of their services to the Group, under the Restricted Shares Incentive Plan of the Group, further details of which are included in the disclosures in note 33 to the Historical Financial Information. The fair value of such Restricted Shares awards, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information during the Relevant Periods and six months ended 30 June 2025 and 2026 is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

10. INCOME TAX

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

Chinese mainland

The provision for corporate income tax in Chinese mainland is based on the statutory rate of 25% of the taxable profits determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008 except for those subject to preferential tax set out below.

The Company was qualified as a "High and New Technology Enterprise" ("**HNTE**") and entitled to a preferential income tax rate of 15% for the years ended 31 December 2023, 2024 and 2025 and six months ended 30 June 2026.

Xintuo 3D Technology (Shenzhen) Co.,Ltd., Shenzhen Malio Technology Co., Ltd. and Aocheng Information Technology (Shanghai) Co., Ltd. were qualified as HNTE and entitled to a preferential income tax rate of 15% during the Relevant Periods and six months ended 30 June 2025 and 2026.

Shanghai Aoshida Intelligent Technology Co., Ltd. was qualified as HNTE and entitled to a preferential income tax rate of 15% in 2024, and was not entitled to the preferential tax rate of 15% in 2025 and six months ended 30 June 2026 as it did not meet certain criteria of HNTE.

XTOP 3D Technology (Xi'an) Co., Ltd. was qualified as HNTE and entitled to a preferential income tax rate of 15% for the years ended 31 December 2025 and six months ended 30 June 2026.

The HNTE qualification is subject to review and approval by the relevant tax authority in the PRC for every three years.

Shenzhen Malio Software Technology Co., Ltd., the Group's subsidiary established in September 2019, was classified as "small and micro businesses" and subject to a preferential income tax rate of 5% for the years ended 31 December 2023, 2024 and six months ended 30 June 2025. Shenzhen Malio Software Technology Co., Ltd. was deregistered in June 2025.

Shenzhen Qianhai Yuandian Enterprise Management Co., Ltd., the Group's subsidiary established in December 2019, was classified as "small and micro businesses" and subject to a preferential income tax rate of 5% for the years ended 31 December 2023, 2024, 2025 and six months ended 30 June 2026.

USA

Under the tax reduction and Employment Act (tcja), which came into effect in 2018, the statutory corporate income tax rate in the USA has been permanently reduced from 35% to 21% and is applicable to all type C corporations (C-Corp). This is the United States benchmark tax rate. In the United States, 44 states and the District of Columbia are subject to state corporate income tax in addition to federal tax. Orbbec 3D Technology International,Inc. has a state tax rate of 6% and a total tax rate of 27%.

Hong Kong

During the Relevant Periods and six months ended 30 June 2025 and 2026, the first HK$2,000,000 of assessable profits of the Group's Hong Kong subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Singapore

During the Relevant Periods and six months ended 30 June 2025 and 2026, the first $100,000 of assessable profits of the Group's Singapore subsidiary are taxed at 4.25%, $100,000 to $290,000 of assessable profits of the Group's Singapore subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 17%.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

The income tax charge/(credit) of the Group for the Relevant Periods and six months ended 30 June 2025 and 2026 is analysed as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Current income tax	–	17	(6)	98	18
Deferred income tax *(note 30)*	6,677	(2,538)	(8,788)	(7,914)	(1,505)
Total tax charge/(credit)	6,677	(2,521)	(8,794)	(7,816)	(1,487)

A reconciliation of the income tax charge/(credit) applicable to profit before tax at the preferential tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Profit before tax	(268,867)	(65,420)	118,827	51,857	39,299
Tax charge/(credit) at the applicable tax rate of 15%	(40,330)	(9,813)	17,824	7,779	5,895
Entities subject to different income tax rate	(258)	3,885	(3,963)	217	(3,174)
Additional deductible allowance for qualified research and development expenses*	(37,012)	(26,209)	(31,446)	(9,326)	(19,026)
Adjustments in respect of current tax of previous periods	(1,206)	609	(6)	–	–
Expenses not deductible for tax	7,472	4,891	1,235	758	583
Profits and losses attributable to associates	–	–	(1,516)	(95)	(281)
Deductible temporary differences and/or tax losses utilised from previous periods	(1,755)	(2,015)	(1,674)	(1,185)	(214)
Deductible temporary differences and tax losses not recognised	34,239	17,853	21,412	5,549	16,385
Effect arising from recognising in the current year for deductible temporary differences and/or tax losses which were not recognised in prior periods	–	(7,934)	(10,660)	(11,513)	(1,655)
Effect of derecognising deductible temporary differences and tax losses in the current year for which deferred tax assets had been recognised in prior years	45,527	16,212	–	–	–
Income tax charge/(credit) at the Group's effective tax rate	6,677	(2,521)	(8,794)	(7,816)	(1,487)

* Based on Public Notice 2021 No. 13 issued by the State Tax Bureau of the PRC on 31 March 2021, the manufacturing enterprises were eligible for an additional 100% deduction of eligible R&D expenses starting from 1 January 2021. Furthermore, based on Public Notice 2023 No. 7 issued by the State Tax Bureau of the PRC on 26 March 2023, the enterprises were eligible for an additional 100% deduction of eligible R&D expenses from 1 January 2023. The Group has claimed such additional deduction during the Relevant Periods and six months ended 30 June 2025 and 2026.

11. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods and the six months ended 30 June 2025 and 2026.

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

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue (excluding treasury shares) during the Relevant Periods and six months ended 30 June 2025 and 2026.

The calculation of the diluted earnings per share amounts for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 is based on the profit for the year/period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year/period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares:

	Year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Earnings					
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation (RMB'000)	(275,885)	(62,907)	127,910	60,190	41,641
Shares					
Weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation*	400,001,000	399,145,873	399,031,267	398,674,445	397,943,912
Effect of dilution – weighted average number of ordinary shares:					
Restricted Share awards	–	–	1,701,492	1,749,660	1,678,193
Total	400,001,000	399,145,873	400,732,759	400,424,105	399,622,105

* Treasury shares were excluded in calculating the weighted average number of ordinary shares for the purpose of basic earnings per share.

13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Electronic equipment and others	Machinery and equipment	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023							
At 1 January 2023:							
Cost	–	29,801	91,432	2,858	144,340	20,654	289,085
Accumulated depreciation	–	(17,208)	(55,502)	(2,323)	–	(10,848)	(85,881)
Net carrying amount	–	12,593	35,930	535	144,340	9,806	203,204
At 1 January 2023, net of accumulated depreciation	–	12,593	35,930	535	144,340	9,806	203,204
Additions	–	6,164	9,150	–	112,031	2,119	129,464
Depreciation provided during the year	(3,263)	(5,951)	(16,670)	(95)	–	(4,582)	(30,561)
Transfers	252,704	–	–	–	(252,704)	–	–
Disposal	–	(429)	(4,381)	–	–	–	(4,810)
Exchange realignment	–	8	6	–	–	–	14
At 31 December 2023, net of accumulated depreciation	249,441	12,385	24,035	440	3,667	7,343	297,311
At 31 December 2023:							
Cost	252,704	33,381	89,073	2,858	3,667	22,773	404,456
Accumulated depreciation	(3,263)	(20,996)	(65,038)	(2,418)	–	(15,430)	(107,145)
Net carrying amount	249,441	12,385	24,035	440	3,667	7,343	297,311

	Buildings	Electronic equipment and others	Machinery and equipment	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024							
At 1 January 2024:							
Cost	252,704	33,381	89,073	2,858	3,667	22,773	404,456
Accumulated depreciation	(3,263)	(20,996)	(65,038)	(2,418)	–	(15,430)	(107,145)
Net carrying amount	249,441	12,385	24,035	440	3,667	7,343	297,311
At 1 January 2024, net of accumulated depreciation	249,441	12,385	24,035	440	3,667	7,343	297,311
Additions (c)	(5,588)	1,298	5,151	1,305	146,183	–	148,349
Depreciation provided during the year	(10,206)	(5,929)	(11,247)	(79)	–	(2,938)	(30,399)
Transfers	74,095	3,158	297	–	(77,636)	86	–
Disposal	–	(167)	(764)	(54)	–	(4,182)	(5,167)
Exchange realignment	–	6	5	–	–	–	11
At 31 December 2024, net of accumulated depreciation	307,742	10,751	17,477	1,612	72,214	309	410,105
At 31 December 2024:							
Cost	321,211	36,699	92,084	3,072	72,214	18,677	543,957
Accumulated depreciation	(13,469)	(25,948)	(74,607)	(1,460)	–	(18,368)	(133,852)
Net carrying amount	307,742	10,751	17,477	1,612	72,214	309	410,105

	Buildings	Electronic equipment and others	Machinery and equipment	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025							
At 1 January 2025:							
Cost	321,211	36,699	92,084	3,072	72,214	18,677	543,957
Accumulated depreciation	(13,469)	(25,948)	(74,607)	(1,460)	–	(18,368)	(133,852)
Net carrying amount	307,742	10,751	17,477	1,612	72,214	309	410,105
At 1 January 2025, net of accumulated depreciation	307,742	10,751	17,477	1,612	72,214	309	410,105
Additions	33,427	6,232	8,484	106	42,423	–	90,672
Depreciation provided during the year	(14,688)	(5,074)	(8,442)	(340)	–	(247)	(28,791)
Transfers	112,121	337	1,944	–	(114,402)	–	–
Disposal	–	(106)	(108)	(13)	–	–	(227)
Exchange realignment	–	2	(15)	–	–	–	(13)
At 31 December 2025, net of accumulated depreciation	438,602	12,142	19,340	1,365	235	62	471,746
At 31 December 2025:							
Cost	466,759	41,253	100,701	2,920	235	18,677	630,545
Accumulated depreciation	(28,157)	(29,111)	(81,361)	(1,555)	–	(18,615)	(158,799)
Net carrying amount	438,602	12,142	19,340	1,365	235	62	471,746

	Buildings	Electronic equipment and others	Machinery and equipment	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 30 June 2026 (unaudited)							
At January 1, 2026:							
Cost	466,759	41,253	100,701	2,920	235	18,677	630,545
Accumulated depreciation	(28,157)	(29,111)	(81,361)	(1,555)	–	(18,615)	(158,799)
Net carrying amount	438,602	12,142	19,340	1,365	235	62	471,746
At 1 January 2026, net of accumulated depreciation	438,602	12,142	19,340	1,365	235	62	471,746
Additions	–	3,394	3,517	–	9,715	–	16,626
Depreciation provided during the period	(8,418)	(2,692)	(3,786)	(174)	–	(62)	(15,132)
Transfers	8,272	–	434	–	(8,706)	–	–
Disposal	(386)	(2)	(3)	–	–	–	(391)
Exchange realignment	–	(5)	(5)	–	–	–	(10)
At 30 June 2026, net of accumulated depreciation (unaudited)	438,070	12,837	19,497	1,191	1,244	–	472,839
At 30 June 2026 (unaudited).							
Cost	474,645	44,567	104,602	2,920	1,244	15,976	643,954
Accumulated depreciation	(36,575)	(31,730)	(85,105)	(1,729)	–	(15,976)	(171,115)
Net carrying amount	438,070	12,837	19,497	1,191	1,244	–	472,839

Notes:

(a) As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group had not obtained building ownership certificates for all buildings with a net book value of approximately RMB249,441,000, RMB73,899,000, nil and nil respectively.

(b) As at 31 December 2023, 2024 and 2025 and 30 June 2026, there were no items of the Group's property, plant and equipment that were pledged, and no impairment was provided on the Group's property, plant and equipment during the Relevant Periods and six months ended 30 June 2025 and 2026.

(c) It relates to the adjustment to the provisional estimate of the transferred building in the prior year.

The Company

	Buildings	Electronic equipment and others	Machinery and equipment	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023							
At 1 January 2023:							
Cost	–	15,624	78,044	2,704	144,340	698	241,410
Accumulated depreciation	–	(10,533)	(49,519)	(2,189)	–	(482)	(62,723)
Net carrying amount	–	5,091	28,525	515	144,340	216	178,687
At 1 January 2023, net of accumulated depreciation	–	5,091	28,525	515	144,340	216	178,687
Additions	–	1,364	5,367	–	111,819	62	118,612
Depreciation provided during the year	(3,263)	(2,366)	(13,196)	(83)	–	(216)	(19,124)
Transfers	252,704	–	–	–	(252,704)	–	–
Disposal	–	(414)	(3,868)	–	–	–	(4,282)
At 31 December 2023, net of accumulated depreciation	249,441	3,675	16,828	432	3,455	62	273,893
At 31 December 2023:							
Cost	252,704	14,429	72,966	2,704	3,455	760	347,018
Accumulated depreciation	(3,263)	(10,754)	(56,138)	(2,272)	–	(698)	(73,125)
Net carrying amount	249,441	3,675	16,828	432	3,455	62	273,893

	Buildings	Electronic equipment and others	Machinery and equipment	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024							
At 1 January 2024:							
Cost	252,704	14,429	72,966	2,704	3,455	760	347,018
Accumulated depreciation	(3,263)	(10,754)	(56,138)	(2,272)	–	(698)	(73,125)
Net carrying amount	249,441	3,675	16,828	432	3,455	62	273,893
At 1 January 2024, net of accumulated depreciation	249,441	3,675	16,828	432	3,455	62	273,893
Additions (c)	(5,588)	618	3,199	1,305	212	–	(254)
Depreciation provided during the year	(10,010)	(1,812)	(7,881)	(79)	–	(62)	(19,844)
Transfers	–	3,159	297	–	(3,456)	–	–
Disposal	–	(11)	(254)	(54)	–	–	(319)
At 31 December 2024, net of accumulated depreciation	233,843	5,629	12,189	1,604	211	–	253,476
At 31 December 2024:							
Cost	247,116	18,164	75,342	2,918	211	760	344,511
Accumulated depreciation	(13,273)	(12,535)	(63,153)	(1,314)	–	(760)	(91,035)
Net carrying amount	233,843	5,629	12,189	1,604	211	–	253,476

	Buildings	Electronic equipment and others	Machinery and equipment	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025							
At 1 January 2025:							
Cost	247,116	18,164	75,342	2,918	211	760	344,511
Accumulated depreciation	(13,273)	(12,535)	(63,153)	(1,314)	–	(760)	(91,035)
Net carrying amount	233,843	5,629	12,189	1,604	211	–	253,476
At 1 January 2025, net of accumulated depreciation	233,843	5,629	12,189	1,604	211	–	253,476
Additions	30	984	2,911	–	1,719	–	5,644
Depreciation provided during the year	(9,464)	(1,646)	(5,243)	(327)	–	–	(16,680)
Transfers	–	–	1,930	–	(1,930)	–	–
Disposal	–	(55)	(61)	(13)	–	–	(129)
At 31 December 2025, net of accumulated depreciation	224,409	4,912	11,726	1,264	–	–	242,311
At 31 December 2025:							
Cost	247,146	18,346	79,013	2,660	–	760	347,925
Accumulated depreciation	(22,737)	(13,434)	(67,287)	(1,396)	–	(760)	(105,614)
Net carrying amount	224,409	4,912	11,726	1,264	–	–	242,311

	Buildings	Electronic equipment and others	Machinery and equipment	Motor vehicles	Construction in progress	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 30 June 2026 (unaudited)							
At January 1, 2026:							
Cost	247,146	18,346	79,013	2,660	–	760	347,925
Accumulated depreciation	(22,737)	(13,434)	(67,287)	(1,396)	–	(760)	(105,614)
Net carrying amount	224,409	4,912	11,726	1,264	–	–	242,311
At 1 January 2026, net of accumulated depreciation	224,409	4,912	11,726	1,264	–	–	242,311
Additions	–	2,290	2,123	–	354	–	4,767
Depreciation provided during the period	(4,733)	(963)	(2,415)	(164)	–	–	(8,275)
Transfers	–	–	309	–	(309)	–	–
Disposal	–	–	(473)	–	–	–	(473)
At 30 June 2026, net of accumulated depreciation (unaudited)	219,676	6,239	11,270	1,100	45	–	238,330
At 30 June 2026 (unaudited).							
Cost	247,146	20,610	80,602	2,660	45	–	351,063
Accumulated depreciation	(27,470)	(14,371)	(69,332)	(1,560)	–	–	(112,733)
Net carrying amount	219,676	6,239	11,270	1,100	45	–	238,330

Notes:

(a) As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Company had not obtained building ownership certificates for buildings with a net book value of approximately RMB249,441,000, nil, nil and nil respectively.

(b) As at 31 December 2023, 2024 and 2025 and 30 June 2026, there were no items of the Company's property, plant and equipment that were pledged, and no impairment was provided on the Company's property, plant and equipment during the Relevant Periods and six months ended 30 June 2025 and 2026.

(c) It relates to the adjustment to the provisional estimate of the transferred building in the prior year.

14. OTHER INTANGIBLE ASSETS

The Group

	Software	License	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2023			
At 1 January 2023			
Cost	23,667	53,093	76,760
Accumulated amortisation	(12,904)	(35,932)	(48,836)
Net carrying amount	10,763	17,161	27,924
At 1 January 2023, net of accumulated amortisation	10,763	17,161	27,924
Additions	12,176	403	12,579
Amortisation provided during the year	(6,617)	(9,364)	(15,981)
Exchange realignment	7	–	7
At 31 December 2023, net of accumulated amortisation	16,329	8,200	24,529
At 31 December 2023			
Cost	35,901	53,496	89,397
Accumulated amortisation	(19,572)	(45,296)	(64,868)
Net carrying amount	16,329	8,200	24,529

	Software	License	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2024			
At 1 January 2024			
Cost	35,901	53,496	89,397
Accumulated amortisation	(19,572)	(45,296)	(64,868)
Net carrying amount	16,329	8,200	24,529
At 1 January 2024, net of accumulated amortisation	16,329	8,200	24,529
Additions	571	–	571
Amortisation provided during the year	(7,455)	(5,143)	(12,598)
Disposal	(25)	–	(25)
Exchange realignment	3	–	3
At 31 December 2024, net of accumulated amortisation	9,423	3,057	12,480
At 31 December 2024			
Cost	34,389	33,537	67,926
Accumulated amortisation	(24,966)	(30,480)	(55,446)
Net carrying amount	9,423	3,057	12,480

	Software	License	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2025			
At 1 January 2025			
Cost	34,389	33,537	67,926
Accumulated amortisation	(24,966)	(30,480)	(55,446)
Net carrying amount	9,423	3,057	12,480
At 1 January 2025, net of accumulated amortisation	9,423	3,057	12,480
Additions	436	3,575	4,011
Amortisation provided during the year	(5,665)	(3,425)	(9,090)
Disposal	(88)	(252)	(340)
Exchange realignment	(3)	–	(3)
At 31 December 2025, net of accumulated amortisation	4,103	2,955	7,058
At 31 December 2025			
Cost	32,385	15,174	47,559
Accumulated amortisation	(28,282)	(12,219)	(40,501)
Net carrying amount	4,103	2,955	7,058

	Software	License	Total
	RMB'000	*RMB'000*	*RMB'000*
30 June 2026 (unaudited)			
At 1 January 2026			
Cost	32,385	15,174	47,559
Accumulated amortisation	(28,282)	(12,219)	(40,501)
Net carrying amount	4,103	2,955	7,058
At 1 January 2026, net of accumulated amortisation	4,103	2,955	7,058
Additions	74	–	74
Amortisation provided during the period	(1,855)	(617)	(2,472)
Disposal	–	(13)	(13)
Exchange realignment	(6)	–	(6)
At 30 June 2026, net of accumulated amortisation (unaudited)	2,316	2,325	4,641
At 30 June 2026 (unaudited)			
Cost	32,343	15,162	47,505
Accumulated amortisation	(30,027)	(12,837)	(42,864)
Net carrying amount	2,316	2,325	4,641

The Company

	Software	License	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2023			
At 1 January 2023			
Cost	17,381	42,566	59,947
Accumulated amortisation	(8,421)	(30,390)	(38,811)
Net carrying amount	8,960	12,176	21,136
At 1 January 2023, net of accumulated amortisation	8,960	12,176	21,136
Additions	4,380	403	4,783
Amortisation provided during the year	(5,068)	(7,297)	(12,365)
At 31 December 2023, net of accumulated amortisation	8,272	5,282	13,554
At 31 December 2023			
Cost	21,761	42,969	64,730
Accumulated amortisation	(13,489)	(37,687)	(51,176)
Net carrying amount	8,272	5,282	13,554

	Software	License	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2024			
At 1 January 2024			
Cost	21,761	42,969	64,730
Accumulated amortisation	(13,489)	(37,687)	(51,176)
Net carrying amount	8,272	5,282	13,554
At 1 January 2024, net of accumulated amortisation	8,272	5,282	13,554
Additions	488	–	488
Amortisation provided during the year	(4,223)	(3,148)	(7,371)
Disposal	(25)	–	(25)
At 31 December 2024, net of accumulated amortisation	4,512	2,134	6,646
At 31 December 2024			
Cost	20,992	27,318	48,310
Accumulated amortisation	(16,480)	(25,184)	(41,664)
Net carrying amount	4,512	2,134	6,646

	Software	License	Total
	RMB'000	*RMB'000*	*RMB'000*
31 December 2025			
At 1 January 2025			
Cost	20,992	27,318	48,310
Accumulated amortisation	(16,480)	(25,184)	(41,664)
Net carrying amount	4,512	2,134	6,646
At 1 January 2025, net of accumulated amortisation	4,512	2,134	6,646
Additions	186	3,575	3,761
Amortisation provided during the year	(2,623)	(2,746)	(5,369)
Disposal	(69)	(9)	(78)
At 31 December 2025, net of accumulated amortisation	2,006	2,954	4,960
At 31 December 2025			
Cost	19,232	12,191	31,423
Accumulated amortisation	(17,226)	(9,237)	(26,463)
Net carrying amount	2,006	2,954	4,960

	Software	License	Total
	RMB'000	*RMB'000*	*RMB'000*
30 June 2026 (unaudited)			
At 1 January 2026:			
Cost	19,232	12,191	31,423
Accumulated amortisation	(17,226)	(9,237)	(26,463)
Net carrying amount	2,006	2,954	4,960
At 1 January 2026, net of accumulated amortisation	2,006	2,954	4,960
Additions	74	–	74
Amortisation provided during the period	(547)	(617)	(1,164)
Disposal	–	(12)	(12)
At 30 June 2026, net of accumulated amortisation (unaudited)	1,533	2,325	3,858
At 30 June 2026 (unaudited)			
Cost	19,306	12,177	31,483
Accumulated amortisation	(17,773)	(9,852)	(27,625)
Net carrying amount	1,533	2,325	3,858

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of land and buildings. Leases of buildings generally have lease terms between 2 and 5 years. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 30 to 50 years, and no ongoing payments will be made under the terms of these land leases.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the Relevant Periods and six months ended June 30 2026 are as follows:

	Leasehold land	Buildings	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	56,466	47,120	103,586
Additions	46,391	13,804	60,195
Depreciation charge	(2,118)	(19,761)	(21,879)
Early termination of a lease	–	(16,362)	(16,362)
Exchange realignment	–	26	26
At 31 December 2023	100,739	24,827	125,566
At 1 January 2024	100,739	24,827	125,566
Additions	2,881	2,028	4,909
Depreciation charge	(3,014)	(10,375)	(13,389)
Early termination of a lease	–	(13,449)	(13,449)
At 31 December 2024	100,606	3,031	103,637
At 1 January 2025	100,606	3,031	103,637
Depreciation charge	(3,080)	(1,997)	(5,077)
Exchange realignment	–	(19)	(19)
At 31 December 2025	97,526	1,015	98,541
At 1 January 2026	97,526	1,015	98,541
Additions	41,864	5,383	47,247
Depreciation charge	(1,696)	(1,279)	(2,975)
Exchange realignment	–	(27)	(27)
At 30 June 2026 (unaudited)	137,694	5,092	142,786

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods and six months ended 30 June 2026 are as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Carrying amount at the beginning of the year/period	49,348	27,075	2,799	829
New leases	13,804	2,028	–	5,130
Accretion of interest recognised during the year/period	1,807	707	39	63
Lease termination	(17,692)	(15,688)	–	(34)
Lease payments	(19,016)	(10,293)	(821)	(1,166)
Impact of government grand expenses	(1,223)	(1,115)	(1,168)	–
Exchange realignment	47	85	(20)	(33)
Carrying amount at the end of the year/period	27,075	2,799	829	4,789
Analysed into:				
Current portion	13,798	1,943	532	2,773
Non-current portion	13,277	856	297	2,016
Total	27,075	2,799	829	4,789

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

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

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Expenses relating to short-term leases	2,438	2,946	923	366
Interest on lease liabilities	1,807	707	39	63
Depreciation charge of right-of-use assets	21,879	13,389	5,077	2,975
(Gains)/losses on early termination of a lease	(1,744)	4	–	(34)
Impact of government grand	(1,223)	(1,115)	(1,168)	–
Sublease income*	713	165	–	–
Total amount recognised in profit or loss	23,870	16,096	4,871	3,370

* The Group subleased certain of its right-of-use assets to third parties. As the sublease term is less than one year, the sublease was classified as an operating lease. Rental income received was recognized as other business income, resulting a gain from the sublease transaction amounted to RMB713,000, RMB165,000, nil and nil for the years ended 31 December 2023, 2024, 2025 and the six months ended 30 June 2026, which is included in the consolidated financial statement of profit or loss and other comprehensive income.

(d) The total cash outflow for leases are disclosed in notes 34(c) to the Historical Financial Information.

The Company as a lessee

The Company has lease contracts for various items of land and buildings. Leases of land and buildings generally have lease terms between 2 and 30 years.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the Relevant Periods and six months ended 30 June 2026 are as follows:

	Leasehold land	Buildings	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	56,466	20,050	76,516
Depreciation charge	(2,041)	(4,800)	(6,841)
Early termination of a lease	–	(15,250)	(15,250)
At 31 December 2023	54,425	–	54,425
At 1 January 2024	54,425	–	54,425
Additions	2,881	–	2,881
Depreciation charge	(2,086)	–	(2,086)
At 31 December 2024	55,220	–	55,220
At 1 January 2025	55,220	–	55,220
Additions	–	–	–
Depreciation charge	(2,152)	–	(2,152)
At 31 December 2025	53,068	–	53,068
At 1 January 2026	53,068	–	53,068
Depreciation charge	(1,076)	–	(1,076)
At 30 June 2026 (unaudited)	51,992	–	51,992

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods and six months ended 30 June 2026 are as follows:

	As at 31 December 2023
	RMB'000
Carrying amount at the beginning of the year/period	20,550
Accretion of interest recognised during the year/period	519
Early termination of a lease	(16,559)
Lease payments	(4,510)
Carrying amount at the end of the year/period	–
Analysed into:	
Current portion	–
Non-current portion	–
Total	–

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

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Expenses relating to short-term leases	892	278	31	5
Interest on lease liabilities	519	–	–	–
Depreciation charge of right-of-use assets	6,841	2,086	2,152	1,076
Gains on early termination of leases	(1,308)	–	–	–
Total amount recognised in profit or loss	6,944	2,364	2,183	1,081

16. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Investments in subsidiaries:				
Aocheng Information Technology (Shanghai) Co., Ltd.	145,349	160,596	161,935	162,219
Oradar Technology Co., Ltd.	42,374	153,646	154,325	154,414
Shenzhen Malio Technology Co., Ltd.	117,538	121,245	123,274	123,723
Orbbec (Shunde, Guangdong) Technology Co., Ltd.	47,000	100,102	100,141	100,153
Orbbec 3D Technology International, Inc.	85,439	87,576	89,155	90,357
Shanghai Aoshida Intelligent Technology Co., Ltd.	35,741	35,722	68,847	68,847
Shenzhen Opix Optotech Co., Ltd.	40,047	39,829	39,829	39,829
Shenzhen Aorisheng Technology Co., Ltd.	1,238	31,244	31,265	31,265
Others	161,107	178,148	178,987	249,936
Subtotal	675,833	908,108	947,758	1,020,743
Less: provision for impairment	–	(126,571)	(253,603)	(253,603)
Total	675,833	781,537	694,155	767,140

The management has performed impairment testing for investments in subsidiaries which has impairment indicators as at each of the Relevant Periods. Due to the recoverable amount of investments in subsidiaries being lower than their book value, the impairment provision balance on investments in subsidiaries amounted to nil, RMB126,571,000, RMB253,603,000, and RMB253,603,000 as at 31 December 2023, 2024, 2025 and 30 June 2026, respectively.

17. INVESTMENTS IN ASSOCIATES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Share of net assets	17,115	17,893	19,579	19,607
Impact of the unrealised portion of downstream transactions	(1,461)	(1,267)	(1,090)	(1,090)
Total	15,654	16,626	18,489	18,517

The Group's trade receivable and payable balances with associates are disclosed in notes 37 to the Historical Financial Information.

At 31 December 2023, 2024 and 2025 and 30 June 2026, particulars of the Group's associates are as follows:

Name	Particulars of paid-in capital held	Place of registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Shanghai Green Leaf Media Co., Ltd.	Registered capital of RMB1 each	Chinese mainland	49.0000%	Media and educational services
Shanghai Readsense Network Technology Co., Ltd.	Registered capital of RMB1 each	Chinese mainland	21.1129%	Visual recognition software and hardware solutions
Hangzhou Shanyi Intelligent Technology Co., Ltd.	Registered capital of RMB1 each	Chinese mainland	34.0000%	Intelligent lawn mower design, core component research and development, and sales

The English name of the particulars of the Group's associates above represents the best effort made by the management of the Company to directly translate the Chinese name as it does not register any official English name.

In the opinion of the directors, no investments in associates are material to the Group and the Company.

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

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Share of the associates' loss for the year/period	261	971	843	28
Share of the associates' total comprehensive loss for the year/period	261	971	843	28
Aggregate carrying amount of the Group's investments in the associate at the end of the year/period	15,654	16,626	18,489	18,517

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Share of net assets	13,972	14,606	16,111	16,085

At 31 December 2023, 2024 and 2025 and 30 June 2026, particulars of the Company's associates are as follows:

Name	Particulars of issued shares held	Place of registration and business	Percentage of ownership interest attributable to the Group	Principal activity
Shanghai Green Leaf Media Co., Ltd.	Registered capital of RMB1 each	Chinese mainland	40.0000%	Media and educational services
Shanghai Readsense Network Technology Co., Ltd.	Registered capital of RMB1 each	Chinese mainland	21.1129%	Visual recognition software and hardware solutions
Hangzhou Shanyi Intelligent Technology Co., Ltd.	Registered capital of RMB1 each	Chinese mainland	34.0000%	Intelligent lawn mower design, core component research and development, and sales

18. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group and The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Unlisted equity investments, at fair value	169,992	94,345	99,804	101,084

The above equity investments were irrevocably designated as financial assets at fair value through other comprehensive income as the Group considers these investments to be strategic in nature. During the year ended 31 December 2023, 2024 and 2025 and six months ended 30 June 2026, the change in fair value of equity investments recognised in other comprehensive income were approximately RMB(3,512,000), RMB(76,546,000), RMB5,459,000 and RMB1,280,000, respectively.

19. GOODWILL

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Cost	3,217	3,217	3,217	3,217
Accumulated impairment	–	–	–	–
Net carrying amount	3,217	3,217	3,217	3,217

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the XTOP 3D Technology (Xi'an) Co., Ltd. cash-generating units ("**CGU**") for impairment testing.

The recoverable amount of XTOP 3D Technology (Xi'an) Co., Ltd. has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The pre-tax discount rates applied to the cash flow projections in 2023, 2024, 2025 and the six months ended 30 June 2026 were 18.30%, 16.15%, 16.03% and 15.90%, respectively. The growth rates used to extrapolate the cash flows of XTOP 3D Technology (Xi'an) Co., Ltd. beyond the five-year period in 2023, 2024, 2025 and the six months ended 30 June 2026 were 2%, respectively. In the opinion of the management, there was no impairment required as at the end of each of the reporting period.

20. INVENTORIES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Raw materials	111,763	152,298	126,485	173,262
Finished goods	40,980	52,091	39,632	60,341
Goods in transit	2,839	4,686	6,708	1,072
Work in process	3,206	10,616	11,860	21,372
Contract performance cost	252	252	949	129
Total	159,040	219,943	185,634	256,176

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Raw materials	84,676	89,960	97,448	144,369
Finished goods	23,173	41,239	30,352	45,291
Goods in transit	1,358	612	4,188	–
Work in process	2,622	9,440	9,025	19,605
Contract performance cost	252	252	943	–
Total	112,081	141,503	141,956	209,265

21. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Bills receivables*				
Third parties	21,471	45,232	641	1,538
Less: impairment of bills receivables	(70)	(29)	–	(77)
Bills receivables, net	21,401	45,203	641	1,461
Trade receivables:				
Third parties	68,723	95,794	138,016	130,653
Due from related parties *(note 37)*	48	23,858	7,945	6,278
Less: impairment of trade receivables	(6,999)	(10,580)	(9,474)	(8,871)
Trade receivables, net	61,772	109,072	136,487	128,060
Total trade and bills receivables	83,173	154,275	137,128	129,521

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Bills receivables*				
Due from subsidiaries	66,044	41,076	–	–
Third parties	4,932	31,479	641	1,538
Less: impairment of bills receivables	(730)	(411)	–	(77)
Bills receivables, net	70,246	72,144	641	1,461
Trade receivables:				
Third parties	23,720	51,325	108,529	99,739
Due from related parties	–	–	395	354
Due from subsidiaries	34,388	54,908	98,726	107,150
Less: impairment of trade receivables	(1,859)	(3,239)	(6,645)	(6,223)
Trade receivables, net	56,249	102,994	201,005	201,020
Total trade and bills receivables	126,495	175,138	201,646	202,481

* Bills receivables are with a maturity period of within six months.

The Group's trade terms with the majority of customers are on credit, except for certain new and oversea customers where payment in advance is normally required. The credit period is generally within 0 to 120 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and bills receivables are non-interest-bearing.

As at the end of each of the reporting period, the Group had certain concentrations of credit risk. As at 31 December 2023, 2024 and 2025 and 30 June 2026, 21.2%, 31.1%, 49.8% and 32.6%, respectively, of the Group's trade receivables were due from the Group's largest debtor, and 61.6%, 71.4%, 66.5% and 59.1%, respectively, of the Group's trade receivables were due from the Group's five largest debtors.

Included in the Group's trade receivables are amounts due from the Group's related parties of RMB45,000, RMB22,665,000, RMB7,548,000 and RMB5,964,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively, which are repayable on credit terms similar to those offered to the major customers of the Group (note 37).

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

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Within 1 year	60,359	107,385	135,650	126,717
1 year to 2 years	926	1,272	837	1,137
2 years to 3 years	487	415	–	206
Over 3 years	–	–	–	–
Total	61,772	109,072	136,487	128,060

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Within 1 year	43,625	75,824	165,319	163,812
1 year to 2 years	12,624	15,986	14,602	20,265
2 years to 3 years	–	11,184	13,150	8,609
Over 3 years	–	–	7,934	8,334
Total	56,249	102,994	201,005	201,020

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

The Group

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
At beginning of year/period	16,538	6,999	10,580	9,474
Impairment losses, net	(713)	3,892	1,709	(596)
Write-off of allowance for credit losses	(8,874)	(334)	(2,848)	–
Exchange realignment	48	23	33	(7)
At end of year/period	6,999	10,580	9,474	8,871

The Company

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
At beginning of year/period	10,442	1,859	3,239	6,645
Impairment losses, net	280	1,715	3,406	(422)
Write-off of allowance for credit losses	(8,863)	(335)	–	–
Exchange realignment	–	–	–	–
At end of year/period	1,859	3,239	6,645	6,223

The Group applies the simplified approach in calculating ECLs for trade receivables. Trade receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trade receivables are grouped and collectively assessed for impairment allowance. Considering the credit risk characteristics of different customers, the Group assesses the expected credit losses of trade receivables with shared risk characteristics based on their ageing portfolio, adjusted as appropriate to reflect current and forward-looking information. The aging profile is determined based on the revenue recognition date.

For bills receivables, bank acceptance bills are subject to impairment under the general approach and the impairment is considered to be minimal, while commercial acceptance bills are subject to impairment under the simplified approach and the impairment allowance has been provided accordingly.

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

The Group

At 31 December 2023

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On an individual basis	2,806	100%	2,806
On a collective basis:			
Within 1 year	63,536	5%	3,177
1 year to 2 years	1,030	10%	103
2 years to 3 years	973	50%	487
Over 3 years	426	100%	426
	68,771	10%	6,999

At 31 December 2024

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On an individual basis	3,477	100%	3,477
On a collective basis:			
Within 1 year	113,036	5%	5,651
1 year to 2 years	1,413	10%	141
2 years to 3 years	830	50%	415
Over 3 years	896	100%	896
	119,652	9%	10,580

At 31 December 2025

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On an individual basis	1,107	100%	1,107
On a collective basis:			
Within 1 year	142,790	5%	7,140
1 year to 2 years	930	10%	93
2 years to 3 years	–	50%	–
Over 3 years	1,134	100%	1,134
	145,961	6%	9,474

At 30 June 2026 (Unaudited)

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On an individual basis	1,107	100%	1,107
On a collective basis:			
Within 1 year	133,386	5%	6,669
1 year to 2 years	1,263	10%	126
2 years to 3 years	412	50%	206
Over 3 years	763	100%	763
	136,931	6%	8,871

The Company

At 31 December 2023

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On an individual basis			
Due from subsidiaries	34,388	1%	344
On a collective basis:			
Within 1 year	23,164	5%	1,159
1 year to 2 years	222	10%	22
2 years to 3 years	–	–	–
Over 3 years	334	100%	334
	58,108	3%	1,859

At 31 December 2024

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On an individual basis			
Due from subsidiaries	54,908	1%	549
On a collective basis:			
Within 1 year	50,625	5%	2,531
1 year to 2 years	478	10%	48
2 years to 3 years	222	50%	111
Over 3 years	–	–	–
	106,233	3%	3,239

At 31 December 2025

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On an individual basis			
Due from subsidiaries	98,726	1%	987
On a collective basis:			
Within 1 year	108,700	5%	5,436
1 year to 2 years	2	10%	–
2 years to 3 years	–	–	–
Over 3 years	222	100%	222
	207,650	3%	6,645

At 30 June 2026 (Unaudited)

	Gross carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
On an individual basis			
Due from subsidiaries	107,150	1%	1,072
On a collective basis:			
Within 1 year	99,937	5%	4,995
1 year to 2 years	–	–	–
2 years to 3 years	–	–	–
Over 3 years	156	100%	156
	207,243	3%	6,223

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Current				
Value-added tax recoverable	72,706	88,498	89,085	91,214
Prepaid income tax	–	–	100	3
Deferred expenses	563	825	415	310
Prepayments	16,191	10,446	20,171	33,418
Certificates of deposits	–	–	–	354,507
Materials held on behalf of customers*	–	–	–	8,492
Other receivables	8,030	5,223	3,470	7,068
Amount receivable from a customer for purchasing designated key material on behalf of a customer*	–	–	–	13,767
Impairment of other receivables	(3,802)	(1,237)	(828)	(1,810)
Other receivables, net	4,228	3,986	2,642	19,025
	93,688	103,755	112,413	506,969
Non-current				
Prepayments for other intangible assets	237	–	–	62
Prepayments for other non-current assets	22,095	6,706	3,203	22,014
Certificates of deposits	624,647	1,059,086	1,051,699	707,994
Deferred mould cost**	15,826	16,382	9,508	6,208
	662,805	1,082,174	1,064,410	736,278

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Current				
Value-added tax recoverable	66,086	72,598	66,425	78,874
Deferred expenses	264	712	165	197
Prepayments	8,032	6,819	10,880	30,051
Certificates of deposits	–	–	–	354,507
Materials held on behalf of customers*	–	–	–	8,492
Other receivables	2,543	2,891	2,364	3,220
Amount receivable from a customer for purchasing designated key material on behalf of a customer*	–	–	–	13,767
Impairment of other receivables	(571)	(651)	(506)	(1,427)
Other receivables, net	1,972	2,240	1,858	15,560
Due from related parties	–	–	30	–
Impairment of related parties	–	–	(15)	–
Due from related parties, net *(note 37)*	–	–	15	–
Due from subsidiaries	184,743	156,438	185,539	204,187
Impairment of subsidiaries	(1,847)	(1,564)	(1,855)	(2,042)
Due from subsidiaries, net	182,896	154,874	183,684	202,145
	259,250	237,243	263,027	689,826
Non-current				
Prepayments for other intangible assets	–	–	–	–
Prepayments for other non-current assets	21,943	651	1,986	2,348
Certificates of deposits	624,647	1,059,086	1,051,699	707,994
Deferred mould cost**	13,304	16,296	9,492	6,208
	659,894	1,076,033	1,063,177	716,550

* For sale of devices to a customer, the Group involved in manufacturing the devices based on required key materials, whereby the key materials were supplied by a subsidiary of the customer. The Group is obligated to make payments to purchase these designated key materials on behalf of the customer. Amount receivable from a customer for purchasing designated key material on behalf of a customer represents the materials purchased and consumed in the production process on behalf of a customer. As at 30 June 2026, the amount receivable from a customer of RMB13,767,000 represents that amount that should be charged to the customer for the raw material payment the Group settled or obligated to settle on behalf of that customer. Materials held on behalf of the customer of the Group represent the materials purchased and held on behalf of the customer of the Group represents the materials purchased and held on behalf of the customer prior to consumption in the production process. The Group does not have control over these materials and is unable to direct their use.

** As at 31 December 2023, 2024 and 2025 and 30 June 2026, included in the balance of deferred mould cost were impairment allowance of nil, RMB5,602,000, RMB5,602,000 and RMB5,602,000 respectively.

Other receivables are unsecured and non-interest-bearing.

As of 31 December 2023, 2024, 2025 and 30 June 2026, the impairment of the other receivables is estimated by applying the general approach under IFRS 9. The Group consider the historical loss rate and adjusted it to reflect the current situations and forecasts of future economic conditions, as appropriate, in calculating the expected credit loss rate. Other receivables relating to counterparties with significant doubt on collection are assessed individually for impairment allowance.

Certificates of deposits are issued by banks in Chinese mainland and they are classified and measured at amortised cost as they are held within the business model with the objective to collect contractual cashflows. The Group estimated that the expected credit loss rate for the certificates of deposits is minimal due to that they were issued by creditworthy banks with no recent history of default.

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

The Group

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
At beginning of the year/period	5,352	3,802	1,237	828
Impairment losses, net	(1,552)	(2,586)	(404)	989
Exchange realignment	2	21	(5)	(7)
At the end of the year/period	3,802	1,237	828	1,810

The Company

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
At beginning of the year/period	4,306	2,418	2,215	2,376
Impairment losses, net	(1,888)	(203)	161	1,093
At the end of the year/period	2,418	2,215	2,376	3,469

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Structured deposits	380,000	345,000	281,794	130,170
Wealth management products	8,419	–	28,351	33,799
Total	388,419	345,000	310,145	163,969

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Structured deposits	380,000	315,000	261,342	130,170
Wealth management products	–	–	3	10,015
Subtotal	380,000	315,000	261,345	140,185

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

24. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Bank acceptance bills	–	–	84,130	37,245

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Bank acceptance bills	–	–	83,611	34,581

The above bank acceptance bills are issued by reputable banks in Chinese mainland. They are classified and measured at fair value through other comprehensive income as they are held within a business model with the objective of both collecting contractual cashflows and selling. The fair value as at 31 December 2023, 2024 and 2025 and 30 June 2026 approximates to the carrying value due to the short maturity. Bank acceptance bills is subject to impairment under the general approach and the impairment is considered to be minimal.

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

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Cash and bank balances	1,197,881	606,487	629,735	1,657,270
Less:				
Restricted cash	1,320	8,232	2,763	1,942
Time deposits with original maturity over three months:	306,752	348,730	359,801	434,342
– non-current	–	–	–	123,092
– current	306,752	348,730	359,801	311,250
Cash and cash equivalents	889,809	249,525	267,171	1,220,986
Denominated in				
RMB	856,897	232,988	214,084	1,125,207
HKD	300	123	37	35
USD	31,522	15,832	52,917	95,100
EUR	–	65	71	67
JPY	–	33	2	2
SGD	1,084	479	–	15
KRW	6	5	5	5
VND	–	–	55	555
	889,809	249,525	267,171	1,220,986

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Cash and bank balances	1,007,423	415,786	433,012	1,399,877
Less:				
Restricted cash	1,317	2,229	–	–
Time deposits with original maturity over three months:	306,752	277,693	286,944	360,582
– non-current	–	–	–	123,092
– current	306,752	277,693	286,944	237,490
Cash and cash equivalents	699,354	135,864	146,068	1,039,295
Denominated in				
RMB	687,858	134,436	130,850	973,066
HKD	7	–	–	–
USD	11,483	1,326	15,085	66,109
EUR	–	65	71	67
JPY	–	32	2	1
KRW	6	5	5	5
VND	–	–	55	47
	699,354	135,864	146,068	1,039,295

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and restricted cash are deposited with creditworthy banks with no recent history of default. As at 31 December 2023, 2024 and 2025 and 30 June 2026 the Group and the Company have assessed the credit risk of cash and cash equivalents, restricted cash to be minimal as they were placed in reputable financial institutions.

The restricted cash primarily comprised performance guarantees, bank acceptance bill guarantees, and e-commerce platform deposits as at end of each reporting period.

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

26. TRADE AND BILLS PAYABLES, OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Trade and bills payables	50,035	140,689	104,466	107,745
Payables for property and equipment	48,211	11,800	45,681	42,935
Payroll payable	44,879	45,067	61,932	44,935
Other tax payables	3,093	2,733	3,691	3,367
Value-added tax payable	6,067	7,532	4,594	6,305
Payables for purchase of materials on behalf of a customer*	–	–	–	26,047
Restricted Share units exercise price paid by employees	–	–	–	19,446
Other payables	1,000	1,620	2,417	2,411
Due to the controlling shareholder *(note 37)*	–	8,010	8,010	8,010
	153,285	217,451	230,791	261,201

An ageing analysis of the trade and bills payables as at 31 December 2023, 2024 and 2025 and 30 June 2026, based on the time of purchase, is as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Within 1 year	48,846	138,769	101,942	105,299
Over 1 year	1,189	1,920	2,524	2,446
Total	50,035	140,689	104,466	107,745

The trade payables are non-interest-bearing and are normally settled within 30 to 90 days upon receipt of the time of purchase. The fair value of trade and bills payables as at 31 December 2023, 2024 and 2025 and 30 June 2026 approximated to their carrying amount due to their relatively short maturity terms.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Trade and bills payables	80,375	74,806	120,207	101,981
Payables for property and equipment	45,734	11,678	9,300	8,572
Payroll payable	24,406	24,829	35,796	22,448
Other tax payables	1,534	1,383	2,602	2,578
Value-added tax payable	572	2,164	1,806	1,912
Payables for purchase of materials on behalf of a customer*	–	–	–	26,047
Restricted Share units exercise price paid by employees	–	–	–	19,446
Other payables	587	1,271	1,677	1,452
Due to subsidiaries	5,812	8	19	58
	159,020	116,139	171,407	184,494

Other payables are non-interest-bearing, unsecured and have no fixed terms of settlement.

* As disclosed in note 22 to the Historical Financial Information, the Group is obligated to purchase designated key materials on behalf of a customer for sale of devices. The payables to a supplier for purchase of materials on behalf of a customer represent the payables that the Company obligated to pay to the supplier for purchases of the designated materials.

Included in the Group's trade and bills payables are amounts due to the Group's related parties of RMB7,758,000, RMB2,096,000, RMB87,000 and RMB123,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively, which are repayable on credit terms similar to those offered to the major suppliers of the Group (note 37).

An ageing analysis of the trade and bills payables as at 31 December 2023, 2024 and 2025 and 30 June 2026, based on the invoice date, is as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Within 1 year	61,834	73,163	109,638	100,387
Over 1 year	18,541	1,643	10,569	1,594
Total	80,375	74,806	120,207	101,981

27. CONTRACT LIABILITIES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Advances received from customers:				
From related parties *(note 37)*	85	43	–	–
From others	24,773	15,835	18,306	24,925
	24,858	15,878	18,306	24,925
Analysed into:				
Current liabilities	24,858	15,878	18,306	24,925
	24,858	15,878	18,306	24,925

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Advances received from customers:				
From related parties	–	–	–	–
From others	5,398	4,186	4,971	8,721
	5,398	4,186	4,971	8,721
Analysed for reporting purposes as:				
Current liabilities	5,398	4,186	4,971	8,721
	5,398	4,186	4,971	8,721

Contract liabilities mainly include advances received to deliver products. The changes in contract liabilities in the Relevant Periods were mainly due to the expansion of business scale.

28. INTEREST-BEARING BANK BORROWINGS

The Group

	31 December 2023			31 December 2024			31 December 2025			30 June 2026 (unaudited)		
	Effective Interest rate (%)	*Maturity*	*RMB'000*	*Effective Interest rate (%)*	*Maturity*	*RMB'000*	*Effective Interest rate (%)*	*Maturity*	*RMB'000*	*Effective Interest rate (%)*	*Maturity*	*RMB'000*
Current												
Bank loans – unsecured	2.80%	2024	80,068	2.11% -2.45%	2025	120,090	2.11%	2026	98,363	2.11%	2026	58,334
Discounted bill receivables	0-2.0%	2024	67,443	1.55%	2025	47,871	1.10% -1.4%	2026	28,898	1.46%	2026	32,355
Total			147,511			167,961			127,261			90,689

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Analysed into:				
Bank borrowings repayable:				
Within one year	147,511	167,961	127,261	90,689
Total	147,511	167,961	127,261	90,689

Notes:

(i) All interest-bearing bank borrowings are denominated in RMB.

(ii) As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group discounted certain bills receivable to a bank in exchange for cash. The Group has retained the substantial risks and rewards, which include default risks relating to such discounted bills, and accordingly, it continued to recognise the full carrying amounts of the bill receivables and the associated cash received as borrowings from the bank, the corresponding discount charges is recorded as interest expense.

The Company

	31 December 2023			31 December 2024			31 December 2025			30 June 2026 (unaudited)		
	Effective Interest rate (%)	*Maturity*	*RMB'000*	*Effective Interest rate (%)*	*Maturity*	*RMB'000*	*Effective Interest rate (%)*	*Maturity*	*RMB'000*	*Effective Interest rate (%)*	*Maturity*	*RMB'000*
Current												
Bank loans – unsecured	2.80%	2024	80,068	2.11% -2.45%	2025	120,090	2.11%	2026	98,363	2.11%	2026	58,334
Discounted bill receivables	0-2.0%	2024	67,443	1.55%	2025	41,075	–	2026	–	–	2026	–
Total			147,511			161,165			98,363			58,334

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Analysed into:				
Bank borrowings repayable:				
Within one year	147,511	161,165	98,363	58,334
Total	147,511	161,165	98,363	58,334

Notes:

(i) All interest-bearing bank borrowings are denominated in RMB.

(ii) As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Company discounted certain bills receivable to a bank in exchange for cash. The Company has retained the substantial risks and rewards, which include default risks relating to such discounted bills, and accordingly, it continued to recognise the full carrying amounts of the bill receivables and the associated cash received as borrowings from the bank, the corresponding discount charges is recorded as interest expense.

29. DEFERRED INCOME

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Government grants*	20,947	50,622	41,466	39,293
At beginning of the year/period	23,824	20,947	50,622	41,466
Grants received during the year/period	20,502	50,000	6,783	4,435
Released to the profit or loss during the year/period	(23,379)	(20,325)	(15,939)	(6,608)
At the end of the year/period	20,947	50,622	41,466	39,293

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Government grants*	4,634	42,309	38,164	36,578
At beginning of the year/period	8,406	4,634	42,309	38,164
Grants received during the year/period	5,531	47,781	5,642	4,675
Released to the profit or loss during the year/period	(9,303)	(10,106)	(9,787)	(6,261)
At the end of the year/period	4,634	42,309	38,164	36,578

* The Group's deferred government grants represented government grants received for projects and are credited to consolidated statement of profit or loss on a straight-line basis over the expected lives of the related assets or recognised as income on a systematic basis over the periods that the costs, which they are intended to compensate, are expensed.

As at 31 December 2023, 2024, 2025 and 30 June 2026, the government grants received are subject to the fulfilment of conditions relating to these grants.

30. DEFERRED TAX

The movements in deferred tax assets and liabilities are as follows:

Deferred tax assets

The Group

	Impairment of financial assets	Inventory provisions	Losses available for offsetting against future taxable profits	Share-based payment	Deferred income	Impairment of deferred mould cost	Tax deduction difference with accounting depreciation	Fair value adjustments -Financial Assets at Fair Value Through Profit or Loss	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	1,522	3,868	175,896	–	1,261	–	–	32	182,579
Deferred tax credited/(charged) to profit or loss	44	(1,569)	(6,294)	1,743	(566)	–	–	(32)	(6,674)
Gross deferred tax assets at 31 December 2023	1,566	2,299	169,602	1,743	695	–	–	–	175,905
At 1 January 2024	1,566	2,299	169,602	1,743	695	–	–	–	175,905
Deferred tax credited /(charged) to profit or loss	(766)	(21)	(5,321)	1,751	5,651	840	2	–	2,136
Gross deferred tax assets at 31 December 2024	800	2,278	164,281	3,494	6,346	840	2	–	178,041
At 1 January 2025	800	2,278	164,281	3,494	6,346	840	2	–	178,041
Deferred tax credited /(charged) to profit or loss	210	1,451	9,102	(1,050)	(621)	–	(2)	–	9,090
Deferred tax credited to capital reserve	–	–	–	5,455	–	–	–	–	5,455
Gross deferred tax assets at 31 December 2025	1,010	3,729	173,383	7,899	5,725	840	–	–	192,586
At January 1, 2026	1,010	3,729	173,383	7,899	5,725	840	–	–	192,586
Deferred tax credited /(charged) to profit or loss	(82)	504	1,022	(109)	(100)	–	–	–	1,235
Deferred tax credited to capital reserve	–	–	–	8,886	–	–	–	–	8,886
Gross deferred tax assets at 30 June 2026 (unaudited)	928	4,233	174,405	16,676	5,625	840	–	–	202,707

The Company

	Impairment of financial assets	Inventory provisions	Losses available for offsetting against future taxable profits	Share-based payment	Deferred income	Impairment of deferred mould cost	Fair value adjustments -Financial Assets at Fair Value Through Profit or Loss	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	1,566	3,868	175,896	–	1,261	–	32	182,623
Deferred tax credited /(charged) to profit or loss	152	(1,686)	(6,294)	1,743	(566)	–	(32)	(6,683)
Gross deferred tax assets at 31 December 2023	1,718	2,182	169,602	1,743	695	–	–	175,940
At 1 January 2024	1,718	2,182	169,602	1,743	695	–	–	175,940
Deferred tax credited /(charged) to profit or loss	(1,171)	(46)	(12,934)	1,157	5,651	840	–	(6,503)
Gross deferred tax assets at 31 December 2024	547	2,136	156,668	2,900	6,346	840	–	169,437
At 1 January 2025	547	2,136	156,668	2,900	6,346	840	–	169,437
Deferred tax credited /(charged) to profit or loss	450	1,330	9,309	(931)	(621)	–	–	9,537
Deferred tax credited to capital reserve	–	–	–	5,455	–	–	–	5,455
Gross deferred tax assets at 31 December 2025	997	3,466	165,977	7,424	5,725	840	–	184,429
At January 1, 2026	997	3,466	165,977	7,424	5,725	840	–	184,429
Deferred tax credited /(charged) to profit or loss	(52)	283	2,104	366	(238)	–	–	2,463
Deferred tax credited to capital reserve	–	–	–	8,886	–	–	–	8,886
Gross deferred tax assets at 30 June 2026 (unaudited)	945	3,749	168,081	16,676	5,487	840	–	195,778

Deferred tax liabilities

The Group

	Fair value adjustments – Other Equity Instrument Investments	Fair value adjustments – Financial Assets at Fair Value Through Profit or Loss	Unrealized Internal Profit	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	12,576	13	386	12,975
Deferred tax charged/(credited) to profit or loss	–	3	–	3
Gross deferred tax liabilities as at 31 December 2023	12,576	16	386	12,978
As at 1 January 2024	12,576	16	386	12,978
Deferred tax charged/(credited) to profit or loss	–	(16)	(386)	(402)
Deferred tax charged/(credited) to other reserve	(11,482)	–	–	(11,482)
Gross deferred tax liabilities as at 31 December 2024	1,094	–	–	1,094
As at 1 January 2025	1,094	–	–	1,094
Deferred tax charged/(credited) to profit or loss	–	301	1	302
Deferred tax charged/(credited) to other reserve	819	–	–	819
Gross deferred tax liabilities as at 31 December 2025	1,913	301	1	2,215
At 1 January 2026	1,913	301	1	2,215
Deferred tax charged/(credited) to profit or loss	–	(269)	(1)	(270)
Deferred tax charged/(credited) to other reserve	193	–	–	193
Gross deferred tax liabilities at 30 June 2026 (unaudited)	2,106	32	–	2,138

The Company

	Fair value adjustments – Other Equity Instrument Investments	Fair value adjustments – Financial Assets at Fair Value Through Profit or Loss	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2023	12,576	–	12,576
Deferred tax charged/(credited) to profit or loss	–	–	–
Gross deferred tax liabilities as at 31 December 2023	12,576	–	12,576
As at 1 January 2024	12,576	–	12,576
Deferred tax charged/(credited) to profit or loss	–	–	–
Deferred tax charged/(credited) to other reserve	(11,482)	–	(11,482)
Gross deferred tax liabilities as at 31 December 2024	1,094	–	1,094
As at 1 January 2025	1,094	–	1,094
Deferred tax charged/(credited) to profit or loss	–	201	201
Deferred tax charged/(credited) to other reserve	819	–	819
Gross deferred tax liabilities as at 31 December 2025	1,913	201	2,114
At 1 January 2026	1,913	201	2,114
Deferred tax charged/(credited) to profit or loss	–	(174)	(174)
Deferred tax charged/(credited) to other reserve	193	–	193
Gross deferred tax liabilities at 30 June 2026 (unaudited)	2,106	27	2,133

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position of the Group and statements of financial position of the Company. The following is an analysis of the deferred tax balances as at 31 December 2023, 2024 and 2025 and 30 June 2026 for financial reporting purposes:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Net deferred tax assets recognised in the consolidated statements of financial position	162,943	176,947	190,372	200,569
Net deferred tax liabilities recognised in the consolidated statements of financial position	(16)	–	(1)	–

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Net deferred tax assets recognised in the statements of financial position	163,364	168,343	182,315	193,645

During the relevant periods, the Group has not recognised deferred tax assets for deductible tax losses and deductible temporary differences totalling RMB1,144,702,000, RMB1,305,479,000, RMB1,318,614,000 and RMB1,380,890,000 as at 31 December 2023, 2024 and 2025 and six months ended 30 June 2026, respectively.

The Group has tax losses in Chinese mainland of RMB999,909,000, RMB1,141,545,000, RMB1,139,948,000 and RMB1,198,530,000 in aggregate as at 31 December 2023, 2024 and 2025 and six months ended 30 June 2026, respectively, that will expire in one to ten years for offsetting against future taxable profits of the Group in which the losses arose.

The Group has accumulated tax losses in the United States of RMB49,097,000, RMB73,861,000, RMB78,632,000 and RMB78,119,000 in aggregate as at 31 December 2023, 2024 and 2025 and six months ended 30 June 2026, respectively, that can be carried forward indefinitely to offset against future taxable profits.

The Group has accumulated tax losses in Hong Kong of RMB6,751,000, RMB6,854,000, RMB6,297,000 and RMB6,881,000 in aggregate as at 31 December 2023, 2024 and 2025 and six months ended 30 June 2026, respectively, that can be carried forward indefinitely to offset against future taxable profits.

The Group has accumulated tax losses in Singapore of RMB1,027,000, RMB1,806,000, RMB652,000 and nil in aggregate as at 31 December 2023, 2024 and 2025 and six months ended 30 June 2026, respectively, that can be carried forward indefinitely to offset against future taxable profits.

The Group has also accumulated tax losses in Vietnam of nil, nil, nil and RMB1,189,000 in aggregate as at 31 December 2023, 2024 and 2025 and six months ended 30 June 2026, respectively, that can be carried forward indefinitely to offset against future taxable profits.

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

31. SHARE CAPITAL AND TREASURY SHARES

The Group and the Company

A summary of movements in the Group and the Company's share capital and treasury shares are as follows:

	Number of shares in issue	Share capital	Treasury shares	Total
	(in thousand)	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023 and 31 December 2023	400,001	400,001	–	400,001
Shares repurchased*	–	–	(33,844)	(33,844)
At 31 December 2024	400,001	400,001	(33,844)	366,157
Exercise of Restricted Shares units**	1,143	1,143	–	1,143
Shares repurchased*	–	–	(48,069)	(48,069)
At 31 December 2025	401,144	401,144	(81,913)	319,231
Capital contribution by shareholders***	10,103	10,103	–	10,103
Exercise of Restricted Shares units**	–	–	3,388	3,388
Shares repurchased*	–	–	(17,278)	(17,278)
At 30 June 2026 (unaudited)	411,247	411,247	(95,803)	315,444
At 1 January 2025	400,001	400,001	(33,844)	366,157
Exercise of Restricted Shares units**	1,099	1,099	–	1,099
Shares repurchased*	–	–	(20,038)	(20,038)
At 30 June 2025 (unaudited)	401,100	401,100	(53,882)	347,218

* During the Relevant Periods and six months ended 30 June 2025 and 2026, the Company repurchased an aggregate of nil, 1,200,971 shares, 742,629 shares, 403,622 shares, and 226,977 shares at a consideration of nil, RMB33,844,000, RMB48,069,000, RMB20,038,000 and RMB17,278,000, respectively. The aforesaid 2,170,577 repurchased shares will be used for Restricted Share Incentive Plan.

** Pursuant to the Restricted Share Incentive Plan, the Company issue 1,143,240 shares to the incentive recipients during the year ended 31 December 2025, and transferred 74,310 Restricted Shares to the incentive recipients with a deduction from the treasury shares of RMB3,388,000 during the and six month ended 30 June 2026.

*** In June 2026, the Company issued 10,103,000 A ordinary shares to certain specific investors with par value of RMB1.00 each at RMB97.00 with net proceeds of approximately RMB974,434,000.

32. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for the reporting period are presented in the consolidated statements of changes in equity of the Historical Financial Information.

Capital reserve

The capital reserve of the Group includes:

(i) The share premium arising from the excess of the net proceeds from issuance of shares of the Company over its par value;

(ii) The transfer from treasury shares to capital reserve upon the exercise of Restricted Shares under the Restricted Share Incentive Plan;

(iii) The Restricted Share award compensation reserve due to equity-settled share-based payment transactions, details of which were set out in note 33 to the Historical Financial Information;

(iv) The deferred tax asset arising from the amount of the estimated future tax deduction exceeds the amount of the share-based cumulative remuneration expense;

(v) The difference between cost of acquisition of minority interest of the Group's subsidiaries and the book value of net assets acquired.

Exchange fluctuation reserve

The exchange fluctuation reserve represents foreign exchange differences arising from the translation of the financial statements of foreign operations entities which functional currency are different from the Group's presentation currency.

Fair value reserve of financial assets at fair value through other comprehensive income

The reserve from fair value reserve of financial assets at fair value through other comprehensive income represents changes in fair value of equity investments at fair value through other comprehensive income, net of tax.

The Company

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

Year ended 31 December 2023

	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	4,078,020	71,262	(867,974)	3,281,308
Total comprehensive loss for the year	–	–	(155,122)	(155,122)
Equity-settled share-based compensation expenses	67,426	–	–	67,426
Exercise of Restricted Share units	–	–	–	–
At 31 December 2023	4,145,446	71,262	(1,023,096)	3,193,612

Year ended 31 December 2024

	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	4,145,446	71,262	(1,023,096)	3,193,612
Total comprehensive loss for the year	–	(65,064)	(117,809)	(182,873)
Equity-settled share-based compensation expenses	34,181	–	–	34,181
At 31 December 2024	4,179,627	6,198	(1,140,905)	3,044,920

Year ended 31 December 2025

	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	4,179,627	6,198	(1,140,905)	3,044,920
Total comprehensive income for the year	–	4,640	24,932	29,572
Equity-settled share-based compensation expenses	21,010	–	–	21,010
Exercise of Restricted Share units	12,860	–	–	12,860
At 31 December 2025	4,213,497	10,838	(1,115,973)	3,108,362

Six months ended 30 June 2025 (Unaudited)

	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	4,179,627	6,198	(1,140,905)	3,044,920
Total comprehensive income for the period	–	–	72,128	72,128
Equity-settled share-based compensation expenses	11,049	–	–	11,049
Exercise of Restricted Share units	12,361	–	–	12,361
At 30 June 2025 (unaudited)	4,203,037	6,198	(1,068,777)	3,140,458

Six months ended 30 June 2026 (Unaudited)

	Capital reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	4,213,497	10,838	(1,115,973)	3,108,362
Total comprehensive income for the period	–	1,087	72,774	73,861
Equity-settled share-based compensation expenses	16,969	–	–	16,969
Capital contribution by shareholders	964,329	–	–	964,329
Exercise of Restricted Share units	(2,193)	–	–	(2,193)
At 30 June 2026 (unaudited)	5,192,602	11,925	(1,043,199)	4,161,328

33. SHARE-BASED PAYMENTS

Historical Share Incentive Plan

The Group historically have approved multiple equity based incentive plans before listed in A Share in 2019, Zhuhai Orbbec Zhongxin Investment Partnership Enterprise (Limited Partnership) (Orbbec Zhongxin) were established and designated as share incentive platform to hold the shares specially awarded to the eligible participants as the ultimate beneficial owners. The Group has no control over the share incentive platform. The units of the share incentive platform were granted and would be vested until 12 months to 42 months after successful listing (together, "**Historical Share Incentive Plan**"). During the Relevant Periods and the six month ended 30 June 2026, nil, 152,439 units, 39,382 units and nil (equivalent to nil, 636,723 shares, 164,495 shares and nil) were granted to eligible participants of the plan, respectively, with the forfeited units utilised.

Restricted Share Incentive Plan

During the Relevant Periods and the six month ended 30 June 2026, the Group has approved Restricted Share Incentive Plan.Eligible employees ("**Participants**") of the Group were granted Type II Restricted Shares ("**Restricted Shares**") to recognize their contributions to the growth and development of the Group, and to motivate them to further promote the development of the Group. Restricted Shares refer to the ordinary shares that Participants could subscribe upon the satisfaction of both the Group's and the individual's performance under the Restricted Share Incentive Plan. Upon the satisfaction of the Group's and the individuals' performance conditions, the Participants have the right to subscribe ordinary shares which were repurchased by the Company through its dedicated repurchase account or newly issued.

On 6 February 2023, 9 October 2023 and 22 November 2024, the Group granted 6,398,000 Restricted Shares, 205,000 Restricted Shares, and 539,300 Restricted Shares of the Company, respectively, to eligible employees at a subscribed price of RMB12.25 per share, RMB12.25 per share and RMB16.12 per share, respectively. The fair value of the Restricted Shares granted on 6 February 2023 were RMB15.83 per share, RMB15.85 per share and RMB16.03 per share. The fair value of the Restricted Shares granted on 9 October 2023 were RMB19.14 per share and RMB19.13 per share, RMB19.27 per share. The fair value of the Restricted Shares granted on 22 November 2024 were RMB16.59 per share, RMB16.65 per share and RMB16.92 per share, respectively, which was determined using the Black-Scholes Model.

The Group accounts for the Restricted Share Incentive Plan as an equity-settled share based payment.

The share-based payment expense recognised are as follows:

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Restricted Share Incentive Plan	45,701	19,591	6,833	3,399
Historical Share Incentive Plan	21,725	14,590	8,722	4,684
Total amount	67,426	34,181	15,555	8,083

The following table summarises the movement of the Group's Restricted Share Incentive Plan during the Relevant Periods and six months ended 30 June 2026:

	Weighted average exercise price per share*	Number of Restricted Shares
	RMB per share	
At 1 January 2023	–	–
Granted during the year	12.25	6,603,000
Exercised during the year	–	–
Forfeited during the year	12.25	2,329,850
At 31 December 2023	12.25	4,273,150
Granted during the year	16.12	539,300
Exercised during the year	–	–
Forfeited during the year	12.25	881,790
At 31 December 2024	12.78	3,930,660
Granted during the year	–	–
Exercised during the year	12.25	1,143,240
Forfeited during the year	12.67	657,944
At 31 December 2025	13.10	2,129,476
Granted during the period	–	–
Exercised during the period	16.12	74,310
Forfeited during the period	15.95	91,660
At 30 June 2026 (unaudited)	12.85	1,963,506

* The exercise price of the Restricted Share is subject to adjustment in the case of rights or bonus share issues, or other similar changes in the Company's share capital.

The weighted average remaining contractual life for the outstanding Restricted Shares granted as at 31 December 2023, 2024 and 2025 and 30 June 2026 was 4.10 years, 3.28 years, 2.39 years and 1.83 years, respectively.

The following table lists the significant inputs to the fair value model used during the Relevant Periods:

	6 February 2023	9 October 2023	2 November 2024
Expected volatility (%)	15.40%–16.92%	12.76%–14.78%	16.17%–18.16%
Risk-free interest rate (%)	1.50%–2.75%	1.50%–2.75%	1.50%–2.75%

34. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, the Group had non-cash additions of right-of-use assets of RMB13,804,000, RMB2,028,000, nil and RMB5,383,000 and non-cash additions of lease liabilities of RMB13,804,000, RMB2,028,000, nil and RMB5,130,000 respectively, in respect of the Group's lease arrangements for buildings and premises.

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, the Group had non-cash reductions of trade payables settled by endorsement of bills receivable of RMB283,000, RMB1,664,000, RMB74,631,000 and RMB73,267,000, respectively.

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, the Group had non-cash reductions to its bank loans from discounted bill receivables amounted to RMB1,381,000, RMB67,389,000, nil and nil, and its bills receivables amounted to RMB1,381,000, RMB67,389,000, nil and nil respectively.

(b) Changes in liabilities arising from financing activities

	Interest bearing bank borrowings	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	–	49,348	49,348
Changes from financing cash flow	146,308	(19,016)	127,292
Changes from non-cash movements	(1,381)	–	(1,381)
New lease	–	13,804	13,804
Interest accretion	2,584	1,807	4,391
Early termination of a lease	–	(17,692)	(17,692)
Impact of government grants	–	(1,223)	(1,223)
Exchange realignment	–	47	47
At 31 December 2023 and 1 January 2024	147,511	27,075	174,586
Changes from financing cash flow	84,839	(10,293)	74,546
Changes from non-cash movements	(67,389)	–	(67,389)
New lease	–	2,028	2,028
Interest accretion	3,000	707	3,707
Early termination of a lease	–	(15,688)	(15,688)
Impact of government grants	–	(1,115)	(1,115)
Exchange realignment	–	85	85
At 31 December 2024 and 1 January 2025	167,961	2,799	170,760
Changes from financing cash flow	(43,209)	(821)	(44,030)
Interest accretion	2,512	39	2,551
Impact of government grants	–	(1,168)	(1,168)
Exchange realignment	(3)	(20)	(23)
At 31 December 2025 and 1 January 2026	127,261	829	128,090
Changes from financing cash flow	(37,382)	(1,166)	(38,548)
New lease	–	5,130	5,130
Interest accretion	645	63	708
Early termination of a lease	–	(34)	(34)
Exchange realignment	165	(33)	132
At 30 June 2026 (unaudited)	90,689	4,789	95,478
At 1 January 2025	167,961	2,799	170,760
Changes from financing cash flow	(37,927)	(408)	(38,336)
Interest accretion	1,555	23	1,578
Exchange realignment	(101)	(9)	(110)
At 30 June 2025 (unaudited)	131,488	2,405	133,893

(c) Total cash outflow for leases

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

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Within operating activities	2,438	2,946	923	671	366
Within financing activities	19,016	10,293	821	408	1,166
	21,454	13,239	1,744	1,079	1,532

35. PLEDGE OF ASSETS

At the end of each of the Relevant Periods and six months ended 30 June 2026, the Group's pledge of assets is included in notes 25 and 28 to the Historical Financial Information.

36. COMMITMENTS

The Group had no capital commitments at the end of each of the Relevant Periods and six months ended 30 June 2026.

37. RELATED PARTY TRANSACTIONS

The directors are of the view that the following companies are related parties that have material transactions or balances with the Group during the Relevant Periods and six months ended 30 June 2025 and 2026.

(a) Name and relationships of the related parties

Name	Relationship
Shanghai Readsense Network Technology Co., Ltd. (上海阅面网络科技有限公司) ("**Readsense Network Technology**")	Associate of the Group
Shanghai Green Leaf Media Co., Ltd. (上海绿叶传媒有限公司) ("**Green Leaf Media**")	Associate of the Group
Hangzhou Shanyi Intelligent Technology Co., Ltd. (杭州山易智能科技有限公司) ("**Shanyi Intelligent Technology**")	Associate of the Group
Zhuhai Oradar Enterprise Management Partnership (珠海奥锐达企业管理合伙企业) ("**Auruida Enterprise Management**")	Company controlled by Mr. Huang Yuan Hao, the controlling shareholder of the Group
Ant Group	The investor that has significant influence over the Company
Huang Yuan Hao (黄源浩)	The controlling shareholder of the Group

(b) The Group had the following transactions with related parties during the Relevant Periods and the six months ended 30 June 2025 and 2026:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Sales of products and provision of services to:					
Ant Group	309	44,638	252,525	130,881	52,956
Green Leaf Media	1,471	225	–	–	–
Shanyi Intelligent Technology	–	–	39	–	–
	1,780	44,863	252,564	130,881	52,956
Purchase of products and services from:					
Ant Group	11,982	18,621	8,990	2,887	4,871
Shanyi Intelligent Technology	–	–	133	–	124
Readsense Network Technology	1	2	–	–	–
	11,983	18,623	9,123	2,887	4,995

(c) Outstanding balances with related parties:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Trade and bills receivables:				
Ant Group	45	22,665	7,548	5,964
	45	22,665	7,548	5,964
Prepayments, other receivables and other assets				
Ant Group	–	14	48	–
	–	14	48	–
Trade and bills payables				
Ant Group	7,758	2,096	–	–
Shanyi Intelligent Technology	–	–	87	123
	7,758	2,096	87	123
Contract liabilities:				
Ant Group	1	43	–	–
Green Leaf Media	84	–	–	–
	85	43	–	–
Other payables				
Huang Yuan Hao *(a)*	–	8,010	8,010	8,010
	–	8,010	8,010	8,010

As at 31 December 2023, 2024, 2025 and 30 June 2026, except for the balance due to Huang Yuanhao, the remaining balances with related parties are trade in nature.

(a) The amount of RMB8,010,000 constitutes interest-free funding provided by the non-controlling shareholder to Aoshida, repayable within three years, subject to early repayment at Aoshida's discretion.

(d) Compensation of key management personnel of the Group

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000 (unaudited)*
Salaries, bonuses, allowances and benefits in kind	9,859	8,913	6,919	3,445	3,093
Pension scheme contributions	382	417	318	168	153
Equity-settled share-based payment expenses	2,215	1,940	807	509	156
	12,456	11,270	8,044	4,122	3,402

Further details of directors' and the chief executive's remuneration are included in note 8 to the Historical Financial Information.

38. FINANCIAL INSTRUMENTS BY CATEGORY

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

Financial assets

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Financial assets at amortised cost:				
Trade and bills receivables	83,173	154,275	137,128	129,521
Financial assets included in prepayments, other receivables and other assets	628,875	1,063,072	1,054,341	1,081,526
Restricted cash	1,320	8,232	2,763	1,942
Time deposits	306,752	348,730	359,801	434,342
Cash and cash equivalents	889,809	249,525	267,171	1,220,986
Financial assets at FVOCI:				
Debt instruments	–	–	84,130	37,245
Equity investments	169,992	94,345	99,804	101,084
Financial assets at FVTPL:				
Financial assets at fair value through profit or loss	388,419	345,000	310,145	163,969
	2,468,340	2,263,179	2,315,283	3,170,615

Financial liabilities

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Financial liabilities at amortised cost:				
Trade payables	98,246	152,489	150,147	150,680
Financial liabilities included in other payables and accruals	1,000	9,630	10,427	55,914
Interest-bearing bank borrowings	147,511	167,961	127,261	90,689
	246,757	330,080	287,835	297,283

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

The Group's finance team headed by the chief finance controller or his/her designator is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance team reports directly to the head of finance. At each reporting date, the finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the head of finance.

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

The fair values of bank acceptance bills measured at fair value through other comprehensive income (Level 2) have been calculated by discounting the expected cash flows from the receivables based on market interest rates of instruments with similar terms and risks.

The fair values of unlisted equity investments designated at fair value through other comprehensive income (Level 3) have been estimated using a market-based valuation model and discounted cash flow model and recent transaction approach. The market-based valuation model requires the management to determine comparable public companies (peers) and apply the appropriate multiples and discount for lack of marketability ("**DLOM**"). The discounted cash flow model is based on the forecast operating cash flows and discount rate of weight average cost of capital ("**WACC**").

The fair values of structured deposits and wealth management products measured at fair value through profit or loss (Level 2) are determined by discounted estimating future cash flows based on expected yield rates.

Fair value hierarchy

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

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments at FVOCI	–	–	169,992	169,992
Financial assets at FVTPL	–	388,419	–	388,419
Total	–	388,419	169,992	558,411

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments at FVOCI	–	–	94,345	94,345
Financial assets at FVTPL	–	345,000	–	345,000
Total	–	345,000	94,345	439,345

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments at FVOCI	–	–	99,804	99,804
Debt investments at FVOCI	–	84,130	–	84,130
Financial assets at FVTPL	–	310,145	–	310,145
Total	–	394,275	99,804	494,079

As at 30 June 2026 (Unaudited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Equity investments at FVOCI	–	–	101,084	101,084
Debt investments at FVOCI	–	37,245	–	37,245
Financial assets at FVTPL	–	163,969	–	163,969
Total	–	201,214	101,084	302,298

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

As at 31 December 2023

	Valuation technique	**Significant unobservable input**	**Range**	**Sensitivity of fair value to the input**
Unlisted equity investments	Valuation multiple	Average Enterprise value to sales multiple ("**EV/Sales**") multiple of peers	8.23	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB321,000
		Average Price to sales multiple based ("**P/S**") multiple of peers	15.10	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB725,000
		Average Development expenses multiple based multiple of peers	11.72	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB3,829,000
		DLOM	21% to 31%	5% increase/decrease in DLOM would result in decrease/increase in fair value by RMB2,963,000
	Discounted cash flow model	WACC	14%	0.5% increase/decrease in WACC would result in (decrease)/increase in fair value by RMB(4,263,000)/ RMB4,682,000

As at 31 December 2024

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments . . .	Valuation multiple	Average EV/Sales multiple of peers	6.50	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB176,000
		Average P/S multiple of peers	10.79	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB744,000
		DLOM	18.5% to 30%	5% increase/decrease in DLOM would result in decrease/increase in fair value by RMB1,097,000
	Discounted cash flow model	WACC	14%	0.5% increase/decrease in WACC would result in (decrease)/increase in fair value by RMB(4,073,000)/ RMB4,459,000

As at 31 December 2025

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments . . .	Valuation multiple	Average EV/Sales multiple of peers	7.65	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB169,000
		DLOM	20.5% to 25%	5% increase/decrease in multiple would result in decrease/increase in fair value by RMB1,015,000
	Discounted cash flow model	WACC	14%	0.5% increase/decrease in WACC would result in (decrease)/increase in fair value by RMB(3,759,000)/ RMB4,105,000

As at 30 June 2026 (Unaudited)

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments . . .	Valuation multiple	Average EV/Sales multiple of peers	8.89	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB241,000
		Average P/S multiple of peers	5.83	5% increase/decrease in multiple would result in increase/decrease in fair value by RMB1,337,000
		DLOM	19% to 24%	5% increase/decrease in DLOM would result in decrease/increase in fair value by RMB1,292,000
	Discounted cash flow model	WACC	13%	0.5% increase/decrease in WACC would result in (decrease)/increase in fair value by RMB(3,528,000)/ RMB3,877,000

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, trade and bills receivables, equity investments at fair value through other comprehensive income, financial assets at fair value through profit or loss, interest-bearing bank borrowings, and trade payables. The main purpose of these financial instruments is to raise finance for the Group's operations, manage its liquidity and generate returns on surplus funds. The Group has various other financial assets and liabilities such as trade and bills receivables, trade and bills payables and etc., which arise directly from its operations.

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

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by the Company and the Group's subsidiaries in currencies other than their respective functional currencies.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods and six months ended 30 June 2026 to a reasonably possible change in the foreign exchange rates, with all other variables held constant, of the Group's profit before tax.

	Increase/ (decrease) in foreign exchange rate	Decrease/ (increase) in profit before tax
	%	*RMB'000*
Year ended 31 December 2023		
If RMB weakens against the USD	5	1,826
If RMB strengthens against the USD	(5)	(1,826)
Year ended 31 December 2024		
If RMB weakens against the USD	5	2,302
If RMB strengthens against the USD	(5)	(2,302)
Year ended 31 December 2025		
If RMB weakens against the USD	5	6,676
If RMB strengthens against the USD	(5)	(6,676)
Six months ended 30 June 2026 (unaudited)		
If RMB weakens against the USD	5	4,778
If RMB strengthens against the USD	(5)	(4,778)
If RMB weakens against the VND	5	278
If RMB strengthens against the VND	(5)	(278)

Credit risk

The Group trades only with recognised and creditworthy parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, time deposits with original maturity of over three months, restricted cash, trade and bills receivables, financial assets included in prepayments, other receivables and other assets, with a maximum exposure equal to the carrying amounts of these instruments.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods and six months ended 30 June 2026.

The amounts presented are gross carrying amounts for financial assets.

At 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	68,771	68,771
Bills receivables*	20,072	–	–	1,399	21,471
Financial assets included in prepayments, other receivables and other assets					
– Normal**	629,401	–	–	–	629,401
– Doubtful**	3,276	–	–	–	3,276
Restricted cash	1,320	–	–	–	1,320
Time deposits	306,752	–	–	–	306,752
Cash and cash equivalents	889,809	–	–	–	889,809
	1,850,630	–	–	70,170	1,920,800

At 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	119,652	119,652
Bills receivables*	44,662	–	–	570	45,232
Financial assets included in prepayments, other receivables and other assets					
– Normal**	1,063,411	–	–	–	1,063,411
– Doubtful**	898	–	–	–	898
Restricted cash	8,232	–	–	–	8,232
Time deposits	348,730	–	–	–	348,730
Cash and cash equivalents	249,525	–	–	–	249,525
	1,715,458	–	–	120,222	1,835,680

At 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	145,961	145,961
Bills receivables*	641	–	–	–	641
Financial assets included in prepayments, other receivables and other assets					
– Normal**	1,054,683	–	–	–	1,054,683
– Doubtful**	483	–	–	–	483
Financial assets at fair value through other comprehensive income	84,130	–	–	–	84,130
Restricted cash	2,763	–	–	–	2,763
Time deposits	359,801	–	–	–	359,801
Cash and cash equivalents	267,171	–	–	–	267,171
	1,769,672	–	–	145,961	1,915,633

At 30 June 2026 (Unaudited)

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	–	136,931	136,931
Bills receivables*	1,538	–	–	–	1,538
Financial assets included in prepayments, other receivables and other assets					
– Normal**	1,082,811	–	–	–	1,082,811
– Doubtful**	524	–	–	–	524
Restricted cash	1,942	–	–	–	1,942
Time deposits with original maturity of over three months	311,250	–	–	–	311,250
Cash and cash equivalents	1,220,986	–	–	–	1,220,986
	2,619,051	–	–	136,931	2,755,982

* For Trade receivables and commercial acceptance bills at the end of each of the Relevant Periods and six months ended 30 June 2026, the Group applies the simplified approach for impairment, Bank acceptance bills are subject to impairment under the general approach and the impairment is considered to be minimal. information based on the provision matrix is disclosed in note 21 to the Historical Financial Information.

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

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade and bills receivables) and projected cash flows from operations.

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

The maturity profile of the Group's financial liabilities as at the end of each Relevant Periods and six months ended 30 June 2026, based on the contractual undiscounted payments, is as follows:

At 31 December 2023

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	98,246	–	98,246
Financial liabilities included in other payables and accruals	1,000	–	1,000
Lease liabilities	13,706	14,792	28,498
Interest-bearing bank borrowings	148,071	–	148,071
	261,023	14,792	275,815

At 31 December 2024

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	152,489	–	152,489
Financial liabilities included in other payables and accruals	9,630	–	9,630
Lease liabilities	2,060	874	2,934
Interest-bearing bank borrowings	170,913	–	170,913
	335,092	874	335,966

At 31 December 2025

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	150,147	–	150,147
Financial liabilities included in other payables and accruals	10,427	–	10,427
Lease liabilities	551	302	853
Interest-bearing bank borrowings	128,647	–	128,647
	289,772	302	290,074

At 30 June 2026 (Unaudited)

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade and bills payables	150,680	–	150,680
Financial liabilities included in other payables and accruals	55,914	–	55,914
Lease liabilities	2,920	2,066	4,986
Interest-bearing bank borrowings	91,105	–	91,105
	300,619	2,066	302,685

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit profile and healthy capital ratios in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

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

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*
Total liabilities	373,692	454,711	418,654	420,897
Total assets	3,384,218	3,328,991	3,412,822	4,431,081
Debt-to-asset ratio	11%	14%	12%	9%

41. TRANSFERS OF FINANCIAL ASSETS

(a) Transferred financial assets that are not derecognised in their entirety

At 31 December 2023, 2024 and 2025 and 30 June 2026, the Group endorsed certain bills receivables accepted by banks in Chinese mainland (the "**Endorsed Bills**") with a carrying amount of nil, RMB100,000, RMB545,000 and RMB2,255,000 to certain of its suppliers in order to settle the trade payables due to such suppliers (the "**Endorsement**"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

(b) Transferred financial assets that are derecognised in their entirety

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group endorsed certain bills receivable accepted by banks in Chinese mainland (the "**Derecognised Bills**") to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of nil, nil, RMB13,543,000 and RMB93,018,000. The Derecognised Bills had a maturity of one to six months. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "**Continuing Involvement**"). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively.

42. EVENTS AFTER THE RELEVANT PERIODS

On 14 September 2026, the shareholders' meeting of the Company approved an equity incentive plan authorising the grant of 1,222,000 share options and 830,800 Restricted Shares to qualified employees, with exercise prices of RMB103.11 and RMB51.56 per share, respectively. In accordance with such approval, the Group effected grants of 1,022,000 share options and 730,800 Restricted Shares to eligible employees on 15 September 2026 at the specified prices.

Except above, there were no other significant events that required additional disclosure or adjustments occurring after 30 June 2026.

43. SUBSEQUENT FINANCIAL STATEMENTS

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