

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF MININGLAMP TECHNOLOGY AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of Mininglamp Technology (the "Company", formerly known as Leading Smart Holdings Limited) and its subsidiaries (together, the "Group") set out on pages I-4 to I-129, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 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 2022, 2023 and 2024 and 30 June 2025 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-129 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 23 October 2025 (the "Prospectus") in connection with the initial listing 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 2022, 2023 and 2024 and 30 June 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 comparative financial information

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

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

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page 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.

No statutory financial statements for the Company

As at the date of this report, no statutory financial statements have been prepared for the Company since its date of incorporation.

Certified Public Accountants

Hong Kong

23 October 2025

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 Hong Kong Institute of Certified Public Accountants ("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.

I HISTORICAL FINANCIAL INFORMATION (continued)
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended 31 December			Six months ended 30 June	
		2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
Revenue	5	1,269,265	1,461,973	1,381,382	565,091	643,782
Cost of sales		(593,526)	(729,331)	(668,688)	(278,978)	(283,677)
Gross profit		675,739	732,642	712,694	286,113	360,105
Research and development expenses		(750,923)	(480,755)	(353,047)	(173,579)	(150,447)
Administrative expenses		(579,931)	(316,315)	(362,263)	(139,860)	(117,633)
Selling and marketing expenses		(281,548)	(144,669)	(127,299)	(63,010)	(74,248)
Impairment losses on financial assets and contract assets, net	6	(26,547)	(16,546)	(24,342)	(10,445)	(17,425)
Other operating (expenses)/income, net		(45,723)	14,724	21,910	16,259	5,786
Operating (loss)/income		(1,008,933)	(210,919)	(132,347)	(84,522)	6,138
Finance costs	7	(34,624)	(33,251)	(11,703)	(6,954)	(4,071)
Other (losses)/income, net		(144,501)	(19,703)	(34,349)	2,187	3,002
Share of (losses)/profits of joint ventures	18	(3,666)	245	384	10	(140)
Share of losses of associates	19	(1,617)	(1,501)	(104)	(48)	-
Fair value changes of preferred shares, warrants and convertible notes	32	2,815,405	585,497	185,989	(8,204)	(208,029)
PROFIT/(LOSS) BEFORE TAX	6	1,622,064	320,368	7,870	(97,531)	(203,100)
Income tax credit/(expense)	10	15,580	(1,956)	79	(1,131)	(802)
PROFIT/(LOSS) FOR THE YEAR/PERIOD		<u>1,637,644</u>	<u>318,412</u>	<u>7,949</u>	<u>(98,662)</u>	<u>(203,902)</u>
Attributable to:						
Owners of the parent		1,659,924	314,559	4,735	(101,326)	(206,166)
Non-controlling interests		(22,280)	3,853	3,214	2,664	2,264
		<u>1,637,644</u>	<u>318,412</u>	<u>7,949</u>	<u>(98,662)</u>	<u>(203,902)</u>
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12					
Basic (RMB)		<u>67.01</u>	<u>11.98</u>	<u>0.18</u>	<u>(3.86)</u>	<u>(7.43)</u>
Diluted (RMB)		<u>(10.67)</u>	<u>(3.66)</u>	<u>(2.47)</u>	<u>(3.86)</u>	<u>(7.43)</u>

I HISTORICAL FINANCIAL INFORMATION (continued)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Notes	Year ended 31 December			Six months ended 30 June	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
PROFIT/(LOSS) FOR THE YEAR/PERIOD	<u>1,637,644</u>	<u>318,412</u>	<u>7,949</u>	<u>(98,662)</u>	<u>(203,902)</u>
OTHER COMPREHENSIVE (LOSS)/INCOME					
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income of an associate	177	69	-	-	-
Exchange differences on translation of the Group's subsidiaries	<u>(226,074)</u>	<u>(47,136)</u>	<u>(43,511)</u>	<u>(53,536)</u>	<u>14,754</u>
Net other comprehensive (loss)/ income that may be reclassified to profit or loss in subsequent periods	<u>(225,897)</u>	<u>(47,067)</u>	<u>(43,511)</u>	<u>(53,536)</u>	<u>14,754</u>
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of the Company	<u>(441,701)</u>	<u>(57,663)</u>	<u>(46,272)</u>	<u>19,100</u>	<u>12,461</u>
Equity investments designated at fair value through other comprehensive income:					
Changes in fair value	20 (2,401)	(950)	(2,301)	(1,550)	285
Income tax effect	31 <u>360</u>	<u>68</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(2,041)</u>	<u>(882)</u>	<u>(2,301)</u>	<u>(1,550)</u>	<u>285</u>
Net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods	<u>(443,742)</u>	<u>(58,545)</u>	<u>(48,573)</u>	<u>17,550</u>	<u>12,746</u>
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR/PERIOD, NET OF TAX	<u>(669,639)</u>	<u>(105,612)</u>	<u>(92,084)</u>	<u>(35,986)</u>	<u>27,500</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD	<u>968,005</u>	<u>212,800</u>	<u>(84,135)</u>	<u>(134,648)</u>	<u>(176,402)</u>
Attributable to:					
Owners of the parent	990,285	208,947	(87,349)	(137,312)	(178,666)
Non-controlling interests	<u>(22,280)</u>	<u>3,853</u>	<u>3,214</u>	<u>2,664</u>	<u>2,264</u>

I HISTORICAL FINANCIAL INFORMATION (continued)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
NON-CURRENT ASSETS					
Property and equipment	13	77,554	45,219	26,483	21,146
Right-of-use assets	14(a)	28,340	46,808	48,117	37,302
Goodwill	15	754,823	754,823	754,823	754,823
Other intangible assets	16	67,271	56,710	45,676	40,258
Investments in joint ventures	18	3,582	3,827	3,863	3,723
Investments in associates	19	8,960	2,289	1,583	1,583
Equity investments designated at fair value through other comprehensive income	20	13,956	13,006	11,147	11,432
Financial assets at fair value through profit or loss	21	140,410	141,482	127,224	124,487
Contract assets	24	4,125	4,092	2,985	1,680
Prepayments, other receivables and other assets	25	11,645	10,027	13,523	16,833
Deferred tax assets	31	1,666	2,836	85	1,558
Time deposits	26	21,134	10,239	-	-
Pledged deposits and restricted cash	26	3,085	-	-	-
Total non-current assets		<u>1,136,551</u>	<u>1,091,358</u>	<u>1,035,509</u>	<u>1,014,825</u>
CURRENT ASSETS					
Inventories	22	320,684	254,101	141,574	106,167
Trade and bills receivables	23	528,841	522,547	547,354	567,197
Contract assets	24	7,638	2,649	854	1,914
Prepayments, other receivables and other assets	25	147,865	117,098	94,457	74,792
Financial assets at fair value through profit or loss	21	23,239	3,370	-	3,500
Time deposits	26	-	3,014	13,570	23,683
Pledged deposits and restricted cash	26	193,109	162,326	147,677	157,096
Cash and cash equivalents	26	<u>180,931</u>	<u>294,915</u>	<u>400,370</u>	<u>360,552</u>
Total current assets		<u>1,402,307</u>	<u>1,360,020</u>	<u>1,345,856</u>	<u>1,294,901</u>
CURRENT LIABILITIES					
Trade and bills payables	27	248,079	237,012	193,749	196,373
Other payables and accruals	28	402,929	663,651	271,459	232,131
Contract liabilities	29	378,293	266,575	171,617	141,582
Interest-bearing bank and other borrowings	30	584,839	303,866	231,200	231,150
Lease liabilities	14(b)	11,114	28,395	22,456	18,340
Tax payable		572	572	268	1,015
Preferred shares, warrants and convertible notes	32	7,561,903	7,314,124	7,816,400	7,991,292
Other liabilities	33	<u>178,568</u>	<u>11,349</u>	<u>23,846</u>	<u>25,639</u>
Total current liabilities		<u>9,366,297</u>	<u>8,825,544</u>	<u>8,730,995</u>	<u>8,837,522</u>
NET CURRENT LIABILITIES		<u>(7,963,990)</u>	<u>(7,465,524)</u>	<u>(7,385,139)</u>	<u>(7,542,621)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(6,827,439)</u>	<u>(6,374,166)</u>	<u>(6,349,630)</u>	<u>(6,527,796)</u>

I HISTORICAL FINANCIAL INFORMATION (continued)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)

	Notes	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
NON-CURRENT LIABILITIES					
Lease liabilities	14(b)	18,454	19,717	24,975	17,745
Deferred tax liabilities	31	9,459	10,109	5,515	6,724
Other payables and accruals	28	22,059	22,463	19,844	14,100
Other liabilities	33	<u>6,478</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-current liabilities		<u>56,450</u>	<u>52,289</u>	<u>50,334</u>	<u>38,569</u>
Deficiency in assets		<u>(6,883,889)</u>	<u>(6,426,455)</u>	<u>(6,399,964)</u>	<u>(6,566,365)</u>
DEFICITS					
Share capital	34	167	167	178	178
Reserves	36	<u>(6,897,507)</u>	<u>(6,441,933)</u>	<u>(6,434,083)</u>	<u>(6,602,748)</u>
		(6,897,340)	(6,441,766)	(6,433,905)	(6,602,570)
Non-controlling interests		<u>13,451</u>	<u>15,311</u>	<u>33,941</u>	<u>36,205</u>
Total deficits		<u>(6,883,889)</u>	<u>(6,426,455)</u>	<u>(6,399,964)</u>	<u>(6,566,365)</u>

I HISTORICAL FINANCIAL INFORMATION (continued)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2022

	Notes	Attributable to owners of parent									Non-controlling interests RMB'000	Total deficits RMB'000
		Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Share-based payment reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Statutory reserves RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000		
At 1 January 2022		140	92,775	(111,437)	336,105	2,380	6,593	231,819	(8,522,572)	(7,964,197)	19,117	(7,945,080)
Profit for the year		-	-	-	-	-	-	-	1,659,924	1,659,924	(22,280)	1,637,644
Other comprehensive income/(loss) for the year:										-		-
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax		-	-	-	-	(2,041)	-	-	-	(2,041)	-	(2,041)
Share of other comprehensive income of an associate		-	-	177	-	-	-	-	-	177	-	177
Exchange differences on translation of the Company and its subsidiaries		-	-	-	-	-	(667,775)	-	-	(667,775)	-	(667,775)
Total comprehensive income/(loss) for the year		-	-	177	-	(2,041)	(667,775)	1,659,924	990,285	(22,280)		968,005
Exercise of share options	34	27	82,506	-	(77,462)	-	-	-	-	5,071	-	5,071
Share-based payment expenses	35	-	-	-	71,501	-	-	-	-	71,501	44	71,545
Acquisition of a subsidiary	37	-	-	-	-	-	-	-	-	-	15,401	15,401
Capital contribution from a non-controlling shareholder		-	-	-	-	-	-	-	-	-	980	980
Deregistration of a subsidiary		-	-	-	-	-	-	-	-	-	189	189
At 31 December 2022		167	175,281*	(111,260)*	330,144*	339*	6,593*	(435,956)*	(6,862,648)*	(6,897,340)	13,451	(6,883,889)

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I HISTORICAL FINANCIAL INFORMATION (continued)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

		Attributable to owners of parent										
	Notes	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Share-based payment reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Statutory reserves RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total deficits RMB'000
At 1 January 2023												
Profit for the year		-	-	(111,260)	330,144	339	6,593	(435,956)	(6,862,648)	(6,897,340)	13,451	(6,883,889)
Other comprehensive income/(loss) for the year:												
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax		-	-	-	-	(882)	-	-	-	(882)	-	(882)
Share of other comprehensive income of an associate		-	-	69	-	-	-	-	-	69	-	69
Exchange differences on translation of the Company and its subsidiaries		-	-	-	-	-	(104,799)	-	-	(104,799)	-	(104,799)
Total comprehensive income/(loss) for the year												
		-	-	69	-	(882)	(104,799)	-	314,559	208,947	3,853	212,800
Share-based payment expenses		-	-	-	85,753	-	-	-	-	85,753	60	85,813
Acquisition of additional equity interests in non-wholly-owned subsidiaries		-	-	(12,433)	-	-	-	-	-	(12,433)	(3,093)	(15,526)
Capital contribution from non-controlling shareholders		-	-	-	-	-	-	-	-	-	1,040	1,040
Cancellation of a forward contract		-	-	173,307	-	-	-	-	-	173,307	-	173,307
At 31 December 2023												
		167	175,281*	49,683*	415,897*	(543)*	6,593*	(540,755)*	(6,548,089)*	(6,441,766)	15,311	(6,426,455)

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I HISTORICAL FINANCIAL INFORMATION (continued)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2024

		Attributable to owners of parent										
	Notes	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Share-based payment reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Statutory reserves RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total deficits RMB'000
At 1 January 2024		167	175,281	49,683	415,897	(543)	6,593	(540,755)	(6,548,089)	(6,441,766)	15,311	(6,426,455)
Profit for the year		-	-	-	-	-	-	-	4,735	4,735	3,214	7,949
Other comprehensive income/(loss) for the year:												
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax		-	-	-	-	(2,301)	-	-	-	(2,301)	-	(2,301)
Exchange differences on translation of the Company and its subsidiaries		-	-	-	-	-	-	(89,783)	-	(89,783)	-	(89,783)
Total comprehensive income/(loss) for the year		-	-	-	-	(2,301)	-	(89,783)	4,735	(87,349)	3,214	(84,135)
Exercise of share options	34	9	69,761	-	(69,641)	-	-	-	-	129	-	129
Share-based payment expenses	35	-	-	-	106,577	-	-	-	-	106,577	-	106,577
Acquisition of additional equity interests in a non-wholly-owned subsidiary		-	-	(13,430)	-	-	-	-	-	(13,430)	13,430	-
Capital contribution from non-controlling shareholders		-	-	-	-	-	-	-	-	-	3,920	3,920
Partial disposal of interests in a subsidiary		-	-	1,934	-	-	-	-	-	1,934	(1,934)	-
Exercise of warrants	34	2	(2)	-	-	-	-	-	-	-	-	-
At 31 December 2024		178	245,040*	38,187*	452,833*	(2,844)*	6,593*	(630,538)*	(6,543,354)*	(6,433,905)	33,941	(6,399,964)

I HISTORICAL FINANCIAL INFORMATION (continued)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Six months ended 30 June 2024 (unaudited)

Note	Attributable to owners of parent										
	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Share-based payment reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Statutory reserves RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total deficits RMB'000
At 1 January 2024	167	175,281	49,683	415,897	(543)	6,593	(540,755)	(6,548,089)	(6,441,766)	15,311	(6,426,455)
Loss for the period (unaudited)	-	-	-	-	-	-	-	(101,326)	(101,326)	2,664	(98,662)
Other comprehensive income/(loss) for the period (unaudited):											
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax (unaudited)	-	-	-	-	(1,550)	-	-	-	(1,550)	-	(1,550)
Exchange differences on translation of the Company and its subsidiaries (unaudited)	-	-	-	-	-	-	(34,436)	-	(34,436)	-	(34,436)
Total comprehensive income/(loss) for the period (unaudited)	-	-	-	-	(1,550)	-	(34,436)	(101,326)	(137,312)	2,664	(134,648)
Share-based payment expenses (unaudited)	-	-	-	39,961	-	-	-	-	39,961	(15)	39,946
Capital contribution from non-controlling shareholders(unaudited)	-	-	-	-	-	-	-	-	-	3,920	3,920
Partial disposal of interests in a subsidiary(unaudited)	-	-	1,934	-	-	-	-	-	1,934	(1,934)	-
At 30 June 2024 (unaudited)	167	175,281	51,617	455,858	(2,093)	6,593	(575,191)	(6,649,415)	(6,537,183)	19,946	(6,517,237)

I HISTORICAL FINANCIAL INFORMATION (continued)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Six months ended 30 June 2025

		Attributable to owners of parent											
	Notes	Share capital RMB'000	Share premium RMB'000	Other reserves RMB'000	Share-based payment reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Statutory reserves RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total deficits RMB'000	
At 1 January 2025		178	245,040	38,187	452,833	(2,844)	6,593	(630,538)	(6,543,354)	(6,433,905)	33,941	(6,399,964)	
Loss for the period		-	-	-	-	-	-	-	(206,166)	(206,166)	2,264	(203,902)	
Other comprehensive income/(loss) for the period :													
Changes in fair value of financial assets at fair value through other comprehensive income, net of tax		-	-	-	-	285	-	-	-	285	-	285	
Exchange differences on translation of the Company and its subsidiaries		-	-	-	-	-	-	27,215	-	27,215	-	27,215	
Total comprehensive income/(loss) for the period		-	-	-	-	285	-	27,215	(206,166)	(178,666)	2,264	(176,402)	
Share-based payment expenses	35	-	-	-	10,001	-	-	-	-	10,001	-	10,001	
At 30 June 2025		178	245,040*	38,187*	462,834*	(2,559)*	6,593*	(603,323)*	(6,749,520)*	(6,602,570)	36,205	(6,566,365)	

* These reserve accounts comprise the negative balances of consolidated reserves of RMB6,897,507,000, RMB6,441,933,000, RMB6,434,083,000 and RMB6,602,748,000 in the consolidated statements of financial position as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively.

I HISTORICAL FINANCIAL INFORMATION (continued)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Six months ended 30 June	
		2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit/(loss) before tax		1,622,064	320,368	7,870	(97,531)	(203,100)
Adjustments for:						
Finance costs	7	34,624	33,251	11,703	6,954	4,071
Share of losses/(profits) of joint ventures	18	3,666	(245)	(384)	(10)	140
Share of losses of associates	19	1,617	1,501	104	48	-
Bank interest income	6	(3,232)	(7,026)	(10,649)	(6,653)	(4,379)
Loss on disposal of property and equipment	6	43,800	2,795	1,205	97	644
Gain on disposal and deemed disposal of associates and joint ventures	6	(483)	(5)	-	-	-
Gain on remeasurement of the then interest in a joint venture upon conversion into a subsidiary	6	(13,156)	-	-	-	-
Gain on termination of leases	6	(29,265)	(28)	(1,745)	-	-
Loss on deregistration of a subsidiary		189	-	-	-	-
Impairment of investments in associates and joint ventures	6	25,235	5,936	1,811	-	-
Impairment of financial assets and contract assets	6	26,547	16,546	24,342	10,445	17,425
Impairment of inventories	6	7,629	3,074	3,684	2,739	3,367
Impairment of intangible assets	6	39,240	-	-	-	-
Fair value losses/(gains) on financial assets at fair value through profit or loss	6	16,178	(2,004)	14,206	(4,152)	2,737
Fair value (gains)/losses on financial liabilities at fair value through profit or loss	6	(2,810,510)	(584,100)	(173,492)	10,099	209,822
Depreciation of property and equipment	6	80,326	43,967	26,834	17,522	5,817
Depreciation of right-of-use assets	6	87,863	30,936	29,849	15,371	11,573
Amortisation of intangible assets	6	60,497	11,509	11,412	5,780	5,411
Share-based payment expenses	35	71,545	85,813	106,577	39,946	10,001
		(735,626)	(37,712)	53,327	655	63,529
Decrease/(increase) in pledged deposits and restricted cash		771	12,939	(7,758)	(5,120)	(9,864)
(Increase)/decrease in inventories		(66,136)	63,509	108,843	(20,144)	32,040
Decrease/(increase) in trade and bills receivables		54,213	(9,513)	(51,774)	51,530	(36,093)
Decrease in contract assets		4,680	5,853	3,244	2,661	139
Decrease in prepayments, other receivables and other assets		369,508	27,903	23,353	2,433	3,110
Increase/(decrease) in trade and bills payables		41,705	(11,067)	(42,393)	(47,527)	2,624
Decrease in other payables and accruals		(231,213)	(60,397)	(17,733)	(59,061)	(36,540)
Increase/(decrease) in contract liabilities		1,166	(106,523)	(94,958)	(7,015)	(30,035)
Cash used in operations		(560,932)	(115,008)	(25,849)	(81,588)	(11,090)
Income taxes paid		(121)	(2,407)	(2,068)	(883)	(319)
Net cash flows used in operating activities		(561,053)	(117,415)	(27,917)	(82,471)	(11,409)

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I HISTORICAL FINANCIAL INFORMATION (continued)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Six months ended 30 June	
		2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of property and equipment	13	(16,888)	(15,228)	(9,929)	(2,753)	(2,835)
Proceeds from disposal of property and equipment		4,541	801	626	10	-
Purchases of intangible assets	16	(50)	(977)	(378)	(266)	-
Proceeds from disposal of other intangible assets		-	29	-	-	-
Net cash inflow/(outflow) arising from acquisition of subsidiaries		45,574	-	(1,792)	-	(6,794)
Payments for investments in joint ventures and associates		(490)	-	(861)	-	-
Proceeds from disposal of joint ventures and associates		1,058	-	-	-	-
Payments for acquisition of equity investments designated at fair value through other comprehensive income		(3,500)	-	(442)	-	-
Payments for acquisition of financial assets at fair value through profit or loss		(34,112)	(32,400)	-	-	(3,500)
Proceeds from disposals and maturity of financial assets at fair value through profit or loss		59,482	52,508	3,422	3,422	-
Other loans advanced		(260)	(8,277)	(16,039)	-	(11,000)
Repayment of other loans advanced		2,500	-	11,178	8,537	23,128
Repayment of loans from associate		-	1,000	-	-	-
Interest received		12,002	6,586	10,497	5,598	4,931
Withdrawal upon maturity of term deposits with initial terms of over three months		20,000	21,134	-	--	10,000
Placement of term deposits with initial terms of over three months		(21,134)	(13,253)	(47)	(22)	(20,622)
Placement of pledged deposits and restricted cash		(447,967)	(659,872)	(659,860)	(131,693)	(262,981)
Withdrawal of pledged deposits and restricted cash		546,952	684,034	684,264	154,373	262,837
Net cash flows from/(used in) investing activities		167,708	36,085	20,639	37,206	(6,836)

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I HISTORICAL FINANCIAL INFORMATION (continued)

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December			Six months ended 30 June	
	Notes	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES						
Advances from the investors		-	314,165	-	-	-
Acquisition of additional equity interests in non wholly-owned subsidiaries		-	(7,000)	-	-	-
Capital contribution by non-controlling equity holders of subsidiaries		980	1,040	3,920	3,920	-
Principal portion of lease payments	38	(80,795)	(26,386)	(28,455)	(15,988)	(12,049)
Interest of lease payments	38	(12,007)	(3,098)	(1,914)	(994)	(779)
Repayment of bank and other loans		(565,489)	(1,495,139)	(1,259,915)	(612,669)	(398,250)
Interest paid		(18,863)	(26,727)	(16,512)	(6,608)	(3,319)
New bank and other loans		695,227	1,324,273	1,181,929	544,651	398,200
Advances from non-controlling shareholders of subsidiaries		180	-	-	-	-
Repayment of advances from non-controlling shareholders of subsidiaries		-	(1,079)	(2,584)	(1,080)	-
Advance payment for exercise of share options		7,883	181	165	-	-
Proceeds from preferred shares, warrants and convertible notes	38	-	70,827	221,360	221,360	-
Repurchase of shares		(1,899)	(4,953)	(10,749)	(10,332)	-
Net cash flows from/(used in) financing activities		<u>25,217</u>	<u>146,104</u>	<u>87,245</u>	<u>122,260</u>	<u>(16,197)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS						
Cash and cash equivalents at beginning of year/period		443,736	180,931	294,915	294,915	400,370
Effect of foreign exchange rate changes, net		<u>105,323</u>	<u>49,210</u>	<u>25,488</u>	<u>12,341</u>	<u>(5,376)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		<u><u>180,931</u></u>	<u><u>294,915</u></u>	<u><u>400,370</u></u>	<u><u>384,251</u></u>	<u><u>360,552</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances		398,259	470,494	561,617	544,233	541,331
Time deposits with original maturity of over three months when acquired		(21,134)	(13,253)	(13,570)	(13,411)	(23,683)
Pledged deposits and restricted cash		<u>(196,194)</u>	<u>(162,326)</u>	<u>(147,677)</u>	<u>(146,571)</u>	<u>(157,096)</u>
Cash and cash equivalents as stated in the consolidated statements of cash flows and consolidated statements of financial position	26	180,931	294,915	400,370	384,251	360,552

I HISTORICAL FINANCIAL INFORMATION (continued)
STATEMENTS OF FINANCIAL POSITION

	Notes	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
NON-CURRENT ASSETS					
Property and equipment	13	149	152	154	153
Investments in subsidiaries	17	<u>4,975,512</u>	<u>5,165,859</u>	<u>5,569,840</u>	<u>5,701,813</u>
Total non-current assets		<u>4,975,661</u>	<u>5,166,011</u>	<u>5,569,994</u>	<u>5,701,966</u>
CURRENT ASSETS					
Due from subsidiaries		1,361,331	1,359,678	1,547,126	1,374,125
Prepayments, other receivables and other assets		-	-	2,123	1,784
Pledged deposits and restricted cash		-	-	61	60
Cash and cash equivalents	26	<u>5,981</u>	<u>8,121</u>	<u>2,208</u>	<u>27,610</u>
Total current assets		<u>1,367,312</u>	<u>1,367,799</u>	<u>1,551,518</u>	<u>1,403,579</u>
CURRENT LIABILITIES					
Other payables and accruals	28	86,242	91,231	71,486	71,727
Due to subsidiaries		14,582	44,592	36,240	36,402
Interest-bearing bank and other borrowings	30	181,302	14,831	-	-
Preferred shares, warrants and convertible notes	32	<u>7,561,903</u>	<u>7,314,124</u>	<u>7,816,400</u>	<u>7,991,292</u>
Total current liabilities		<u>7,844,029</u>	<u>7,464,778</u>	<u>7,924,126</u>	<u>8,099,421</u>
NET CURRENT LIABILITIES		<u>(6,476,717)</u>	<u>(6,096,979)</u>	<u>(6,372,608)</u>	<u>(6,695,842)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,501,056)</u>	<u>(930,968)</u>	<u>(802,614)</u>	<u>(993,876)</u>
Deficiency in assets		<u>(1,501,056)</u>	<u>(930,968)</u>	<u>(802,614)</u>	<u>(993,876)</u>
DEFICITS					
Share capital	34	167	167	178	178
Reserves	36	<u>(1,501,223)</u>	<u>(931,135)</u>	<u>(802,792)</u>	<u>(994,054)</u>
Total deficits		<u>(1,501,056)</u>	<u>(930,968)</u>	<u>(802,614)</u>	<u>(993,876)</u>

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Mininglamp Technology (the “Company”) is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is located at PO BOX 309, Ugland House, Grand Cayman, KY-1104, Cayman Islands.

The Company is an investment holding company. During the Relevant Periods, the Company’s subsidiaries registered in the People’s Republic of China (the “PRC”) were principally engaged in the provision of marketing intelligence service, operational intelligence service and industry solution services.

As at 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 its principal subsidiaries are set out below:

Name	Place and date of incorporation /registration and place of operations	Registered capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Mininglamp Technology Group Limited (“Minglue HK”) (明略科技集團有限公司(note (b)))	Hong Kong (“HK”)/ 9 April 2018	HKD10,000	100	-	Investment holding
Miaozhen Information Technology Co., Ltd [#] (“Miao Zhen”) (秒針信息技術有限公司(note (b)))	PRC/ Mainland China 13 June 2010	RMB142,392,000	-	100	Marketing intelligence services
Nequal (Beijing) Data Technology Co., Ltd ^{#*} (恩億科(北京)數據科技有限公司 (note (b)))	PRC/ Mainland China 14 January 2016	RMB50,000,000	-	100	Marketing intelligence services
Beijing Mininglamp Software Systems Co., Ltd ^{#*} (“Beijing Minglue”) (北京明略軟件系統有限公司(note (b)))	PRC/ Mainland China 3 April 2014	RMB14,916,808	-	99.92	Industry solution services
Beijing Mininglamp Zongheng Technology Co., Ltd ^{#*} (北京明略縱橫科技有限公司(note (b)))	PRC/ Mainland China 22 May 2020	RMB20,000,000	-	99.92	Industry solution services
Beijing Miaozhen Artificial Intelligence Technology Co., Ltd ^{#*} (北京秒針人工智能科技有限公司 (note (b)))	PRC/ Mainland China 22 June 2020	RMB10,000,000	-	100	Marketing intelligence service
Beijing Mininglamp Zhaohui Technology Co., Ltd ^{#*} (“Minglue Zhaohui”) (北京明略昭輝科技有限公司(note (b)))	PRC/ Mainland China 3 November 2005	RMB100,010,000	-	100	Marketing intelligence services
Shanghai Jingshu Information Technology Co., Ltd ^{#*} (上海精數信息科技有限公司(note (b)))	PRC/ Mainland China 26 February 2016	RMB1,000,000	-	100	Marketing intelligence services
Zhuhai Hengqin Mingtao Management Consultancy Co., Ltd. ^{**} (珠海橫琴明韜管理諮詢有限公司(note (b)))	PRC/ Mainland China 7 September 2018	RMB30,000,000	-	99.92	Investment holding
Shanghai Miaozhen Network Technology Co., Ltd ^{#*} (上海秒針網絡科技有限公司(note (b)))	PRC/ Mainland China 7 March 2014	RMB50,000,000	-	100	Marketing intelligence services

1. CORPORATE INFORMATION (continued)

Name	Place and date of incorporation /registration and place of operations	Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shanghai Mingqi Network Technology Co., Ltd** ("Shanghai Mingqi") (上海明奇網絡科技有限公司(note (b)))	PRC/ Mainland China 9 December 2019	RMB10,000,000	-	66.50	Operational intelligence services
Shanghai Mingsheng Pinzhi Artificial Intelligence Technology Co., Ltd**("Mingsheng Pinzhi") (上海明勝品智人工智能科技有限公司 (note (a)))	PRC/ Mainland China 24 July 2020	RMB77,777,778	-	54	Operational intelligence services
Shanghai Liannuo Information Technology Co., Ltd** ("Shanghai Liannuo") (上海聯諾信息技術有限公司(note (c)))	PRC/ Mainland China 22 November 2010	RMB20,000,000	-	60	Operational intelligence services
Wuhan Yeying Technology Co., Ltd**@ ("Wuhan Yeying") (武漢夜鶯科技有限公司(note (b)))	PRC/ Mainland China 20 January 2015	RMB1,384,082	-	88.60	Marketing intelligence services
Xian Data Rujin Information Technology Co., Ltd** (西安數據如金信息科技有限公司 (note (b)))	PRC/ Mainland China 27 January 2019	RMB1,000,000	-	70	Marketing intelligence services
Mininglamp Technology (Ziyang) Group Co., Ltd. #^ (明略科技(資陽)集團有限公司(note (b)))	PRC/ Mainland China 17 February 2023	USD90,000,000	-	100	Investment holding
Miaozhen Information Technology (Ziyang) Co., Ltd# (秒針信息技術(資陽)有限公司 (note (b)))	PRC/ Mainland China 7 March 2023	RMB 20,000,000	-	100	Marketing intelligence services

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the Relevant Periods or formed a substantial portion of the net assets of the Group at the end of each of the Relevant Periods. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

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.

^ These entities are registered as a wholly-foreign-owned enterprise under the PRC law.

1. CORPORATE INFORMATION (continued)

- * Before the termination of a series of contractual arrangements (collectively, the “Contractual Arrangements”, including power of attorney, loan agreements, equity option agreements, equity interest pledge agreements and exclusive technical consulting and service agreements), the Company did not have legal ownership in the equity of these entities. However, under the Contractual Arrangements entered into with the registered owners of these entities, the Company and its certain subsidiaries with legal ownership obtained control of these entities by way of controlling the voting rights, governing their financial and operating policies, appointing or removing the majority of members of their controlling authorities, and casting the majority of votes at meetings of such authorities. In addition, the Contractual Arrangements also transferred the risks and rewards of these entities to the Company and/or its other legally owned subsidiaries. As a result, these entities are treated as subsidiaries of the Company and their financial statements have been consolidated by the Company. During the year of 2024, the Group terminated all the Contractual Arrangements and underwent certain equity transfer transactions, and these entities continued to be accounted for as subsidiaries of the Group.
- @ On 5 December 2024, the Company acquired 33.90% from non-controlling interests of a non-wholly-owned subsidiary through equity transaction.

Notes:

- (a) This entity became a subsidiary of the Group in 2022. The statutory financial statements of this entity for the years ended 31 December 2022, 2023 and 2024 prepared under PRC Generally Accepted Accounting Principles (“PRC GAAP”) were audited by BDO China Shu Lun Pan Certified Public Accountants LLP, certified public accountants registered in the PRC.
- (b) No audited financial statements have been prepared for these entities for the years ended 31 December 2022, 2023 and 2024, as these entities are not required by the local government to prepare statutory accounts.
- (c) The statutory financial statements of this entity for the years ended 31 December 2022, 2023 and 2024 prepared under PRC GAAP were audited by Xiamen YongZhuo Certified Public Accountants (general partnership), Zhuo Leo (Shanghai) Certified Public Accountants (general partnership) and Lianda Certified Public Accountants (special general partnership), respectively, certified public accountants registered in the PRC.

2.1 BASIS OF PREPARATION

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

The Historical Financial Information has been prepared under the historical cost convention, except for financial instruments at fair value through profit or loss (“FVPL”), equity investments designated at fair value through other comprehensive income (“FVOCI”), other liabilities and preferred shares, warrants and convertible notes, which have been measured at fair value.

2.1 BASIS OF PREPARATION (continued)

The Historical Financial Information has been prepared under the going concern basis notwithstanding the fact that, as at 30 June 2025, the Group and the Company recorded net current liabilities amounting to RMB7,542,621,000 and RMB6,695,842,000 and deficiency in assets of RMB6,566,365,000 and RMB993,876,000, respectively. The deficiency in net assets primarily arose from the convertible redeemable preferred shares amounting to RMB7,991,292,000 as at 30 June 2025. As disclosed in note 32 to the Historical Financial Information, on 10 September 2025, the Group and the holders of the preferred shares have entered into an amended investors' rights agreement to conditionally suspend the redemption rights of the preferred shares. Accordingly, the directors of the Company have considered that the redemption rights of the preferred shares cease to be exercisable and as a result the preferred shares are not expected to be redeemed within 12 months since the date of approval of the Historical Financial Information. In addition, the directors of the Company have reviewed the Group's cash flow projection prepared by management, which covered a period of not less than twelve months from 30 June 2025. In the view of the above, the directors of the Company considered that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming twelve months from 30 June 2025. Accordingly, the directors of the Company considered it is appropriate to prepare the Historical Financial Information on a going concern basis.

Basis of consolidation

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

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

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

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

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 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 HKFRS ACCOUNTING STANDARDS

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

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

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and amended HKFRS Accounting Standards upon initial application. HKFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information. The new requirements are expected to impact the Group's presentation in the statement of profit or loss and disclosures of the Group's financial performance. So far, the Group considers that new and amended HKFRS Accounting Standards are unlikely to have a significant impact on the Group's results of operations and financial position. The application of HKFRS 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 statement of profit or loss and other comprehensive income and statement of cash flows and additional disclosure will be included in the financial statements. Except for HKFRS 18, the other new or amended HKFRS Accounting Standards are not expected to have any significant impact on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in preparation of the Historical Financial Information and Interim Comparative Financial Information are set out below. These policies have been consistently applied to all the years/periods presented.

Investments in associates and joint ventures

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.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures 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.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, 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 or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Investments in associates and joint ventures (continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

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 ("CGUs"), 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.

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement

The Group measures its financial assets at FVPL, equity investments designated at FVOCI, other liabilities and preferred shares, warrants and convertible notes at fair value at the end of each reporting period. 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 Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

Impairment of non-financial assets

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

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

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

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of non-financial assets (continued)

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

Related parties

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

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

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

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

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Property and equipment and depreciation

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property 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 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 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 a straight-line basis to write off the cost of each item of property and equipment to its residual value over its estimated useful life. The principal estimated useful lives used for this purpose are as follows:

Leasehold improvements	Over the shorter of the lease terms and 5 years
Electronic equipment	3 to 5 years
Furniture, fixtures and office equipment	3 to 5 years
Motor vehicles	3 to 5 years

Where parts of an item of property 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 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 the statement of 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.

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 amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

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

Trademark	7 to 10 years
Patents and licences	5 to 10 years
Purchased software	2 to 10 years
Customer relationship	4 to 6 years
Non-competition arrangement	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 recognised 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.

2.3 MATERIAL ACCOUNTING POLICIES (continued)

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 recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

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

Office	1.5 to 5 years
Electronic equipment	2 to 5 years

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

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

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

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

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

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

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 term 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.

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 HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

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

The 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:

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

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 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 HKAS 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 statement of profit or loss. Dividends are recognised as other income in the statement of 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 statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income and wealth management products. Dividends on the equity investments are also recognised as other income in the statement of 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 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.

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets

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

General approach

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

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

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

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

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

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

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

Simplified approach

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

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities

Initial recognition and measurement

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

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

The Group's financial liabilities include trade and bills payables, financial liabilities included in other payables and accruals, lease liabilities, interest-bearing bank and other borrowings, other liabilities, preferred shares, warrants and convertible notes.

Subsequent measurement

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

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

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

Financial liabilities at fair value through profit or loss

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

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

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

Preferred shares, warrants and convertible notes

Preferred shares, warrants and convertible notes give rise to financial liabilities if they are redeemable at the option of the holders in case of occurrence of triggering events that are beyond the control of the Group. At initial recognition, the liabilities are measured at fair value. Subsequent changes in fair value are recognised in profit or loss. Transaction costs that are directly attributable to the issuance of preferred shares, warrants and convertibles notes are recognised immediately in profit or loss. If preferred shares, warrants and convertibles notes are converted into ordinary shares, the carrying amount of the financial liabilities is reclassified to equity.

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Derecognition of financial liabilities

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

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

Offsetting of financial instruments

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on the estimated selling prices less any estimated costs to be incurred to completion and disposal.

The Group also recognises the contract fulfilment cost of inventories from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and the costs are expected to be recovered.

The contract fulfilment cost recognised shall be amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the services to which the asset relates. The Group recognises an impairment loss in profit or loss to the extent that the carrying amount of contract fulfilment cost recognised exceeds the remaining amount of consideration that the entity expects to receive in exchange for the services to which the asset relates less the costs that relate directly to the provision of those services and that have not been recognised as expenses.

Cash and cash equivalents

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

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Provisions

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

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

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

Income tax

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

Current tax assets and liabilities for the current and prior years 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 the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, 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, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

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

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

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

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

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

Government grants

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

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

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.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates

the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(a) Marketing intelligence services

The Group provides marketing intelligence services to its customers through monitoring advertising traffic and measuring advertising data on multiple channels instantaneously using its marketing intelligence application software. Customers simultaneously receive and consume the benefits as the Group provides marketing intelligence services. Revenue is recognised over time as services are rendered.

In addition, the Group also provides marketing intelligence solutions to its customers. Revenue is recognised at the point in time when the services have been provided to and accepted by the customers.

Retrospective volume rebates may be provided to certain customers once the quantity of services purchased during the period exceeds a threshold specified in the contract. Rebates are recognised as a financial liability. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method is used for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

(b) Operational intelligence services

The Group provides smart stores operating system and customised intelligent operation solutions to its customers. Revenue is recognised at the point in time when the services have been provided to and accepted by the customers.

In addition, the Group also provides maintenance services, subscription services and rental services to its customers who simultaneously receive and consume the benefits. Revenue is recognised over time as services are rendered.

(c) Industry solution services

The Group provides tailored industry solution services to clients in sectors such as finance, manufacturing, and rail transit. Revenue is recognised at the point in time when the services have been provided to and accepted by the customers.

Other income

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

Contract assets

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

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related 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).

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Share-based payments

The Company operates share option schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 35 to the Historical Financial Information.

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

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

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

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

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. 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 award 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 options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal governments. These subsidiaries are required to contribute a certain portion of their payroll to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

2.3 MATERIAL ACCOUNTING POLICIES (continued)

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.

Events after the reporting period

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

Dividends

Final dividends are recognised as a liability when they are specifically stated in the terms of the resolution and approved by the directors. Proposed final dividends are disclosed in the notes to the Historical Financial Information. Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

The Historical Financial Information is presented in RMB, while the Company's functional currency is US dollar. As the major operations of the Group during the Relevant Periods are within the Mainland China, the Group determined to present its Historical Financial Information in RMB (unless otherwise stated). 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 financial 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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

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

The functional currencies of the Company and certain overseas subsidiaries, joint ventures and associates are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

2.3 MATERIAL ACCOUNTING POLICIES (continued)

Foreign currencies(continued)

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange 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.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of the Company and any foreign operations are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of these entities which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's 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:

Accounting for companies governed under Contractual Arrangements as subsidiaries

Prior to the termination of the Contractual Arrangements, the Company and some of its subsidiaries did not hold any equity interests in certain of their subsidiaries. Nevertheless, pursuant to the contractual agreements entered into between the Group and the registered owners of those subsidiaries, the directors of the Company determine that the Group has the power to govern the financial and operating policies of those subsidiaries so as to obtain benefits from their activities. As such, those subsidiaries are accounted for as subsidiaries of the Group for accounting purposes.

During the year ended 31 December 2024, those subsidiaries became indirectly wholly-owned subsidiaries of the Company through equity transfers and termination of the Contractual Arrangements.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. As of 31 December 2022, 2023 and 2024 and 30 June 2025, no deferred income tax assets was recognised related to tax losses. The amounts of unrecognised tax losses at 31 December 2022, 2023 and 2024 and 30 June 2025 were RMB3,563,218,000, RMB3,889,227,000, RMB4,168,532,000 and RM4,236,602,000, respectively. Further details are contained in note 31 to the Historical Financial Information.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty

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

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill at 31 December 2022, 2023 and 2024 and 30 June 2025 were RMB754,823,000, RMB754,823,000, RMB754,823,000 and RMB754,823,000, respectively. Further details are given in note 15 to the Historical Financial Information.

Provision for expected credit losses ("ECLs") on trade receivables, contract assets and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on ageing for groupings of various customers that have similar loss patterns (i.e., by customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Group applies an expected credit loss model to evaluate the credit losses for financial assets included in prepayments, other receivables and other assets. An impairment analysis is performed at each reporting date by considering the expected credit losses which are estimated by applying a loss rate approach. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Provision for expected credit losses (“ECLs”) on trade receivables, contract assets and other receivables (continued)

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, contract assets and other receivables are disclosed in notes 23, 24 and 25 to the Historical Financial Information, respectively.

Fair value of financial instruments at FVPL or FVOCI

The investments in unlisted entities at fair value through other comprehensive income have been valued based on a market-based valuation technique as detailed in note 42 to the Historical Financial Information. The 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. The Group classifies the fair value of these investments as Level 3. The carrying amounts of the unlisted equity investments at fair value through other comprehensive income at 31 December 2022, 2023 and 2024 and 30 June 2025 were RMB13,956,000, RMB13,006,000, RMB11,147,000 and RMB11,432,000, respectively. Further details are included in note 20 to the Historical Financial Information.

The investments in preferred shares issued by unlisted entities and the wealth management products issued by commercial banks were measured at fair value through profit or loss. The Group uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see note 42 to the Historical Financial Information. The Group classifies the fair value of these investments as Level 2 or Level 3. The carrying amounts of the investments at fair value through profit or loss at 31 December 2022, 2023 and 2024 and 30 June 2025 were RMB163,649,000, RMB144,852,000, RMB127,224,000 and RMB127,987,000, respectively. Further details are included in note 21 to the Historical Financial Information.

The fair value of preferred shares, warrants and convertible notes is determined by using valuation techniques with assumptions such as discount rate, risk-free interest rate discount, discount for lack of marketability (“DLOM”), and volatility. The discounted cash flow method was used to determine the total equity value of the Group and then equity allocation based on the option pricing model was adopted to determine the fair value of preferred shares, warrants and convertible notes. The Group classified the fair value of preferred shares, warrants and convertible notes as Level 3. The carrying amounts of preferred shares, warrants and convertible notes were RMB7,561,903,000, RMB7,314,124,000, RMB7,816,400,000 and RMB7,991,292,000 at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively. Further details are included in note 32 to the Historical Financial Information.

The fair value of other financial liabilities is determined by using binomial model with assumptions such as weighted average cost of capital, DLOM. For details of the key assumptions used and the impact of changes to these assumptions see note 42 to the Historical Financial Information. The Group classified the fair value of other liabilities as Level 3. The carrying amounts of other liabilities were RMB185,046,000, RMB11,349,000, RMB23,846,000 and RMB25,639,000 at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively. Further details are included in note 33 to the Historical Financial Information.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of inventories

The Group's inventories primarily consist of contract fulfillment costs incurred to fulfill the performance obligations under the industry solution services and operational intelligence service contracts when and after the contracts are entered into, but before the services thereunder are delivered to customers. Management estimates the net realisable value based primarily on the carrying amount of contract fulfillment cost recognised, estimated amount expects to receive in exchange for the services and estimated costs to be incurred that relate directly to providing those services. For the carrying amounts of inventories at the end of each of the Relevant Periods, please refer to note 22 to the Historical Financial Information.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. For certain non-financial assets (including investments in joint ventures and associates), the recoverable amount is determined using the fair value less costs of disposal method. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. For certain non-financial assets (including property and equipment, right-of-use assets, other intangible assets and investments in joint ventures and associates) that do not generate cash inflows independently and therefore have been tested as part of the CGU, the recoverable amount is determined using the value in use method. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of the non-financial assets are disclosed in notes 13, 14, 16, 18 and 19 to the Historical Financial Information, respectively.

The details of impairment of investments in joint ventures and associates are set out in notes 18 and 19 to the Historical Financial Information. The management of the Group determines the recoverable amounts of other non-financial assets (including property and equipment, right-of-use assets and other intangible assets) on the basis of value in use by estimating future pre-tax cash flows using key assumptions including projected gross margin, growth rates and discount rates. The projected gross margins used in the impairment testing were determined by the gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements and expected market development. The growth rates covering a projection period are determined by the management with reference to past performance and their expectation of future business plans and market developments, and the growth rates beyond the projection period are based on the long-term inflation rate of the countries where the respective CGUs are located. Discount rates reflect specific risks relating to the relevant units. Based on the result of the assessment, the managements of the Group are of the view that the carrying amounts of such other non-financial assets do not exceed the recoverable amounts and thus no provision for impairment is required for these non-financial assets as at the end of each of the Relevant Periods, except for the decision to phase out the industry solution services business in 2022, which caused the carrying amounts of intangible assets of the industry solution services CGU to exceed its recoverable amounts, resulting in a record of impairment losses of RMB39,240,000 for intangible assets.

Estimation of grant date fair value of share options

The Group granted share options to the Group's directors and employees during and prior to the Relevant Periods. The Group has engaged an independent valuer to evaluate the grant date fair value of the share options, which is determined based on the fair value of the Company's ordinary shares at the grant date of the award. Estimation of the fair value of the Company's ordinary shares involves significant assumptions, such as expected dividends, risk-free interest rate and volatility, that might not be observable in the market, and it could have significant impact on the share-based payment expenses charged to profit or loss. The amounts of share-based payment expenses for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 were RMB71,545,000, RMB85,813,000, RMB106,577,000 and RMB10,001,000, respectively. Further details are included in note 35 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

For management purposes, during the Relevant Periods, the Group has only one reportable operating segment, which is the provision of marketing intelligence, operational intelligence and other services, because the Group's chief operating decision maker, who has been identified as the Chief Executive Officer ("CEO"), regularly reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

(a) Revenue from external customers

Substantially all of the Group's revenue derived from external customers were located in Mainland China during the Relevant Periods and the six months ended 30 June 2024.

(b) Non-current assets

All of the Group's non-current assets were located in Mainland China as at the end of each of the Relevant Periods.

Information about major customers

During the Relevant Periods and the six months ended 30 June 2024, revenues from transactions with single external customers (including entities under common control with those customers) amounting to 10% or more of the Group's revenues are as follows:

	<u>Year ended 31 December</u>			<u>Six months ended 30 June</u>	
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2024</u>	<u>2025</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
				(unaudited)	
Customer A	<u>151,433</u>	<u>356,596</u>	<u>267,038</u>	<u>113,194</u>	<u>121,530</u>

5. REVENUE

An analysis of revenue from contracts with customers and other sources is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue from contracts with customers:					
Marketing intelligence services	803,426	752,725	730,853	322,701	354,154
Operational intelligence services	346,387	576,921	506,948	222,199	261,278
Industry solution services	102,741	114,591	127,716	12,430	21,107
Subtotal	1,252,554	1,444,237	1,365,517	557,330	636,539
Revenue from other sources:					
Operational intelligence services-rental income (note 14)	16,711	17,736	15,865	7,761	7,243
Total	1,269,265	1,461,973	1,381,382	565,091	643,782

5. REVENUE (continued)

Disaggregation of the Group's revenue from contracts with customers by the timing of revenue recognition is set out below:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Transfer over time:					
Marketing intelligence services	475,669	430,094	434,075	196,312	206,801
Operational intelligence services	84,073	127,253	123,207	66,132	91,329
Subtotal	559,742	557,347	557,282	262,444	298,130
Transfer at a point in time:					
Marketing intelligence services	327,757	322,631	296,778	126,389	147,353
Operational intelligence services	262,314	449,668	383,741	156,067	169,949
Industry solution services	102,741	114,591	127,716	12,430	21,107
Subtotal	692,812	886,890	808,235	294,886	338,409
Total	1,252,554	1,444,237	1,365,517	557,330	636,539

The following table shows the amounts of revenue recognised in each of the Relevant Periods and the six months ended 30 June 2024 that were included in the contract liabilities at the beginning of the respective year/period:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Marketing intelligence services	35,345	43,866	42,910	37,403	37,775
Operational intelligence services	1,568	104,038	61,084	51,812	40,392
Industry solution services	37,427	74,365	72,745	3,577	16,283
Total	74,340	222,269	176,739	92,792	94,450

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

Marketing intelligence services

The performance obligation is satisfied over time as services are rendered or is satisfied upon the delivery of the solutions of the marketing intelligence and payment is generally due within 30 to 150 days since satisfaction of performance obligations. Some contracts provide customers with volume rebates which give rise to variable consideration subject to constraint.

Operational intelligence services

The performance obligation is satisfied over time as services are rendered or is satisfied upon the delivery of the customised intelligent operation solutions and payment is generally due within 30 to 90 days since satisfaction of performance obligations, except for new customers, where payment in advance is normally required. The rental income included in operational intelligence service is recognised on a straight-line basis and payment is generally due within 15 to 90 days on a monthly or quarterly basis.

Industry solution services

The performance obligation is satisfied upon the delivery of the customised industry solution services and payments are generally made in accordance with the contractual agreement.

The Group has applied the practical expedient for not to disclose the remaining performance obligations as at the end of each of the Relevant Periods because the performance obligations are part of contracts with original expected duration of one year or less.

6. PROFIT/(LOSS) BEFORE TAX

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

	Notes	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)	
Cost of services provided*		349,665	535,765	505,266	196,004	223,563
Depreciation of property and equipment	13	80,326	43,967	26,834	17,522	5,817
Depreciation of right-of-use assets	14a	87,863	30,936	29,849	15,371	11,573
Amortisation of other intangible assets	16	60,497	11,509	11,412	5,780	5,411
Lease payments not included in the measurement of lease liabilities	14c	23,313	11,046	8,431	3,920	1,444
Listing expense		7,520	7,153	26,350	2,092	10,745
Employee benefit expense (excluding directors' and chief executive's remuneration (note 8)):						
Wages and salaries		810,553	524,413	440,584	194,954	196,260
Pension scheme contributions (defined contribution scheme) ##		101,754	72,406	51,031	30,643	23,805
Share-based payment expenses		70,334	83,821	102,387	39,416	6,347
Termination benefits		166,005	40,145	28,695	21,250	11,636
Total		1,148,646	720,785	622,697	286,263	238,048
Impairment losses/(reversal of impairment losses) on financial and contract assets, net						
Trade and bills receivables	23	34,593	15,806	26,967	7,773	16,250
Financial assets included in prepayments, other receivables and other assets	25	(7,643)	1,571	(2,283)	2,787	1,069
Contract assets	24	(403)	(831)	(342)	(115)	106
Total		26,547	16,546	24,342	10,445	17,425
Impairment of inventories*	22	7,629	3,074	3,684	2,739	3,367
Impairment of other intangible assets**	16	39,240	-	-	-	-
Impairment of investments in associates and joint ventures***	18,19	25,235	5,936	1,811	-	-
Gain on disposal and deemed disposal of associates and joint ventures***		(483)	(5)	-	-	-
Gain on remeasurement of the then interest in a joint venture upon conversion into a subsidiary***	37	(13,156)	-	-	-	-
Loss on disposal of property and equipment**		43,800	2,795	1,205	97	644
Fair value losses/(gains) on financial assets at fair value through profit or loss***		16,178	(2,004)	14,206	(4,152)	2,737
Fair value (gains)/losses on financial liabilities at fair value through profit or loss		(2,810,510)	(584,100)	(173,492)	10,099	209,822
Penalty for termination of lease contract**		40,357	-	-	-	-
Gain on termination of leases**	14c	(29,265)	(28)	(1,745)	-	-
Government grant **#		(52,634)	(15,962)	(8,516)	(3,575)	(5,020)
Bank interest income***		(3,232)	(7,026)	(10,649)	(6,653)	(4,379)
Foreign exchange losses/(gains), net***		114,574	21,405	16,818	6,751	(2,407)

6. PROFIT/(LOSS) BEFORE TAX (continued)

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

- * This item is included in "Cost of sales" in the consolidated statements of profit or loss.
- ** These items are included in "Other operating (expenses)/income, net" in the consolidated statements of profit or loss.
- *** These items are included in "Other (losses)/income, net" in the consolidated statements of profit or loss.
- # Various government grants during the Relevant Periods and the six months ended 30 June 2024 were mainly attributable to the Group's development in advanced technology. There are no unfulfilled conditions or contingencies relating to these government grants.
- ## There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Interest on bank loans	16,230	12,525	8,204	4,444	3,292
Interest on other borrowings	6,387	17,628	1,585	1,516	-
Interest on lease liabilities	12,007	3,098	1,914	994	779
Total	34,624	33,251	11,703	6,954	4,071

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

The remuneration of the Company's directors (including the chief executive) during the Relevant Periods and the six months ended 30 June 2024 is summarised as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Fees	-	-	-	-	-
Other emoluments:					
Salaries, allowances and benefits in kind	5,285	2,862	6,159	2,349	2,554
Performance related bonuses	1,117	2,331	4,799	-	125
Share-based payment expenses	1,211	1,992	4,190	530	3,654
Pension scheme contributions	283	299	210	108	59
Subtotal	7,896	7,484	15,358	2,987	6,392
Total	7,896	7,484	15,358	2,987	6,392

During and prior to the Relevant Periods, certain directors were granted share options of the Company in respect of their services to the Group, under the share option schemes of the Group, further details of which are set out in note 35 to the Historical Financial Information. The fair value of such share options, which has been recognised in the statements of profit or loss, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods and the six months ended 30 June 2024 is included in the above directors' and chief executive's remuneration disclosures.

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

The remuneration of each of the Company's directors is set out below:

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Share-based payment expenses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Year ended 31 December 2022						
Mr. Wu Minghui*	-	1,669	300	-	45	2,014
Mr. Jiang Ping	-	1,948	621	716	58	3,343
Mr. Dong Bin	-	201	-	19	33	253
Ms. Yao Wei	-	-	-	-	-	-
Ms. Yu Qi	-	270	11	-	27	308
Mr. Fan Xin	-	555	106	273	62	996
Ms. Li Luxiang	-	642	79	203	58	982
Mr. Zhai Jia	-	-	-	-	-	-
Ms. Zou Yanshu	-	-	-	-	-	-
Mr. Jin Xiaoqiu	-	-	-	-	-	-
Mr. Yao Leiwen	-	-	-	-	-	-
Mr. Liu Zixuan	-	-	-	-	-	-
Mr. Eugene Huang	-	-	-	-	-	-
	-	5,285	1,117	1,211	283	7,896

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Share-based payment expenses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Year ended 31 December 2023						
Mr. Wu Minghui*	-	522	981	-	59	1,562
Mr. Jiang Ping	-	1,118	928	1,539	63	3,648
Mr. Dong Bin	-	51	-	3	12	66
Ms. Yao Wei	-	-	-	-	-	-
Ms. Yu Qi	-	261	16	35	36	348
Mr. Fan Xin	-	570	406	252	66	1,294
Ms. Li Luxiang	-	340	-	163	63	566
Mr. Zhai Jia	-	-	-	-	-	-
Ms. Zou Yanshu	-	-	-	-	-	-
Mr. Jin Xiaoqiu	-	-	-	-	-	-
Mr. Yao Leiwen	-	-	-	-	-	-
Mr. Liu Zixuan	-	-	-	-	-	-
Mr. Eugene Huang	-	-	-	-	-	-
	-	2,862	2,331	1,992	299	7,484

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

The remuneration of each of the Company's directors is set out below:

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Share-based payment expenses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Year ended 31 December 2024						
Mr. Wu Minghui*	-	1,559	1,800	-	21	3,380
Mr. Jiang Ping	-	1,922	2,233	2,180	21	6,356
Mr. Dong Bin**	-	51	-	8	13	72
Ms. Yao Wei**	-	-	-	-	-	-
Ms. Yu Qi	-	279	17	12	41	349
Mr. Fan Xin**	-	632	210	1,152	27	2,021
Ms. Li Luxiang**	-	164	-	-	46	210
Ms. Zhao Jie***	-	1,552	539	838	41	2,970
Mr. Zhai Jia**	-	-	-	-	-	-
Ms. Zou Yanshu**	-	-	-	-	-	-
Mr. Jin Xiaoqiu**	-	-	-	-	-	-
Mr. Yao Leiwen	-	-	-	-	-	-
Mr. Liu Zixuan**	-	-	-	-	-	-
Mr. Eugene Huang**	-	-	-	-	-	-
	-	6,159	4,799	4,190	210	15,358

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Share-based payment expenses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Six months ended 30 June 2024 (unaudited)						
Mr. Wu Minghui*	-	793	-	-	15	808
Mr. Jiang Ping	-	977	-	252	15	1,244
Mr. Dong Bin	-	26	-	4	6	36
Ms. Yao Wei	-	-	-	-	-	-
Ms. Yu Qi	-	139	-	12	20	171
Mr. Fan Xin	-	322	-	145	20	487
Ms. Li Luxiang	-	92	-	117	32	241
Mr. Zhai Jia	-	-	-	-	-	-
Ms. Zou Yanshu	-	-	-	-	-	-
Mr. Jin Xiaoqiu	-	-	-	-	-	-
Mr. Yao Leiwen	-	-	-	-	-	-
Mr. Liu Zixuan	-	-	-	-	-	-
Mr. Huang Zhejun	-	-	-	-	-	-
	-	2,349	-	530	108	2,987

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

The remuneration of each of the Company's directors is set out below:

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Share-based payment expenses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Six months ended 30 June 2025						
Mr. Wu Minghui*	-	776	-	-	15	791
Mr. Jiang Ping	-	960	-	3,593	15	4,568
Ms. Zhao Jie	-	678	125	61	8	872
Ms. Yu Qi	-	140	-	-	21	161
Mr. Yao Leiwen	-	-	-	-	-	-
	-	2,554	125	3,654	59	6,392

* Mr. Wu Minghui is also the chief executive and chief technology officer of the Company.

** Mr. Eugene Huang resigned as a director on 15 November 2024. Mr Dong Bin, Ms. Yao Wei, Mr. Fan Xin, Ms. Li Luxiang, Mr. Zhai Jia, Ms. Zou Yanshu, Mr. Jin Xiaoqiu, and Mr. Liu Zixuan resigned as directors on 27 November 2024.

*** Ms. Zhao Jie was appointed as an executive director on 28 November 2024.

There was no arrangement under which a director of the Company waived or agreed to waive any remuneration and no remuneration was paid by the Group to a director of the Company as an inducement to join or upon joining the Group during the Relevant Periods and the six months ended 30 June 2024.

9. FIVE HIGHEST PAID EMPLOYEES

Included in the five highest paid employees during the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025 was nil, one, nil, nil (unaudited) and two directors, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining five, four, five, five (unaudited) and three highest paid employees who are neither a director nor chief executive of the Company for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025, respectively, are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries, allowances and benefits in kind	4,729	3,260	4,082	682	1,343
Performance related bonuses	35	46	3,198	-	143
Share-based payment expenses	27,838	11,921	36,242	6,789	879
Pension scheme contributions	210	197	307	90	143
Termination benefits	321	1,243	-	595	660
Total	33,133	16,667	43,829	8,156	3,168

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

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
				(unaudited)	
Nil to HKD1,000,000	-	-	-	-	1
HKD1,000,001 to HKD1,500,000	-	-	-	-	2
HKD1,500,001 to HKD2,000,000	-	-	-	4	-
HKD2,000,001 to HKD2,500,000	-	-	-	1	-
HKD2,500,001 to HKD3,000,000	-	-	-	-	-
HKD3,000,001 to HKD3,500,000	-	1	-	-	-
HKD3,500,001 to HKD4,000,000	-	1	-	-	-
HKD4,000,001 to HKD4,500,000	-	1	-	-	-
HKD4,500,001 to HKD5,000,000	-	1	-	-	-
HKD5,000,001 to HKD5,500,000	1	-	-	-	-
HKD5,500,001 to HKD6,000,000	1	1	-	-	-
HKD6,000,001 to HKD6,500,000	1	-	-	-	-
HKD6,500,001 to HKD7,000,000	1	-	-	-	-
HKD7,000,001 to HKD7,500,000	1	-	1	-	-
HKD7,500,001 to HKD8,000,000	-	-	2	-	-
HKD8,000,001 to HKD8,500,000	-	-	1	-	-
HKD8,500,001 to HKD9,000,000	1	-	-	-	-
HKD9,000,001 to HKD9,500,000	-	-	-	-	-
HKD9,500,001 to HKD10,000,000	-	-	1	-	-
HKD10,000,001 to HKD10,500,000	1	-	-	-	-
HKD10,500,001 to HKD11,000,000	-	-	-	-	-
HKD11,000,001 to HKD11,500,000	-	-	1	-	-
HKD11,500,001 to HKD12,000,000	-	-	-	-	-
Total	5	4	5	5	3

9. FIVE HIGHEST PAID EMPLOYEES (continued)

During and prior to the Relevant Periods, certain non-director and non-chief executive highest paid employees were granted share options of the Company in respect of their services to the Group, under the share option schemes of the Group, further details of which are set out in note 35 to the Historical Financial Information. The fair value of such share options, which has been recognised in the statement of profit or loss, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods and the six months ended 30 June 2024 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 countries/jurisdictions in which members of the Group are domiciled and operate.

Cayman Islands

Pursuant to the relevant rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

Hong Kong

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the Relevant Periods and the six months ended 30 June 2024. The Hong Kong profits tax rate during the Relevant Periods and the six months ended 30 June 2024 was 16.5%.

Mainland China

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, the entities which operate in Mainland China are subject to corporate income tax ("CIT") at a rate of 25% on the taxable income. During the Relevant Periods and the six months ended 30 June 2024, several PRC subsidiaries were entitled to a preferential tax rate of 15% because they were regarded as a "High and New Technology Enterprise". In addition, the Group's certain subsidiaries operating in Mainland China were entitled to effective preferential tax rates of 2.5%, 5%, 5%, 5% (unaudited) and 5% for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025, respectively, because they were regarded as "small-scaled minimal profit enterprises" with taxable income no more than RMB3,000,000.

Others

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

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Current:					
Mainland China					
Charge for the year/period	2,059	1,941	1,813	884	1,066
Under provision/(over provision) in prior year/period	(31)	18	(49)	(49)	-
Elsewhere					
Charge for the year/period	9	449	-	-	-
Deferred (note 31)	(17,617)	(452)	(1,843)	296	(264)
Total tax charge/(credit) for the year/period	(15,580)	1,956	(79)	1,131	802

10. INCOME TAX (continued)

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

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Profit/(loss) before tax					
Hong Kong	1,479	5,263	1,895	2,078	(10,646)
Mainland China	(1,061,246)	(228,337)	(62,023)	(80,206)	21,262
Cayman Islands	2,682,037	542,089	67,998	(19,383)	(213,702)
Others	(206)	1,353	-	(20)	(14)
Profit/(loss) before tax	1,622,064	320,368	7,870	(97,531)	(203,100)
Tax at the statutory tax rate of Mainland China	405,516	80,092	1,968	(24,383)	(50,774)
Lower tax rates applicable to other jurisdictions or enacted by relevant authorities	(578,749)	(130,266)	(15,433)	20,732	49,989
Profits and losses attributable to joint ventures and associates	1,164	188	(41)	6	21
Income not subject to tax	(260)	(900)	(1,391)	(921)	(561)
Expenses not deductible for tax	6,579	10,977	19,825	208	5,455
Adjustments in respect of current tax of previous periods	(31)	18	(49)	(49)	-
Tax losses utilised from previous periods	(7,947)	(2,561)	(7,946)	(4,661)	(12,578)
Additional deductible allowance for research and development expenses	(33,853)	(23,202)	(16,916)	(3,745)	(7,737)
Tax losses not recognised	192,001	67,610	19,904	13,944	16,987
Tax charge/(credit) at the Group's effective rate	(15,580)	1,956	(79)	1,131	802

There was no share of tax attributable to associates and joint ventures included in "Share of losses of associates and joint ventures" in the consolidated statement of profit or loss during the Relevant Periods and the six months ended 30 June 2024.

11. DIVIDENDS

There was no dividend declared or paid by the Group during the Relevant Periods and the six months ended 30 June 2024.

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

The calculations of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the year/period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 24,770,413, 26,246,270, 26,505,990, 26,246,270 (unaudited) and 27,740,714 outstanding during the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025, respectively.

The calculation of the diluted earnings/(loss) per share amounts is based on the profit/(loss) for the year/period attributable to the ordinary equity holders of the Company, adjusted to reflect the fair value changes of the preferred shares and warrants. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the Relevant Periods and the six months ended 30 June 2024, as used in the basic earnings/(loss) 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.

The calculations of basic and diluted earnings/(loss) per share are based on:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
<u>Earnings</u>					
Profit attributable to ordinary equity holders of the Company, as used in the basic earnings per share calculation	1,659,924	314,559	4,735	(101,326)	(206,166)
Adjustment for fair value gains on the preferred shares and warrants	(2,815,405)	(715,859)	(290,158)	-*	-*
Loss attributable to ordinary equity holders of the Company before fair value gains on the preferred shares and warrants	(1,155,481)	(401,300)	(285,423)	(101,326)	(206,166)
	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
<u>Shares</u>					
Weighted average number of ordinary shares outstanding used in the basic earnings per share calculation	24,770,413	26,246,270	26,505,990	26,246,270	27,740,714
Effect of dilution – weighted average number of ordinary shares:					
Share options	-#	-#	-#	-*	-*
Convertible notes	-#	-#	-#	-*	-
Preferred shares and warrants	83,546,635	83,546,635	89,003,838	-*	-*
	108,317,048	109,792,905	115,509,828	26,246,270	27,740,714

The share options and convertible notes were ignored in the calculation of diluted loss per share amounts for the years ended 31 December 2022, 2023 and 2024 because they had anti-dilutive effects on the basic earnings per share amounts as evidenced by the potential decrease in diluted loss per share amounts when taking shares options and convertible notes into account in addition to the preferred shares and warrants. Accordingly, the diluted loss per share for the years ended 31 December 2022, 2023 and 2024 only takes into account the impact of preferred shares and warrants.

* The share options, preferred shares, warrants and convertible notes, as well as fair value adjustment on the preferred shares and warrants, were ignored in the calculation of diluted loss per share amounts for the six months ended 30 June 2024 and 2025 because they had anti-dilutive effects on the basic loss per share amounts as evidenced by the potential decrease in diluted loss per share amounts when taking shares options, preferred shares, warrants and convertible notes into account. Accordingly, the diluted loss per share for the six months ended 30 June 2024 and 2025 are same as the basic loss per share amounts for the respective period.

13. PROPERTY AND EQUIPMENT

Group

		Leasehold improvements RMB'000	Electronic equipment RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
31 December 2022						
At 1 January 2022:						
Cost		120,100	201,013	1,788	3,249	326,150
Accumulated depreciation		(46,271)	(93,226)	(415)	(1,172)	(141,084)
Net carrying amount		<u>73,829</u>	<u>107,787</u>	<u>1,373</u>	<u>2,077</u>	<u>185,066</u>
At 1 January 2022, net of accumulated depreciation		73,829	107,787	1,373	2,077	185,066
Additions		591	16,297	-	-	16,888
Acquisition of subsidiaries	37	1,531	2,736	-	-	4,267
Disposals	(	42,102)	(6,107)	(132)	-	(48,341)
Depreciation provided during the year	6	(30,176)	(49,194)	(333)	(623)	(80,326)
At 31 December 2022, net of accumulated depreciation		<u>3,673</u>	<u>71,519</u>	<u>908</u>	<u>1,454</u>	<u>77,554</u>
At 31 December 2022:						
Cost		34,516	202,132	1,574	3,249	241,471
Accumulated depreciation		(30,843)	(130,613)	(666)	(1,795)	(163,917)
Net carrying amount		<u>3,673</u>	<u>71,519</u>	<u>908</u>	<u>1,454</u>	<u>77,554</u>
		Leasehold improvements RMB'000	Electronic equipment RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
31 December 2023						
At 1 January 2023:						
Cost		34,516	202,132	1,574	3,249	241,471
Accumulated depreciation		(30,843)	(130,613)	(666)	(1,795)	(163,917)
Net carrying amount		<u>3,673</u>	<u>71,519</u>	<u>908</u>	<u>1,454</u>	<u>77,554</u>
At 1 January 2023, net of accumulated depreciation		3,673	71,519	908	1,454	77,554
Additions		5,430	9,382	416	-	15,228
Disposals		-	(3,035)	(561)	-	(3,596)
Depreciation provided during the year	6	(2,792)	(40,379)	(173)	(623)	(43,967)
At 31 December 2023, net of accumulated depreciation		<u>6,311</u>	<u>37,487</u>	<u>590</u>	<u>831</u>	<u>45,219</u>
At 31 December 2023:						
Cost		39,947	196,548	969	3,249	240,713
Accumulated depreciation		(33,636)	(159,061)	(379)	(2,418)	(195,494)
Net carrying amount		<u>6,311</u>	<u>37,487</u>	<u>590</u>	<u>831</u>	<u>45,219</u>

13. PROPERTY AND EQUIPMENT (continued)

Group (continued)

	Note	Leasehold improvements RMB'000	Electronic equipment RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
31 December 2024						
At 1 January 2024:						
Cost		39,947	196,548	969	3,249	240,713
Accumulated depreciation		(33,636)	(159,061)	(379)	(2,418)	(195,494)
Net carrying amount		<u>6,311</u>	<u>37,487</u>	<u>590</u>	<u>831</u>	<u>45,219</u>
At 1 January 2024, net of accumulated depreciation		6,311	37,487	590	831	45,219
Additions		849	8,690	263	127	9,929
Disposals		(978)	(853)	-	-	(1,831)
Depreciation provided during the year	6	(3,145)	(23,030)	(232)	(427)	(26,834)
At 31 December 2024, net of accumulated depreciation		<u>3,037</u>	<u>22,294</u>	<u>621</u>	<u>531</u>	<u>26,483</u>
31 December 2024:						
Cost		37,262	197,471	1,231	3,376	239,340
Accumulated depreciation		(34,225)	(175,177)	(610)	(2,845)	(212,857)
Net carrying amount		<u>3,037</u>	<u>22,294</u>	<u>621</u>	<u>531</u>	<u>26,483</u>

13. PROPERTY AND EQUIPMENT (continued)

Group (continued)

	Note	Leasehold improvements RMB'000	Electronic equipment RMB'000	Furniture, fixtures and office equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
30 June 2025						
At 1 January 2025:						
Cost		37,262	197,471	1,231	3,376	239,340
Accumulated depreciation		(34,225)	(175,177)	(610)	(2,845)	(212,857)
Net carrying amount		<u>3,037</u>	<u>22,294</u>	<u>621</u>	<u>531</u>	<u>26,483</u>
At 1 January 2025, net of accumulated depreciation		3,037	22,294	621	531	26,483
Additions		270	854	-	-	1,124
Disposals		-	(644)	-	-	(644)
Depreciation provided during the period	6	(876)	(4,678)	(108)	(155)	(5,817)
At 30 June 2025, net of accumulated depreciation		<u>2,431</u>	<u>17,826</u>	<u>513</u>	<u>376</u>	<u>21,146</u>
30 June 2025:						
Cost		36,836	185,493	1,231	3,376	226,936
Accumulated depreciation		(34,405)	(167,667)	(718)	(3,000)	(205,790)
Net carrying amount		<u>2,431</u>	<u>17,826</u>	<u>513</u>	<u>376</u>	<u>21,146</u>

Company

The property and equipment of the Company are electronic equipment. As at 31 December 2022, 2023 and 2024 and 30 June 2025, the cost of the property and equipment was RMB2,980,000, RMB3,031,000, RMB3,077,000 and RMB3,064,000, respectively, and the accumulated depreciation was RMB2,831,000, RMB2,879,000, RMB2,923,000 and RMB2,911,000, respectively.

14. LEASES

Group as a lessee

The Group has certain lease contracts for buildings for its office and electronic equipment used in its operations. Leases of buildings and electronic equipment generally have lease terms between one year to five years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

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

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Carrying amount at beginning of year/period				
Office	219,903	27,705	46,624	48,063
Electronic equipment	<u>859</u>	<u>635</u>	<u>184</u>	<u>54</u>
Subtotal	<u>220,762</u>	<u>28,340</u>	<u>46,808</u>	<u>48,117</u>
Additions				
Office	13,907	49,617	39,226	758
Electronic equipment	<u>39</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>13,946</u>	<u>49,617</u>	<u>39,226</u>	<u>758</u>
Additions as a result of acquisition of subsidiaries (note 37)				
Office	3,075	-	-	-
Electronic equipment	<u>20</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>3,095</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation charges				
Office	(87,580)	(30,698)	(29,763)	(11,539)
Electronic equipment	<u>(283)</u>	<u>(238)</u>	<u>(86)</u>	<u>(34)</u>
Subtotal	<u>(87,863)</u>	<u>(30,936)</u>	<u>(29,849)</u>	<u>(11,573)</u>
Termination of leases				
Office	(121,600)	-	(8,023)	-
Electronic equipment	<u>-</u>	<u>(213)</u>	<u>(45)</u>	<u>-</u>
Subtotal	<u>(121,600)</u>	<u>(213)</u>	<u>(8,068)</u>	<u>-</u>
Carrying amount at end of year/period				
Office	27,705	46,624	48,063	37,282
Electronic equipment	<u>635</u>	<u>184</u>	<u>54</u>	<u>20</u>
Total	<u>28,340</u>	<u>46,808</u>	<u>48,117</u>	<u>37,302</u>

14. LEASES (continued)

Group as a lessee (continued)

(b) Lease liabilities

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

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Carrying amount at beginning of year/period	245,777	29,568	48,112	47,431
New leases	12,552	45,171	37,587	703
Additions as a result of acquisition of subsidiaries (note 37)	2,899	-	-	-
Accretion of interest recognised during the year/period	12,007	3,098	1,914	779
Payments	(92,802)	(29,484)	(30,369)	(12,828)
Termination of leases	(150,865)	(241)	(9,813)	-
Carrying amount at end of year/period	<u>29,568</u>	<u>48,112</u>	<u>47,431</u>	<u>36,085</u>
	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Analysed into:				
Current portion repayable within one year	11,114	28,395	22,456	18,340
Non-current portion				
Repayable in the second year	9,858	15,138	13,648	11,922
Repayable in the third to fifth years, inclusive	<u>8,596</u>	<u>4,579</u>	<u>11,327</u>	<u>5,823</u>
Subtotal	<u>18,454</u>	<u>19,717</u>	<u>24,975</u>	<u>17,745</u>

The maturity analysis of lease liabilities is disclosed in note 43 to the Historical Financial Information.

14. LEASES (continued)

Group as a lessee (continued)

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

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Interest on lease liabilities (note 7)	12,007	3,098	1,914	994	779
Gain on termination of leases (note 6) (	29,265)	(28)	(1,745)	-	-
Depreciation charge of right-of-use assets (note 6)	87,863	30,936	29,849	15,371	11,573
Expense relating to short-term leases included in cost of sales, research and development expenses, selling expenses and administrative expenses	23,313	11,046	8,431	3,920	1,444
Total amount recognised in profit or loss	93,918	45,052	38,449	20,285	13,796

(d) The total cash outflow for leases is disclosed in note 38(c) to the Historical Financial Information.

Group as a lessor

The Group leases its electronic equipment under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for fixed rent plus variable lease payments. Rental income recognised by the Group for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025 were RMB16,711,000, RMB17,736,000, RMB15,865,000, RMB7,761,000 (unaudited) and RMB7,243,000 respectively.

At the end of each of the Relevant Periods, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows:

	31 December 2022	31 December 2023	31 December 2024	30 June 2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	8,950	8,856	6,914	6,106
After one year but within two years	5,990	5,312	3,099	2,202
After two years but within three years	2,471	1,497	787	842
After three years but within four years	588	83	210	227
Total	17,999	15,748	11,010	9,377

15. GOODWILL

	Notes	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
At 1 January:					
Cost		2,153,026	2,171,925	2,171,925	2,171,925
Accumulated impairment		(1,417,102)	(1,417,102)	(1,417,102)	(1,417,102)
Net carrying amount		<u>735,924</u>	<u>754,823</u>	<u>754,823</u>	<u>754,823</u>
Cost at 1 January, net of accumulated impairment		735,924	754,823	754,823	754,823
Acquisition of subsidiaries	37	<u>18,899</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December		<u>754,823</u>	<u>754,823</u>	<u>754,823</u>	<u>754,823</u>
At 31 December:					
Cost		2,171,925	2,171,925	2,171,925	2,171,925
Accumulated impairment		(1,417,102)	(1,417,102)	(1,417,102)	(1,417,102)
Net carrying amount		<u>754,823</u>	<u>754,823</u>	<u>754,823</u>	<u>754,823</u>

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

Miaozhen systems CGU

The recoverable amount of the Miaozhen systems CGU was determined based on a value in use calculation using cash flow projections based on financial forecast covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections was 20%, 19%, 18% and 18% at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively, and cash flows beyond the five-year period were extrapolated using growth rates of 2.3% as at 31 December 2022, 2023 and 2024, and 2.0% as at 30 June 2025, which are the same as expected long-term inflation rate.

Wuhan Yeying CGU

The recoverable amount of the Wuhan Yeying CGU was determined based on a value in use calculation using cash flow projections based on financial forecast covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections was 22.50%, 22.72%, 22.62% and 22.53% at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively, and cash flows beyond the five-year period were extrapolated using growth rates of 2.3% as at 31 December 2022, 2023 and 2024, and 2.0% as at 30 June 2025, which are the same as expected long-term inflation rate.

Industry solution services CGU

Prior to 2022, an impairment loss of RMB1,417,102,000 was recognised for the goodwill of industry solution services CGU due to the expected decrease in growth rate.

15. GOODWILL (continued)

Impairment testing of goodwill (continued)

Other CGUs

The recoverable amount of the other CGUs was determined based on a value in use calculation using cash flow projections based on financial forecast covering a five-year period approved by senior management. The pre-tax discount rate applied to the cash flow projections was from 25% to 30%, from 24% to 30%, from 22% to 30% and from 22% to 28% at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively, and cash flows beyond the five-year period were extrapolated using growth rates of 2.3% as at 31 December 2022, 2023 and 2024, and 2.0% as at 30 June 2025, which are the same as expected long-term inflation rate.

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	31 December 2022	31 December 2023	31 December 2024	30 June 2025
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount of goodwill				
Miaozhen systems CGU	594,012	594,012	594,012	594,012
Wuhan Yeying CGU	139,784	139,784	139,784	139,784
Other CGUs	21,027	21,027	21,027	21,027
	<u>754,823</u>	<u>754,823</u>	<u>754,823</u>	<u>754,823</u>

Assumptions were used in the value in use calculation of the Miaozhen systems CGU, Wuhan Yeying CGU and other CGUs for 31 December 2022, 2023 and 2024 and 30 June 2025. The following describes each key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill:

Projected gross margins – The basis used to determine the value assigned to the budgeted gross margins is the gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates – The discount rates used are pre-tax and reflect specific risks relating to the relevant units.

Growth rates – Management leveraged their extensive experiences in the industries and determined the growth rates to be used in the cash flow projections based on past performance and their expectation of future business plans and market developments. The growth rates used to extrapolate the cash flows at the perpetual growth stage are based on the long-term inflation rate of the countries where the respective CGUs are located.

The values assigned to the key assumptions and discount rates are consistent with external information sources.

At 31 December 2022, 2023 and 2024 and 30 June 2025, the amounts by which each unit's recoverable amount exceeds its carrying amount ("headroom") are as follows.

	31 December 2022	31 December 2023	31 December 2024	30 June 2025
	RMB'000	RMB'000	RMB'000	RMB'000
Miaozhen systems CGU	5,240,097	4,245,236	3,931,806	4,254,682
Wuhan Yeying CGU	14,175	17,575	38,834	21,747
Other CGUs	89,698	327,436	228,666	231,468

15. GOODWILL (continued)

Impairment testing of goodwill (continued)

The following table sets forth the impact of reasonable possible changes in each of the key assumptions, with all other variables held constant, of goodwill impairment testing of each of CGUs at the dates indicated. If the estimated key assumptions changed as below, the headroom would be decreased to:

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Miaozhen systems CGU				
Projected gross margins decreases of 2%	4,998,099	4,054,279	3,722,993	4,105,747
Pre-tax discount rate increases of 1%	4,682,785	3,793,245	3,514,125	3,893,312
Growth rate decreases of 1%	<u>4,822,378</u>	<u>3,901,605</u>	<u>3,616,040</u>	<u>3,961,642</u>
	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Wuhan Yeying CGU				
Projected gross margins decreases of 2%	5,732	8,933	38,017	13,644
Pre-tax discount rate increases of 1%	3,255	7,829	26,878	12,917
Growth rate decreases of 1%	<u>3,062</u>	<u>6,972</u>	<u>26,655</u>	<u>7,185</u>
	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Other CGUs				
Projected gross margins decreases of 2%	45,183	273,062	177,590	176,693
Pre-tax discount rate increases of 1%	82,041	309,161	201,497	214,416
Growth rate decreases of 1%	<u>81,805</u>	<u>309,060</u>	<u>214,636</u>	<u>208,531</u>

Considering that there was sufficient headroom based on the assessment, the directors of the Company believe that any reasonably possible change in any of the key assumptions would not cause the carrying amount of the CGU to exceed its recoverable amount.

16. OTHER INTANGIBLE ASSETS

	Trademark RMB'000	Patents and licences RMB'000	Purchased software RMB'000	Customer relationship RMB'000	Non- competition arrangement RMB'000	Total RMB'000
31 December 2022						
Cost at 1 January 2022, net of accumulated amortisation and impairment	100,439	14,041	9,332	35,365	650	159,827
Additions	-	24	26	-	-	50
Amortisation provided during the year (note 6)	(13,506)	(10,500)	(1,376)	(34,915)	(200)	(60,497)
Acquisition of subsidiaries (note 37)	-	7,000	131	-	-	7,131
Impairment (note 6)	(38,067)	(1,173)	-	-	-	(39,240)
At 31 December 2022	<u>48,866</u>	<u>9,392</u>	<u>8,113</u>	<u>450</u>	<u>450</u>	<u>67,271</u>
At 31 December 2022:						
Cost	621,709	69,930	14,879	163,000	1,000	870,518
Accumulated amortisation	(129,325)	(49,455)	(6,766)	(162,550)	(550)	(348,646)
Accumulated impairment	(443,518)	(11,083)	-	-	-	(454,601)
Net carrying amount	<u>48,866</u>	<u>9,392</u>	<u>8,113</u>	<u>450</u>	<u>450</u>	<u>67,271</u>

16. OTHER INTANGIBLE ASSETS (continued)

	Trademark RMB'000	Patents and licences RMB'000	Purchased software RMB'000	Customer relationship RMB'000	Non- competition arrangement RMB'000	Total RMB'000
31 December 2023						
Cost at 1 January 2023, net of accumulated amortisation and impairment	48,866	9,392	8,113	450	450	67,271
Additions	-	26	951	-	-	977
Amortisation provided during the year (note 6)	(7,573)	(2,214)	(1,322)	(200)	(200)	(11,509)
Disposal	-	-	(29)	-	-	(29)
At 31 December 2023	<u>41,293</u>	<u>7,204</u>	<u>7,713</u>	<u>250</u>	<u>250</u>	<u>56,710</u>
At 31 December 2023:						
Cost	621,709	69,956	15,794	163,000	1,000	871,459
Accumulated amortisation	(136,898)	(51,669)	(8,081)	(162,750)	(750)	(360,148)
Accumulated impairment	(443,518)	(11,083)	-	-	-	(454,601)
Net carrying amount	<u>41,293</u>	<u>7,204</u>	<u>7,713</u>	<u>250</u>	<u>250</u>	<u>56,710</u>

16. OTHER INTANGIBLE ASSETS (continued)

	Trademark RMB'000	Patents and licences RMB'000	Purchased software RMB'000	Customer relationship RMB'000	Non- competition arrangement RMB'000	Total RMB'000
31 December 2024						
Cost at 1 January 2024, net of accumulated amortisation and impairment	41,293	7,204	7,713	250	250	56,710
Additions	-	-	378	-	-	378
Amortisation provided during the year (note 6)	(7,573)	(2,105)	(1,334)	(200)	(200)	(11,412)
At 31 December 2024	<u>33,720</u>	<u>5,099</u>	<u>6,757</u>	<u>50</u>	<u>50</u>	<u>45,676</u>
At 31 December 2024:						
Cost	621,709	69,956	16,172	163,000	1,000	871,837
Accumulated amortisation	(144,471)	(53,774)	(9,415)	(162,950)	(950)	(371,560)
Accumulated impairment	(443,518)	(11,083)	-	-	-	(454,601)
Net carrying amount	<u>33,720</u>	<u>5,099</u>	<u>6,757</u>	<u>50</u>	<u>50</u>	<u>45,676</u>
	Trademark RMB'000	Patents and licences RMB'000	Purchased software RMB'000	Customer relationship RMB'000	Non- competition arrangement RMB'000	Total RMB'000
30 June 2025						
Cost at 1 January 2024, net of accumulated amortisation and impairment	33,720	5,099	6,757	50	50	45,676
Amortisation provided during the period (note 6)	(3,786)	(888)	(637)	(50)	(50)	(5,411)
Disposal	-	-	(7)	-	-	(7)
At 30 June 2025	<u>29,934</u>	<u>4,211</u>	<u>6,113</u>	<u>-</u>	<u>-</u>	<u>40,258</u>
At 30 June 2025:						
Cost	621,709	69,956	15,010	163,000	1,000	870,675
Accumulated amortisation	(148,257)	(54,662)	(8,897)	(163,000)	(1,000)	(375,816)
Accumulated impairment	(443,518)	(11,083)	-	-	-	(454,601)
Net carrying amount	<u>29,934</u>	<u>4,211</u>	<u>6,113</u>	<u>-</u>	<u>-</u>	<u>40,258</u>

Prior to 2022, impairment losses of RMB405,451,000 and RMB9,910,000, respectively, were recognised for trademark and patents and licences of industry solution services CGU due to the expected decrease in growth rate. During the year ended 31 December 2022, a decision to phase out the industry solution services business caused the carrying amounts of trademark and patents and licences of the industry solution services CGU to exceed their recoverable amounts, which was nil respectively. The recoverable amounts were assessed based on the value in use method using pre-tax discount rate of 25%, and impairment losses of RMB38,067,000 and RMB1,173,000 for trademark and patents and licences, respectively, were recorded to profit or loss.

17. INVESTMENTS IN SUBSIDIARIES AND BALANCES WITH SUBSIDIARIES

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Investment, at cost	476,245	561,909	587,342	597,321
Due from subsidiaries	<u>4,499,267</u>	<u>4,603,950</u>	<u>4,982,498</u>	<u>5,104,492</u>
Total	<u>4,975,512</u>	<u>5,165,859</u>	<u>5,569,840</u>	<u>5,701,813</u>

The amount due from subsidiaries is unsecured and interest-free. In the opinion of the directors of the Company, the non-current portion of outstanding amount is unlikely to be repaid in the foreseeable future and is considered as part of the Company's net investments in subsidiaries.

Other than the aforementioned amounts due from subsidiaries, the Company's other balances with subsidiaries are unsecured, interest-free and repayable on demand.

18. INVESTMENTS IN JOINT VENTURES

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Share of net assets	8,770	9,015	9,399	3,457
Goodwill on acquisition	<u>2,569</u>	<u>2,569</u>	<u>2,569</u>	<u>2,569</u>
Subtotal	11,339	11,584	11,968	6,026
Impairment	(7,757)	(7,757)	(8,105)	(2,303)
Total	<u>3,582</u>	<u>3,827</u>	<u>3,863</u>	<u>3,723</u>

The Group's prepayments and other receivables, trade payables and other payables and accruals with joint ventures are disclosed in note 40 to the Historical Financial Information.

The Group's equity interests in joint ventures are indirectly held through a wholly-owned subsidiary of the Company.

The Group recognised impairment on certain investments of joint ventures. Both external and internal sources of information of joint ventures are considered in assessing whether there is any indicator that the investments may be impaired, including but not limited to information about financial position and business performance of the joint ventures, and a significant or prolonged decline in the fair value of an investment below its carrying amount is also objective evidence of impairment. The Group carries out impairment assessment on those investments with impairment indicators, and the respective recoverable amounts of investments are determined with reference to the higher of fair value less cost of disposal or value in use.

During the year ended 31 December 2024, an expected decrease in growth rate and profit caused the carrying amount of investment in a joint venture to exceed its recoverable amount. The recoverable amount was assessed based on the value in use method, and impairment loss of RMB348,000 for investment in a joint venture was recorded in profit or loss.

The Group disposed of its entire equity interest in a fully-impaired joint venture at nil consideration during the six months ended 30 June 2025, accordingly the related amounts of share of net assets and impairment loss of RMB5,454,000 were written off.

A fully-impaired joint venture was deregistered during the six months ended 30 June 2025, accordingly the related amounts of share of net assets and impairment loss of RMB348,000 were written off.

All of the Group's joint ventures are not considered individually material during the Relevant Periods and the six months ended 30 June 2024, and at the end of each of the Relevant Periods. The following tables illustrates their aggregate summarised financial information:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Share of the joint ventures' (losses)/profits for the year/period	(3,666)	245	384	10	(140)
Aggregate carrying amount of the Group's investments in joint ventures	<u>3,582</u>	<u>3,827</u>	<u>3,863</u>		<u>3,723</u>

19. INVESTMENTS IN ASSOCIATES

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Share of net assets	39,651	38,235	38,992	35,270
Goodwill on acquisition	<u>38,717</u>	<u>39,398</u>	<u>39,398</u>	<u>39,398</u>
Subtotal	78,368	77,633	78,390	74,668
Impairment	(69,408)	(75,344)	(76,807)	(73,085)
Total	<u>8,960</u>	<u>2,289</u>	<u>1,583</u>	<u>1,583</u>

The Group's trade and bills receivables, prepayments and other receivables, contract assets, trade payables and contract liabilities with associates are disclosed in note 40 to the Historical Financial Information.

The Group's investments in these companies are accounted for as associates of the Group because the Group is in a position to exercise significant influence. The Group has at least one director at each board of directors and/or has relevant rights regarding certain significant financial and operating decisions in board meetings of these associates.

The Group's equity interests in associates are indirectly held through a wholly-owned subsidiary of the Company.

During the year ended 31 December 2022, an expected further decrease in growth rate and profit caused the carrying amounts of certain investments in associates to exceed their recoverable amounts of RMB8,960,000. Their recoverable amounts were assessed based on the value in use method using pre-tax discount rate of 23% to 27%, and impairment losses of RMB25,235,000 for investments in associates were recorded in profit or loss.

During the year ended 31 December 2023, an expected further decrease in growth rate and profit caused the carrying amounts of certain investments in associates to exceed their recoverable amounts. Their recoverable amounts were assessed based on the value in use method using pre-tax discount rate of 21%, and impairment losses of RMB5,936,000 for investments in associates were recorded in profit or loss.

During the year ended 31 December 2024, a failure in product development and significant adverse change in cash flow of an associate caused the recoverable amount of investment in the associate to be reduced to zero, and an impairment loss of RMB602,000 for investment in an associate was recorded in profit or loss.

During the year ended 31 December 2024, additional capital was contributed by the Group and other investors to an associate, based on their respective equity interest portion, for the associate to settle outstanding balances payable to suppliers. Consequently, impairment losses of RMB861,000 were recorded in profit or loss.

During the six months ended 30 June 2025, the Group disposed of its entire equity interest in a fully-impaired associate at nil consideration, accordingly the related amounts of share of net assets and impairment loss of RMB3,722,000 were written off.

All of the Group's associates are not considered individually material during the Relevant Periods and the six months ended 30 June 2024, and at the end of each of the Relevant Periods. The following tables illustrates their aggregate summarised financial information:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Other comprehensive income	177	69	-	-	-
Share of the associates' losses for the year/period	(1,617)	(1,501)	(104)	(48)	-
Total	<u>(1,440)</u>	<u>(1,432)</u>	<u>(104)</u>	<u>(48)</u>	<u>-</u>
Aggregate carrying amount of the Group's investments in associates	<u>8,960</u>	<u>2,289</u>	<u>1,583</u>		<u>1,583</u>

20. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Equity investments in unlisted entities	<u>13,956</u>	<u>13,006</u>	<u>11,147</u>	<u>11,432</u>

The above equity investments were irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature. The fair value losses in these investments of RMB2,401,000, RMB950,000, RMB2,301,000 and RMB1,550,000 (unaudited) during the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024, respectively, and the fair value gains in these investments of RMB285,000 during the six months ended 30 June 2025 were recorded in other comprehensive income.

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Current:				
Wealth management products	<u>23,239</u>	<u>3,370</u>	<u>-</u>	<u>3,500</u>
Non-current:				
Preferred shares investments in unlisted entities	<u>140,410</u>	<u>141,482</u>	<u>127,224</u>	<u>124,487</u>
Total	<u>163,649</u>	<u>144,852</u>	<u>127,224</u>	<u>127,987</u>

The preferred shares investments in unlisted entities are ordinary shares with preferential rights. The Group has the right to require and demand the investees to redeem all of the shares held by the Group at guaranteed predetermined amount upon redemption events which are out of control of issuers. Hence, these investments are accounted for as debt instruments and are measured at fair value through profit or loss.

The wealth management products issued by banks in Mainland China 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.

22. INVENTORIES

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Contract fulfillment cost	326,246	269,398	155,994	126,798
Purchased goods	29,411	14,934	15,721	11,836
Impairment	(34,973)	(30,231)	(30,141)	(32,467)
Total	<u>320,684</u>	<u>254,101</u>	<u>141,574</u>	<u>106,167</u>

Contract fulfillment cost is the costs incurred to fulfill contracts which will be recognised as cost of sales when the Group's related performance obligations are satisfied and hence the related service contract revenue is recognised.

Provision for inventories was recognised for the amount by which the carrying amount of inventories exceeded its net realisable value and was recorded in "cost of sales" in the consolidated statements of profit or loss. During the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, RMB7,629,000, RMB3,074,000, RMB3,684,000 and RMB3,367,000 were recorded, respectively.

23. TRADE AND BILLS RECEIVABLES

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Trade receivables	585,150	593,178	646,058	672,104
Impairment	(56,825)	(71,635)	(99,895)	(111,886)
	<u>528,325</u>	<u>521,543</u>	<u>546,163</u>	<u>560,218</u>
Bills receivable	516	1,004	1,191	6,979
	<u>528,841</u>	<u>522,547</u>	<u>547,354</u>	<u>567,197</u>
Net carrying amount				

The Group's trading terms with its customers are mainly on credit. The credit period is generally one month extending up to five months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control system to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Within 1 year	462,479	455,867	471,108	484,118
1 to 2 years	55,546	55,879	63,738	63,169
2 to 3 years	<u>10,300</u>	<u>9,797</u>	<u>11,317</u>	<u>12,931</u>
Total	<u>528,325</u>	<u>521,543</u>	<u>546,163</u>	<u>560,218</u>

23. TRADE AND BILLS RECEIVABLES (continued)

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

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
At beginning of year/period	40,118	56,825	71,635	99,895
Impairment loss, net (note 6)	34,593	15,806	26,967	16,250
Reversal of write-off	-	-	2,204	-
Amount written off as uncollectible	(17,886)	(996)	(911)	(4,259)
At end of year/period	<u>56,825</u>	<u>71,635</u>	<u>99,895</u>	<u>111,886</u>

An impairment analysis is performed at the end of each of the Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are based on ageing for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the Relevant Periods about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than three years and are not subject to enforcement activity. In addition, when there exists an indicator of significant increase in credit risk in relation to a particular debtor, an impairment analysis is performed in respect of the corresponding outstanding receivable balance on an individual debtor basis.

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

As at 31 December 2022

	Ageing				
	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Collectively assessed:					
Expected credit loss rate	1.65%	14.73%	48.42%	100.00%	7.97%
Gross carrying amount (RMB'000)	470,242	65,141	19,970	18,747	574,100
Expected credit losses (RMB'000)	<u>7,763</u>	<u>9,595</u>	<u>9,670</u>	<u>18,747</u>	<u>45,775</u>
Individually assessed:					
Expected credit loss rate	100%	100%	100%	100%	100%
Gross carrying amount (RMB'000)	3,144	1,881	5,116	909	11,050
Expected credit losses (RMB'000)	<u>3,144</u>	<u>1,881</u>	<u>5,116</u>	<u>909</u>	<u>11,050</u>
Total:					
Gross carrying amount (RMB'000)	473,386	67,022	25,086	19,656	585,150
Expected credit losses (RMB'000)	<u>10,907</u>	<u>11,476</u>	<u>14,786</u>	<u>19,656</u>	<u>56,825</u>

23. TRADE AND BILLS RECEIVABLES (continued)

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

As at 31 December 2023

	Ageing				
	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Collectively assessed:					
Expected credit loss rate	1.59%	14.41%	52.42%	100.00%	8.39%
Gross carrying amount (RMB'000)	463,237	65,289	20,592	20,219	569,337
Expected credit losses (RMB'000)	<u>7,370</u>	<u>9,410</u>	<u>10,795</u>	<u>20,219</u>	<u>47,794</u>
Individually assessed:					
Expected credit loss rate	100%	100%	100%	100%	100%
Gross carrying amount (RMB'000)	4,432	7,101	6,283	6,025	23,841
Expected credit losses (RMB'000)	<u>4,432</u>	<u>7,101</u>	<u>6,283</u>	<u>6,025</u>	<u>23,841</u>
Total:					
Gross carrying amount (RMB'000)	467,669	72,390	26,875	26,244	593,178
Expected credit losses (RMB'000)	<u>11,802</u>	<u>16,511</u>	<u>17,078</u>	<u>26,244</u>	<u>71,635</u>

As at 31 December 2024

	Ageing				
	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Collectively assessed:					
Expected credit loss rate	2.94%	17.03%	59.39%	100.00%	12.55%
Gross carrying amount (RMB'000)	485,367	76,818	27,866	34,479	624,530
Expected credit losses (RMB'000)	<u>14,259</u>	<u>13,080</u>	<u>16,549</u>	<u>34,479</u>	<u>78,367</u>
Individually assessed:					
Expected credit loss rate	100.00%	100.00%	100.00%	100.00%	100.00%
Gross carrying amount (RMB'000)	246	1,873	7,101	12,308	21,528
Expected credit losses (RMB'000)	<u>246</u>	<u>1,873</u>	<u>7,101</u>	<u>12,308</u>	<u>21,528</u>
Total:					
Gross carrying amount (RMB'000)	485,613	78,691	34,967	46,787	646,058
Expected credit losses (RMB'000)	<u>14,505</u>	<u>14,953</u>	<u>23,650</u>	<u>46,787</u>	<u>99,895</u>

23. TRADE AND BILLS RECEIVABLES (continued)

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

As at 30 June 2025

	Ageing				
	Within 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Collectively assessed:					
Expected credit loss rate	3.78%	20.45%	50.01%	100.00%	14.36%
Gross carrying amount (RMB'000)	503,137	79,408	25,869	45,763	654,177
Expected credit losses (RMB'000)	<u>19,019</u>	<u>16,239</u>	<u>12,938</u>	<u>45,763</u>	<u>93,959</u>
Individually assessed:					
Expected credit loss rate	N/A	100%	100%	100%	100%
Gross carrying amount (RMB'000)	-	1,982	2,231	13,714	17,927
Expected credit losses (RMB'000)	<u>-</u>	<u>1,982</u>	<u>2,231</u>	<u>13,714</u>	<u>17,927</u>
Total:					
Gross carrying amount (RMB'000)	503,137	81,390	28,100	59,477	672,104
Expected credit losses (RMB'000)	<u>19,019</u>	<u>18,221</u>	<u>15,169</u>	<u>59,477</u>	<u>111,886</u>

Bills receivable is subject to impairment using the low credit risk simplification under the general approach. At the end of each of the Relevant Periods, the Group evaluates whether the bills receivable is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the credit ratings of the issuing banks. The Group did not recognise any impairment losses on bills receivable as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively.

24. CONTRACT ASSETS

	1 January 2022 RMB'000	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Contract assets arising from Industry solution services Impairment	18,150 (2,110)	13,470 (1,707)	7,617 (876)	4,373 (534)	4,234 (640)
Net carrying amount	<u>16,040</u>	<u>11,763</u>	<u>6,741</u>	<u>3,839</u>	<u>3,594</u>
Analysed into:					
Current portion	8,906	7,638	2,649	854	1,914
Non-current portion	<u>7,134</u>	<u>4,125</u>	<u>4,092</u>	<u>2,985</u>	<u>1,680</u>

Contract assets are initially recognised for revenue earned from the provision of project-based services as the receipt of consideration is conditional on successful completion of warranty conditions. Included in contract assets for the provision of project-based services are retention receivables. Upon completion of warranty conditions and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The decrease in contract assets at 31 December 2022, 2023 and 2024 and 30 June 2025, was the result of the Group's decision to phase out the industry solution services business from the second half of 2022.

The Group's trading terms and credit policy with customers are disclosed in note 23 to the Historical Financial Information.

24. CONTRACT ASSETS (continued)

The expected timing of recovery or settlement for contract assets as at end of each of the Relevant Periods is as follows:

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Within one year	7,638	2,649	854	1,914
After one year	<u>4,125</u>	<u>4,092</u>	<u>2,985</u>	<u>1,680</u>
Total contract assets	<u>11,763</u>	<u>6,741</u>	<u>3,839</u>	<u>3,594</u>

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

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
At beginning of year/period	2,110	1,707	876	534
(Reverse of impairment loss)/impairment loss, net (note 6)	<u>(403)</u>	<u>(831)</u>	<u>(342)</u>	<u>106</u>
At end of year/period	<u>1,707</u>	<u>876</u>	<u>534</u>	<u>640</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on the ageing of trade receivables for groupings of various customer segments with similar loss patterns (i.e., by customer type). The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Expected credit loss rate	12.67%	11.50%	12.21%	15.12%
Gross carrying amount (RMB'000)	13,470	7,617	4,373	4,234
Expected credit losses (RMB'000)	1,707	876	534	640

25. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

Group

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Current:				
Prepayments	53,107	40,510	25,186	29,144
Loans to employees	(a) 1,344	853	354	144
Other receivables and other assets	107,352	90,769	79,429	56,639
Subtotal - current	161,803	132,132	104,969	85,927
Impairment	(13,938)	(15,034)	(10,512)	(11,135)
Total - current	147,865	117,098	94,457	74,792
Non-current:				
Other receivables and other assets	12,035	10,892	16,627	17,931
Prepayments	-	-	-	1,934
Subtotal-non current	12,035	10,892	16,627	19,865
Impairment	(390)	(865)	(3,104)	(3,032)
Total - non-current	11,645	10,027	13,523	16,833
Total	159,510	127,125	107,980	91,625

- (a) The outstanding balances of loans to employees are non-trade in nature, unsecured and with an effective interest rate of 4.75%.

The Group applies an expected credit loss model to evaluate the credit losses for financial assets included in other receivables and other assets. The Group uses judgement in making these assumptions and selecting the inputs to calculate the loss allowances, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group's movements in the loss allowance for impairment of financial assets included in other receivables and other assets are as follows:

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
At beginning of year/period	21,971	14,328	15,899	13,616
(Reverse of impairment loss)/impairment loss, net (note 6)	(7,643)	1,571	(2,283)	1,069
Write-off	-	-	-	(518)
At end of year/period	14,328	15,899	13,616	14,167

Company

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Prepayments	-	-	1,835	1,500
Other receivables and other assets	-	-	288	284
At end of year/period	-	-	2,123	1,784

26. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND DEPOSITS

GROUP

	Note	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Current:					
Cash and cash equivalents		180,931	294,915	400,370	360,552
Time deposits		-	3,014	13,570	23,683
Pledged deposits and restricted cash:					
Pledged for bank borrowings	30	175,322	154,368	131,962	131,517
Restricted for business projects and litigations		17,787	7,958	15,715	25,579
Subtotal		193,109	162,326	147,677	157,096
Total		<u>374,040</u>	<u>460,255</u>	<u>561,617</u>	<u>541,331</u>
Non-current:					
Pledged deposits and restricted cash:					
Restricted cash for business projects		3,085	-	-	-
Time deposits		21,134	10,239	-	-
Total		<u>24,219</u>	<u>10,239</u>	<u>-</u>	<u>-</u>

At the end of each of the Relevant Periods, the Group's cash and cash equivalents, time deposits, pledged deposits and restricted cash denominated in RMB amounted to RMB205,336,000, RMB298,117,000, RMB420,706,000 and RMB300,496,000, respectively. The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are categorised into the non-current portion with a remaining deposit term of exceeding one year and the current portion with a remaining deposit term of over three months but within one year, depending on the immediate cash requirements of the Group, and earn interest at the respective bank deposit rates and short-term deposit rates. The bank balances, time deposits and short-term deposits are deposited with creditworthy banks with no recent history of default.

Company

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Current:				
Cash and cash equivalents	5,981	8,121	2,208	27,610
Pledged deposits and restricted cash:				
Restricted for business projects and litigations	-	-	61	60
Subtotal	-	-	61	60
Total	<u>5,981</u>	<u>8,121</u>	<u>2,269</u>	<u>27,670</u>

27. TRADE AND BILLS PAYABLES

Group

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

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Within 1 year	200,354	198,480	154,734	145,852
1 to 2 years	29,536	10,255	18,037	24,279
Over 2 years	<u>18,189</u>	<u>28,277</u>	<u>20,978</u>	<u>26,242</u>
Total	<u>248,079</u>	<u>237,012</u>	<u>193,749</u>	<u>196,373</u>

The trade and bills payables are non-interest-bearing and are normally settled of not more than 3 months.

28. OTHER PAYABLES AND ACCRUALS

Group

	Notes	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Current					
Repurchase consideration payable	(a)	73,229	68,277	58,445	58,203
Advances from the investors		-	314,165	214	-
Accruals		12,331	12,253	4,580	4,214
Other taxes payable		28,438	26,785	24,334	22,791
Payroll and welfare payables		135,172	84,087	77,839	56,701
Due to founder shareholders of subsidiaries	(b)	7,941	16,468	14,676	14,676
Other payables	(c)	145,818	141,616	91,371	75,546
Total current		402,929	663,651	271,459	232,131
Non-Current					
Deferred income		13,090	14,140	12,250	13,300
Other payables		2,400	1,600	800	800
Due to founder shareholders of subsidiaries	(b)	6,569	6,723	6,794	-
Total non-current		22,059	22,463	19,844	14,100
Total		424,988	686,114	291,303	246,231

Notes:

- (a) Repurchase consideration payable represents the balance of the unpaid consideration to shareholders as of the end of each of the Relevant Periods.
- (b) The amounts due to founder shareholders of subsidiaries represent consideration yet to be paid to the founder shareholders of the subsidiaries in relation to acquisition of subsidiaries in prior years, which are unsecured and interest-free. The non-current balance as at 31 December 2024 has been fully paid during the six months ended 30 June 2025.
- (c) The other payables are non-interest-bearing and have an average term of three months.

Company

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Repurchase consideration payable	73,229	68,277	58,445	58,203
Other payables	13,013	22,954	13,041	13,524
Total	86,242	91,231	71,486	71,727

29. CONTRACT LIABILITIES

An analysis of contract liabilities arising from short-term advances received from customers is as follows:

	1 January 2022 RMB'000	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Marketing intelligence services	40,919	51,647	49,949	47,582	47,913
Operational intelligence services	5,591	123,869	62,379	43,848	28,923
Industry solution services	181,023	202,777	154,247	80,187	64,746
Total	<u>227,533</u>	<u>378,293</u>	<u>266,575</u>	<u>171,617</u>	<u>141,582</u>

The increase/decrease in contract liabilities during the Relevant Periods was mainly due to the increase/decrease in short-term advances received from customers in relation to marketing intelligence services, operational intelligence services and industry solution services at the end of each of the Relevant Periods.

30. INTEREST-BEARING BANK AND OTHER BORROWINGS

Group

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Bank borrowings, unsecured	73,000	5,723	1,750	1,750
Bank borrowings, secured	297,537	283,312	229,450	229,400
Borrowings from a shareholder, unsecured	48,892	14,831	-	-
Borrowings from a shareholder, secured	139,293	-	-	-
Other borrowings, secured	26,117	-	-	-
Total	<u>584,839</u>	<u>303,866</u>	<u>231,200</u>	<u>231,150</u>

Certain of the Group's bank loans and non-bank financial institutions loans are guaranteed or secured by:

- (i) the pledge of the Group's time deposits, amounting to RMB175,322,000, RMB154,368,000, RMB131,962,000 and RMB131,517,000 at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively (note 26);
- (ii) the pledge of the share interests of the Company held by certain substantial shareholders of the Company, which was released on 30 November 2023;
- (iii) the guarantee provided by certain substantial shareholders of the Company, which will be discharged or replaced upon the listing on the Stock Exchange of Hong Kong Limited (the "Stock Exchange");
- (iv) the guarantee provided by some minority shareholders of the Company's subsidiaries and a third-party guarantee company, which will be discharged or repaid upon the listing on the Stock Exchange.

The Group's interest-bearing bank borrowings are denominated in RMB or USD and due to mature within one year from the end of each of the Relevant Periods.

30. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

Group (continued)

All of the Group's interest-bearing bank and other borrowings at the end of each of the Relevant Periods are charged interests with fixed rates, and accordingly the Group's interest-bearing bank and other borrowings had no interest rate risk exposure. The effective interest rates of the Group's interest-bearing bank and other borrowings at the end of each of the Relevant Periods are as follows:

	31 December 2022 %	31 December 2023 %	31 December 2024 %	30 June 2025 %
Bank borrowings, unsecured	3.90 – 4.15	3.45	3.45	3.45
Bank borrowings, secured	3.00 – 4.98	3.00 - 4.50	2.70-3.45	2.45-3.45
Borrowings from a shareholder, unsecured	8.00 - 8.50	8.50	N/A	N/A
Borrowings from a shareholder, secured	5.00	N/A	N/A	N/A
Other borrowings, secured	8.50	N/A	N/A	N/A

Company

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Borrowings from a shareholder, unsecured	15,892	14,831	-	-
Borrowings from a shareholder, secured	139,293	-	-	-
Other borrowings, secured	26,117	-	-	-
Total	181,302	14,831	-	-

31. DEFERRED TAX

The movements in deferred tax assets/(liabilities) during the Relevant Periods are as follows:

	Fair value adjustments of financial investments at fair value through profit or loss RMB'000	Fair value adjustments of equity investments at fair value through other comprehensive income RMB'000	Fair value adjustments arising from acquisition of subsidiaries RMB'000	Lease liabilities RMB'000	Right-of use assets RMB'000	Accelerated tax depreciation RMB'000	Total RMB'000
At 1 January 2022	(4,457)	(428)	(23,739)	44,280	(39,579)	-	(23,923)
Acquisition of subsidiaries (note 37)	-	-	(1,750)	-	-	(98)	(1,848)
Credited to OCI	-	360	-	-	-	-	360
Credited/(charged) to profit or loss (note 10)	2,693	-	19,291	(38,443)	34,044	32	17,617
Exchange realignment	1	-	-	-	-	-	1
At 31 December 2022 and 1 January 2023	(1,763)	(68)	(6,198)	5,837	(5,535)	(66)	(7,793)
Credited to OCI	-	68	-	-	-	-	68
Credited/(charged) to profit or loss (note 10)	(957)	-	1,418	1,193	(1,236)	34	452
At 31 December 2023 and 1 January 2024	(2,720)	-	(4,780)	7,030	(6,771)	(32)	(7,273)
Credited/(charged) to profit or loss (note 10)	792	-	1,401	(32)	266	(52)	1,843
At 31 December 2024 and 1 January 2025	(1,928)	-	(3,379)	6,998	(7,037)	(84)	(5,430)
Credited/(charged) to profit or loss (note 10)	(313)	-	652	(1,688)	1,574	39	264
At 30 June 2025	(2,241)	-	(2,727)	5,310	(5,463)	(45)	(5,166)

31. DEFERRED TAX (continued)

Certain deferred tax assets and liabilities have been offset on an individual entity basis and the Group's net deferred tax assets and liabilities presented in the consolidated statements of financial position are as follows:

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Net deferred tax assets	1,666	2,836	85	1,558
Net deferred tax liabilities	(9,459)	(10,109)	(5,515)	(6,724)
Total	<u>(7,793)</u>	<u>(7,273)</u>	<u>(5,430)</u>	<u>(5,166)</u>

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

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Tax losses:				
Expiring in one to ten years	3,562,519	3,888,543	4,161,316	4,221,874
Available indefinitely	<u>699</u>	<u>684</u>	<u>7,216</u>	<u>14,728</u>
Total	<u>3,563,218</u>	<u>3,889,227</u>	<u>4,168,532</u>	<u>4,236,602</u>

Tax losses arising in Mainland China will expire in one to ten years for offsetting against future taxable profits, while tax losses arising in Hong Kong are available indefinitely for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

The Group is liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. The applicable rate is 5% or 10% for the Group.

At 31 December 2022, 2023 and 2024 and 30 June 2025, there was no significant unrecognised deferred tax liability for taxes that would be payable on the unremitted earnings of the Group's subsidiaries, associates or joint ventures as the Group has no unremitted earnings retained in Mainland China as at the end of each of the Relevant Periods.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

32. PREFERRED SHARES, WARRANTS AND CONVERTIBLE NOTES

The Group and the Company

The details of the balance are set out in the table below:

		31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
	Notes				
Preferred shares	(a)	7,493,390	6,909,848	7,816,400	7,991,292
Warrants	(b)	68,513	60,765	-	-
Convertible notes	(c)	-	343,511	-	-
Total		<u>7,561,903</u>	<u>7,314,124</u>	<u>7,816,400</u>	<u>7,991,292</u>

32. PREFERRED SHARES, WARRANTS AND CONVERTIBLE NOTES (continued)

(a) Preferred shares

Since the date of incorporation and up to 30 June 2025, the Group has completed the issuance of the following preferred shares to certain investors. For details, please refer to below table:

Name	Number of shares	Date of issuance
Series A-1 Preferred Shares	1,521,357	20 April 2018
Series A-2 Preferred Shares	926,341	16 July 2010
Series A-3 Preferred Shares	1,643,475	1 November 2011, 20 April 2018
Series A-4 Preferred Shares	2,437,921	19 October 2011
Series A-5 Preferred Shares	1,509,727	23 April 2013
Series A-6 Preferred Shares	958,487	20 April 2018
Series B-1 Preferred Shares	3,646,075	16 January 2015
Series B-2 Preferred Shares	1,880,335	31 May 2019
Series B-3 Preferred Shares	675,249	31 May 2019
Series B-4 Preferred Shares	2,932,000	31 May 2019
Series B-5 Preferred Shares	248,788	11 November 2015
Series C-1 Preferred Shares	5,469,112	25 April 2018
Series C-2 Preferred Shares	2,021,405	5 May 2017
Series C-3 Preferred Shares	3,300,687	31 May 2019
Series C-4 Preferred Shares	6,710,678	31 May 2019
Series C-5 Preferred Shares	2,104,318	31 May 2019
Series C-6 Preferred Shares	1,720,021	31 May 2019, 25 Oct 2024
Series C-7 Preferred Shares	11,418,189	31 May 2019
Series C-8 Preferred Shares	5,649,353	7 August 2019, 24 September 2020, 4 December 2020
Series C-9 Preferred Shares	6,623,086	2 March 2020
Series D-1 Preferred Shares	2,090,340	31 May 2019
Series D-2 Preferred Shares	2,194,866	7 August 2019
Series E-1 Preferred Shares	9,633,897	2 March 2020
Series E-2 Preferred Shares	6,230,928	24 September 2020, 4 December 2020
Series F-1 Preferred Shares*	7,636,308	25 Oct 2024
Series F-2 Preferred Shares*	9,353,678	25 Oct 2024
Series F-3 Preferred Shares*	2,751,690	1 March 2024, 25 Oct 2024
Total	<u>103,288,311</u>	

32. PREFERRED SHARES, WARRANTS AND CONVERTIBLE NOTES (continued)

(a) Preferred shares (continued)

*During the year ended 31 December 2024, the warrants were converted into 2,415,551 preferred shares, including 877,375 Series C-6 preferred shares and 1,538,176 Series F-3 preferred shares. The convertible notes were converted into 16,989,986 preferred shares, including 7,636,308 Series F-1 preferred shares and 9,353,678 Series F-2 preferred shares.

The key terms of the Series A-1 preferred shares to Series F-3 preferred shares (collectively, "Preferred Shares") are summarised as below:

Series A contains Series A-1, Series A-2, Series A-3, Series A-4, Series A-5 and Series A-6 preferred shares.

Series B contains Series B-1, Series B-2, Series B-3, Series B-4 and Series B-5 preferred shares.

Series C contains Series C-1, Series C-2, Series C-3, Series C-4, Series C-5, Series C-6, Series C-7, Series C-8 and Series C-9 preferred shares.

Series D contains Series D-1 and Series D-2 preferred shares.

Series E contains Series E-1 and Series E-2 preferred shares.

Series F contains Series F-1, Series F-2 and Series F-3 preferred shares.

The Group does not bifurcate any embedded derivatives from the host instruments and designates the entire instruments as financial liabilities at fair value through profit or loss with the changes in the fair value recorded in the consolidated statements of profit or loss.

The movements of preferred shares during the Relevant Periods are as follows:

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
At beginning of year/period	9,497,741	7,493,390	6,909,848	7,816,400
Issuance of Series F-3 preferred shares	-	-	94,074	-
Transfer from warrants through share registration	-	-	187,847	-
Transfer from convertible notes	-	-	819,478	-
Fair value changes	(2,782,942)	(706,994)	(296,006)	208,029
Exchange realignment	<u>778,591</u>	<u>123,452</u>	<u>101,159</u>	<u>(33,137)</u>
At end of year/period	<u>7,493,390</u>	<u>6,909,848</u>	<u>7,816,400</u>	<u>7,991,292</u>

(i) The preferred rights of the holders of preferred shares

Dividend rights

No dividends or other distributions shall be made or declared, whether in cash, in property, or in any other shares of the Company, with respect to any other class or series of shares of the Company, unless and until preferential, cumulative dividend at the rate equal to 6% of the respective applicable issue price (as adjusted for any share splits, share dividends, combinations, recapitalisations or similar transactions) per annum calculating from the applicable original issue date out of any funds legally available on a cumulative basis is first paid in full on the respective preferred shares on a pari passu and pro rata basis, by the following order: (1) Series F; (2) Series E; (3) Series D; (4) Series C; (5) Series B; (6) Series A.

32. PREFERRED SHARES, WARRANTS AND CONVERTIBLE NOTES (continued)

(a) Preferred shares (continued)

(i) The preferred rights of the holders of preferred shares (continued)

Conversion rights

The holders of the preferred shares shall have the rights described below with respect to the conversion of the preferred shares into Class A ordinary shares:

Unless converted earlier pursuant to the provisions with respect to automatic conversion as set out below, each preferred share shall be convertible, at the option of the holder thereof, at any time after the original issue date into such number of fully paid and non-assessable ordinary shares as determined by dividing 100% of the original issue price by the conversion price, determined as hereinafter provided, in effect at the time of the conversion.

Each preferred share shall automatically be converted into ordinary shares at the then effective conversion price at the closing of a qualified initial public offering of ordinary shares of the Company ("QIPO"). In the event of the automatic conversion of the preferred shares upon a QIPO, the person(s) entitled to receive the ordinary shares issuable upon such conversion of preferred shares shall not be deemed to have converted such preferred shares until immediately prior to the closing of such QIPO.

Subject to the definition of the conversion price in accordance with the articles of association, the conversion price for each preferred share as of the time of issuance of such preferred share shall be the applicable original issue price. No adjustment in the conversion price shall be made in respect of the issuance of additional equity securities unless the consideration per share for an additional equity security issued or deemed to be issued by the Company is less than the conversion price in effect on the date of and immediately prior to such issue.

Redemption rights

At any time after the occurrence of the applicable redemption event, the holder of any preferred share may deliver to the Company a written notice, requesting the Company to redeem all or any lesser portion of such series of preferred shares relating to which a redemption event has occurred.

"Redemption event" means, (i) in respect only to each series F preferred share, series E preferred share, series D preferred share or series C preferred share, at any time on or after (unless otherwise indicated) the earliest occurrence of any of the following events: (a) the Company fails, for any reason, to consummate a QIPO on or before 30 June 2026[^], (b) Mr. Wu Minghui (the "Founder") has, conducted a fraud or intentional misconduct, including without limitation if any group company has generated any sales revenue which were not recorded on the books and accounts pursuant to the applicable generally accepted accounting principles, that caused injuries or losses to any group company or was in connection with or had or was likely to have adverse effect on any group company, (c) any of the group companies, the Founder and the Founder's corresponding shareholder has committed a material breach of the terms of any transaction agreement that cannot be cured or remains uncured after thirty (30) days upon the written notice of any preferred shareholder, or (d) the aggregate number of ordinary shares held by the Founder, directly and indirectly, is less than 50% of such number as of the Series F-3 closing; and (ii) in respect to each preferred share (other than series F preferred share, series E preferred share, series D preferred share or series C preferred share), if the Company fails, for any reason, to consummate a QIPO on or before 30 June 2026[^].

[^] The original date was 31 October 2024 which was extended to 30 June 2026 according to the seventh amended and restated shareholders, noteholders and bondholders agreement entered into on 31 October 2024 and the seventh amended and restated memorandum and articles of association of the Company adopted by a special resolution passed on 31 October 2024 (the "October 2024 Amendments"), in which the redemption rights were to cease to be exercisable immediately prior to the first submission of the listing application to the relevant stock exchange; provided that the redemption rights shall automatically be restored and exercisable and in full force and effect upon the earliest to occur of (a) the withdrawal of such listing application by the Company; (b) the Company's listing application lapses but is not renewed within three months thereafter; or (c) that the Company fails to consummate a QIPO on or before 30 June 2026.

32. PREFERRED SHARES, WARRANTS AND CONVERTIBLE NOTES (continued)

(a) Preferred shares (continued)

(i) The preferred rights of the holders of preferred shares (continued)

Liquidation preference

Each holder of preferred shares shall be entitled to receive for each series of preferred shares it holds on the preferential basis, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of other series of preferred shares and ordinary shares or any other class or series of shares by reason of their ownership of such shares, an amount equal to (i) 100% to 120% of the respective applicable issue price; (ii) internal rate of return ("IRR") of 10% per annum in respect of the respective applicable issue price for certain series of preferred shares; and (iii) plus all declared but unpaid dividends on such respective preferred shares, by the following order: (1) Series F; (2) Series E; (3) Series D; (4) Series C; (5) Series B; (6) Series A. According to the October 2024 Amendments, the liquidation rights were to terminate on the consummation of a QIPO.

Notwithstanding any provision to the contrary in above clauses, if the Company's valuation reaches or exceeds USD5.5 billion in any deemed liquidation event, then all proceeds resulting from such deemed liquidation event shall be distributed ratably among the holders of the ordinary shares and preferred shares on a pro rata basis, based on the number of ordinary shares then held by each holder (and, in the case of the preferred shareholders, assuming that the preferred shares were converted into ordinary shares immediately prior to such distribution).

Anti-dilution adjustments

The anti-dilution adjustments triggered by the transactions contemplated series F shall have been made by the Company with respect to the relevant preferred shares. For a consideration per share received by the Company less than the applicable conversion price in effect on the date of and immediately prior to such issue, the conversion price for the relevant preferred shares shall each be reduced, concurrently with such issue, to a price determined in accordance with the formula.

Modifications of key features of the preferred shares

Subsequent to the end of the Relevant Periods, according to the eighth amended and restated shareholders, noteholders and bondholders agreement entered into on 10 September 2025, the consummation date of a QIPO was further extended to 31 December 2026.

(ii) Fair value of the preferred shares

The Group applied the discounted cash flow method to determine the underlying equity value of the Company and then equity value allocation model based on an option pricing model, was adopted to determine the fair value of the preferred shares. The following table lists the key inputs used:

	31 December 2022 %	31 December 2023 %	31 December 2024 %	30 June 2025 %
Discount rate	18	17	16	16
Risk-free interest rate	4.73	4.79	4.2	4.2
DLOM	10	10	10	10
Volatility	47.34	45.39	50.16	54.98

Discount rate (post-tax) was estimated by weighted average cost of capital as at each valuation date. The Group estimated the risk-free interest rate based on the yield of the United States treasury bills, where applicable, with a maturity life close to period from the respective valuation dates to the expected liquidation dates. The DLOM was estimated based on the option-pricing method. Under option-pricing method, the cost of put option, which can hedge the price change before the privately held share can be sold, was considered as a basis to determine the lack of marketability discount. Volatility was estimated based on annualised standard deviation of the daily return embedded in historical stock prices of comparable companies with a time horizon close to the expected term. In addition to the assumptions adopted above, the Company's projections of future performance were also factored into the determination of the fair value of preferred shares on each valuation date.

32. PREFERRED SHARES, WARRANTS AND CONVERTIBLE NOTES (continued)

(b) Warrants

The Group does not bifurcate any embedded derivatives from the host instruments and designates the entire instruments as financial liabilities at fair value through profit or loss with the changes in the fair value recorded in the consolidated statements of profit or loss.

The movements of the warrants during the Relevant Periods are as follows:

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
At beginning of year/period	93,491	68,513	60,765	-
Issuance of Series F-3 warrants	-	-	120,004	-
Transfer to preferred shares through share registration	-	-	(187,847)	-
Fair value changes	(32,463)	(8,865)	5,848	-
Exchange realignment	7,485	1,117	1,230	-
At end of year/period	<u>68,513</u>	<u>60,765</u>	<u>-</u>	<u>-</u>

(i) The preferred rights of the holders of warrants

The rights of warrants are same as those of the corresponding series preferred share. The warrants can be converted into the corresponding series preferred shares upon the completion of share registration.

32. PREFERRED SHARES, WARRANTS AND CONVERTIBLE NOTES (continued)

(b) Warrants (continued)

(ii) Fair value of the warrants

The Group applied the discounted cash flow method to determine the underlying equity value of the Company, and then equity value allocation model based on an option pricing model, was adopted to determine the fair value of the warrants. The following table lists the key inputs used:

	31 December 2022 %	31 December 2023 %	31 December 2024 %	30 June 2025 %
Discount rate	18	17	-	-
Risk-free interest rate	4.73	4.79	-	-
DLOM	10	10	-	-
Volatility	47.34	45.39	-	-

Discount rate (post-tax) was estimated by weighted average cost of capital as at each valuation date. The Group estimated the risk-free interest rate based on the yield of the United States treasury bills, where applicable, with a maturity life close to period from the respective valuation dates to the expected liquidation dates. The DLOM was estimated based on the option-pricing method. Under option-pricing method, the cost of put option, which can hedge the price change before the privately held share can be sold, was considered as a basis to determine the lack of marketability discount. Volatility was estimated based on annualised standard deviation of the daily return embedded in historical stock prices of comparable companies with a time horizon close to the expected term. In addition to the assumptions adopted above, the Company's projections of future performance were also factored into the determination of the fair value of warrants on each valuation date.

(c) Convertible notes

On 30 November 2023, the Company issued several convertible promissory notes (F-1) with a total principal amount of USD30,000,000, to certain investors, with a compound interest rate of 15% per annum.

On 15 January 2024, the Company issued several convertible promissory notes (F-2) with a total principal amount of USD50,873,000, to certain investors, with a compound interest rate of 15% per annum.

On 25 October 2024, all the convertible notes had been converted into preferred shares of the Company.

The movements of the convertible notes during the Relevant Periods are as follows:

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
At beginning of year/period	-	-	343,511	-
Issuance of F-1	-	212,481	-	-
Issuance of F-2	-	-	364,562	-
Fair value changes	-	130,362	104,169	-
Transfer to preferred shares	-	-	(819,478)	-
Exchange realignment	-	668	7,236	-
At end of year/period	-	343,511	-	-

32. PREFERRED SHARES, WARRANTS AND CONVERTIBLE NOTES (continued)

(c) Convertible notes (continued)

(i) The key terms of convertible notes

Repayment term

The convertible notes have a repayment term of the earliest date (the “Maturity Date”) of (a) the third anniversary from the date hereof or any later date mutually agreed in writing by the holder and the Company, and (b) the closing of an initial public offering of the shares of the Company, and (c) the date of the occurrence of any event of default.

The events of default consist of (a) any of the warrantors materially breaches any representation, warranty, covenant or obligation set forth in the transaction documents in accordance with their respective terms and conditions; (b) any of the warrantors breaches any of the following such that there is a material adverse impact on such Warrantor’s ability to perform its obligations under the transaction documents: any term of the memorandum of association or articles of association of any group company then in effect or applicable law or any agreement or contract to which he/it is a party or by which its assets are bound; (c) any change of control occurs, unless otherwise agreed in writing by the holder; (d) an event occurs (or circumstance exist) that has a material adverse effect on the business, operation, financial, ownership or other aspects of any group company or such group company’s ability to perform the transaction documents; (e) any group company is dissolved, or its existence is otherwise terminated, unless otherwise agreed in writing by the holder; (f) any group company commences or has commenced against it any proceeding to dissolve or otherwise terminate its existence under any dissolution, liquidation or similar statute now or hereafter in effect or the board of directors or shareholders of such group company take any corporate action in furtherance of any of the foregoing, unless otherwise agreed in writing by a holder; (g) any group company files any petition or action for relief under any bankruptcy, reorganisation, insolvency, arrangement, readjustment of debt, moratorium or any other similar law for the relief of, or relating to, debtors, now or hereafter in effect, or makes any assignment for the benefit of creditors or the board of directors or shareholders of such group company take any corporate action in furtherance of any of the foregoing, unless otherwise agreed in writing by a holder; (h) an involuntary petition is filed against any group company under any bankruptcy, reorganisation, insolvency, arrangement, readjustment of debt, moratorium, or similar law for the relief of, or relating to, debtors, now or hereafter in effect, or a custodian, receiver, trustee, assignee for the benefit of creditors (or other similar official) is appointed to take possession, custody or control of any property of such group company; (i) if the Company fails, for any reason, to consummate a QIPO on or before 31 December 2024.

Conversion rights

Certain investors shall have the right, at its option, at any time earlier of (A) the Maturity Date and (B) sixty (60) days prior to the date of the first submission of the first listing application form of the Company to the Stock Exchange, to convert the outstanding principal amount into the series F-1 preferred shares, in whole or in part but no less than USD10,000,000, at the conversion price, which is the lower of (1) USD3.9286 per series F-1 preferred share, subject to adjustment as provided in the notes (the “Initial Conversion Price”), and (2) in the event of an equity financing of the Company whose closing is subsequent to the date hereof but prior to the conversion deadline (the “Equity Financing”) and the purchase price per share of such Equity Financing shares is lower than the Initial Conversion Price, such lower purchase price per share.

Certain investors shall have the right, at its option, at any time earlier of (A) the Maturity Date and (B) sixty (60) days prior to the date of the first submission of the first listing application form of the Company to the Stock Exchange, to convert the outstanding principal amount into the series F-2 preferred shares, in whole or in part but no less than USD10,000,000, at the conversion price, which is the lower of (1) USD5.4388 per series F-2 preferred shares, subject to adjustment as provided in the notes (the “Initial Conversion Price”), and (2) in the event of the Equity Financing and the purchase price per share of such Equity Financing shares is lower than the Initial Conversion Price, such lower purchase price per share.

32. PREFERRED SHARES, WARRANTS AND CONVERTIBLE NOTES (continued)

(c) Convertible notes (continued)

(ii) Fair values of the convertible notes

The Group applied the discounted cash flow method to determine the underlying equity value of the Company, and then equity value allocation model based on an option pricing method was adopted to determine the fair value of preferred shares. Based on the outcome of equity value allocation, a binomial model was adopted to determine the fair value of the convertible notes. The following table lists the key inputs used:

	31 December 2022 %	31 December 2023 %	31 December 2024 %	30 June 2025 %
Risk-free interest rate	-	4.82	-	-
Discount rate	-	17	-	-
DLOM	-	10	-	-
Volatility	-	45.39	-	-

Discount rate (post-tax) was estimated by weighted average cost of capital as at each valuation date. The Group estimated the risk-free interest rate based on the yield of the United States treasury bills, where applicable, with a maturity life close to period from the respective valuation dates to the expected maturity dates. The DLOM was estimated based on the option-pricing method. Under option-pricing method, the cost of put option, which can hedge the price change before the privately held share can be sold, was considered as a basis to determine the lack of marketability discount. Volatility was estimated based on annualised standard deviation of the daily return embedded in historical stock prices of comparable companies with a time horizon close to the expected term. In addition to the assumptions adopted above, the Company's projections of future performance were also factored into the determination of the fair value of convertible notes on each valuation date.

33. OTHER LIABILITIES

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Current:				
Forward contract liability*	175,094	-	-	-
Put option liabilities**	3,474	11,349	23,846	25,639
	<u>178,568</u>	<u>11,349</u>	<u>23,846</u>	<u>25,639</u>
Non-current:				
Put option liability**	6,478	-	-	-
	<u>6,478</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>185,046</u>	<u>11,349</u>	<u>23,846</u>	<u>25,639</u>

* In 2019, the Group established a non-wholly owned subsidiary with a business partner to expand the Group's operational intelligence business. The Group held 51% of the equity interests in the subsidiary. Pursuant to the relevant agreement, the Group had an obligation to purchase the remaining 49% equity interests in the non-wholly owned subsidiary. In 2023, the Group entered into a new agreement with the business partner, pursuant to which the Group acquired an additional 15.5% equity interests in the non-wholly-owned subsidiary, while the remaining obligation of acquiring 33.5% equity interests in that non-wholly-owned subsidiary was released. As a result, the Group no longer recorded the forward contract liability in 2023. The changes in forward contract liability in 2022 reflected the changes in fair value of the Group's obligation to purchase 49% equity interests in that non-wholly-owned subsidiary.

** The put option liabilities were in conjunction with an equity transfer agreement between the Group and a non-controlling shareholder of a subsidiary of the Group in 2021(the "2021 plan"), under which the non-controlling shareholder was entitled to right to compulsory sale of shares, which is exercisable at any time from the day after the third anniversary of the investment completion date until an expiration date, and redemption rights. At the time of the agreement, the compulsory sale and redemption rights were classified as financial liabilities. In 2023, the right to compulsory sale was reclassified from non-current to current on the second anniversary of the investment completion date. On 19 March 2025, the Group and the non-controlling shareholder entered into an agreement to extend the redemption date and compulsory sale date to the earlier of a) sixty days after the IPO of the Company and b) 31 July 2026.

34. SHARE CAPITAL

The Company was incorporated with an authorised share capital of USD500,000 divided into 500,000,000 ordinary shares, preferred shares and warrants with a par value of USD0.001 each. A summary of movements in the Company's issued and fully paid ordinary shares during the Relevant Periods is as follows:

	Year ended 31 December 2022		Year ended 31 December 2023		Year ended 31 December 2024		Six months ended 30 June 2025	
	Number of shares in issue	Share capital RMB'000	Number of shares in issue	Share capital RMB'000	Number of shares in issue	Share capital RMB'000	Number of shares in issue	Share capital RMB'000
At beginning of year/period	22,037,772	140	26,246,270	167	26,246,270	167	27,740,714	178
Share options exercised	4,208,498	27	-	-	1,160,547	9	-	-
Warrants exercised	-	-	-	-	333,897	2	-	-
At end of year/period	<u>26,246,270</u>	<u>167</u>	<u>26,246,270</u>	<u>167</u>	<u>27,740,714</u>	<u>178</u>	<u>27,740,714</u>	<u>178</u>

During the year ended 31 December 2022, the subscription rights attaching to 4,208,498 share options were exercised at a subscription price of USD0.18 per share (note 35), resulting in the issue of an aggregate 4,208,498 shares for a total cash consideration of RMB5,071,000, comprising share capital of RMB27,000 and share premium of RMB5,044,000. An amount of RMB77,462,000 was transferred from the share-based payment reserve to share premium upon the exercise of the share options.

During the year ended 31 December 2024, the subscription rights attaching to 1,160,547 share options were exercised at a subscription price of USD0.02 per share (note 35), resulting in the issue of an aggregate 1,160,547 shares for a total cash consideration of RMB129,000, comprising share capital of RMB9,000 and share premium of RMB120,000. An amount of RMB69,641,000 was transferred from the share-based payment reserve to share premium upon the exercise of the share options.

During the year ended 31 December 2024, the subscription rights attaching to 333,897 warrants were exercised at a subscription price of USD0.001 per share, resulting in an amount of RMB2,000 was transferred from the share premium reserve to share capital upon the exercise of the warrants.

35. SHARE OPTION SCHEME

The Company's share award arrangements

The Company operates share option schemes (the "Schemes"), which includes 2010 share option scheme (the "2010 Share Plan"), 2011 share option scheme (the "2011 Share Plan"), and 2020 share option scheme (the "2020 Share Incentive Plan"), for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Schemes include the directors, employees and consultants of the Company, holding companies and subsidiaries of the Company, and any business, corporation, partnership, limited liability company or other entity in which the Company, or any of its holding companies or subsidiaries holds a substantial ownership interest, directly or indirectly. The 2010 Share Plan, 2011 Share Plan and 2020 Share Incentive Plan became effective on 23 November 2010, 19 October 2011, and 21 October 2020 respectively, and will remain in force for 10 years from that date unless otherwise cancelled or amended. On 21 October 2020, the shareholders of the Company approved the extension of 2010 Share Plan's and 2011 Share Plan's validity term from 10 years to 20 years.

The maximum aggregate number of shares that may be issued shall not exceed 851,888, 14,474,415 and 6,026,098 shares under 2010 Share Plan, 2011 Share Plan and 2020 Share Incentive Plan respectively. The shares may be authorised but unissued or reacquired shares. The number of shares that are subject to awards outstanding under the Plan at any time shall not exceed the aggregate number of shares that then remain available for issuance under the Plan. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Schemes during the Relevant Periods:

	Year ended 31 December 2022		Year ended 31 December 2023	
	Weighted average exercise price per share USD	Number of options '000	Weighted average exercise price per share USD	Number of options '000
At beginning of year	0.93	17,581	0.84	13,704
Granted during the year	0.49	1,654	-	2,190
Forfeited during the year	0.14 (	1,323)	1.88 (	781)
Exercised during the year	0.18 (	4,208)	-	-
At end of year	0.84	<u>13,704</u>	0.48	<u>15,113</u>
Exercisable at end of year	0.26	<u>10,924</u>	0.12	<u>12,304</u>

	Year ended 31 December 2024		Six months ended 30 June 2025	
	Weighted average exercise price per share USD	Number of options '000	Weighted average exercise price per share USD	Number of options '000
At beginning of year/period	0.48	15,113	0.46	15,983
Granted during the year/period	0.06	2,307	-	-
Forfeited during the year/period	4.73 (	276)	6.49 (	2)
Exercised during the year/period	0.02 (	1,161)	-	-
At end of year/period	0.46	<u>15,983</u>	0.44	<u>15,981</u>
Exercisable at end of year/period	0.44	<u>14,176</u>	0.46	<u>14,375</u>

35. SHARE OPTION SCHEME (continued)

The Company's share award arrangements (continued)

During the Relevant Periods, 4,208,000, nil, 1,161,000 and nil share options were exercised, respectively. The weighted average share prices at the date of exercise for the options during the years ended 31 December 2022 and 2024 were USD3.15 and USD8.41, respectively.

The exercise periods, exercise prices and weighted average remaining contractual life of the share options outstanding, as well as the additional number of ordinary shares and amount of share capital when share options exercised in full, as at the end of each of the Relevant Periods are as follows:

Contractual life of options granted	Exercise price per share USD	Number of share options outstanding			
		31 December 2022 '000	31 December 2023 '000	31 December 2024 '000	30 June 2025 '000
2010/11 to 2030/11	0.0003-1.18	512	437	437	437
2011/10 to 2031/10	0.001-1.18	163	163	140	140
2014/11 to 2034/11	1.18	432	432	412	412
2015/8 to 2035/8	1.18	170	169	169	169
2016/6 to 2036/6	0-8.04	276	271	271	271
2016/12 to 2036/12	0-1.18	75	75	75	75
2017/12 to 2037/12	1.18	55	35	35	35
2018/3 to 2038/3	0-1.18	444	424	424	424
2018/12 to 2038/12	0-1.18	13	13	13	13
2019/5 to 2039/5	0-14.78	6,113	5,961	5,929	5,929
2019/12 to 2039/12	0.2-14.43	506	506	501	501
2020/6 to 2040/6	0-6.54	1,314	1,314	447	447
2020/12 to 2030/12	0-7.19	647	448	362	360
2021/5 to 2031/5	-	148	152	152	152
2021/6 to 2031/6	0-7.19	193	109	94	94
2021/6 to 2041/6	-	258	258	-	-
2021/12 to 2031/12	0-7.19	787	773	773	773
2022/1 to 2032/1	-	546	537	531	531
2022/6 to 2032/6	0-7.19	363	226	223	223
2022/6 to 2042/6	-	90	90	90	90
2022/12 to 2032/12	0-7.19	254	207	206	206
2022/12 to 2042/12	-	345	345	345	345
2023/6 to 2033/6	-	-	1,254	1,229	1,229
2023/6 to 2043/6	-	-	2	2	2
2023/12 to 2033/12	0-1.18	-	774	746	746
2023/12 to 2043/12	-	-	138	138	138
2024/6 to 2034/6	0-3.26	-	-	47	47
2024/6 to 2044/6	-	-	-	18	18
2024/9 to 2024/9	-	-	-	23	23
2024/9 to 2034/6	-	-	-	18	18
2024/9 to 2034/9	0-3.76	-	-	1,570	1,570
2024/9 to 2044/9	-	-	-	563	563
		<u>13,704</u>	<u>15,113</u>	<u>15,983</u>	<u>15,981</u>
Weighted average remaining contractual life of share options outstanding (years)		13.53	12.40	11.05	10.55

35. SHARE OPTION SCHEME (continued)

The Company's share award arrangements (continued)

The fair value of share options granted and the amount of share-based payment expenses during the Relevant Periods and the six months ended 30 June 2024 are as follows:

	Year ended 31 December			Six months ended 30 June	
	31 December 2022	31 December 2023	31 December 2024	30 June 2024 (unaudited)	30 June 2025
Fair value of share options granted:					
Total amount (USD'000)	6,926	12,472	11,824	258	-
Per share amount (USD)	6.25	5.70	5.13	3.90	-
Share-based payment expenses (RMB'000) attributable to the share options granted in:					
Current year	34,028	57,615	58,019	1,159	-
Prior years	37,407	28,048	48,480	38,823	9,979
Total share-based payment expenses (RMB'000)	71,435	85,663	106,499	39,982	9,979

The discounted cash flow method was used to determine the total equity value of the Group and then equity allocation based on an option pricing model was adopted to determine the fair value of ordinary shares. Based on the fair value of the underlying ordinary shares, the fair value of share options was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used to estimate the fair value of share options granted during the Relevant Periods:

	31 December 2022	31 December 2023	31 December 2024	30 June 2025
Dividend yield (%)	0.00	0.00	0.00	N/A
Expected volatility (%)	47.04-47.67	47.24-47.86	48.02-48.02	N/A
Risk-free interest rate (%)	3.88-4.29	3.84-4.35	4.12-4.69	N/A
Expected life of share options (years)	10-20	10-20	10-20	N/A
Weighted average share price (USD/share)	6.02-6.02	4.86-4.86	4.90-4.90	N/A

The expected life of share options is based on the contract terms. The expected volatility is determined by using the historical volatility of the share price of the comparable companies, which may also not necessarily be the actual outcome. No other feature of the share options granted was incorporated into the measurement of fair value.

At the date of this report, the Company had 15,981,000 share options outstanding under the Schemes, which represented 36.55% of the Company's shares in issue as at that date.

35. SHARE OPTION SCHEME (continued)

Mingsheng Pinzhi's share award arrangement

On 12 April 2021, the board of directors of Mingsheng Pinzhi approved and adopted the Mingsheng Pinzhi share award scheme (the “MY 2021 Plan”), for the purpose of providing incentives and rewards to eligible participants, in which selected employees of Mingsheng Pinzhi are entitled to participate. MY 2021 Plan shall be valid and effective for a term of ten years commencing on 12 April 2021. Mingsheng Pinzhi became one of the Company's subsidiaries in May 2022.

The maximum aggregate number of shares under MY 2021 Plan that may be issued shall not exceed 7,777,778 shares. The shares may be authorised but unissued or reacquired shares. The number of shares that are subject to awards outstanding under MY 2021 Plan at any time shall not exceed the aggregate number of shares that then remain available for issuance under MY 2021 Plan. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under MY 2021 Plan during the Relevant Periods:

	Year ended 31 December 2022		Year ended 31 December 2023		Year ended 31 December 2024		Six months ended 30 June 2025	
	Weighted average exercise price per share RMB	Number of options '000	Weighted average exercise price per share RMB	Number of options '000	Weighted average exercise price per share RMB	Number of options '000	Weighted average exercise price per share RMB	Number of options '000
At beginning of year/period	1.00	852	1.41	1,958	1.67	2,505	1.65	2,387
Granted during the year/period	1.82	1,249	2.31	622	-	-	-	-
Forfeited during the year/period	1.82	(143)	1.97	(75)	1.92	(118)	2.23	(20)
At end of year/period	1.41	1,958	1.67	2,505	1.65	2,387	1.65	2,367
Exercisable at end of year/period	1.02	410	1.01	985	1.57	1,404	1.56	1,402

The options outstanding as at 31 December 2022, 2023 and 2024 and 30 June 2025 were granted during 2021 to 2023. The vesting periods of these options are within 5 years. The exercise period of the options granted under MY 2021 Plan shall be any time after the end of vesting period and within ten years after grant.

The exercise price of options outstanding as at 31 December 2022, 2023 and 2024 and 30 June 2025 range from RMB1.00 to RMB2.43 per share.

The weighted average remaining contractual life for options under MY 2021 Plan as at 31 December 2022, 2023 and 2024 and 30 June 2025 was 9.01 years, 8.01 years, 7.00 years and 6.50 years.

35. SHARE OPTION SCHEME (continued)

Mingsheng Pinzhi's share award arrangement (continued)

The total expense recognised for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025, were RMB110,000, RMB150,000, RMB78,000 and RMB22,000, respectively, and the total expense reversed for the six months ended 30 June 2024 was RMB36,000 (unaudited).

The discounted cash flow method was used to determine the total equity value of Mingsheng Pinzhi and then equity allocation based on an option pricing model was adopted to determine the fair value of ordinary shares of Mingsheng Pinzhi. Based on the fair value of the underlying ordinary shares, the fair value of share options was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used to estimate the fair value of share options granted during the Relevant Periods:

	31 December 2022	31 December 2023	31 December 2024	30 June 2025
Dividend yield (%)	0.00	0.00	N/A	N/A
Expected volatility (%)	51.25	51.25	N/A	N/A
Risk-free interest rate (%)	2.82	2.85	N/A	N/A
Expected life of share options (years)	10	10	N/A	N/A
Weighted average share price (USD/share)	0.05-0.06	0.06	N/A	N/A

The expected life of share options is based on the contract terms. The expected volatility is determined by using the historical volatility of the share price of the comparable companies, which may also not necessarily be the actual outcome. No other feature of the share options granted was incorporated into the measurement of fair value.

At the date of this report, Mingsheng Pinzhi had 2,387,000 share options outstanding under MY 2021 Plan, which represented 3.07% of the Mingsheng Pinzhi's shares in issue as at that date.

36. RESERVES

The amounts of the Group's reserves and the movements therein for the Relevant Periods and the six months ended 30 June 2024 are presented in the consolidated statements of changes in equity.

(a) Other reserves

Other reserves represent the amount caused by a forward contract with a non-controlling shareholder of a subsidiary and the effect of other equity transactions with non-controlling shareholders.

(b) Share-based payment reserve

Share-based payment reserve is attributable to the fair value of options of the Company granted to the Group's employees, as further explained in the accounting policy for share-based payment in note 2.3 to the Historical Financial Information.

(c) Statutory reserve

Statutory reserve represents the amount set aside from the retained profits by certain subsidiaries established in the PRC and is not distributable as dividend. In accordance with the relevant regulations, the Company's subsidiaries established in the PRC are required to allocate at least 10% of their after-tax profit according to the PRC accounting standards and regulations to statutory reserves until such reserves have reached 50% of registered capital. These reserves can only be used for specific purposes and are not distributable or transferable to loans, advances, or cash dividends.

36. RESERVES (continued)

Company

	Share premium RMB'000	Exchange fluctuation reserve RMB'000	Share-based payment reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2022	92,775	162,435	336,105	(4,409,354)	(3,818,039)
Profit for the year	-	-	-	2,682,037	2,682,037
Other comprehensive loss for the year:					
Exchange differences on translation of the Company	-	(441,701)	-	-	(441,701)
Total comprehensive income for the year	-	(441,701)	-	2,682,037	2,240,336
Exercise of share options	82,506	-	(77,462)	-	5,044
Share-based payment expenses	-	-	71,436	-	71,436
At 31 December 2022 and 1 January 2023	175,281	(279,266)	330,079	(1,727,317)	(1,501,223)
Profit for the year	-	-	-	542,088	542,088
Other comprehensive loss for the year:					
Exchange differences on translation of the Company	-	(57,663)	-	-	(57,663)
Total comprehensive income for the year	-	(57,663)	-	542,088	484,425
Share-based payment expenses	-	-	85,663	-	85,663
At 31 December 2023 and 1 January 2024	175,281	(336,929)	415,742	(1,185,229)	(931,135)
Profit for the year	-	-	-	67,998	67,998
Other comprehensive loss for the year:					
Exchange differences on translation of the Company	-	(46,272)	-	-	(46,272)
Total comprehensive income/(loss) for the year	-	(46,272)	-	67,998	21,726
Exercise of share options	69,761	-	(69,641)	-	120
Share-based payment expenses	-	-	106,499	-	106,499
Exercise of warrants	(2)	-	-	-	(2)
At 31 December 2024 and 1 January 2025	245,040	(383,201)	452,600	(1,117,231)	(802,792)
Loss for the period	-	-	-	(213,702)	(213,702)
Other comprehensive income for the period:					
Exchange differences on translation of the Company	-	12,461	-	-	12,461
Total comprehensive income/(loss) for the period	-	12,461	-	(213,702)	(201,241)
Share-based payment expenses	-	-	9,979	-	9,979
At 30 June 2025	245,040	(370,740)	462,579	(1,330,933)	(994,054)

37. BUSINESS COMBINATION

Acquisition of Mingsheng Pinzhi (the "Mingsheng Pinzhi Acquisition")

On 30 May 2022, the Group obtained control over Mingsheng Pinzhi through the amendment of article of association of this joint venture. After that, Mingsheng Pinzhi become a non-wholly-owned subsidiary instead of a joint venture of the Group. The Mingsheng Pinzhi Acquisition was made as part of the Group's strategy to expand its business in relation to operational intelligence services.

The Group remeasured the fair value of the equity interests held at the date of acquisition at an amount of RMB42,000,000, and a fair value gain of RMB13,156,000 was recognised in other losses, net in the consolidated statement of profit or loss for the year ended 31 December 2022.

The Group has elected to measure the non-controlling interest in Mingsheng Pinzhi at the non-controlling interest's proportionate share of 40% identifiable net assets.

The fair values of the identifiable assets and liabilities of Mingsheng Pinzhi as at the date of acquisition were as follows:

	Notes	Fair value recognised on acquisition RMB'000
Property and equipment	13	4,267
Right-of-use assets	14	3,095
Other intangible assets	16	7,131
Inventories		106,476
Trade and bills receivables		62,860
Prepayments, other receivables and other assets		29,342
Cash and cash equivalents		51,888
Trade payables		(48,021)
Other payables and accruals		(20,727)
Contract liabilities		(149,594)
Tax payable		(1,068)
Lease liabilities	14	(2,899)
Deferred tax liabilities	31	(1,848)
Other payables and accruals(non-current)		(2,400)
Total identifiable net assets at fair value		38,502
Non-controlling interests		(15,401)
		23,101
Goodwill on acquisition	15	18,899
Fair value of an equity interest previously held as an investment in a joint venture		42,000

The fair values of the trade and bills receivables and other receivables as at the date of acquisition amounted to RMB62,860,000 and RMB1,113,000, respectively. The gross contractual amounts of trade and bills receivables and other receivables were RMB62,860,000 and RMB1,113,000, respectively, with no receivables expected to be uncollectible.

The Group incurred transaction costs of RMB122,000 for this acquisition. These transaction costs have been expensed and are included in other losses in the consolidated statements of profit or loss.

37. BUSINESS COMBINATION (continued)

Acquisition of Mingsheng Pinzhi (the "Mingsheng Pinzhi Acquisition") (continued)

An analysis of the cash flows in respect of the acquisition of a subsidiary in the year of acquisition is as follows:

	RMB'000
Cash consideration	-
Cash and cash equivalents acquired	<u>51,888</u>
Net inflow of cash and cash equivalents included in cash flows from investing activities	51,888
Transaction costs of the acquisition included in cash flows from operating activities	<u>(122)</u>
Total net cash inflow	<u>51,766</u>

Since the acquisition, Mingsheng Pinzhi contributed revenue of RMB147,059,000 and net loss of RMB12,743,000 for the year ended 31 December 2022 to the Group.

Had the combination taken place at the beginning of the acquisition year, the revenue and the profit of the Group for the year of 2022 would have been RMB1,350,086,000 and RMB1,603,271,000, respectively.

38. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Additions to right-of-use assets and lease liabilities	12,552	45,171	37,587	2,517	703
Conversion of a joint venture to a subsidiary (note 37)	42,000	-	-	-	-
Cancellation of a forward contract	-	173,307	-	-	-
Acquisition and disposal of equity interests in non-wholly-owned subsidiaries	-	-	11,496	-	-
Exercise of share options	-	-	129	-	-
Transfer from other borrowings to convertible notes	-	141,654	-	-	-
Transfer from other payables to convertible notes and warrants	-	-	357,280	354,522	-
Transfer from warrants and convertible notes to preferred shares	-	-	1,007,325	-	-

38. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

(b) Changes in liabilities arising from financing activities

(i) Lease liabilities

	Year ended 31 December			Six months ended 30 June	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
At beginning of year/period	245,777	29,568	48,112	48,112	47,431
Termination of leases	(150,865)	(241)	(9,813)	(1,885)	-
New leases	12,552	45,171	37,587	2,517	703
Additions as a result of acquisition of subsidiaries	2,899	-	-	-	-
Interest expenses	12,007	3,098	1,914	994	779
Changes from financing cash flows	(92,802)	(29,484)	(30,369)	(16,982)	(12,828)
At end of year/period	<u>29,568</u>	<u>48,112</u>	<u>47,431</u>	<u>32,756</u>	<u>36,085</u>

(ii) Interest-bearing bank and other borrowings

	Year ended 31 December			Six months ended 30 June	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
At beginning of year/period	448,719	584,839	303,866	303,866	231,200
Transfer to convertible notes	-	(141,654)	-	-	-
Changes from financing cash flows	129,738	(170,866)	(79,486)	(68,018)	(50)
Exchange realignment	<u>6,382</u>	<u>31,547</u>	<u>6,820</u>	<u>2,102</u>	<u>-</u>
At end of year/period	<u>584,839</u>	<u>303,866</u>	<u>231,200</u>	<u>237,950</u>	<u>231,150</u>

(iii) Preferred shares, warrants and convertible notes

	Year ended 31 December			Six months ended 30 June	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
At beginning of year/period	9,591,232	7,561,903	7,314,124	7,314,124	7,816,400
Transfer from other borrowings	-	141,654	-	-	-
Transfer from other payables	-	-	357,280	354,522	-
Changes from financing cash flows	-	70,827	221,360	221,360	-
Fair value changes of preferred shares, warrants and convertible notes	(2,815,405)	(585,497)	(185,989)	8,204	208,029
Exchange realignment	<u>786,076</u>	<u>125,237</u>	<u>109,625</u>	<u>45,560</u>	<u>(33,137)</u>
At end of year/period	<u>7,561,903</u>	<u>7,314,124</u>	<u>7,816,400</u>	<u>7,943,770</u>	<u>7,991,292</u>

38. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

(iv) Other payables and accruals

	Year ended 31 December			Six months ended 30 June	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
At beginning of year/period	635,310	424,988	686,114	686,114	291,303
Acquisition of additional equity interests in non-wholly-owned subsidiaries	-	15,526	-	-	-
Transfer to preferred shares, warrants and convertible notes	-	-	(357,280)	(354,522)	-
Acquisition of subsidiaries	23,127	-	-	-	-
Within operating activities	(209,364)	(28,987)	(7,559)	(52,819)	(34,959)
Within investing activities	(6,315)	-	(1,792)	-	(6,794)
Within financing activities	(17,770)	274,587	(28,180)	(18,020)	(3,319)
At end of year/period	<u>424,988</u>	<u>686,114</u>	<u>291,303</u>	<u>260,753</u>	<u>246,231</u>

(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	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
Within operating activities	23,313	11,046	8,431	3,920	1,444
Within financing activities	<u>92,802</u>	<u>29,484</u>	<u>30,369</u>	<u>16,982</u>	<u>12,828</u>
Total	<u>116,115</u>	<u>40,530</u>	<u>38,800</u>	<u>20,902</u>	<u>14,272</u>

39. COMMITMENTS

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

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Contracted, but not provided for:				
Investments	<u>48,722</u>	<u>39,722</u>	<u>38,861</u>	<u>36,883</u>

40. RELATED PARTY TRANSACTIONS

- (a) In addition to the pledge and guarantee provided by the shareholders detailed in note 30 to the Historical Financial Information, the Group had the following transactions with related parties during the Relevant Periods and the six months ended 30 June 2024:

	Year ended 31 December			Six months ended 30 June	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
Shareholder with significant influence, and its subsidiaries:					
Provision of intelligence solutions:					
Marketing Intelligence	28,938	21,113	16,262	11,151	6,767
Operational intelligence	3,360	5,794	71	-	5,948
Industry solution services	5,804	12,486	10,821	10,821	13,648
Purchase of services:					
Technology services	30,178	28,086	28,951	12,332	15,246
Interest expenses	3,033	12,641	250	250	-
Substantial shareholder at subsidiary level of the Group, and its affiliates:					
Provision of intelligence solutions:					
Marketing Intelligence	8,234	7,725	6,535	3,278	3,940
Operational Intelligence	143,199	348,871	260,503	109,916	117,590
Joint ventures:					
Provision of intelligence solutions:					
Marketing Intelligence	42	6	1	1	-
Operational Intelligence	31	-	30	30	-
Purchase of services:					
Technology services	3,545	2,412	3,845	2,482	613
Associates:					
Provision of intelligence solutions:					
Marketing Intelligence	-	-	191	-	-
Industry solution services	-	3,830	-	-	-
Purchase of services:					
Technology services	379	3,401	451	133	-

All these transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

40. RELATED PARTY TRANSACTIONS (continued)

(b) Outstanding balances with related parties

The Group had the following outstanding balances with related parties as at the end of each of the Relevant Periods:

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
<u>Due from related parties (trade)</u>				
Trade and bills receivables				
A shareholder with significant influence, and its subsidiaries	33,385	26,638	15,610	21,164
A substantial shareholder at subsidiary level of the Group, and its affiliates	14,168	17,249	16,778	16,056
Associate	-	-	203	-
Prepayments and other receivables				
A shareholder with significant influence, and its subsidiaries	4,572	7,278	2,864	3,858
Joint ventures	61	37	-	-
Associate	2,400	136	-	-
Contract assets				
A shareholder with significant influence, and its subsidiaries	2,446	1,078	61	1,072
Associate	-	122	-	-
<u>Due from related parties (non-trade)</u>				
Other receivables*				
Associate	5,031	4,011	4,026	4,000
Other related party	160	220	443	-
<u>Due to related parties (trade)</u>				
Trade payables				
A shareholder with significant influence, and its subsidiaries	5,355	4,305	3,525	862
Joint ventures	1,468	1,656	2,349	1,432
Associate	418	106	107	-
Other related party	-	-	51	-
Other payables and accruals				
A shareholder with significant influence, and its subsidiaries	109	229	705	565
Other related party	236	387	793	-
Contract liabilities				
A shareholder with significant influence, and its subsidiaries	32,399	34,055	33,379	22,916
A substantial shareholder at subsidiary level of the Group, and its affiliates	88,644	53,019	35,723	20,182
Associate	3,064	-	-	-
<u>Due to related parties (non-trade)</u>				
Other payables*				
Joint venture	-	-	214	-
Other related party	761	15,090	5,624	5,079
Interest-bearing other borrowings, secured				
A shareholder with significant influence, and its subsidiaries	139,293	-	-	-
Interest-bearing other borrowings,				
A shareholder with significant influence, and its subsidiaries	48,892	14,831	-	-

*Except for a non-trade amount due from an associate of RMB4,000,000 as at 31 December 2024 and 30 June 2025 which is repayable by instalments on or before 31 October 2026, those outstanding balances of other receivables and other payables with related parties are unsecured, interest free and are repayable on demand..

40. RELATED PARTY TRANSACTIONS (continued)

(c) Compensation of key management personnel of the Group

	Year ended 31 December			Six months ended 30 June	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (unaudited)	2025 RMB'000
Short-term employee benefits	8,648	7,228	10,958	3,203	2,679
Share-based payment expenses	1,593	2,970	4,190	1,039	3,654
Post-employment benefits	345	367	210	143	59
Total	<u>10,586</u>	<u>10,565</u>	<u>15,358</u>	<u>4,385</u>	<u>6,392</u>

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

41. FINANCIAL INSTRUMENTS BY CATEGORY

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

Financial assets

As at 31 December 2022

	Financial assets at fair value through profit or loss - Mandatorily designated as such RMB'000	Equity investments designated at fair value through other comprehensive income RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	163,649	-	-	163,649
Equity investments designated at fair value through other comprehensive income	-	13,956	-	13,956
Trade and bills receivables	-	-	528,841	528,841
Financial assets included in prepayments, other receivables and other assets	-	-	69,617	69,617
Cash and cash equivalents	-	-	180,931	180,931
Time deposits	-	-	21,134	21,134
Pledged deposits and restricted cash	-	-	196,194	196,194
Total	163,649	13,956	996,717	1,174,322

As at 31 December 2023

	Financial assets at fair value through profit or loss - Mandatorily designated as such RMB'000	Equity investments designated at fair value through other comprehensive income RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	144,852	-	-	144,852
Equity investments designated at fair value through other comprehensive income	-	13,006	-	13,006
Trade and bills receivables	-	-	522,547	522,547
Financial assets included in prepayments, other receivables and other assets	-	-	56,905	56,905
Cash and cash equivalents	-	-	294,915	294,915
Time deposits	-	-	13,253	13,253
Pledged deposits and restricted cash	-	-	162,326	162,326
Total	144,852	13,006	1,049,946	1,207,804

41. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial assets (continued)

As at 31 December 2024

	Financial assets at fair value through profit or loss - Mandatorily designated as such RMB'000	Equity investments designated at fair value through other comprehensive income RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	127,224	-	-	127,224
Equity investments designated at fair value through other comprehensive income	-	11,147	-	11,147
Trade and bills receivables	-	-	547,354	547,354
Financial assets included in prepayments, other receivables and other assets	-	-	57,382	57,382
Cash and cash equivalents	-	-	400,370	400,370
Time deposits	-	-	13,570	13,570
Pledged deposits and restricted cash	-	-	147,677	147,677
Total	<u>127,224</u>	<u>11,147</u>	<u>1,166,353</u>	<u>1,304,724</u>

As at 30 June 2025

	Financial assets at fair value through profit or loss - Mandatorily designated as such RMB'000	Equity investments designated at fair value through other comprehensive income RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	127,987	-	-	127,987
Equity investments designated at fair value through other comprehensive income	-	11,432	-	11,432
Trade and bills receivables	-	-	567,197	567,197
Financial assets included in prepayments, other receivables and other assets	-	-	36,741	36,741
Cash and cash equivalents	-	-	360,552	360,552
Time deposits	-	-	23,683	23,683
Pledged deposits and restricted cash	-	-	157,096	157,096
Total	<u>127,987</u>	<u>11,432</u>	<u>1,145,269</u>	<u>1,284,688</u>

41. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial liabilities

As at 31 December 2022

	Financial liabilities at fair value through profit or loss designated as such upon initial recognition RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade and bills payables	-	248,079	248,079
Financial liabilities included in other payables and accruals	-	235,200	235,200
Interest-bearing bank and other borrowings	-	584,839	584,839
Lease liabilities	-	29,568	29,568
Preferred shares, warrants and convertible notes	7,561,903	-	7,561,903
Other liabilities	185,046	-	185,046
Total	<u>7,746,949</u>	<u>1,097,686</u>	<u>8,844,635</u>

As at 31 December 2023

	Financial liabilities at fair value through profit or loss designated as such upon initial recognition RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade and bills payables	-	237,012	237,012
Financial liabilities included in other payables and accruals	-	550,956	550,956
Interest-bearing bank and other borrowings	-	303,866	303,866
Lease liabilities	-	48,112	48,112
Preferred shares, warrants and convertible notes	7,314,124	-	7,314,124
Other liabilities	11,349	-	11,349
Total	<u>7,325,473</u>	<u>1,139,946</u>	<u>8,465,419</u>

As at 31 December 2024

	Financial liabilities at fair value through profit or loss designated as such upon initial recognition RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade and bills payables	-	193,749	193,749
Financial liabilities included in other payables and accruals	-	167,744	167,744
Interest-bearing bank and other borrowings	-	231,200	231,200
Lease liabilities	-	47,431	47,431
Preferred shares, warrants and convertible notes	7,816,400	-	7,816,400
Other liabilities	23,846	-	23,846
Total	<u>7,840,246</u>	<u>640,124</u>	<u>8,480,370</u>

41. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial liabilities (continued)

As at 30 June 2025

	Financial liabilities at fair value through profit or loss designated as such upon initial recognition RMB'000	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade and bills payables	-	196,373	196,373
Financial liabilities included in other payables and accruals	-	144,664	144,664
Interest-bearing bank and other borrowings	-	231,150	231,150
Lease liabilities	-	36,085	36,085
Preferred shares, warrants and convertible notes	7,991,292	-	7,991,292
Other liabilities	25,639	-	25,639
	<u>8,016,931</u>	<u>608,272</u>	<u>8,625,203</u>
Total	<u>8,016,931</u>	<u>608,272</u>	<u>8,625,203</u>

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Financial assets :				
Pledged deposits and restricted cash, non-current portion				
Carrying amount	3,085	-	-	-
Fair value	<u>2,956</u>	<u>-</u>	<u>-</u>	<u>-</u>
Time deposits, non-current portion				
Carrying amount	21,134	10,239	-	-
Fair value	<u>20,253</u>	<u>9,812</u>	<u>-</u>	<u>-</u>
Other receivables and other assets, non-current portion				
Carrying amount	11,645	10,027	13,523	14,899
Fair value	<u>11,160</u>	<u>9,609</u>	<u>12,910</u>	<u>14,223</u>
Financial investments at fair value through profit or loss				
Carrying amount	163,649	144,852	127,224	127,987
Fair value	<u>163,649</u>	<u>144,852</u>	<u>127,224</u>	<u>127,987</u>
Equity investments designated at fair value through other comprehensive income				
Carrying amount	13,956	13,006	11,147	11,432
Fair value	<u>13,956</u>	<u>13,006</u>	<u>11,147</u>	<u>11,432</u>
Financial liabilities :				
Due to founder shareholders of subsidiaries included in other payables and accruals, non-current portion				
Carrying amount	6,569	6,723	6,794	-
Fair value	<u>6,295</u>	<u>6,443</u>	<u>6,486</u>	<u>-</u>
Other payables included in other payables and accruals, non-current portion				
Carrying amount	2,400	1,600	800	800
Fair value	<u>2,300</u>	<u>1,533</u>	<u>764</u>	<u>764</u>
Preferred shares, warrants and convertible notes				
Carrying amount	7,561,903	7,314,124	7,816,400	7,991,292
Fair value	<u>7,561,903</u>	<u>7,314,124</u>	<u>7,816,400</u>	<u>7,991,292</u>
Other liabilities				
Carrying amount	185,046	11,349	23,846	25,639
Fair value	<u>185,046</u>	<u>11,349</u>	<u>23,846</u>	<u>25,639</u>

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Management has assessed that the fair values of cash and cash equivalents, current portion of time deposits and pledged deposits and restricted cash, 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 and other borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

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

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 non-current portion of pledged deposits and restricted cash and time deposits, non-current portion of other receivables and other assets and non-current portion of due to founder shareholders of subsidiaries included in other payables and accruals have been estimated by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair values of certain preferred shares investments in unlisted entities included in financial assets at fair value through profit or loss have been estimated using three different methods. The first method is market approach based on assumptions that are not supported by observable market prices or rates. Under market approach, the valuation requires that directors to determine comparable public companies (peers) based on industry and size and to calculate an enterprise price-to-sales ("Price/Sales") multiple for each comparable companies identified. The multiple is calculated by dividing the enterprise value of the comparable company by the sales amount. The multiple is then discounted for considerations such as illiquidity. The second method is discounted cash flow method, which requires the directors to estimate the discount rate. The directors believe that the estimated fair values resulting from Price/Sales multiple and discounted cash flow income approach, which are recorded in the consolidated statements of financial position, and the related change in fair value, which is recorded in profit or loss, are reasonable and are the most appropriate values. The third method is recent transaction method, which requires the directors to estimate the DLOM and volatility.

The fair values of wealth management products issued by commercial banks operating in Mainland China included in financial assets at fair value through profit or loss have been estimated using the quotations provided by the relevant commercial banks or discounted cash flow method, which requires the directors to estimate the expected yield and discount rate.

The fair values of an unlisted equity investment included in financial investments at fair value through other comprehensive income have been estimated using market approach based on assumptions that are not supported by observable market prices or rates. The valuation requires that directors to determine comparable public companies (peers) based on industry and size and to calculate an enterprise Price/Sales multiple for each comparable companies identified. The multiple is calculated by dividing the enterprise value of the comparable company by the sales amount. The multiple is then discounted for considerations such as illiquidity. The directors believe that the estimated fair values resulting from Price/Sales multiple, which are recorded in the consolidated statements of financial position, and the related change in fair value, which is recorded in other comprehensive income, are reasonable and are the most appropriate values.

The fair values of the forward contract liability included in other liabilities have been estimated using the present value of the forward repurchase price, which requires the directors to make estimates about the discount rate.

The fair value of the put option liabilities included in other liabilities have been estimated using binomial model, which requires the directors to estimate weighted average cost of capital and DLOM.

The details of the methods and assumptions used to estimate the fair values of the preferred shares, warrants and convertible notes are set out in note 32 to the Historical Financial Information.

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial assets:

Assets measured at fair value:

As at 31 December 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial investments at fair value through profit or loss	-	23,239	140,410	163,649
Equity investments designated at fair value through other comprehensive income	-	-	13,956	13,956
Total	-	23,239	154,366	177,605

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial investments at fair value through profit or loss	-	3,370	141,482	144,852
Equity investments designated at fair value through other comprehensive income	-	-	13,006	13,006
Total	-	3,370	154,488	157,858

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial investments at fair value through profit or loss	-	-	127,224	127,224
Equity investments designated at fair value through other comprehensive income	-	-	11,147	11,147
Total	-	-	138,371	138,371

As at 30 June 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial investments at fair value through profit or loss	-	3,500	124,487	127,987
Equity investments designated at fair value through other comprehensive income	-	-	11,432	11,432
Total	-	3,500	135,919	139,419

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Assets measured at fair value (continued):

The movements in fair value measurements within Level 3 during the Relevant Periods are as follows:

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Financial investments at fair value through profit or loss				
At beginning of year/period	172,129	140,410	141,482	127,224
Fair value (losses)/gains recognised in profit or loss	(26,464)	1,765	(14,258)	(2,737)
Disposal	(5,255)	(693)	-	-
At end of year/period	<u>140,410</u>	<u>141,482</u>	<u>127,224</u>	<u>124,487</u>
Equity investments designated at fair value through other comprehensive income				
At beginning of year/period	12,857	13,956	13,006	11,147
Fair value (losses)/gains recognised in other comprehensive income	(2,401)	(950)	(2,301)	285
Purchase	<u>3,500</u>	<u>-</u>	<u>442</u>	<u>-</u>
At end of year/period	<u>13,956</u>	<u>13,006</u>	<u>11,147</u>	<u>11,432</u>

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Liabilities measured at fair value:

As at 31 December 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Preferred shares, warrants and convertible notes	-	-	7,561,903	7,561,903
Other liabilities	-	-	185,046	185,046
Total	-	-	7,746,949	7,746,949

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Preferred shares, warrants and convertible notes	-	-	7,314,124	7,314,124
Other liabilities	-	-	11,349	11,349
Total	-	-	7,325,473	7,325,473

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Preferred shares	-	-	7,816,400	7,816,400
Other liabilities	-	-	23,846	23,846
Total	-	-	7,840,246	7,840,246

As at 30 June 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Preferred shares	-	-	7,991,292	7,991,292
Other liabilities	-	-	25,639	25,639
Total	-	-	8,016,931	8,016,931

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

The movements in fair value measurements within Level 3 during the year are as follows:

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Preferred shares, warrants and convertible notes				
At beginning of year/period	9,591,232	7,561,903	7,314,124	7,816,400
Issuance of preferred shares, warrants and convertible notes	-	212,481	578,640	-
Fair value (gains)/losses recognised in profit or loss	(2,815,405)	(585,497)	(185,989)	208,029
Exchange realignment	786,076	125,237	109,625	(33,137)
At end of year/period	<u>7,561,903</u>	<u>7,314,124</u>	<u>7,816,400</u>	<u>7,991,292</u>
Other liabilities				
At beginning of year/period	180,151	185,046	11,349	23,846
Fair value losses recognised in profit or loss	4,895	1,397	12,497	1,793
Cancellation of a forward contract	-	(175,094)	-	-
At end of year/period	<u>185,046</u>	<u>11,349</u>	<u>23,846</u>	<u>25,639</u>

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

Assets for which fair values are disclosed:

As at 31 December 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Pledged deposits and restricted cash, non-current portion	-	2,956	-	2,956
Time deposits, non-current portion	-	20,253	-	20,253
Other receivables and other assets, non-current portion	-	11,160	-	11,160
Total	<u>-</u>	<u>34,369</u>	<u>-</u>	<u>34,369</u>

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Assets for which fair values are disclosed: (continued)

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Time deposits, non-current portion	-	9,812	-	9,812
Other receivables and other assets, non-current portion	-	9,609	-	9,609
Total	-	19,421	-	19,421

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Other receivables and other assets, non-current portion	-	12,910	-	12,910

As at 30 June 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Other receivables and other assets, non-current portion	-	14,223	-	14,223

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Liabilities for which fair values are disclosed:

As at 31 December 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Due to founder shareholders of subsidiaries included in other payables and accruals, non-current portion	-	6,295	-	6,295
Other payables included in other payables and accruals, non-current portion	-	2,300	-	2,300
Total	-	8,595	-	8,595

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Due to founder shareholders of subsidiaries included in other payables and accruals, non-current portion	-	6,443	-	6,443
Other payables included in other payables and accruals, non-current portion	-	1,533	-	1,533
Total	-	7,976	-	7,976

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Due to founder shareholders of subsidiaries included in other payables and accruals, non-current portion	-	6,486	-	6,486
Other payables included in other payables and accruals, non-current portion	-	764	-	764
Total	-	7,250	-	7,250

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Liabilities for which fair values are disclosed: (continued)

As at 30 June 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Other payables included in other payables and accruals, non-current portion	-	764	-	764
Total	-	764	-	764

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Below are summaries of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis:

As at 31 December 2022

	Valuation technique	Significant unobservable input	Range	Increase/ (decrease) in input %	Increase/ (decrease) in fair value RMB'000
Financial investments at fair value through profit or loss	Discounted cash flow method	Weighted average cost of capital	22.00%-22.50%	10 (10)	8,317) 9,649
		Discount for lack of marketability	5.00%-29.50%	10 (10)	1,704) 1,705
	Valuation multiples	Average Price/Sales multiple of peers	2.26-4.82	10 (10)	311) 293)
		Discount for lack of marketability	3.53%-32.28%	10 (10)	192) 192
	Recent transaction method	Discount for lack of marketability	20.00%	10 (10)	309) 309
Equity investments at fair value through other comprehensive income	Valuation multiples	Average Price/Sales multiple of peers	4.50-5.00	10 (10)	1,001) 1,001)
		Discount for lack of marketability	20.00%	10 (10)	250) 250
Other liabilities	Binomial model	Weighted average cost of capital	20.00%	10 (10)	202) 218
Preferred shares, warrants and convertible notes	Discounted cash flow method	Discount for lack of marketability	10%	10 (10)	68,022) 72,940
		Discount rate	18.00%	10 (10)	1,133,823) 1,424,811

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

As at 31 December 2023

	Valuation technique	Significant unobservable input	Range	Increase/ (decrease) in input %	Increase/ (decrease) in fair value RMB'000
Financial investments at fair value through profit or loss	Discounted cash flow method	Weighted average cost of capital	22.00%	10 (10)	6,506 7,241
		Discount for lack of marketability	3.50%-29.50%	10 (10)	1,398 1,398
	Valuation multiples	Average Price/Sales multiple of peers	2.18-5.60	10 (10)	2,327 2,259
		Discount for lack of marketability	1.86%-32.28%	10 (10)	382 382
Equity investments at fair value through other comprehensive income	Valuation multiples	Average Price/Sales multiple of peers	4.78-5.40	10 (10)	800 951
		Discount for lack of marketability	20.00%	10 (10)	300 150
Other liabilities	Binomial model	Weighted average cost of capital	20.00%	10 (10)	265 281
Preferred shares, warrants and convertible notes	Discounted cash flow method	Discount for lack of marketability	10%	10 (10)	65,103 59,622
		Discount rate	17.00%	10 (10)	983,249 1,206,347
	Binomial model	Volatility	45.39%	10 (10)	3,541 3,541

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

As at 31 December 2024

	Valuation technique	Significant unobservable input	Range	Increase/ (decrease) in input %	Increase/ (decrease) in fair value RMB'000
Financial investments at fair value through profit or loss	Discounted cash flow method	Weighted average cost of capital	22.00%	10 (10)	6,961) 8,003
		Discount for lack of marketability	2.00%-32.00%	10 (10)	1,273) 1,273
	Valuation multiples	Average Price/Sales multiple of peers	2.59-6.17	10 (10)	3,022) 2,884
		Discount for lack of marketability	1.00%-28.46%	10 (10)	725) 725
Equity investments at fair value through other comprehensive income	Valuation multiples	Average Price/Sales multiple of peers	4.55-5.60	10 (10)	900) 950
		Discount for lack of marketability	20.00%	10 (10)	250) 250
Other liabilities	Binomial model	Weighted average cost of capital	20.00%	10 (10)	299) 308
Preferred shares	Discounted cash flow method	Discount for lack of marketability	10%	10 (10)	87,663) 87,533
		Discount rate	16.00%	10 (10)	1,047,379) 1,324,017

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

As at 30 June 2025

	Valuation technique	Significant unobservable input	Range	Increase/ (decrease) in input %	Increase/ (decrease) in fair value RMB'000
Financial investments at fair value through profit or loss	Discounted cash flow method	Weighted average cost of capital	22.00%	10 (10)	6,769 7,712
		Discount for lack of marketability	1.50%-32.00%	10 (10)	1,430 1,430
	Valuation multiples	Average Price/Sales multiple of peers	1.95-6.38	10 (10)	2,980 2,893
		Discount for lack of marketability	2.35%-28.36%	10 (10)	693 693
Equity investments at fair value through other comprehensive income	Valuation multiples	Average Price/Sales multiple of peers	4.44-5.42	10 (10)	1,000 1,050
		Discount for lack of marketability	20.00%	10 (10)	300 250
Other liabilities	Binomial model	Weighted average cost of capital	20.00%	10 (10)	121 123
Preferred shares	Discounted cash flow method	Discount for lack of marketability	10%	10 (10)	7,159 7,159
		Discount rate	16.00%	10 (10)	1,417,403 1,818,284

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and bank deposits and interest-bearing bank and other borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, and trade and bills payables, which arise directly from its operations.

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

Foreign currency risk

The Group mainly operates in Mainland China with most of the Group's monetary assets, liabilities and transactions principally denominated in RMB and USD. The Group has not used any derivative to hedge its exposure to foreign currency risk.

The following table indicates the approximate change in the Group's profit before tax in response to reasonably possible changes in the USD exchange rate to which the Group has significant exposure at the end of each of the Relevant Periods with all other variables held constant:

31 December 2022

	Changes in exchange rate %	(Decrease)/ increase in profit before tax RMB'000
If the RMB weakens against the USD	1	(780)
If the RMB strengthens against the USD	(1)	780

31 December 2023

	Changes in exchange rate %	Increase/ (decrease) in profit before tax RMB'000
If the RMB weakens against the USD	1	839
If the RMB strengthens against the USD	(1)	(839)

31 December 2024

	Changes in exchange rate %	Increase/ (decrease) in profit before tax RMB'000
If the RMB weakens against the USD	1	729
If the RMB strengthens against the USD	(1)	(729)

30 June 2025

	Changes in exchange rate %	Increase/ (decrease) in profit before tax RMB'000
If the RMB weakens against the USD	1	1,672
If the RMB strengthens against the USD	(1)	(1,672)

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

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

Maximum exposure and year-end staging

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

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2022

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and bills receivables*	516	-	-	585,150	585,666
Contract assets*	-	-	-	13,470	13,470
Financial assets included in prepayments, other receivables and other assets					
- Normal [#]	61,310	-	-	-	61,310
- Doubtful [#]	-	20,011	2,624	-	22,635
Cash and cash equivalents	180,931	-	-	-	180,931
Time deposits	21,134	-	-	-	21,134
Pledged deposits and restricted cash	196,194	-	-	-	196,194
Total	460,085	20,011	2,624	598,620	1,081,340

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and bills receivables*	1,004	-	-	593,178	594,182
Contract assets*	-	-	-	7,617	7,617
Financial assets included in prepayments, other receivables and other assets					
- Normal [#]	51,067	-	-	-	51,067
- Doubtful [#]	-	13,816	7,921	-	21,737
Cash and cash equivalents	294,915	-	-	-	294,915
Time deposits	13,253	-	-	-	13,253
Pledged deposits and restricted cash	162,326	-	-	-	162,326
Total	522,565	13,816	7,921	600,795	1,145,097

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and bills receivables*	1,191	-	-	646,058	647,249
Contract assets*				4,373	4,373
Financial assets included in prepayments, other receivables and other assets					
- Normal [#]	54,227	-	-	-	54,227
- Doubtful [#]	-	13,805	2,966	-	16,771
Cash and cash equivalents	400,370	-	-	-	400,370
Time deposits	13,570	-	-	-	13,570
Pledged deposits and restricted cash	147,677	-	-	-	147,677
Total	617,035	13,805	2,966	650,431	1,284,237

As at 30 June 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Trade and bills receivables*	6,979	-	-	672,104	679,083
Contract assets*	-	-	-	4,234	4,234
Financial assets included in prepayments, other receivables and other assets					
- Normal [#]	34,612	-	-	-	34,612
- Doubtful [#]	-	13,805	2,491	-	16,296
Cash and cash equivalents	360,552	-	-	-	360,552
Time deposits	23,683	-	-	-	23,683
Pledged deposits and restricted cash	157,096	-	-	-	157,096
Total	582,922	13,805	2,491	676,338	1,275,556

* For trade and bills receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 23 and note 24 to the Historical Financial Information.

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

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables are disclosed in note 23 to the Historical Financial Information.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

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

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

As at 31 December 2022

	On demand or less than one year RMB'000	One to five years RMB'000	Total RMB'000
Trade and bills payables	248,079	-	248,079
Financial liabilities included in other payables and accruals	226,231	8,969	235,200
Interest-bearing bank and other borrowings	588,433	-	588,433
Lease liabilities	12,625	19,830	32,455
Preferred shares, warrants and convertible notes	10,633,807	-	10,633,807
Other liabilities	208,701	-	208,701
Total	11,917,876	28,799	11,946,675

As at 31 December 2023

	On demand or less than one year RMB'000	One to five years RMB'000	Total RMB'000
Trade and bills payables	237,012	-	237,012
Financial liabilities included in other payables and accruals	542,633	8,323	550,956
Interest-bearing bank and other borrowings	310,783	-	310,783
Lease liabilities	31,871	21,077	52,948
Preferred shares, warrants and convertible notes	10,846,442	-	10,846,442
Other liabilities	33,607	-	33,607
Total	12,002,348	29,400	12,031,748

As at 31 December 2024

	On demand or less than one year RMB'000	One to five years RMB'000	Total RMB'000
Trade and bills payables	193,749	-	193,749
Financial liabilities included in other payables and accruals	160,150	7,594	167,744
Interest-bearing bank and other borrowings	231,389	-	231,389
Lease liabilities	23,989	27,164	51,153
Preferred shares (i)	-	14,925,452	14,925,452
Other liabilities	33,607	-	33,607
Total	642,884	14,960,210	15,603,094

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

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

As at 30 June 2025

	On demand or less than one year RMB'000	One to five years RMB'000	Total RMB'000
Trade and bills payables	196,373	-	196,373
Financial liabilities included in other payables and accruals	143,864	800	144,664
Interest-bearing bank and other borrowings	231,327	-	231,327
Lease liabilities	19,287	18,351	37,638
Preferred shares (i)	14,863,577	-	14,863,577
Other liabilities	33,607	-	33,607
Total	15,488,035	19,151	15,507,186

- (i) The amount disclosed in the liquidity risk of preferred shares and warrants is the original issue price plus the respective predetermined interest (the "Redemption Amount"), assuming that the holders of the preferred shares and warrants request the Company to redeem all of the preferred shares and warrants due to no consummation of a QIPO of the Company's shares before 31 December 2022. With the effects of the amendments of memorandum and articles of association of the Company on 20 November 2023 and 31 October 2024, the assumption of occurrence of redemption event has been changed to 31 December 2024 and 30 June 2026 and further changed to 31 December 2026 through the amendments of memorandum and articles of association of the Company on 10 September 2025.

The amount disclosed in the liquidity risk of convertible notes as of 31 December 2023 is the principal amount of the convertible notes plus the respective predetermined interest, assuming that the redemption event was to be triggered before 31 December 2024, and the holders of the convertible notes was to request to redeem all the convertible notes. With the effects of the amendments of memorandum and articles of association of the Company on 10 September 2025, the assumption of occurrence of redemption event has been changed to 31 December 2026.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using a gearing ratio, which is net debt divided by the capital plus net debt. Net debt includes trade and bills payables, financial liabilities included in other payables and accruals, interest-bearing bank and other borrowings and lease liabilities, less cash and cash equivalents and time deposits. Capital includes the preferred shares, warrants and convertible notes, other liabilities and equity. At the end of each of the Relevant Periods, the gearing ratios are as follows:

	31 December 2022 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	30 June 2025 RMB'000
Trade and bills payables	248,079	237,012	193,749	196,373
Financial liabilities included in other payables and accruals	235,200	550,956	167,744	144,664
Interest-bearing bank and other borrowings	584,839	303,866	231,200	231,150
Lease liabilities	29,568	48,112	47,431	36,085
Less: cash and cash equivalents	180,931	294,915	400,370	360,552
Less: time deposits	21,134	13,253	13,570	23,683
Net debt	<u>895,621</u>	<u>831,778</u>	<u>226,184</u>	<u>224,037</u>
Preferred shares, warrants and convertible notes	7,561,903	7,314,124	7,816,400	7,991,292
Other liabilities	185,046	11,349	23,846	25,639
Equity	<u>(6,883,889)</u>	<u>(6,426,455)</u>	<u>(6,399,964)</u>	<u>(6,566,365)</u>
Adjusted capital	<u>863,060</u>	<u>899,018</u>	<u>1,440,282</u>	<u>1,450,566</u>
Capital and net debt	<u>1,758,681</u>	<u>1,730,796</u>	<u>1,666,466</u>	<u>1,674,603</u>
Gearing ratio	<u>50.9%</u>	<u>48.1%</u>	<u>13.6%</u>	<u>13.4%</u>

44. EVENTS AFTER THE RELEVANT PERIODS

Certain key features of the preferred shares were modified subsequent to the end of the Relevant Periods, details of which are set out in note 32 to the Historical Financial Information.

45. 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 2025.