

**INDEPENDENT AUDITOR'S REPORT
TO THE DIRECTORS OF CIDI INC.**

(INCORPORATED IN THE PEOPLE'S REPUBLIC OF CHINA WITH LIMITED LIABILITY)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of CiDi Inc. (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on pages 5 to 141, which comprise the consolidated statements of financial position as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 and the statement of the financial position of the Company as at 30 June 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2022, 31 December 2023, 31 December 2024 and the six months ended 30 June 2025 (the “**Track Record Period**”), and notes to the consolidated financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“**ISAs**”) issued by the International Auditing and Assurance Standards Board (“**IAASB**”). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s “Code of Ethics for Professional Accountants” (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter Basis of Preparation and Restriction on Distribution and Use

We draw attention to Note 2.1 to the consolidated financial statements, which describes the basis of preparation. These consolidated financial statements are prepared to form the basis of the historical financial information for inclusion in the prospectus of the Company in connection with



the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited and accordingly may not be suitable for another purpose. Our report is intended solely for the directors of the Company and should not be distributed to or used by parties other than the directors of the Company. Our opinion is not modified in respect of this matter.

Directors' Responsibilities for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the consolidated financial statements, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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



Report on the Review of the Stub Period Comparative Financial Information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended 30 June 2025 and other explanatory information (together the “**Stub Period Comparative Financial Information**”). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2.1 to the consolidated financial statements. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the IAASB. 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 International 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 Stub Period Comparative Financial Information, for the purpose of forming the basis of the historical financial information (see “Emphasis of Matter” section of this report), is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2.1 to the consolidated financial statements.

BDO Limited

Certified Public Accountants

A handwritten signature in black ink, appearing to read 'Lam Tsz Ka', with a long, sweeping horizontal stroke extending to the right.

Lam Tsz Ka

Practising Certificate no. P06838

Hong Kong

11 December 2025

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	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	6	31,056	132,604	410,035	258,461	408,036
Cost of sales	7	(37,051)	(105,781)	(308,595)	(214,082)	(338,328)
Gross (loss)/profit		(5,995)	26,823	101,440	44,379	69,708
Other income	9	7,406	11,199	7,455	5,798	861
Other gains/(losses), net	10	115	801	(19)	(102)	401
Impairment losses	11	(5,092)	3,589	(29,038)	(5,280)	(84,280)
Selling expenses	7	(23,148)	(31,404)	(64,439)	(23,611)	(44,288)
General and administrative expenses	7	(68,969)	(97,827)	(300,721)	(56,070)	(199,678)
Research and development expenses	7	(110,507)	(90,396)	(193,181)	(35,339)	(151,317)
Operating loss		(206,190)	(177,215)	(478,503)	(70,225)	(408,593)
Finance income	12	8,958	8,179	5,063	3,372	2,267
Finance costs	12	(105,642)	(121,100)	(135,716)	(66,618)	(73,519)
Finance costs — net	12	(96,684)	(112,921)	(130,653)	(63,246)	(71,252)
Loss before income tax		(302,874)	(290,136)	(609,156)	(133,471)	(479,845)
Income tax credit	13	39,877	35,057	28,312	10,904	24,759
Loss for the year/period		(262,997)	(255,079)	(580,844)	(122,567)	(455,086)
Other comprehensive income for the year/period						
<i>Item that may be reclassified subsequently to profit or loss:</i>						
Change in foreign currency translation of the financial statements of the subsidiaries of the Company		—	—	21	—	(14)
Total comprehensive loss for the year/period		(262,997)	(255,079)	(580,823)	(122,567)	(455,100)
Loss for the year/period attributable to:						
The equity holders of the Company		(262,997)	(255,079)	(580,709)	(122,567)	(454,486)
Non-controlling interests		—	—	(135)	—	(600)
		<u>(262,997)</u>	<u>(255,079)</u>	<u>(580,844)</u>	<u>(122,567)</u>	<u>(455,086)</u>
Total comprehensive loss for the year/period attributable to:						
The equity holders of the Company		(262,997)	(255,079)	(580,688)	(122,567)	(454,500)
Non-controlling interests		—	—	(135)	—	(600)
		<u>(262,997)</u>	<u>(255,079)</u>	<u>(580,823)</u>	<u>(122,567)</u>	<u>(455,100)</u>
Loss per share attributable to the equity holders of the Company (in RMB)						
Basic and diluted loss per share for loss attributable to the equity holders of the Company (in RMB)	14	(16.16)	(15.67)	(35.67)	(7.53)	(27.92)

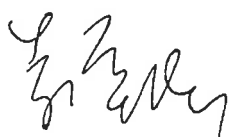
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December			As at
		2022	2023	2024	30 June
		RMB'000	RMB'000	RMB'000	2025
Non-current assets					
Property, plant and equipment ("PPE")	16	331,756	332,792	309,612	297,313
Right-of-use assets ("ROU assets")	17	44,497	42,683	41,093	43,020
Intangible assets	18	2,575	2,292	1,756	1,942
Deferred tax assets	19	117,252	152,318	180,653	205,423
Prepayments and other receivables	24	3,881	17,486	10,542	11,230
Term deposits	27	190,101	5,177	—	—
Trade receivables	26	—	—	—	39,880
Financial assets at fair value through profit or loss ("FVTPL")	22	525	2,116	2,541	3,398
Total non-current assets		<u>690,587</u>	<u>554,864</u>	<u>546,197</u>	<u>602,206</u>
Current assets					
Inventories	20	123,465	174,227	96,544	170,521
Trade and notes receivables	26	30,772	58,680	137,360	417,946
Prepayments and other receivables	24	56,082	90,426	117,920	160,724
Contract assets	25	2,887	9,834	12,251	20,286
Financial assets at FVTPL	22	30,130	—	10,005	—
Financial assets at fair value through other comprehensive income ("FVTOCI")	23	395	9,799	290	18,543
Income tax recoverable		3	458	454	498
Restricted bank deposits	27	27,806	27,819	10,481	22,105
Term deposits	27	—	147,411	5,328	5,402
Cash and cash equivalents	27	381,678	234,663	306,402	186,225
Total current assets		<u>653,218</u>	<u>753,317</u>	<u>697,035</u>	<u>1,002,250</u>
Total assets		<u>1,343,805</u>	<u>1,308,181</u>	<u>1,243,232</u>	<u>1,604,456</u>
Current liabilities					
Trade and notes payables	30	41,530	70,689	63,299	377,708
Contract liabilities	6(b)	46,757	86,124	42,011	49,314
Borrowings	28	44,606	123,834	153,842	230,884
Lease liabilities	17	4,566	2,980	3,661	5,937
Other payables and accruals	31	76,728	106,465	101,707	133,831
Income tax payables		—	9	2	—
Provision	32	1,938	4,743	17,735	35,217
Financial instruments with preferred rights at amortized cost	29	—	—	—	1,962,541
Total current liabilities		<u>216,125</u>	<u>394,844</u>	<u>382,257</u>	<u>2,795,432</u>
Net current assets/(liabilities)		<u>437,093</u>	<u>358,473</u>	<u>314,778</u>	<u>(1,793,182)</u>
Total assets less current liabilities		<u>1,127,680</u>	<u>913,337</u>	<u>860,975</u>	<u>(1,190,976)</u>

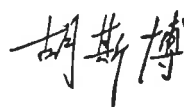
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION — CONTINUED

		As at 31 December			As at 30 June
	Notes	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current liabilities					
Trade payables	30	—	—	—	20,251
Borrowings	28	101,800	3,700	83,900	94,800
Lease liabilities.	17	1,875	608	332	180
Financial instruments with preferred rights at amortized cost.	29	1,625,922	1,766,025	1,894,618	—
Total non-current liabilities		1,729,597	1,770,333	1,978,850	115,231
Total liabilities		1,945,722	2,165,177	2,361,107	2,910,663
Net liabilities.		(601,917)	(856,996)	(1,117,875)	(1,306,207)
Capital and reserves					
Capital and reserves attributable to owners of the Company:					
Paid-in capital	37	38,279	38,381	—	—
Share capital	38	—	—	38,381	38,381
Treasury stock	39	(1,468,141)	(1,492,141)	(1,492,141)	(1,492,141)
Reserves	39	1,436,517	1,460,415	1,221,580	1,488,201
Accumulated losses.		(608,572)	(863,651)	(885,560)	(1,340,046)
Capital and reserves attributable to owners of the Company		(608,572)	(863,651)	(1,117,740)	(1,305,605)
Non-controlling interests		—	—	(135)	(602)
Total deficit.		(601,917)	(856,996)	(1,117,875)	(1,306,207)

The consolidated financial statements on pages 5 to 141 were approved and authorized for issue by the board of directors on 11 December 2025 and are signed on its behalf by:



Chairman of the Board and Non-executive Director,
Li Zexiang



Executive Director and chief executive officer,
Hu Albert Sibó

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December			As at 30 June
	Notes	2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	16	16,933	12,293	8,459	7,079
Right-of-use assets	17	2,288	2,921	2,782	5,590
Intangible assets	18	2,575	2,292	1,756	1,942
Deferred tax assets	19	112,988	147,051	174,786	199,123
Investment in subsidiaries	15	103,939	119,259	126,908	137,008
Prepayments and other receivables	24	234,240	172,674	190,000	190,500
Term deposits	27	190,101	5,177	—	—
Trade receivables	26	—	—	—	34,363
Financial assets at FVTPL	22	525	2,116	2,541	3,398
Total non-current assets		663,589	463,783	507,232	579,003
Current assets					
Inventories	20	122,221	158,169	79,025	154,255
Trade and notes receivables	26	32,017	61,666	148,386	450,507
Prepayments and other receivables	24	79,493	164,231	258,852	303,374
Contract assets	25	2,887	8,404	11,444	19,208
Financial assets at FVTPL	22	30,130	—	10,005	—
Financial assets at FVTOCI	23	—	7,849	290	6,393
Income tax recoverable		3	3	3	3
Restricted bank deposits	27	27,806	27,819	9,796	13,312
Term deposits	27	—	147,411	5,328	5,402
Cash and cash equivalents	27	269,589	145,688	244,392	134,892
Total current assets		564,146	721,240	767,521	1,087,346
Total assets		1,227,735	1,185,023	1,274,753	1,666,349
Current liabilities					
Trade and notes payables	30	50,334	82,829	75,974	394,433
Contract liabilities	6(b)	39,822	67,623	21,750	29,984
Borrowings	28	39,475	33,711	153,842	225,880
Lease liabilities	17	2,955	1,641	2,811	5,590
Other payables and accruals	31	32,022	38,469	52,852	87,170
Provision	32	1,846	4,587	16,595	34,040
Financial instruments with preferred rights at amortised cost	29	—	—	—	1,962,541
Total current liabilities		166,454	228,860	323,824	2,739,638
Net current assets/(liabilities)		397,692	492,380	443,697	(1,652,292)
Total assets less current liabilities		1,061,281	956,163	950,929	(1,073,289)

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY — CONTINUED

	Notes	As at 31 December			As at
		2022	2023	2024	30 June
		RMB'000	RMB'000	RMB'000	2025
Non-current liabilities					
Trade payables	30	—	—	—	20,251
Borrowings	28	11,800	3,700	83,900	94,800
Lease liabilities	17	—	—	—	—
Financial instruments with preferred rights at amortised cost.	29	1,625,922	1,766,025	1,894,618	—
Total non-current liabilities		<u>1,637,722</u>	<u>1,769,725</u>	<u>1,978,518</u>	<u>115,051</u>
Total liabilities		<u>1,804,176</u>	<u>1,998,585</u>	<u>2,302,342</u>	<u>2,854,689</u>
Net liabilities		<u>(576,441)</u>	<u>(813,562)</u>	<u>(1,027,589)</u>	<u>(1,188,340)</u>
Capital and reserves					
Paid-in capital	37	38,279	38,381	—	—
Share capital	38	—	—	38,381	38,381
Treasury stock	39	(1,468,141)	(1,492,141)	(1,492,141)	(1,492,141)
Reserves	39	1,436,517	1,460,415	1,221,559	1,488,127
Accumulated losses		<u>(583,096)</u>	<u>(820,217)</u>	<u>(795,388)</u>	<u>(1,222,707)</u>
Total deficit		<u>(576,441)</u>	<u>(813,562)</u>	<u>(1,027,589)</u>	<u>(1,188,340)</u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to the equity holders of the Company							
	Paid-in	Share	Treasury	Reserves	Accumulated		Non-	
	capital	capital	stock		losses	Subtotal	controlling	Total
			(Note 39)	(Note 39)			interests	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022	37,028	—	(1,197,841)	1,167,468	(345,575)	(338,920)	—	(338,920)
Comprehensive loss								
Loss for the year	—	—	—	—	(262,997)	(262,997)	—	(262,997)
Total comprehensive loss for the year	—	—	—	—	(262,997)	(262,997)	—	(262,997)
Transactions with owners in their capacity as owners								
Capital contributions from the equity holders of the Company	1,251	—	—	269,049	—	270,300	—	270,300
Effect of financial instruments with preferred rights at amortised cost	—	—	(270,300)	—	—	(270,300)	—	(270,300)
Total transactions with owners in their capacity as owners for the year	1,251	—	(270,300)	269,049	—	—	—	—
As at 31 December 2022	38,279	—	(1,468,141)	1,436,517	(608,572)	(601,917)	—	(601,917)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY — CONTINUED

	Attributable to the equity holders of the Company							
	Paid-in	Share	Treasury	Reserves	Accumulated		Non-	
	capital	capital	stock	(Note 39)	losses	Subtotal	controlling	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023	38,279	—	(1,468,141)	1,436,517	(608,572)	(601,917)	—	(601,917)
Comprehensive loss								
Loss for the year	—	—	—	—	(255,079)	(255,079)	—	(255,079)
Total comprehensive loss for the year	—	—	—	—	(255,079)	(255,079)	—	(255,079)
Transactions with owners in their capacity as owners								
Capital contributions from the equity holders of the Company.	102	—	—	23,898	—	24,000	—	24,000
Effect of financial instruments with preferred rights at amortised cost	—	—	(24,000)	—	—	(24,000)	—	(24,000)
Total transactions with owners in their capacity as owners for the year	102	—	(24,000)	23,898	—	—	—	—
As at 31 December 2023	38,381	—	(1,492,141)	1,460,415	(863,651)	(856,996)	—	(856,996)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY — CONTINUED

	Attributable to the equity holders of the Company							
	Paid-in	Share	Treasury	Reserves	Accumulated	Subtotal	Non-	Total
	capital	capital	stock	(Note 39)	losses		controlling	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	38,381	—	(1,492,141)	1,460,415	(863,651)	(856,996)	—	(856,996)
Comprehensive loss								
Loss for the year	—	—	—	—	(580,709)	(580,709)	(135)	(580,844)
Change in foreign currency translation of the financial statements of the subsidiaries of the Company	—	—	—	21	—	21	—	21
Total comprehensive loss for the year	—	—	—	21	(580,709)	(580,688)	(135)	(580,823)
Transactions with owners in their capacity as owners								
Conversion into a joint stock company (Note 38(a))	(38,381)	38,381	—	(558,800)	558,800	—	—	—
Share-based payment (Note 40)	—	—	—	319,944	—	319,944	—	319,944
Total transactions with owners in their capacity as owners for the year	(38,381)	38,381	—	(238,856)	558,800	319,944	—	319,944
As at 31 December 2024	—	38,381	(1,492,141)	1,221,580	(885,560)	(1,117,740)	(135)	(1,117,875)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY — CONTINUED

	Attributable to the equity holders of the Company							
	Paid-in	Share	Treasury	Reserves	Accumulated	Subtotal	Non-	Total
	capital	capital	stock	(Note 39)	losses		controlling	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	38,381	—	(1,492,141)	1,460,415	(863,651)	(856,996)	—	(856,996)
Comprehensive loss								
Loss for the period	—	—	—	—	(122,567)	(122,567)	—	(122,567)
Total comprehensive loss for the period	—	—	—	—	(122,567)	(122,567)	—	(122,567)
As at 30 June 2024 (Unaudited)	38,381	—	(1,492,141)	1,460,415	(986,218)	(979,563)	—	(979,563)

	Attributable to the equity holders of the Company							
	Paid-in	Share	Treasury	Reserves	Accumulated	Subtotal	Non-	Total
	capital	capital	stock	(Note 39)	losses		controlling	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2025	—	38,381	(1,492,141)	1,221,580	(885,560)	(1,117,740)	(135)	(1,117,875)
Comprehensive loss								
Loss for the period	—	—	—	—	(454,486)	(454,486)	(600)	(455,086)
Change in foreign currency translation of the financial statements of the subsidiaries of the Company	—	—	—	(14)	—	(14)	—	(14)
Total comprehensive loss for the period	—	—	—	(14)	(454,486)	(454,500)	(600)	(455,100)
Transactions with owners in their capacity as owners								
Contribution from non-controlling interests with change of the ownership interest in a subsidiary that do not result in a loss of control (Note 15(a)(d))	—	—	—	67	—	67	133	200
Share-based payment (Note 40)	—	—	—	266,568	—	266,568	—	266,568
Total transactions with owners in their capacity as owners for the year	—	—	—	266,635	—	266,635	133	266,768
As at 30 June 2025	—	38,381	(1,492,141)	1,488,201	(1,340,046)	(1,305,605)	(602)	(1,306,207)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	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
Operating activities						
Loss before income tax		(302,874)	(290,136)	(609,156)	(133,471)	(479,845)
Adjustments for:						
Depreciation of property, plant and equipment	7	16,708	21,479	25,582	12,938	12,473
Amortisation of intangible assets	7	1,053	1,430	1,459	758	778
Depreciation of right-of-use assets	7	5,966	7,116	7,612	4,016	3,708
Impairment losses under expected credit losses ("ECL") model	11	5,092	(3,589)	29,038	5,280	84,280
Loss/(gain) on disposal of/written off property, plant and equipment	10	15	(120)	20	7	1
Gain on lease termination	10	—	(90)	(80)	(7)	—
Provision for inventories	7	5,235	11,825	3,673	753	985
Share-based payment expenses	8	—	—	319,944	—	266,568
Change in fair value of financial assets at FVTPL	10	(129)	(591)	70	102	(396)
Interest income from financial assets at FVTPL	12	(258)	(11)	—	—	(16)
Interest income from trade receivables with significant financing components		—	—	—	—	(1,288)
Interest income from term deposits	12	(4,276)	(5,215)	(2,499)	(2,124)	(74)
Interest income from loan to a third party	12	—	(71)	(377)	(161)	(221)
Interest income from loan to a related party of the Company	12	—	(16)	—	—	—
Finance costs	12	105,642	121,100	135,716	66,618	73,519
Exchange gain, net		—	—	(6)	—	8
Operating cash flows before movements in working capital		(167,826)	(136,889)	(89,004)	(45,291)	(39,520)
(Increase)/Decrease in inventories	20	(51,487)	(62,586)	74,011	57,906	(74,963)
Increase in trade and notes receivables, other receivables and prepayments and financial assets at FVTOCI	23, 24, 26	(35,475)	(63,358)	(109,937)	(29,903)	(420,322)
Decrease/(Increase) in contract assets	25	1	(6,852)	(2,581)	1,259	(9,240)
(Increase)/Decrease in restricted bank deposits	27	(672)	(27,142)	27,102	27,070	(11,489)
Increase/(Decrease) in trade and notes payables and other payables	30, 31	23,847	61,154	(3,187)	(37,941)	340,023
Increase/(Decrease) in contract liabilities		28,559	39,367	(44,113)	(15,572)	7,303
Cash (used in)/generated from operations		(203,053)	(196,306)	(147,709)	(42,472)	(208,208)
Income taxes paid		—	(455)	(26)	(9)	(2)
Net cash (used in)/generated from operating activities		(203,053)	(196,761)	(147,735)	(42,481)	(208,210)

CONSOLIDATED STATEMENTS OF CASH FLOWS — CONTINUED

Notes	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
Investing activities					
Proceeds from disposal of property, plant and equipment	30	169	14	4	—
Purchase of property, plant and equipment	(152,611)	(29,713)	(1,393)	(584)	(1,065)
Purchase of intangible assets	(808)	(699)	(684)	(42)	(705)
Purchase of financial assets at FVTPL	(30,500)	(1,000)	(10,500)	—	(500)
Advance to a third party	—	(9,800)	(2,600)	—	—
Advance to a related party of the Company	—	(3,000)	—	—	—
Repayment from a related party of the Company	—	3,000	—	—	—
Placement of term deposits	(105,000)	—	—	—	—
Repayment from term deposits	—	40,000	140,000	100,000	—
Proceeds received at the maturity of financial assets at FVTPL	—	30,000	—	—	10,000
Proceeds of lease deposits	—	—	289	—	—
Interest income received from financial assets at FVTPL	258	141	—	—	60
Interest income received from term deposits	—	2,727	9,760	5,500	—
Interest income received from a related party of the Company	—	17	—	—	—
Placement of restricted bank deposits	(27,100)	—	(10,170)	—	(9,910)
Repayment from restricted bank deposits	13,347	27,130	406	—	9,774
Net cash (used in)/generated from investing activities	(302,384)	58,972	125,122	104,878	7,654
Financing activities					
Proceeds from issuance of shares with preferred rights	270,300	24,000	—	—	—
Transaction costs for acquisition of capital contributions from investors	(19,891)	—	(1,440)	(1,440)	—
Proceeds from capital contributions from non-controlling interests	15(a), (d)	—	—	—	200
Proceeds from a factoring company	—	—	—	—	2,000
Proceeds from bank borrowings	33	146,143	25,700	140,500	158,600
Repayment of bank borrowings	33	—	(44,543)	(128,700)	(72,700)
Interest paid on bank borrowings	33	(3,017)	(5,754)	(6,950)	(4,540)
Repayment of lease liabilities	33	(6,859)	(8,421)	(2,194)	(2,944)
Interest paid on lease liabilities	33	(350)	(208)	(68)	(32)
Payments for listing expenses	—	—	(1,802)	—	(183)
Net cash generated from/(used in) financing activities	386,326	(9,226)	94,325	34,919	80,401
Net (decrease)/increase in cash and cash equivalents	(119,111)	(147,015)	71,712	97,316	(120,155)
Cash and cash equivalents at beginning of year/period	500,789	381,678	234,663	234,663	306,402
Effect of exchange rate changes	—	—	27	—	(22)
Cash and cash equivalents at the end of year/period, represented by bank balances and cash	381,678	234,663	306,402	331,979	186,225

II NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

CiDi Inc. (the “**Company**”) was incorporated in the People’s Republic of China (the “**PRC**”) on 16 October 2017 as a limited liability company. The Company’s registered office and the principal place of business activities is located at Building A3 and A4, Hunan Inspection and Testing Specialty Industrial Park, No. 336, Xueshi Road, Yuelu District, Changsha City, Hunan Province, the PRC.

Upon approval by the shareholders’ general meeting held on 28 May 2024, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC and changed its registered name from “Changsha Intelligent Driving Institute (长沙智能駕駛研究院有限公司)” to “CiDi Inc. (希迪智駕(湖南)股份有限公司)” in July 2024. On 8 January 2025, the Company’s registered name was further changed from “CiDi Inc. (希迪智駕(湖南)股份有限公司)” to “CiDi Inc. (希迪智駕科技股份有限公司)”.

In the opinion of the directors of the Company, the ultimate controlling shareholder of the Company is Li Zexiang.

The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in providing autonomous driving products and solutions for commercial vehicles.

The detailed information of major subsidiaries was disclosed in Note 15.

2 SUMMARY OF ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of the Consolidated Financial Statements are set out below. These policies have been consistently applied throughout the Track Record Period, unless otherwise stated.

2.1 Basis of Preparation

The consolidated financial statements of the Group have been prepared based on the accounting policies set out in Note 2.2 which conform with IFRS Accounting Standards issued by International Accounting Standards Board (“**IASB**”). In preparing the Group’s first consolidated financial statements prepared in accordance with IFRS Accounting Standards, IFRS 1 “First-time Adoption of International Financial Reporting Standards” has been applied save for certain presentation and disclosure provisions therein. The date of transition to IFRS Accounting Standards was 1 January 2022. Further details of the material accounting policy information adopted are set out in Note 2.2.

The consolidated financial statements has been prepared under the historical cost convention, as modified by the revaluation of certain financial assets at FVTPL and financial assets at FVTOCI, which are carried at fair value.

The Group is in the development phase and has been incurring losses from operations since incorporation. The Group incurred losses of RMB455,086,000 for the period ended 30 June 2025. Also, the Group's net cash used in operating activities was RMB208,210,000 for the period ended 30 June 2025, attributable primarily to significant R&D expenditures. As at 30 June 2025, the Group has cash and cash equivalents of RMB186,225,000, net current liabilities of RMB1,793,182,000 and net liabilities of RMB1,306,207,000, attributable primarily to the financial instruments with preferred rights at amortized cost with an amount of RMB1,962,541,000. The Group's ability to continue as a going concern is primarily dependent on the ability to generate adequate cash flows from business operations and to raise external equity and debt financing to fund its continuous operations.

Management of the Group has prepared a cash flow projection covering a period of not less than 12 months from 30 June 2025. The cash flow projection has taken into account management's plan to improve the Group's operating performance and cash flows by expanding its customer base and increasing revenues, and to raise additional funds through external debt financing. Subject to the result of external debt financing, management will implement measures to optimize its operating efficiency, including but not limited to control the expenditures, to improve the Group's liquidity and financial position. The directors of the Company, after making due inquiries and considering the basis of management's projection and measures described above, believe that the Group's cash and cash equivalents and anticipated funding from financing are sufficient to fund its operating expenses and capital expenditure requirements, and the Group is able to meet its payment obligations, for the next twelve months from 30 June 2025. Therefore, the consolidated financial statements has been prepared on a going concern basis.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Inter-company transactions, balances and unrealized gains/losses on transactions between group companies are eliminated on consolidation.

New standards, amendments to standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not effective for the Track Record Period and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions except the new IFRS 18 as set out below.

The Group plans to adopt these new standards, amendments to standards and annual improvements when they become effective:

New and amendments to IFRS Accounting Standards issued but not yet effective

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards ¹
IFRS 18	Presentation and Disclosure in Financial Statements ²
IFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to IFRS 10 and IAS 28	Sale or contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ²

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

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

³ The amendments shall be applied prospectively to sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

The Group has already commenced an assessment of the impact of these new or revised standards and amendments.

IFRS 18 sets out requirements on presentation and disclosures in financial statements and it will replace IAS 1 Presentation of Financial Statements. The new standard introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings

per Share are also made. IFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The Group does not plan to early adopt IFRS 18. IFRS 18, after its adoption on 1 January 2027, will impact the presentation of financial statements (including aggregation and disaggregation of items within statement of financial position and statement of profit or loss and other comprehensive income), but in terms of recognition and measurement, IFRS 18 is not expected to have significant impact on the financial performance and positions of the Group.

Except for this, no material impact on the financial performance and positions of the Group is expected when they become effective.

2.2 Material accounting policy information

2.2.1 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost mainly comprises contract costs in progress, raw materials, consigned-processing-material and finished goods. Costs of purchased inventories are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.2.2 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of each reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of each reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.2.3 Revenue recognition

The Group recognizes revenue when (or as) a performance obligation is satisfied, i.e., when control of the goods underlying the particular performance obligation is transferred to the customer.

Control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognized at a point in time when the customer obtains control of the distinct goods or services.

In determining whether revenue of the Group should be reported gross or net is based on a continuing assessment of various factors. When determining whether the Group is acting as the principal or agent in offering goods or services to the customer, the Group needs to first identify who controls the specified goods or services before they are transferred to the customer. The Group follows the accounting guidance for principal-agent considerations to assess whether the Group controls the specified goods or service before it is transferred to the customer, the indicators of which including but not limited to (a) whether the entity is primarily responsible for fulfilling the promise to provide the specified service; (b) whether the entity has inventory risk before the specified service has been transferred to a customer; and (c) whether the entity has discretion in establishing the prices for the specified goods or service. The management considers the above factors in totality, as none of the factors individually are considered presumptive or determinative, and applies judgment when assessing the indicators depending on each different circumstances.

At the inception of the contract, the Group assesses the goods promised that have been promised to the customer and identifies as a performance obligation when (a) a good or service (or a bundle of goods or services) that is distinct; or (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

1) Autonomous driving solutions

Revenue generated from sales of autonomous driving solutions which combines the unmanned electric mining trucks and logistics trucks with remote control cockpit and solutions with proprietary algorithms and software for use in closed environments, which is recognized at the point in time when the performance obligation under the terms of a contract with the customer is satisfied and control of the product has been transferred to the customer, generally upon the acceptance of the solutions.

The Group controls the specified goods and services before they are transferred to a customer and has discretion in establishing prices. The Group is the principal and the revenue generated from sales of autonomous driving solutions is reported on a gross basis.

The Group generally offers assurance-type warranties to customers and such warranties are not considered a distinct performance obligation to customers. The Group accounts for the warranty in accordance with IAS 37 (Note 32).

After the sales contracts have been signed, partial consideration will be collected by the Group. The Group began to stock up after collecting the prepayments. Before the solutions are delivered to the customers, partial consideration will be collected by the Group. The remaining consideration except for the amount of quality warranty will be collected during the credit period of customers. The amount of quality warranty will be collected after the end of the warranty period. The Group usually offers a warranty period of six months to one year.

2) Autonomous driving products

Revenue generated from sales of autonomous driving products for use in closed environments which could be installed in the electric trucks, which is recognized at the point in time when the performance obligation under the terms of a contract with the customer is satisfied and control of the products has been transferred to the customer, generally upon the acceptance of the products.

The Group controls the specified goods before they are transferred to a customer and has discretion in establishing prices. The Group is the principal and the revenue generated from sales of autonomous driving products is reported on a gross basis.

The Group generally has the right to collect certain of the contract price of the products from the customers upon their acceptance of the products. The remaining payments are settled after the end of the standard warranty period. The Group usually offers a warranty period for one year.

3) Vehicle to everything ("V2X") products and solutions

The Group provides V2X products and solutions to its customers. Revenue is recognized when control over the products and solutions have been transferred to the customer. The customers cannot receive and consume the benefits simultaneously from the Group as well as control the products and solutions until the products and solutions are delivered to the customer. The products and solutions generally have no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until the products and solutions are accepted by the customer. Therefore, revenue is recognized at a point in time when the products and solutions are accepted by the customer.

The determination of whether revenue should be reported on a gross or net basis is based on an assessment of whether the Group is acting as the principal or an agent in the transactions. The Group provides significant service to the V2X products and solutions and is responsible for the overall management of the contract, the Group is the principal in the transaction and recognizes revenue in the gross amount of consideration to which it is entitled from the customer.

After the sales contracts have been signed, partial consideration will be collected by the Group. Then, after the products and solutions are delivered to the designated location of customers and are initial accepted by the customers, partial consideration will be collected by the Group. The remaining consideration except for the amount of quality warranty will be collected after the final acceptance of customers. The amount of quality warranty will be collected after the end of the warranty period. The Group usually offers a warranty period from one year to three years.

4) *Commission income*

The Group acts in the capacity of an agent rather than as the principal in the transaction of ancillary services relating to procurement of the peripheral software development services related to V2X. Revenue generated from these services is reported on a net basis.

5) *Intelligent perception*

Revenue generates from sales of intelligent perception solutions is recognized at the point in time when the performance obligation under the terms of a contract with the customer is satisfied and control of the solutions has been transferred to the customer, generally upon the acceptance of the products and solutions.

The Group controls the specified goods and services before they are transferred to a customer and has discretion in establishing prices. The Group is the principal and the revenue generated from sales of intelligent perception solutions is reported on a gross basis.

The consideration will be collected once through bank acceptance notes after the settlements with customers monthly. The Group usually offers a warranty period from one year to three years.

6) *Contract assets and liabilities*

When either party to a contract has performed, the Group presents the contract in the consolidated statements of financial position as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment. A contract asset is the Group's right to consideration in exchange for services that the Group has transferred to a customer.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers goods to the customer, the Group has a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods to a customer for which the Group has received consideration from the customer. A receivable is recorded when the Group has an unconditional right to consideration. The right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

2.2.4 *Principles of consolidation*

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.2.5 *Separate financial statements*

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of the subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the year the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The functional currency for Company and its subsidiaries incorporated in the People's Republic of China (“**PRC**”) is RMB. The Group's presentation currency is RMB.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of profit or loss and other comprehensive income within finance costs. All other foreign exchange gains and losses are presented in the consolidated statements of profit or loss and other comprehensive income on a net basis within “Other gains/(losses), net”.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as FVTOCI are recognized in OCI.

2.2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and accumulated impairment.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the year/period in which they are incurred.

Other than construction in progress, depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimate useful lives as follows:

Buildings	10–20 years
Vehicles	4 years
Machinery and equipment	5 years
Office equipment, computers and others	5 years
Tested field and related equipment	5 years
Leasehold improvements	shorter of the term of the lease or the estimated useful lives of the assets

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.2.9).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other gains/(losses), net" in the consolidated statements of profit or loss and other comprehensive income.

Construction in progress represents unfinished construction and equipment under construction or pending for installation, and is stated at cost less impairment losses. Cost comprises direct costs of construction including borrowing costs attributable to the construction during the period of construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use.

2.2.8 Intangible assets

(a) Software

Acquired software is initially capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software programs are recognized as an expense as incurred. Software is stated at historical cost less accumulated amortization and impairment losses, if any. Amortization is calculated using the straight-line method to allocate the cost over their estimated useful lives. The Group amortizes software with a limited useful life using the straight-line method over the following periods:

Software	3 years
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When determining the useful life, the management of the Group has taken into the account the (i) estimated period that can bring economic benefits to the Group; (ii) the useful life estimated by the comparable companies in the market.

(b) Research and development ("**R&D**")

The Group incurs significant costs and efforts on research and development activities. Research expenditure is recognized as an expense as incurred. Costs incurred on research and development projects are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the research and development project so that it will be available for use or sale;
- management intends to complete the research and development project and use or sell it;
- there is an ability to use or sell the research and development project;
- it can be demonstrated how the research and development project will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the research and development project are available; and
- the expenditure attributable to the research and development project during its development can be reliably measured.

The cost of an internally generated intangible asset is the sum of the expenditures incurred from the date the asset meets the recognition criteria above to the date when it is available for use. The costs capitalized in connection with the intangible asset include costs of materials and services used or consumed, employee costs incurred in the creation of the asset and an appropriate portion of relevant overheads.

Development expenditures not satisfying the above criteria are recognized in the profit or loss as incurred and development expenditures previously recognized as an expense are not recognized as an asset in a subsequent period.

During the Track Record Period, the Group's R&D expenditures incurred did not meet the capitalization principle above and were expensed as incurred.

2.2.9 Impairment of non-financial assets

Non-financial assets, including PPE, ROU assets, intangible assets, prepayments for acquisition of PPE and investment in subsidiaries, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in profit or loss for the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.2.10 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in "Finance income" using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in "Other gains/(losses), net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statements of profit or loss and other comprehensive income.

- **FVTOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in "Other gains/(losses), net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other gains/(losses), net" and impairment expenses are presented as separate line item in the consolidated statements of profit or loss and other comprehensive income.
- **FVTPL:** Assets that do not meet the criteria for amortized cost or financial assets at FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in "Other gains/(losses), net" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognized in "Other gains/(losses), net" in the consolidated statements of profit or loss and other comprehensive income as applicable.

(d) Impairment

The Group performs impairment assessment under ECL model on financial assets which are measured at amortized cost and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss

experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognizes lifetime ECL for trade receivables and contract assets. The ECL on these assets is assessed collectively and individually.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at each reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognized in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

2.2.11 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognized less, where appropriate, cumulative amortization recognized over the guarantee period.

2.2.12 Trade receivables

Trade receivables are amounts due from customers for the products and solutions rendered in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 26 for further information about the Group's accounting for trade receivables and Note 3.1 (b) for a description of the Group's credit risk management.

2.2.13 Financial instruments with preferred rights at amortized cost

A contract that contains an obligation for the Group to purchase the Group's equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount. Even if the Group's obligations to purchase are conditional on the counterparty exercising a right to redeem, the financial instruments with preferred rights are recognized as financial liability initially measured at fair value (representing the present value of the redemption amount) and subsequently measured at amortized cost with interest charged in finance costs.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged or canceled after the settlement by the Group has been made. The carrying amount of the financial instruments are reclassified to equity when and only when, the Group's obligation (i.e. the redemption obligation) have expired, with the corresponding credit to the treasury stocks.

2.2.14 Cash and cash equivalents

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents include deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.2.15 Paid-in capital/Share capital and treasury stocks

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Treasury stocks are equity instruments deducted from equity when the Group reacquires its own equity instruments.

The ordinary shares with preferred rights are recognized as paid-in capital/share capital with the excess of the nominal values of the shares in capital reserve upon the proceed received, and initially reclassified from equity to financial liabilities (i.e. financial instruments with preferred rights at amortized cost) with the corresponding debit to the treasury stocks.

2.2.16 Trade and notes payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year/period which are unpaid. Trade and notes payables are classified as current liabilities unless payment is not due within 12 months after each reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.2.17 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are derecognized from the consolidated statements of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party

and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of profit or loss and other comprehensive income as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after each reporting period.

2.2.18 Borrowings costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

2.2.19 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and other allowances that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of each reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statements of financial position.

(b) Pension obligations

Employees of the Group are covered by various government-sponsored defined-contribution pension plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these employees when they retire. The Group contributes on a monthly basis to these pension plans for the employees which are determined at a certain percentage of their salaries. Under these plans, the Group has no obligation for post-retirement benefits beyond the contribution made.

Contributions to these plans are expensed as incurred and contributions paid to the defined contribution pension plans for a staff are not available to reduce the Group's future obligations to such defined-contribution pension plans even if the staff leaves the Group.

(c) Housing funds, medical insurances and other social insurances

The employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(d) Bonus plan

The expected cost of bonuses is recognized as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

(e) 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 recognizes 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 entity recognizes costs for a restructuring that is within the scope of IAS 37 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 each reporting period are discounted to present value.

2.2.20 Leases

The Group mainly leases buildings and a piece of leasehold land as lessee. Lease terms are negotiated on an individual basis and contain various different terms and conditions.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as

to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments (if applicable):

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Right-of-use assets are measured at cost comprising the following (if applicable):

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g., term, country, currency and security.

For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease and making a corresponding adjustment to the right-of-use asset for all other lease modifications. The Group recognizes in profit or loss any gain or loss relating to the partial or full termination of the lease.

Payments associated with short-term leases are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

2.2.21 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

For government grants based on the performance appraisal, if the relevant department has the rights to suspend or recover the grants, the government grants will be recognized in the consolidated statements of financial position as "Deferred income" when received. If the performance appraisal are achieved, the government grants will be transferred in the consolidated statements of profit or loss and other comprehensive income as "Other income". If subsequently some or the entire amount becomes repayable unexpectedly, the repayment is accounted for as a change in estimate and the repayable portion of the credit previously recognized is reversed and recognized in the period in which the Group concludes that it is no longer reasonably assured that the terms for forgiveness will be met.

2.2.22 Finance income

Interest income is presented as the finance income where it is earned from financial assets at FVTPL, trade receivables with significant financing components, bank deposits, term deposits, loans to a third party and loan to a related party of the Company, see Note 12 below.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.2.23 Loss per share

(i) Basic loss per share

Basic loss per share is calculated by dividing:

- the loss attributable to equity holders of the Company, and
- by the weighted average number of ordinary shares outstanding during the financial year/period.

(ii) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.2.24 Provision

Provision for product warranties is recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provision is not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of each reporting period.

2.2.25 Share-based payment

The fair value of awarded shares granted to employees and consultants under the share option scheme less amount paid by employees and consultants is recognized as an employee benefits expense over the relevant service period, being the vesting period of the shares, and the credit is recognized in equity in the employee share-based compensation reserve. The fair value of the shares is measured at the grant date. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where there is any modification of terms and conditions which increases the fair value of the equity instruments granted, the Group includes the incremental fair value granted in the measurement of the amount recognized for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification. An expense based on the incremental fair value is recognized over the period from the modification date to the date when the modified equity instruments vest in addition to any amount in respect of the original instrument, which should continue to be recognized over the remainder of the original vesting period. Where shares are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognized in relation to such shares are reversed effective at the date of the forfeiture.

The grant of share-based payments by the shareholders to the employees of the subsidiaries are treated as a capital contribution to subsidiaries in the separate financial statements of the Company. The fair value of employee services received, determined by reference to the grant date fair value, is recognized over the vesting period as an increase to investments in subsidiaries undertakings, with a corresponding adjustment to equity in the separate financial statements of the Company.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: mainly market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The Group's businesses are principally conducted in RMB.

As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the Group was not exposed to significant foreign exchange risk. The Group regularly monitors its foreign exchange risk to ensure there is no undue exposure to significant foreign exchange risk.

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk primarily arises from borrowings, financial instruments with preferred rights at amortized cost, financial assets measured at FVTPL, cash and cash equivalents, restricted bank deposits and term deposits. Those carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 28. The Group did not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk for each reporting period.

As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the Group was not exposed to significant interest rate risk. The Group regularly monitors its interest rate risk to ensure there is no undue exposure to significant interest rate risk.

(b) Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, restricted bank deposits, term deposits, trade and notes receivables, contract assets, other receivables, financial assets at FVTOCI and financial guarantee contracts liability. The carrying amount of each class of the above assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of assets.

(i) Credit risk of cash and cash equivalents, restricted bank deposits and term deposits

To manage this risk, the Group's domestic subsidiaries only make transactions with state-owned banks or reputable commercial banks which are all high-credit-quality financial institutions. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. The credit losses are assessed to be immaterial.

(ii) Credit risk of trade and notes receivables and contract assets

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables without a significant financing component and contract assets. To measure the expected credit losses, other than trade receivables with significant financing components that are subject to individual evaluation, trade receivables and contract assets have been grouped based on shared credit risk characteristics and aging.

The expected loss rates are based on the credit rating of counter parties and the payment profiles of sales over a period of each reporting period and probability of default of counter parties on an ongoing basis throughout each reporting period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product ("GDP") and the growth rate of information technology industry to be the most relevant factor in Mainland China in the credit risk assessment, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Notes receivables were mainly bank acceptance notes aged less than six months. The Group measures credit risk using probability of default, exposure at default and loss given default. As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the expected credit loss for bank acceptance notes receivables is RMB0.08 million, RMB0.11 million, RMB0.14 million and RMB1.42 million respectively.

The loss allowance of trade receivables and contract assets as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 was determined as follows:

As at 31 December 2022, the loss allowance of trade receivables and contract assets assessed under collective basis is determined as follows:

Collective basis	Up to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	over 12 months	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2022						
Gross carrying amount	29,886	12	466	82	7,847	38,293
Loss allowance	(5,273)	(2)	(82)	(14)	(2,298)	(7,669)
Expected loss rate (<i>in %</i>) ..	17.64	17.64	17.64	17.64	29.29	20.03

As at 31 December 2023, the loss allowance of trade receivables and contract assets assessed under collective basis is determined as follows:

Collective basis	Up to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	over 12 months	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023						
Gross carrying amount	39,820	2,055	7,481	2,558	11,647	63,561
Loss allowance	(977)	(50)	(183)	(63)	(2,136)	(3,409)
Expected loss rate (<i>in %</i>) ..	2.45	2.45	2.45	2.45	18.54	5.36

In the opinion of directors, the expected loss rate decreased due to the improving financial positions of these debtors.

As at 31 December 2024, the loss allowance of trade receivables and contract assets assessed under collective basis is determined as follows:

Collective basis	Up to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	over 12 months	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2024						
Gross carrying amount	70,222	24,256	30,520	1,606	35,488	162,092
Loss allowance	(4,164)	(1,438)	(1,809)	(95)	(11,583)	(19,089)
Expected loss rate (<i>in %</i>) . .	5.93	5.93	5.93	5.93	32.64	11.78

As at 30 June 2025, the loss allowance of trade receivables and contract assets assessed under collective basis and individual basis is determined as follows:

Collective basis	Up to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	over 12 months	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
30 June 2025						
Gross carrying amount	166,319	3,316	41,478	22,856	68,204	302,173
Loss allowance	(10,802)	(215)	(2,694)	(1,484)	(22,871)	(38,066)
Expected loss rate (<i>in %</i>) . .	6.49	6.49	6.49	6.49	33.53	12.60

Individual basis	Up to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	over 12 months	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
30 June 2025						
Gross carrying amount	164,747	—	—	—	—	164,747
Loss allowance	(7,048)	—	—	—	—	(7,048)
Expected loss rate (<i>in %</i>) . .	4.28	—	—	—	—	4.28

The movements in provision for impairment of trade receivables and contract assets are as follows:

	Year ended 31 December			Six months ended 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Loss allowance				
At beginning of the year/period.	2,895	7,669	3,409	19,089
Provision/(reversal) for trade and notes receivables and contract assets, net	4,774	(4,260)	15,680	26,149
Trade receivables written off.	—	—	—	(124)
At end of the year/period	<u>7,669</u>	<u>3,409</u>	<u>19,089</u>	<u>45,114</u>

(iii) *Credit risk of other receivables*

Other receivables mainly comprise payments made on behalf of customers, amount due from the third parties, amount due from the employee, deposits, loan to a third party and loans to the employee. The management of the Group makes individual assessment on the recoverability of payments made on behalf of customers, amount due from the third parties, amount due from the employee, deposits, loan to a third party and loans to the employee based on historical settlement records and past experiences. The Group measures credit risk using probability of default, exposure at default and loss given default.

For impairment on payments made on behalf of customers, amount due from the third parties, amount due from the employee, deposits, loan to a third party and loans to the employee, it is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been significant increase in credit risk since initial recognition. Other financial assets that are not credit-impaired on initial recognition are classified in 'Stage 1' and the expected credit losses are measured as 12-month expected credit losses. If a significant increase in credit risk of other financial asset has occurred since initial recognition, the financial asset is moved to 'Stage 2' but is not yet deemed to be credit-impaired. The expected credit losses are measured as lifetime expected credit loss. If any financial asset is credit-impaired, it is then moved to 'Stage 3' and the expected credit loss is measured as lifetime expected credit loss. Management makes periodic collective assessments as well as individual assessment on these financial assets based on historical settlement records and past experience.

On that basis, movements on the Group's provision for impairment of other receivables are as follows:

	Year ended 31 December			Six months ended 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Provision for impairment				
At beginning of the year/period.	35	275	726	7,785
Increase in provision for impairment recognised in the consolidated statements of profit or loss and other comprehensive income (<i>note</i>) .	240	451	7,059	12,796
At end of the year/period	<u>275</u>	<u>726</u>	<u>7,785</u>	<u>20,581</u>

Note: As at 30 June 2025, the directors of the Company have performed impairment assessment and concluded that there has been significant increase in credit risk since initial recognition of the loans to the end customer, Anhui Beishan (as defined in the note 31(e) to the consolidated financial statements). In making the assessment, the Group considered Anhui Beishan is having significant financial difficulty and is unlikely to pay its creditors, including the Group, in full, and concluded the default event has occurred. Accordingly, the loss allowance for loans to the end customer provided by the Group is measured at an amount to lifetime expected credit losses. Additional impairment loss of RMB12,796,000 has been recognized in the profit or loss during the period ended 30 June 2025.

(iv) *Credit risk of financial assets at FVTOCI*

Financial assets at FVTOCI comprise receivables financing. Receivables financing mainly represents bills of acceptance issued by banks for the sale of goods. The Group expects that the change of fair value associated with bank bills of acceptance is considered to be immaterial since they have original maturities of six months or less and the accepting banks are state-owned banks and other large listed banks with good reputation and high credit rating.

(v) *Credit risk of financial guarantee contracts liability*

The management of the Group makes individual assessment on the expected credit losses of financial guarantee contracts. The Group measures credit risk using probability of default, exposure at default and loss given default.

On that basis, movements on the Group's expected credit losses of financial guarantee contracts are as follow:

	Year ended 31 December			Six months ended 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Provision for impairment				
At beginning of the year/period	—	—	186	6,452
Increase in provision for impairment recognised in the consolidated statements of profit or loss and other comprehensive income (note) .	—	186	6,266	44,063
At end of the year/period	—	186	6,452	50,515

Note: As at 30 June 2025, the directors of the Company have performed impairment assessment and concluded that there has been significant increase in credit risk since initial recognition of the financial guarantee contracts entered with Haitong Unitrust (as defined in the note 31(e) to the consolidated financial statements). In making the assessment, the Group considered the heightened credit risk information of Anhui Beishan (as defined in the note 31(e) to the consolidated financial statements), including Anhui Beishan's actual significant deterioration in the financial condition and forward-looking information that is available without undue cost or effort. Accordingly, the loss allowance for financial guarantee contracts issued by the Group is measured at an amount to lifetime expected credit losses. Additional impairment loss of RMB44,063,000 has been recognized in the profit or loss during the period ended 30 June 2025.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the ability to raise funds through debt and equity financing. The Group historically financed its working capital requirements through borrowing from bank, issue of financial instruments with preferred rights at amortized cost (Note 29).

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flows.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at each year/period end to the contractual maturity date for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is immaterial.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2022					
Trade and notes payables	41,530	—	—	—	41,530
Other payables and accruals (excluding repayable government grants, other tax payables, payroll and welfare payables, and accruals) (Note 31)	41,185	—	—	—	41,185
Borrowings (including interest accrual up to maturity)	50,056	102,695	1,666	—	154,417
Lease liabilities	4,698	1,271	664	—	6,633
As at 31 December 2023					
Trade and notes payables	70,689	—	—	—	70,689
Other payables and accruals (excluding repayable government grants, other tax payables, payroll and welfare payables, and accruals) (Note 31)	78,452	—	—	—	78,452
Borrowings (including interest accrual up to maturity)	127,137	3,830	—	—	130,967
Lease liabilities	3,050	614	—	—	3,664
As at 31 December 2024					
Trade and notes payables	63,299	—	—	—	63,299
Other payables and accruals (excluding repayable government grants, other tax payables, payroll and welfare payables, and accruals) (Note 31)	68,327	—	—	—	68,327
Borrowings (including interest accrual up to maturity)	159,715	38,295	48,764	—	246,774
Lease liabilities	3,701	338	—	—	4,039

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 30 June 2025					
Trade and notes payables	379,674	20,354	—	—	400,028
Other payables and accruals (excluding repayable government grants, other tax payables, payroll and welfare payables, and accruals) (<i>Note 31</i>)	115,431	—	—	—	115,431
Borrowings (including interest accrual up to maturity)	238,089	74,718	23,154	—	335,961
Lease liabilities	6,014	181	—	—	6,195

For financial instruments with preferred rights at amortized cost, please refer to Note 29 for more details.

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, management of the Company considers the cost of capital and the risks associated with the paid-in capital. The Group may adjust the amounts of dividends paid to equity holders, return capital to equity holders, issue new shares or repurchase the Company's shares.

The Group considers the cost of capital and the risks associated with each class of capital and will balance its overall capital structure through the plans and measures as described in Note 2.1 to the consolidated financial statements.

3.3 Fair value estimation

(a) *Fair value hierarchy*

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under IFRS Accounting Standards.

- (i) Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of each reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- (ii) Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- (iii) Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no transfers between level 1, 2 and 3 for recurring fair value measurements during the Track Record Period.

The carrying amounts of the financial assets and liabilities, which are measured at amortized cost, approximated their fair value as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025.

The following table presents the Group's financial assets and liabilities that are measured at fair value as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 respectively.

	Level 1	Level 2	Level 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2022				
Assets				
Financial assets at FVTPL				
— Unlisted equity investments	—	—	525	525
— Structured deposits	—	30,130	—	30,130
Financial assets at FVTOCI				
— Receivables financing	—	—	395	395
	<u>—</u>	<u>30,130</u>	<u>920</u>	<u>31,050</u>
	<u>—</u>	<u>30,130</u>	<u>920</u>	<u>31,050</u>
	Level 1	Level 2	Level 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2023				
Assets				
Financial assets at FVTPL				
— Unlisted equity investments	—	—	1,116	1,116
— Unlisted debt investment	—	—	1,000	1,000
Financial assets at FVTOCI				
— Receivables financing	—	—	9,799	9,799
	<u>—</u>	<u>—</u>	<u>11,915</u>	<u>11,915</u>
	<u>—</u>	<u>—</u>	<u>11,915</u>	<u>11,915</u>

	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2024				
Assets				
Financial assets at FVTPL				
— Unlisted equity investments	—	—	929	929
— Unlisted debt investment	—	—	1,612	1,612
— Structure deposits	—	10,005	—	10,005
Financial assets at FVTOCI				
— Receivables financing	—	—	290	290
	—	10,005	2,831	12,836
	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 30 June 2025				
Assets				
Financial assets at FVTPL				
— Unlisted equity investments	—	—	1,022	1,022
— Unlisted debt investment	—	—	2,376	2,376
Financial assets at FVTOCI				
— Receivables financing	—	—	18,543	18,543
	—	—	21,941	21,941

(b) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- Other technique, such as asset based approach, is used to determine fair value for the remaining financial instrument.

There were no changes in valuation techniques during the Track Record Period.

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movements in level 3 items for the years ended 31 December 2022 and 31 December 2023 and 31 December 2024 and the six months ended 30 June 2024 and 30 June 2025:

	Financial assets at FVTPL	Financial assets at FVTOCI	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2022	67	556	623
Acquisitions	500	6,881	7,381
Disposals	(41)	(7,042)	(7,083)
FV change	(1)	—	(1)
As at 31 December 2022	525	395	920
As at 1 January 2023	525	395	920
Acquisitions	1,000	20,774	21,774
Disposals	—	(11,370)	(11,370)
FV change	591	—	591
As at 31 December 2023	2,116	9,799	11,915
As at 1 January 2024	2,116	9,799	11,915
Acquisitions	500	62,705	63,205
Disposals	—	(72,214)	(72,214)
FV change	(75)	—	(75)
As at 31 December 2024	2,541	290	2,831
As at 1 January 2024	2,116	9,799	11,915
Acquisitions	—	41,675	41,675
Disposals	—	(44,721)	(44,721)
FV change	(102)	—	(102)
As at 30 June 2024 (Unaudited)	2,014	6,753	8,767
As at 1 January 2025	2,541	290	2,831
Acquisitions	500	92,825	93,325
Disposals	—	(74,572)	(74,572)
FV change	357	—	357
As at 30 June 2025	3,398	18,543	21,941

(d) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

Description	Fair value				Valuation techniques and key inputs	Significant unobservable inputs	Relationship of key assumptions to fair value
	As at 31 December			As at 30 June			
	2022	2023	2024				
	2025						
	RMB'000	RMB'000	RMB'000				
Financial assets at FVTPL							
Unlisted equity investments.	525	1,116	929	1,022	Fair values are estimated based on market approach of underlying investment.	Equity value (31 December 2022: RMB13,500,000, 31 December 2023: RMB30,131,000, 31 December 2024: RMB25,080,000 and 30 June 2025: RMB27,591,000).	The higher the equity value, the higher the fair value.
Unlisted debt investment	—	1,000	1,612	2,376	Fair values are estimated based on market approach of underlying investment.	Equity value (31 December 2023: N/A, 31 December 2024: RMB31,432,000 and 30 June 2025: RMB36,590,000).	The higher the equity value, the higher the fair value.
Financial assets at FVTOCI							
Receivables financing	395	9,799	290	18,543	Present value of the contracted cash inflow of the discount rate that reflect the market credit risk.	N/A	N/A

For unlisted equity investments: as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, if equity value higher/lower by 10%, fair value of financial assets at FVTPL would have been approximately RMB50,000, RMB112,000, RMB93,000 and RMB102,000 higher/lower respectively.

For unlisted debt investment: as at 31 December 2024 and 30 June 2025, if equity value higher/lower by 10%, fair value of financial assets at FVTPL would have been approximately RMB161,000 and RMB246,000 higher/lower respectively. As at 31 December 2023, the net assets value of the underlying investments of the unlisted debt investment mainly consist of cash.

The receivables financing of the Group mainly consists of bank acceptance bills of the reputable banks in the PRC which contains 6 state-owned banks and 9 listed joint-stock commercial banks. The receivables financing is relatively high credit ratings with the short remaining terms. The Group considers that the fair value of receivables financing approximately equals to its contracted face value.

4 CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires the use of accounting estimates which, by definition, will seldom exactly equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months period are addressed below.

(a) Estimation of the fair value of financial assets at FVTPL

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair value of these investments. Details of the assumptions and estimates in determination of the fair value are disclosed in Note 3.3.

(b) Principal versus agent considerations

Determining whether the Group is acting as a principal or as an agent in the provision of certain services to its customers requires judgment and consideration of all relevant facts and circumstances. In evaluation of the Group's role as a principal or agent, the Group considers, individually or in combination, whether the Group (i) controls the specified good or service before it is transferred to the customer, (ii) is primarily responsible for fulfilling the contract, (iii) is subject to inventory risk, and (iv) has discretion in establishing prices.

(c) Inventory provision

Inventories are stated at the lower of cost and net realizable value as stated in Note 2.2.1. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Even though the management of the Group has made the best estimate about the inventory write-down loss predicted to occur and provided allowance for write-down, the write-down assessment may still be significantly changed due to the change of market situations.

(d) Income taxes and deferred income taxes

There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

The Group recognizes deferred tax assets based on estimates that is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilized. The recognition of deferred tax assets mainly involved management's judgements and estimations about the timing and the amount of taxable profits of the companies who had tax losses. During the Track Record Period, in the opinion of directors, deferred tax assets have been recognized in respect of these accumulated tax losses and other deductible temporary differences based on the fact that the Group is probable to generate sufficient taxable profits in the foreseeable future.

(e) Warranty provision

The Group provides product warranties on all new goods based on the contracts with its customers at the time of sale of goods. The Group accrues a warranty reserve for the goods sold by multiplying the expected unit costs for warranty services by the sales volume, which includes the best estimate of projected costs to repair or replace items under warranties. These estimates are

primarily based on the estimates of the nature, frequency and average costs of future claims. These estimates are inherently uncertain given the Group's relatively short history of sales, and changes to the historical or projected warranty experience may cause material changes to the warranty provision in the future. Warranty cost is recorded as a component of cost of sales in the consolidated statements of profit or loss and other comprehensive income. The Group re-evaluates the adequacy of the warranty accrual on a regular basis.

(f) Impairment assessment of financial assets and financial guarantee contracts liability

The loss allowances for financial assets at amortized cost, contract assets and financial guarantee contracts liability are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details are disclosed in Note 3.1(b).

(g) Impairment assessment of non-financial assets

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances that may cause the carrying amounts of the assets to exceed their recoverable amounts. The recoverable amount of an asset or a cash generating unit is determined as the higher of their unit's fair value less cost of disposal and its value-in-use which requires the use of assumptions and estimates.

5 SEGMENT INFORMATION

The executive directors of the Company have been identified as the chief operating decision maker of the Group who reviews the operating results of the Group's business as one operating segment to make strategic decisions and resources allocation. Therefore, the Group regards that there is only one segment which is used to make strategic decisions.

No geographical segment information is presented as the majority of the revenue and operating losses of the Group are derived within PRC and the majority of the operating assets of the Group are located in the PRC, which is considered as one geographic location with similar risks and returns.

Revenue from customers contributing over 10% of the total revenue of the Group during the years ended 31 December 2022, 31 December 2023 and 31 December 2024 and six months ended 30 June 2025 is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
				(Unaudited)	
Customer A.	—	—	37%	59%	—
Customer B.	78%	—	—	—	—
Customer C.	—	31%	11%	—	—
Customer D.	—	11%	11%	*	*
Customer E.	—	—	15%	23%	—
Customer F.	—	—	—	—	47%
Customer G.	—	—	—	—	19%
Customer H.	—	—	—	—	20%

* Less than 10%

6 REVENUE

(a) Disaggregation of revenue from contracts with customers

Revenue for the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025 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)	
Revenue from customers and					
recognized at point in time					
Autonomous driving					
— Autonomous mining products and					
solutions	27,187	64,132	246,635	152,456	375,820
— Autonomous logistics trucks solutions.	811	10,286	8,252	3,587	2,544
	27,998	74,418	254,887	156,043	378,364
V2X products and solutions.	3,058	36,812	101,591	74,237	9,179
Intelligent perception.	—	21,374	53,557	28,181	20,493
	31,056	132,604	410,035	258,461	408,036

Revenue on a gross or net basis for the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025 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)	
On a gross basis	31,056	131,556	408,894	258,273	407,646
On a net basis	—	1,048	1,141	188	390
	<u>31,056</u>	<u>132,604</u>	<u>410,035</u>	<u>258,461</u>	<u>408,036</u>

Revenue by location of the customers for the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025 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)	
East China	25,116	27,337	195,146	155,248	3,639
South-Central China	4,171	59,928	85,371	9,095	18,704
Southwest China.	177	18,685	108,336	81,942	19,490
Northwest China.	—	23	9,402	3,587	93,951
Northern China	1,592	26,512	11,725	8,589	272,037
Northeast China	—	119	55	—	—
Overseas	—	—	—	—	215
	<u>31,056</u>	<u>132,604</u>	<u>410,035</u>	<u>258,461</u>	<u>408,036</u>

(b) Contract liabilities

During the Track Record Period, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations, while the reductions to the contract liability balance were primarily due to the recognition of revenues upon fulfilment of performance obligations.

The Group

As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the Group recognized contract liabilities of RMB46,757,000, RMB86,124,000, RMB42,011,000 and RMB49,314,000, respectively.

The following table shows how much of the revenue recognized during the Track Record Period is included in the contract liabilities:

	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 recognized that was included in the contract liability balance at the beginning of the year/period	918	24,141	60,803	36,570	12,201

The Company

As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the Company recognized contract liabilities of RMB39,822,000, RMB67,623,000, RMB21,750,000 and RMB29,984,000, respectively.

The following table shows how much of the revenue recognized during the Track Record Period is included in the contract liabilities:

	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 recognized that was included in the contract liability balance at the beginning of the year/period	617	17,213	59,731	34,631	9,965

(c) Transaction price allocated to the remaining performance obligations

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 31 December 2022 and the expected timing of recognizing revenue are as follows:

	Autonomous Driving	V2X products and solutions	Intelligent Perception
	RMB'000	RMB'000	RMB'000
Within one year.	45,794	33,101	5,840
More than one year but not more than two years.	8,216	72,819	—
More than two years	696	2,675	—
	<u>54,706</u>	<u>108,595</u>	<u>5,840</u>

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 31 December 2023 and the expected timing of recognizing revenue are as follows:

	Autonomous Driving	V2X products and solutions	Intelligent Perception
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within one year.	206,930	102,520	29,346
More than one year but not more than two years.	1,367	18,157	33,189
More than two years.	512	2,576	52,410
	<u>208,809</u>	<u>123,253</u>	<u>114,945</u>

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 31 December 2024 and the expected timing of recognizing revenue are as follows:

	Autonomous Driving	V2X products and solutions	Intelligent Perception
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within one year.	742,356	31,289	114,963
More than one year but not more than two years.	440,225	1,433	151,358
More than two years.	—	1,509	167,172
	<u>1,182,581</u>	<u>34,231</u>	<u>433,493</u>

The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 30 June 2025 and the expected timing of recognizing revenue are as follows:

	Autonomous Driving	V2X products and solutions	Intelligent Perception
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within one year.	794,053	8,921	13,436
More than one year but not more than two years.	1,235,213	5,469	46,474
More than two years.	1,151,068	12,464	215,697
	<u>3,180,334</u>	<u>26,854</u>	<u>275,607</u>

7 EXPENSES BY NATURE

	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
Employee benefits expenses (Note 8) . . .	155,075	151,209	474,180	72,513	336,295
Raw materials and consumables used . . .	28,209	79,931	254,806	178,370	315,438
Changes in inventories of contract costs in progress, consigned-processing-material and finished goods	(15,224)	(3,573)	6,184	9,071	(2,114)
Provision for inventories (Note 20)	5,235	11,825	3,673	753	985
Outsourcing labor costs	477	512	1,427	1,328	2,229
Office and traveling expenses.	19,909	23,445	25,114	10,816	12,924
Depreciation of property, plant and equipment (a)	16,708	21,479	25,582	12,938	12,473
Amortization of intangible assets (b)	1,053	1,430	1,459	758	778
Depreciation of right-of-use assets (c)	5,966	7,116	7,612	4,016	3,708
Short-term lease expenses (Note 17)	287	1,463	346	172	364
Legal, consulting and other professional fees	13,102	13,787	21,516	12,616	5,558
Marketing expenses.	7,358	11,146	15,500	12,806	13,034
Warranty	970	4,366	12,282	10,886	18,905
Listing expenses.	—	—	11,896	—	9,379
Others	550	1,272	5,359	2,059	3,655
	<u>239,675</u>	<u>325,408</u>	<u>866,936</u>	<u>329,102</u>	<u>733,611</u>

(a) Depreciation of the Group's property, plant and equipment has been recognized 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
Research and development expenses. . . .	9,866	7,003	5,686	2,714	2,794
General and administrative expenses . . .	4,578	12,308	18,906	9,739	9,327
Selling expenses.	1,377	1,420	730	360	185
Costs of inventories.	887	748	260	125	167
	<u>16,708</u>	<u>21,479</u>	<u>25,582</u>	<u>12,938</u>	<u>12,473</u>

(b) Amortization of the Group's intangible assets has been recognized 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)	
Research and development expenses . . .	240	337	335	156	193
General and administrative expenses . . .	813	1061	867	489	579
Selling expenses	—	—	10	5	1
Cost of inventories	—	32	247	108	5
	<u>1,053</u>	<u>1,430</u>	<u>1,459</u>	<u>758</u>	<u>778</u>

(c) Depreciation of the Group's right-of-use assets has been recognized 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)	
Research and development expenses . . .	3,031	2,667	2,683	1,439	1,654
General and administrative expenses . . .	1,856	3,067	3,649	2,005	1,486
Selling expenses	439	501	796	339	339
Cost of inventories	640	881	484	233	229
	<u>5,966</u>	<u>7,116</u>	<u>7,612</u>	<u>4,016</u>	<u>3,708</u>

8 EMPLOYEE BENEFIT EXPENSES

	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)	
Wages, salaries and bonuses	115,737	111,477	111,843	50,370	48,829
Share-based compensation expenses (Note 40).	—	—	319,944	—	266,568
Pension obligations, housing funds, medical insurances and other social insurances	28,742	30,247	31,468	15,130	16,268
Other employee benefit expenses	10,596	9,485	10,925	7,013	4,630
	<u>155,075</u>	<u>151,209</u>	<u>474,180</u>	<u>72,513</u>	<u>336,295</u>

(a) Pension obligations, housing funds, medical insurances and other social insurances

The Group is required to contribute a specified percentage of payroll costs, subject to certain ceiling, as determined by local government authority to the pension obligations, housing funds, medical insurances and other social insurances to fund the benefits. The Group's full time employees in the PRC are members of a state-managed retirement benefit schemes operated by the PRC government and liabilities in respect of benefits schemes are limited to the contribution payable in each year/period.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025, include 2, 2, 2, 1 (unaudited) and 2 directors respectively, whose emoluments are disclosed in Note 8(c). The emoluments payable to the remaining individuals during the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025 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)	
Wages, salaries and bonuses	3,354	3,209	4,015	2,834	1,308
Share-based compensation expenses	—	—	32,188	—	47,084
Pension obligations, housing funds, medical insurances and other social insurances	263	310	357	235	187
	<u>3,617</u>	<u>3,519</u>	<u>36,560</u>	<u>3,069</u>	<u>48,579</u>

The remaining highest paid individuals fell within the following bands:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	(Unaudited)				
Emolument bands					
HK\$500,001 to HK\$1,000,000	—	—	—	2	—
HK\$1,000,001 to HK\$1,500,000	3	3	—	2	—
HK\$4,000,001 to HK\$4,500,000	—	—	1	—	—
HK\$12,000,001 to HK\$12,500,000	—	—	—	—	1
HK\$16,000,001 to HK\$16,500,000	—	—	1	—	—
HK\$18,000,001 to HK\$18,500,000	—	—	—	—	1
HK\$19,500,001 to HK\$20,000,000	—	—	1	—	—
HK\$21,500,001 to HK\$22,000,000	—	—	—	—	1
	<u>3</u>	<u>3</u>	<u>3</u>	<u>4</u>	<u>3</u>

(c) Details of emoluments in respect of the directors and supervisors of the Company

The emoluments in respect of each of the directors and supervisors paid/payable by the Group for the year ended 31 December 2022 are as follows:

Name	Director's fee	Wages and salaries	Discretionary bonuses	Social security costs, housing benefits and employee welfare	Share-based compensation expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Directors						
Mr. Ma Wei (<i>Note i</i>)	—	1,213	599	4	—	1,816
Mr. Ying Long (<i>Note ii</i>)	—	960	464	44	—	1,468
	<u>—</u>	<u>2,173</u>	<u>1,063</u>	<u>48</u>	<u>—</u>	<u>3,284</u>

The emoluments in respect of each of the directors and supervisors paid/payable by the Group for the year ended 31 December 2023 are as follows:

Name	Director's fee	Wages and salaries	Discretionary bonuses	Social security costs, housing benefits and employee welfare	Share-based compensation expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Directors						
Mr. Ma Wei (<i>Note i</i>)	—	2,400	653	15	—	3,068
Mr. Ying Long (<i>Note ii</i>)	—	1,040	128	12	—	1,180
Mr. Hu Albert Sibó (<i>Note iii</i>)	—	180	61	38	—	279
	—	3,620	842	65	—	4,527

The emoluments in respect of each of the directors and supervisors paid/payable by the Group for the period ended 31 December 2024 are as follows:

Name	Director's fee	Wages and salaries	Discretionary bonuses	Social security costs, housing benefits and employee welfare	Share-based compensation expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Directors						
Mr. Ma Wei (<i>Note i</i>)	—	2,400	600	15	—	3,015
Mr. Hu Albert Sibó (<i>Note iii</i>)	—	786	130	173	12,305	13,394
	—	3,186	730	188	12,305	16,409
Supervisors						
Mr. Zhu Jianneng (<i>Note iv</i>)	—	210	100	72	4,416	4,798
Mr. Sheng Weitian (<i>Note v</i>)	—	282	43	73	2,731	3,129
	—	492	143	145	7,147	7,927

The emoluments in respect of each of the directors and supervisors paid/payable by the Group for the period ended 30 June 2024 (unaudited) are as follows:

Name	Director's fee	Wages and salaries	Discretionary bonuses	Social security costs, housing benefits and employee welfare	Share-based compensation expenses	Total
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Directors						
Mr. Ma Wei (<i>Note i</i>)	—	1,200	—	7	—	1,207
Mr. Hu Albert Sibo (<i>Note iii</i>)	—	390	2	85	—	477
	—	1,590	2	92	—	1,684
Supervisors						
Mr. Zhu Jianneng (<i>Note iv</i>)	—	30	—	8	—	38
Mr. Sheng Weitian (<i>Note v</i>)	—	40	3	8	—	51
	—	70	3	16	—	89

The emoluments in respect of each of the directors and supervisors paid/payable by the Group for the period ended 30 June 2025 are as follows:

Name	Director's fee	Wages and salaries	Discretionary bonuses	Social security costs, housing benefits and employee welfare	Share-based compensation expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Directors						
Mr. Ma Wei (<i>Note i</i>)	—	1,200	7	7	—	1,214
Mr. Hu Albert Sibo (<i>Note iii</i>)	—	450	2	87	13,877	14,416
	—	1,650	9	94	13,877	15,630
Supervisors						
Mr. Zhu Jianneng (<i>Note iv</i>)	—	210	—	55	4,360	4,625
Mr. Sheng Weitian (<i>Note v</i>)	—	246	1	56	3,184	3,487
	—	456	1	111	7,544	8,112

Notes:

- (i) Mr. Ma Wei was appointed as a director in October 2017.
- (ii) Mr. Ying Long was appointed as a director in October 2017 and his appointment contract was terminated by the board of directors in October 2023.
- (iii) Mr. Hu Albert Sibo was appointed as a director in October 2023.
- (iv) Mr. Zhu Jianneng was appointed as a supervisor in May 2024.
- (v) Mr. Sheng Weitian was appointed as a supervisor in May 2024.

(d) Directors' retirement benefits and termination benefits

No director's retirement or termination benefit subsisted at the end of each year/period disclosed or at any time during the Track Record Period.

(e) Consideration provided to third parties for making available directors' services

No consideration provided to third parties for making available director's services subsisted at the end of each year/period disclosed or at any time during the Track Record Period.

(f) Information about borrowings, quasi-borrowings and other dealings in favour of directors, controlled bodies corporate by and controlled entities with such directors

No borrowings, quasi-borrowings and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors subsisted at the end of each year/period disclosed or at any time during the Track Record Period.

(g) Directors' material interest in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest whether directly or indirectly, subsisted at the end of each year/period disclosed or at any time during the Track Record Period.

9 OTHER INCOME

	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)	
Government grants (a)	7,265	10,979	5,096	3,494	730
Super-input value-added tax ("VAT") credit (b)	—	18	2,215	2,161	1
Others	141	202	144	143	130
	<u>7,406</u>	<u>11,199</u>	<u>7,455</u>	<u>5,798</u>	<u>861</u>

(a) The government grants mainly represent government subsidies for the Group's research and development expenditures.

(b) Super-input VAT credit amounted to Nil, RMB0.2 million, RMB2.2 million, RMB2.1 million (unaudited) and RMB1 thousand for the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025 was recognized in consolidated statements of profit or loss and other comprehensive income due to the VAT reform. In accordance with Caishui 2023 No. 43 introduced by Ministry of Finance (MOF) and State Taxation Administration (STA) for The People's Republic of China, the Company meet the requirement of the advanced manufacturing industry and are eligible for additional VAT credits by 5% of the current period creditable VAT input from 1 January 2023 to 31 December 2027.

10 OTHER GAINS/(LOSSES), NET

	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)	
Change in fair value of financial assets					
at FVTPL	129	591	(70)	(102)	396
Gain on lease termination	—	90	80	7	—
(Loss)/gain on disposal of/written off					
property, plant and equipment	(15)	120	(20)	(7)	(1)
Foreign currency exchange gain/(loss) . .	1	—	(9)	—	6
	<u>115</u>	<u>801</u>	<u>(19)</u>	<u>(102)</u>	<u>401</u>

11 IMPAIRMENT LOSSES

	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
Impairment losses under ECL model, net of reversal					
Trade and notes receivables	(4,838)	4,131	(15,550)	(1,832)	(26,216)
Contract assets	(14)	95	(163)	(283)	(1,205)
Other receivables	(240)	(451)	(7,059)	(274)	(12,796)
Financial guarantee contracts liability . . .	—	(186)	(6,266)	(2,891)	(44,063)
	<u>(5,092)</u>	<u>3,589</u>	<u>(29,038)</u>	<u>(5,280)</u>	<u>(84,280)</u>

Details of financial guarantee contract liability and impairment are set out in notes 31(e) and 3.1(b) to the consolidated financial statements, respectively.

12 FINANCE COSTS — NET

	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
Finance income:					
Interest income from financial assets at FVTPL	258	11	—	—	16
Interest income from trade receivables with significant financing components .	—	—	—	—	1,288
Interest income from bank deposits	4,424	2,866	2,187	1,087	668
Interest income from term deposits	4,276	5,215	2,499	2,124	74
Interest income from loans to a third party	—	71	377	161	221
Interest income from loan to a related party of the Company	—	16	—	—	—
	<u>8,958</u>	<u>8,179</u>	<u>5,063</u>	<u>3,372</u>	<u>2,267</u>
Finance costs:					
Financial cost on financial instruments with preferred rights at amortized cost (Note 29)	(104,136)	(117,528)	(128,593)	(63,119)	(67,923)
Imputed interest expenses on trade payables	—	—	—	—	(982)
Interest expenses on other borrowings . .	—	—	—	—	(24)
Interest expenses on bank borrowings . .	(1,156)	(3,364)	(6,958)	(3,431)	(4,558)
Interest expenses on lease liabilities . . .	(350)	(208)	(165)	(68)	(32)
	<u>(105,642)</u>	<u>(121,100)</u>	<u>(135,716)</u>	<u>(66,618)</u>	<u>(73,519)</u>
Finance costs — net	<u>(96,684)</u>	<u>(112,921)</u>	<u>(130,653)</u>	<u>(63,246)</u>	<u>(71,252)</u>

13 INCOME TAX CREDIT

(a) Income tax credit

	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 tax	—	9	23	—	11
Deferred tax (<i>Note 19</i>)	(39,877)	(35,066)	(28,335)	(10,904)	(24,770)
	<u>(39,877)</u>	<u>(35,057)</u>	<u>(28,312)</u>	<u>(10,904)</u>	<u>(24,759)</u>

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

Hong Kong

The Group's subsidiary in Hong Kong is subject to Hong Kong profits tax of which the tax rate was 16.5% up to 1 April 2018 when the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits in the first Hong Kong Dollars (“HKD”) 2 million and 16.5% for any assessable profits in excess. Since the subsidiary did not have assessable profits during the Track Record Period, no Hong Kong profits tax has been provided.

Mainland China

In accordance with the Enterprise Income Tax Law (“EIT Law”), Foreign Investment Enterprises (“FIEs”) and domestic companies established in Mainland China are subject to Enterprise Income Tax (“EIT”) at a rate of 25%.

In December 2019, the Company was qualified as a High and New Technology enterprise (“HNTE”) and enjoyed a preferential tax rate of 15% from December 2019 to December 2022. In December 2022, the Company re-applies for HNTE status and the application was approved for another three-year period from December 2022 to December 2025. In October 2022, Novodriv Chongqing Ltd., the subsidiary of the Company, was qualified as a HNTE and enjoyed a preferential tax rate of 15% from October 2022 to October 2025. The Company and Novodriv Chongqing Ltd. were both in accumulated loss position for the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2025. Pursuant to the relevant

regulations on extension for expiries of unused tax losses of HNTE issued in August 2018, the expiry period of the accumulated unexpired tax losses of the Company and Novodriv Chongqing Ltd., which are qualified as HNTE, will expire in 10 years.

The subsidiary, Changsha CiDi Intelligent building Co., Ltd, incorporated in the PRC is subject to an enterprise income tax at a rate of 25%.

In accordance with the Notice on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises (Cai Shui [2021] No. 12) jointly issued by the Ministry of Finance and the State Taxation Administration of the PRC, from 1 January 2021 to 31 December 2022, the annual taxable income of a small low-profit enterprise that is not more than RMB1 million shall be recognised at 12.5% of income and be subject to the corporate income tax at a tax rate of 20%; in accordance with the Notice on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises (Cai Shui [2022] No. 13) jointly issued by the Ministry of Finance and the State Taxation Administration of the PRC, from 1 January 2022 to 31 December 2024, the annual taxable income of a small low-profit enterprise that is more than RMB1 million but no more than RMB3 million shall be recognised at 25% of income and be subject to the corporate income tax at a tax rate of 20%; in accordance with the Notice on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises (Cai Shui [2023] No. 6) jointly issued by the Ministry of Finance and the State Taxation Administration of the PRC, from 1 January 2023 to 31 December 2024, the annual taxable income of a small low-profit enterprise that is not more than RMB1 million shall be recognised at 25% of income and be subject to the corporate income tax at a tax rate of 20%; in accordance with the Notice on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises (Cai Shui [2023] No. 12) jointly issued by the Ministry of Finance and the State Taxation Administration of the PRC, the applicable period of preferential policies related to Cai Shui [2023] No. 6 extended to 31 December 2027. The other subsidiaries incorporated in the PRC are subject to an enterprise income tax at a rate of 5% from 2022 to 2025.

According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 175% from 2018 onwards (subsequently raised to 200% from October 2022 onwards) of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (the “**Super Deduction**”).

The income tax on the Group's loss before income tax differs from the theoretical amount that would arise using the enacted tax rate in the PRC applicable to the Group 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)	
Loss before income tax	(302,874)	(290,136)	(609,156)	(133,471)	(479,845)
Income tax credit computed at the applicable income tax rate of 25% . . .	(75,719)	(72,534)	(152,289)	(33,368)	(119,961)
Tax effect of:					
Preferential tax rate.	30,287	29,013	60,916	13,347	47,984
Difference in tax rates of subsidiaries. . .	575	26	(470)	(552)	62
Super Deduction in respect of research and development ("R&D") expenditures.	(12,124)	(12,097)	(11,417)	(4,857)	(5,952)
Expenses not deductible for taxation purpose.	16,771	18,117	68,750	11,377	49,966
Utilization of tax losses which no deferred income tax assets was recognized previously	—	(40)	—	—	—
Tax losses for which no deferred income tax assets were recognized	189	2,601	6,053	3,105	2,788
Temporary differences for which no deferred income tax assets were recognized.	144	(143)	145	44	354
Income tax credit	<u>(39,877)</u>	<u>(35,057)</u>	<u>(28,312)</u>	<u>(10,904)</u>	<u>(24,759)</u>

- (i) Expenses not deductible for tax purposes mainly represent share-based compensation expenses and financial cost on financial instruments with preferred rights at amortized cost incurred in the Company and the Company's subsidiaries in Mainland China which are not deductible according to the relevant laws and regulations promulgated by the State Tax Bureau of the PRC.

(b) Tax losses

As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the Group did not recognize deferred income tax assets in respect of losses of RMB5.50 million, RMB18.83 million, RMB56.70 million and RMB71.65 million respectively. The tax losses incurred from the Company's subsidiaries in Mainland China that are not recognized as deferred tax assets will expire from 2024 to 2030. Tax losses of the Company's subsidiary incorporated in Hong Kong will be carried forward indefinitely. Deductible losses that are not recognized for deferred income tax assets will expire as follows:

	As at 31 December			As at 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Expiry year					
2024	226	225	225	225	225
2025	468	466	466	466	466
2026	1,200	—	—	—	—
2027	3,605	1,549	2,476	1,902	2,815
2028	—	16,593	16,591	16,593	16,590
2029	—	—	36,941	16,795	36,947
2030	—	—	—	—	14,606
	<u>5,499</u>	<u>18,833</u>	<u>56,699</u>	<u>35,981</u>	<u>71,649</u>

14 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share for the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025 are calculated by dividing the loss attributable to the Company's equity holders by the weighted average number of ordinary shares in issue during the respective years/periods.

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
				(Unaudited)	
Loss attributable to the equity holders of the Company (RMB'000)	(262,997)	(255,079)	(580,709)	(122,567)	(454,486)
Weighted average number of ordinary shares outstanding (thousand shares) . .	16,278	16,278	16,278	16,278	16,278
Basic loss per share (expressed in RMB per share)	<u>(16.16)</u>	<u>(15.67)</u>	<u>(35.67)</u>	<u>(7.53)</u>	<u>(27.92)</u>

The weighted average number of ordinary shares in issue before the Company's conversion into a joint stock company was determined assuming (1) the paid-in capital of 38,279,000 shares and 38,381,000 shares as at 31 December 2022 and 31 December 2023, respectively, had been fully converted into the Company's issued share capital at the same conversion ratio of 1:1 as upon conversion into joint stock company in July 2024 as if they have been in issue since 1 January 2022 and (2) the contingently redeemable shares, being the ordinary shares after the conversion into joint stock company classified as financial instruments with preferred rights at amortized cost (Note 29), had been excluded. As at 31 December 2022, 2023 and 2024 and 30 June 2024 and 2025, the numbers of contingently redeemable shares are 22,001,000, 22,103,000, 22,103,000, 22,103,000 (unaudited) and 22,103,000, respectively.

(b) Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025, financial instruments with preferred rights issued to investors (Note 29) were not included in the calculation of diluted loss per share because they were antidilutive. Accordingly, diluted loss per share for the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025 was the same as basic loss per share for the respective year/periods.

15 SUBSIDIARIES

(a) Subsidiaries of the Company

During the Track Record Period and as at the date of this report, the Company has equity interests in the following subsidiaries:

Company Name	Place of Incorporation/ establishment and kind of legal entity	Date of Incorporation/ establishment	Issued/Registered Capital	Equity interest attributable to the Company					Principal activities	Place of operation	Note
				As at 31 December 2022	As at 31 December 2023	As at 31 December 2024	As at 30 June 2025	As at report date			
<i>In thousand</i>											
新驅動重慶智能汽車有限公司 Novodriv Chongqing Ltd.	The PRC, limited liability company	29 May 2020	RMB70,939	100%	100%	100%	100%	100%	Research and development	The PRC	
天津希迪智能網聯技術有限公司 Tianjin CIDI Intelligent Network Technology Co., Ltd.	The PRC, limited liability company	14 December 2020	RMB20,000	100%	100%	100%	100%	100%	Research and development	The PRC	
長沙希迪銷售服務有限公司 Changsha CIDI Sales Service Co., Ltd. .											

Company Name	Place of Incorporation/ establishment and kind of legal entity	Date of Incorporation/ establishment	Issued/Registered Capital	Equity interest attributable to the Company					Principal activities	Place of operation	Note
				As at 31 December 2022	As at 31 December 2023	As at 31 December 2024	As at 30 June 2025	As at report date			
				In thousand							
柳州希迪科技有限公司 Linzhou CiDi Intelligent Driving Technology Co., Ltd.	The PRC, limited liability company	17 May 2022	RMB10,000	100%	100%	100%	100%	100%	Sales and marketing	The PRC	
襄陽希迪智能網聯科技有限公司 Xiangyang CiDi Intelligent Network Technology Co., Ltd . . .	The PRC, limited liability company	8 October 2022	RMB20,000	100%	100%	100%	100%	100%	Sales and marketing	The PRC	
深圳希迪網聯創新科技有限公司 Shenzhen CiDi Intelligent Network Technology Co., Ltd . . .	The PRC, limited liability company	23 February 2023	RMB4,000	N/A	100%	100%	86.84%	86.84%	Sales and marketing	The PRC	(d)
希迪智駕（海南）科技有限公司 CiDi Intelligent Driving (Hainan) Technology Co., Ltd.	The PRC, limited liability company	17 March 2023	RMB5,000	N/A	100%	100%	100%	100%	Sales and marketing	The PRC	
CiDi Auto (HongKong) Limited . . .	Hong Kong, limited liability company	9 November 2023	HKD1,000	N/A	100%	100%	100%	100%	Sales and marketing	Hong Kong	(f)
安徽希迪工程科技有限公司 Anhui CiDi Engineering Technology Co., Ltd	The PRC, limited liability company	4 June 2024	RMB5,000	N/A	N/A	51%	51%	51%	Sales and marketing	The PRC	(g)
廣西希迪智駕科技有限公司 Guangxi CiDi Intelligent Driving Technology Co., Ltd.	The PRC, limited liability company	5 June 2025	RMB40,000	N/A	N/A	N/A	100%	100%	Sales and marketing	The PRC	

- (a) The English name of the subsidiaries represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.
- (b) Changsha CiDi Sales Service Co., Ltd was deregistered in November 2023.
- (c) In April 2021, the registered capital of Changsha CiDi Intelligent Building Co., Ltd increased RMB1 million of the new shareholder, 長沙智谷高新產業投資有限公司. As at the reporting date, 長沙智谷高新產業投資有限公司 has not yet paid the capital. According to the articles of association, the shareholders can enjoy the shareholders' rights after paying the capital, therefore Changsha CiDi Intelligent Building Co., Ltd was fully consolidated by the Company at each of the reporting periods during the Track Record Period.
- (d) In February 2023, CiDi Inc. and 深圳市深科創產業發展有限公司 entered into an agreement to set up a limited company, Shenzhen CiDi Intelligent Network Technology Co., Ltd, which has a register capital of RMB4 million. As at 30 April 2025, 深圳市深科創產業發展有限公司 has paid RMB0.2 million of the register capital, and the Company has paid RMB1.32 million of the register capital reducing its continuing interest to 86.84%. According to the articles of association, the shareholders can enjoy the shareholders' rights after paying the capital. An amount of RMB133,000 (being the proportionate share of the carrying amount of the net assets of Shenzhen CiDi Intelligent Network Technology Co., Ltd) has been transferred to non-controlling interests. The difference of RMB67,000 between the increase in the non-controlling interests and the consideration received of RMB0.2 million has been credited to share premium.
- (e) The statutory financial statements of the PRC subsidiaries of Company have not yet been issued for the years ended 31 December 2022, 31 December 2023 and 31 December 2024. There is no statutory requirement to issue the audit report for the PRC company.
- (f) As at the reporting date, the statutory financial statements have not yet been issued for the year ended 31 December 2024 for CiDi Auto (HongKong) Limited. The statutory financial statements are not due to issue.
- (g) In April 2025, the Company and 安徽智聯互通工程科技有限公司 entered into an agreement to set up a limited company, Anhui CiDi Engineering Technology Co., Ltd, which has a register capital of RMB5 million. As at 30 June 2025, 安徽智聯互通工程科技有限公司 has not yet paid the capital. The equity interest attributable to the Company is 51%.
- (h) All the subsidiaries of the Company are directly held by the Company.

(b) Investments in subsidiaries

The Company	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
Investments in subsidiaries,				
at costs	103,939	119,259	126,908	137,008
Provisions for impairment	—	—	—	—
	<u>103,939</u>	<u>119,259</u>	<u>126,908</u>	<u>137,008</u>

16 PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Vehicles	Machinery and equipment	Office equipment, computers and others	Tested field and related equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost								
As at 1 January 2022	—	13,874	1,214	11,618	13,414	182,489	32,608	255,217
Additions	—	5,507	—	3,412	—	115,833	1,194	125,946
Transfer	—	—	—	—	1,650	(1,650)	—	—
Disposal	—	(84)	—	(148)	—	—	—	(232)
As at 31 December 2022 and 1 January 2023	—	19,297	1,214	14,882	15,064	296,672	33,802	380,931
Additions	—	3,200	26	1,246	—	14,620	3,456	22,548
Transfer	308,718	—	—	—	194	(308,912)	—	—
Write off upon termination of leasehold building	—	—	—	—	—	—	(33,041)	(33,041)
Disposal	—	(584)	—	(17)	—	—	—	(601)
As at 31 December 2023 and 1 January 2024	308,718	21,913	1,240	16,111	15,258	2,380	4,217	369,837
Additions	—	113	—	880	—	1,442	—	2,435
Disposal	—	(71)	(26)	(68)	—	—	—	(165)
Write off upon termination of leasehold building	—	—	—	—	—	—	(953)	(953)
As at 31 December 2024 and 1 January 2025	308,718	21,955	1,214	16,923	15,258	3,822	3,264	371,154
Additions	—	—	23	151	—	—	—	174
Disposal	—	—	—	(22)	—	—	—	(22)
As at 30 June 2025	<u>308,718</u>	<u>21,955</u>	<u>1,237</u>	<u>17,052</u>	<u>15,258</u>	<u>3,822</u>	<u>3,264</u>	<u>371,306</u>

	Buildings	Vehicles	Machinery and equipment	Office equipment, computers and others	Tested field and related equipment	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation and impairment								
As at 1 January 2022	—	4,928	254	5,049	837	—	21,466	32,534
Provided for the year	—	3,672	161	2,572	2,683	—	7,620	16,708
Disposal	—	(62)	—	(5)	—	—	—	(67)
As at 31 December 2022 and								
1 January 2023	—	8,538	415	7,616	3,520	—	29,086	49,175
Provided for the year	6,110	4,331	150	2,574	2,941	—	5,373	21,479
Disposal	—	(568)	—	(1)	—	—	—	(569)
Write off upon termination of leasehold building	—	—	—	—	—	—	(33,040)	(33,040)
As at 31 December 2023 and								
1 January 2024	6,110	12,301	565	10,189	6,461	—	1,419	37,045
Provided for the year	14,664	4,054	95	1,982	2,960	—	1,827	25,582
Disposal	—	(69)	(5)	(58)	—	—	—	(132)
Write off upon termination of leasehold building	—	—	—	—	—	—	(953)	(953)
As at 31 December 2024 and								
1 January 2025	20,774	16,286	655	12,113	9,421	—	2,293	61,542
Provided for the period	7,332	1,944	39	951	1,480	—	727	12,473
Disposal	—	—	—	(22)	—	—	—	(22)
As at 30 June 2025	28,106	18,230	694	13,042	10,901	—	3,020	73,993
Net book value								
As at 31 December 2022	—	10,759	799	7,266	11,544	296,672	4,716	331,756
As at 31 December 2023	302,608	9,612	675	5,922	8,797	2,380	2,798	332,792
As at 31 December 2024	287,944	5,669	559	4,810	5,837	3,822	971	309,612
As at 30 June 2025	280,612	3,725	543	4,010	4,357	3,822	244	297,313

In February 2025, a PRC court issued an asset preservation order on a building owned by the Group. This order was issued in connection with a legal dispute with a supplier with further details set out in note 32(b) to the consolidated financial statements. The order restricts the Group from transferring or disposing of the building pending resolution of the dispute.

The management has assessed that there is impairment indication for the non-financial assets of the Group at the end of each reporting period during the Track Record Period resulting from the unfavourable operating performance of the Group during the Track Record Period. Therefore, the management has performed impairment assessment for the non-financial assets, which mainly consist of PPE (Note 16), ROU assets (Note 17), intangible assets (Note 18) and prepayments for acquisition of PPE (Note 24) of the Group.

For the purposes of impairment testing, the Group estimates the recoverable amount of a cash-generating unit (“CGU”) of the Group to which the asset belongs when it is not possible to estimate the recoverable amount individually. The CGU represents the Group’s single operation which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

The recoverable amounts of the CGU were determined based on the value in use calculation. The value in use was estimated with reference to the cash flow projections based on the most recent financial budgets approved by the directors covering a period of the remaining useful lives of the CGU (the “**Projection Period**”), which represented the management’s best estimate on the ongoing operation of the CGU where the CGU will continue to operate in the foreseeable future and are consistent with past actual outcomes, with pre-tax discount rates of 17%, 16%, 15% and 14% as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 respectively. Cash flows beyond the detailed forecast period are extrapolated using an estimated weighted average growth rate of 3% consistent for all these reporting dates, which does not exceed the long-term average growth rate for the market in which the subsidiaries operates. The total recoverable amounts of the CGU are RMB7,323.3 million, RMB9,796.1 million, RMB13,425.7 million and RMB15,844.7 million as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025 respectively.

Based on the result of the assessment, the recoverable amounts of non-financial assets exceed the carrying amounts of non-financial assets at the end of each reporting period during the Track Record Period. No impairment loss has been provided for the non-financial assets of the Group for the Track Record Period.

The Company

	Vehicles	Machinery and equipment	Office equipment, computers and others	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2022	10,672	439	10,572	29,232	50,915
Additions	4,399	—	2,555	513	7,467
Disposal	(84)	—	(148)	—	(232)
As at 31 December 2022 and					
1 January 2023	14,987	439	12,979	29,745	58,150
Additions	3,200	—	931	—	4,131
Additions through intercompany transfer .	—	—	97	—	97
Disposal through intercompany transfer .	—	—	(52)	—	(52)
Write off upon termination of leasehold building	—	—	—	(29,745)	(29,745)
Disposal	(584)	—	—	—	(584)
As at 31 December 2023 and					
1 January 2024	17,603	439	13,955	—	31,997
Additions	113	—	867	—	980
Additions through intercompany transfer .	—	—	48	—	48
Disposal through intercompany transfer .	(474)	—	(8)	—	(482)
Disposal	(71)	—	(44)	—	(115)
As at 31 December 2024 and					
1 January 2025	17,171	439	14,818	—	32,428
Additions	—	23	150	—	173
Additions through intercompany transfer .	738	—	236	—	974
Disposal	—	—	(22)	—	(22)
As at 30 June 2025	<u>17,909</u>	<u>462</u>	<u>15,182</u>	<u>—</u>	<u>33,553</u>

	Vehicles	Machinery and equipment	Office equipment, computers and others	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Depreciation and impairment					
As at 1 January 2022.	4,428	252	4,933	20,116	29,729
Provided for the year.	2,873	85	2,262	6,335	11,555
Disposal.	(62)	—	(5)	—	(67)
As at 31 December 2022 and					
1 January 2023	7,239	337	7,190	26,451	41,217
Provided for the year.	3,286	72	2,188	3,295	8,841
Transfer out	—	—	(40)	—	(40)
Disposal.	(568)	—	—	—	(568)
Write off upon termination of leasehold building	—	—	—	(29,746)	(29,746)
As at 31 December 2023 and					
1 January 2024	9,957	409	9,338	—	19,704
Provided for the year.	3,002	17	1,592	—	4,611
Transfer out	(230)	—	(4)	—	(234)
Disposal	(69)	—	(43)	—	(112)
As at 31 December 2024 and					
1 January 2025	12,660	426	10,883	—	23,969
Provided for the period	1,727	1	799	—	2,527
Disposal	—	—	(22)	—	(22)
As at 30 June 2025	14,387	427	11,660	—	26,474
Net book value					
As at 31 December 2022	7,748	102	5,789	3,294	16,933
As at 31 December 2023	7,646	30	4,617	—	12,293
As at 31 December 2024	4,511	13	3,935	—	8,459
As at 30 June 2025	3,522	35	3,522	—	7,079

17 LEASES

(a) Amounts recognized in the consolidated statements of financial positions

The consolidated statements of financial positions show the following amounts relating to leases:

The Group

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Right-of-use assets				
— Leasehold land	38,954	38,118	37,282	36,864
— Leasehold buildings	5,543	4,565	3,811	6,156
	<u>44,497</u>	<u>42,683</u>	<u>41,093</u>	<u>43,020</u>
Lease liabilities				
— Current	4,566	2,980	3,661	5,937
— Non-current	1,875	608	332	180
	<u>6,441</u>	<u>3,588</u>	<u>3,993</u>	<u>6,117</u>

Additions to leased buildings during the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2025 were approximately RMB3.2 million, RMB5.9 million, RMB6.5 million and RMB5.6 million, respectively.

For the impairment assessment of right-of-use assets, please refer to Note 16 for more details.

(b) Amounts recognised in the consolidated statements of profit or loss and other comprehensive income

The consolidated statements of profit or loss and other comprehensive income show the following amounts relating to leases:

	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)	
Depreciation of right-of-use assets	6,743	7,486	7,612	4,016	3,708
Interest expense (Note 12).	350	208	165	68	32
Expense relating to short-term leases (Note 7)	287	1,463	346	172	364
Gain on lease termination (Note 10). . . .	—	90	80	7	—

The total cash outflows for leases during the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025 were approximately RMB7.50 million, RMB10.09 million, RMB6.03 million, RMB2.43 million (unaudited) and RMB3.34 million, respectively.

The Company

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Right-of-use assets				
Leasehold buildings	2,288	2,921	2,782	5,590
Lease liabilities				
Current	2,955	1,641	2,811	5,590
Non-current	—	—	—	—
	2,955	1,641	2,811	5,590

	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)	
Depreciation of right-of-use assets	4,576	5,209	5,702	2,921	2,782
Interest expense	243	96	90	16	15
Expense relating to short-term leases . . .	87	283	207	74	330

(c) The Group's leasing activities and how these are accounted for

The Group leases various buildings and a piece of leasehold land for operation. Rental contracts of the leasehold buildings are typically made according to contracts by contracts ranging from one year to five years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors. Leased buildings may not be used as security for borrowing purposes.

18 INTANGIBLE ASSETS

	Acquired software
	<i>RMB'000</i>
The Group/The Company	
Cost	
As at 1 January 2022	4,300
Additions	2,329
As at 31 December 2022 and 1 January 2023	6,629
Additions	1,147
As at 31 December 2023 and 1 January 2024	7,776
Additions	923
As at 31 December 2024 and 1 January 2025	8,699
Additions	964
As at 30 June 2025	9,663
Amortisation and impairment	
As at 1 January 2022	3,001
Provided for the year	1,053
As at 31 December 2022 and 1 January 2023	4,054
Provided for the year	1,430
As at 31 December 2023 and 1 January 2024	5,484
Provided for the year	1,459
As at 31 December 2024 and 1 January 2025	6,943
Provided for the period	778
As at 30 June 2025	7,721
Net book value	
As at 31 December 2022	2,575
As at 31 December 2023	2,292
As at 31 December 2024	1,756
As at 30 June 2025	1,942

As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the intangible assets of the Group are mainly software which included research and development testing software and office software.

For the impairment assessment of intangible assets, please refer to Note 16 for more details.

19 DEFERRED TAX ASSETS

The following is a summary of the deferred tax balances of the Group for financial reporting purposes:

The Group

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
Deferred tax assets	117,741	152,912	181,264	206,782
Set-off with deferred tax liabilities				
pursuant to set-off provisions.	(489)	(594)	(611)	(1,359)
	117,252	152,318	180,653	205,423
Deferred tax liabilities.	(489)	(594)	(611)	(1,359)
Set-off with deferred tax assets				
pursuant to set-off provisions.	489	594	611	1,359
	—	—	—	—
	117,252	152,318	180,653	205,423

The followings are the major deferred tax assets and liabilities recognised and movements thereon before offsetting during the Track Record Period:

The Group

	Lease liability	Unrealized intercompany profits	Impairment allowance	Provision for warranties	Tax losses	Deferred income	ROU asset	Fair value adjustment	Significant financing components of trade receivables	Significant financing components of trade payables	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022.	1,477	310	734	607	75,024	354	(1,196)	65	—	—	77,375
Credit/(charged) to profit or loss	(948)	(12)	1,554	(316)	39,311	(354)	727	(85)	—	—	39,877
As at 31 December 2022 and 1 January 2023.	529	298	2,288	291	114,335	—	(469)	(20)	—	—	117,252
Credit/(charged) to profit or loss	(283)	—	982	449	34,023	—	(36)	(69)	—	—	35,066
As at 31 December 2023 and 1 January 2024.	246	298	3,270	740	148,358	—	(505)	(89)	—	—	152,318
Credit/(charged) to profit or loss	273	(291)	1,305	2,761	24,304	—	(28)	11	—	—	28,335
As at 31 December 2024 and 1 January 2025.	519	7	4,575	3,501	172,662	—	(533)	(78)	—	—	180,653
Credit/(charged) to profit or loss	399	—	12,208	2,622	9,867	—	(385)	(53)	422	(310)	24,770
As at 30 June 2025.	918	7	16,783	6,123	182,529	—	(918)	(131)	422	(310)	205,423

The following is a summary of the deferred tax balances of the Company for financial reporting purposes:

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Deferred tax assets	113,352	147,579	175,282	200,403
Set-off with deferred tax liabilities pursuant to set-off provisions.	(364)	(528)	(496)	(1,280)
	<u>112,988</u>	<u>147,051</u>	<u>174,786</u>	<u>199,123</u>
Deferred tax liabilities.	(364)	(528)	(496)	(1,280)
Set-off with deferred tax assets pursuant to set-off provisions.	364	528	496	1,280
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u><u>112,988</u></u>	<u><u>147,051</u></u>	<u><u>174,786</u></u>	<u><u>199,123</u></u>

The followings are the major deferred tax assets and liabilities recognised and movements thereon before offsetting during the Track Record Period:

The Company

	Lease liability	Impairment allowance	Provision for warranties	Tax losses	Deferred income	ROU asset	Fair value adjustment	Significant financing components of trade receivables	Significant financing components of trade payables	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022.....	1,299	722	592	72,992	354	(1,030)	65	—	—	74,994
Credit/(charged) to profit or loss.....	(855)	1,479	(315)	37,438	(354)	686	(85)	—	—	37,994
As at 31 December 2022 and 1 January 2023.....	444	2,201	277	110,430	—	(344)	(20)	—	—	112,988
Credit/(charged) to profit or loss.....	(197)	913	439	33,072	—	(95)	(69)	—	—	34,063
As at 31 December 2023 and 1 January 2024.....	247	3,114	716	143,502	—	(439)	(89)	—	—	147,051
Credit/(charged) to profit or loss.....	175	1,354	2,741	23,433	—	21	11	—	—	27,735
As at 31 December 2024 and 1 January 2025.....	422	4,468	3,457	166,935	—	(418)	(78)	—	—	174,786
Credit/(charged) to profit or loss.....	417	12,223	2,617	9,442	—	(421)	(53)	422	(310)	24,337
As at 30 June 2025.....	839	16,691	6,074	176,377	—	(839)	(131)	422	(310)	199,123

20 INVENTORIES

As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the inventories held by the Group for sales are shown by category as below:

The Group

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Contract costs in progress (a)	88,364	151,691	55,196	124,402
Raw material	35,146	31,526	41,027	45,775
Finished goods	6,228	6,885	7,936	7,982
Consigned-processing-material	966	3,104	58	53
Less: provision	(7,239)	(18,979)	(7,673)	(7,691)
	<u>123,465</u>	<u>174,227</u>	<u>96,544</u>	<u>170,521</u>

- (a) Contract costs in progress mainly include the direct materials, employee costs and manufacturing costs to be consumed in the process of service rendering related to the sales contracts.

During the years ended 31 December 2022, 31 December 2023, 31 December 2024 and six months ended 30 June 2024 and 30 June 2025, inventories recognized as cost of sales amounted to RMB36.08 million, RMB101.42 million, RMB296.31 million, RMB203.20 million (unaudited) and RMB319.42 million, respectively, and including provision for inventories recognized as cost of sales amounted to RMB5.24 million, RMB11.83 million, RMB3.67 million, RMB0.75 million (unaudited) and RMB0.99 million, respectively.

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contract costs in progress	88,270	137,161	38,313	108,298
Raw material	34,002	29,345	40,330	45,729
Finished goods	6,188	5,958	7,747	7,825
Consigned-processing-material	966	3,104	58	53
Less: provision	(7,205)	(17,399)	(7,423)	(7,650)
	<u>122,221</u>	<u>158,169</u>	<u>79,025</u>	<u>154,255</u>

Provision for inventories was recognized for the amount by which the carrying amount of the inventories exceeds its net realizable value and was recorded in “cost of sales” in the consolidated statements of profit or loss and other comprehensive income. Provision for inventories movements for the years ended 31 December 2022 and 31 December 2023, 31 December 2024 and the six months ended 30 June 2024 and 30 June 2025 are as below:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(Unaudited)	
At the beginning of the year/period	2,004	7,239	18,979	18,979	7,673
Provision	5,235	11,825	3,673	753	985
Written off	—	(85)	(14,979)	(7,919)	(967)
At the end of the year/period	<u>7,239</u>	<u>18,979</u>	<u>7,673</u>	<u>11,813</u>	<u>7,691</u>

21 FINANCIAL INSTRUMENTS BY CATEGORY

The Group

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
Financial assets				
Financial assets at FVTPL (<i>Note 22</i>) . .	30,655	2,116	12,546	3,398
Financial assets at FVTOCI (<i>Note 23</i>) .	395	9,799	290	18,543
Financial assets at amortized cost:				
— Trade and notes receivables				
(<i>Note 26</i>)	30,772	58,680	137,360	457,826
— Other receivables (excluded				
prepayments, deferred listing				
expenses and VAT recoverable)				
(<i>Note 24</i>)	14,266	48,801	48,729	38,053
— Cash and cash equivalents				
(<i>Note 27</i>)	381,678	234,663	306,402	186,225
— Restricted bank deposits				
(<i>Note 27</i>)	27,806	27,819	10,481	22,105
— Term deposits (<i>Note 27</i>)	190,101	152,588	5,328	5,402
	<u>675,673</u>	<u>534,466</u>	<u>521,136</u>	<u>731,552</u>
Financial liabilities				
Financial liabilities at amortized cost:				
— Trade and notes payables				
(<i>Note 30</i>)	41,530	70,689	63,299	397,959
— Other payables and accruals				
(excluding repayable government				
grants, other tax payables,				
payroll and welfare payables,				
and accruals) (<i>Note 31</i>)	41,185	78,452	68,327	115,431
— Borrowings (<i>Note 28</i>)	146,406	127,534	237,742	325,684
— Lease liabilities (<i>Note 17</i>)	6,441	3,588	3,993	6,117
— Financial instruments with				
preferred rights at amortized cost				
(<i>Note 29</i>)	1,625,922	1,766,025	1,894,618	1,962,541
	<u>1,861,484</u>	<u>2,046,288</u>	<u>2,267,979</u>	<u>2,807,732</u>

22 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group classifies the following financial assets at FVTPL:

- debt investments that do not qualify for measurement at either amortized cost or at FVTOCI;
- equity investments that are held for trading; and
- equity investments for which the entity has not elected to recognize fair value gains or losses through OCI.

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
The Group and the Company				
Financial assets				
Non-current assets				
Financial assets at FVTPL				
— Unlisted equity investments (a) . . .	525	1,116	929	1,022
— Unlisted debt investment (b).	—	1,000	1,612	2,376
	<u>525</u>	<u>2,116</u>	<u>2,541</u>	<u>3,398</u>
Current assets				
Financial assets at FVTPL				
— Structured deposits (c)	30,130	—	10,005	—
	<u>30,655</u>	<u>2,116</u>	<u>12,546</u>	<u>3,398</u>

(a) In September 2020, the Company entered into an agreement to invest in 5% equity interests of a limited company, 新疆湘疆優品農業科技股份有限公司 (Xinjiang Xiangjiang Youpin Agricultural Technology Co., Ltd.), with a total investment of RMB500,000. The investment of RMB25,000 was paid in September 2020. As a shareholder, the Group has no significant influence based on the fact that no representation on the board of directors or other special rights are over the limited company. Hence, the investment is accounted for as financial assets at FVTPL with changes in the fair value recorded in the consolidated statements of profit or loss and other comprehensive income.

In September 2022, the Company entered into an agreement to invest in 3.7037% equity interests of a limited company, 山東新源高科汽車技術有限公司 (Shandong Xinyuan High Tech Automobile Technology Co., Ltd.), with a total investment of RMB500,000. The consideration was paid fully in September 2022. As a shareholder, the Group has no significant influence based on the fact that no representation on the board of directors or other special rights are over the limited company. Hence, the investment is accounted for as financial assets at FVTPL with changes in the fair value recorded in the consolidated statements of profit or loss and other comprehensive income.

The unlisted equity investments are classified as non-current as the management expects to realise these financial assets after twelve months after each reporting period during the Track Record Period.

- (b) In March 2023, the Company entered into an agreement to invest in 9.7% interests of 成都希迪蓉創創業投資合夥企業(有限合夥) (Chengdu CiDi Rongchuang Venture Capital Partnership (Limited Partnership)) with a total investment of RMB9,800,000. The limited partnership funds will focus on the investment portfolio in the industry of autonomous driving etc. The Company paid the investment of RMB1,000,000, RMB500,000 and RMB500,000 in November 2023, December 2024 and January 2025, respectively.

The unlisted debt investment is classified as non-current as the management expects to realise these financial assets after twelve months after each reporting period during the Track Record Period.

- (c) Structured deposits measured at FVTPL represents the subscription of the wealth management products of several financial institutions in PRC which are unsecured and with variable interest rates. The deposits can be purchased or disposed at any date during the open days. The Group measures the investments at fair value using the quoted subscription or redemption prices published by the bank.

23 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
The Group				
Financial assets at FVTOCI				
— Receivables financing	395	9,799	290	18,543

Receivables financing measured at FVTOCI represents bills of acceptance issued by banks. The Group's business model of financial assets at FVTOCI is achieved both by collecting contractual cash flows and selling of these assets. As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, all receivables financing of the Group were due within one year.

During the Track Record Period, the Group has transferred substantially all the risks and rewards of ownership of certain bills receivable endorsed to its suppliers, even if the suppliers have the rights of recourse. The relevant assets and liabilities were derecognized and no longer included in the consolidated financial statements. In the opinion of the directors, the Group has limited exposure in respect of the settlement obligation of these bills receivable under the relevant PRC rules and regulations should the issuing banks fail to settle the bills on maturity date. The Group considered the issuing banks of these bills are of good credit quality and non-settlement of these bills by the issuing banks on maturity is not probable.

The Group's maximum exposure that may result from the default of these endorsed bills receivable at the end of each reporting period are as follows:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
The Group				
Endorsed bills for settlement of				
payables to suppliers	3,377	9,319	27,655	65,427
Outstanding endorsed bills receivable				
with recourse	3,377	9,319	27,655	65,427

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
The Company				
Financial assets at FVTOCI				
— Receivables financing	—	7,849	290	6,393

The Company's maximum exposure that may result from the default of these endorsed bills receivable at the end of each reporting period are as follows:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
The Company				
Endorsed bills for settlement of				
payables to suppliers	3,377	9,319	27,024	55,324
Outstanding endorsed bills receivable				
with recourse	3,377	9,319	27,024	55,324

24 PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
Non-current				
Prepayments for acquisition of				
PPE (e)	3,881	10,835	10,542	11,230
Loan to a third party (d)	—	6,800	—	—
	3,881	17,635	10,542	11,230
Less: loss allowance	—	(149)	—	—
	3,881	17,486	10,542	11,230
Current				
Prepayments made to the third-party				
suppliers	9,321	16,145	35,402	86,928
Prepayment made to the ultimate				
holding company of the Company . .	3,660	660	—	—
Prepayment made to the related-party				
suppliers	—	—	—	235
Prepayments for listing expenses	—	—	2,689	1,223
Deferred listing expenses	—	—	2,049	3,637
Amount due from the employee (a) . . .	179	43	71	1,461
Amount due from the third parties . . .	77	29	25	25
Payments made on behalf of				
customers (b)	8,696	27,849	14,175	15,136
Loans to the employees (c)	822	1,966	2,030	2,059
Loans to a third party (d)	—	3,075	12,875	13,110
VAT recoverable	28,835	31,471	29,051	30,648
Deposits	4,767	9,765	27,338	26,843
	56,357	91,003	125,705	181,305
Less: provision for impairment	(275)	(577)	(7,785)	(20,581)
	56,082	90,426	117,920	160,724

(a) As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, amount due from the employee were mainly petty cash. The petty cash was non-trade in nature, unsecured, interest free and repayable on demand.

- (b) Payments made on behalf of customers represent receivables on the payments made on behalf of the customers arising from the transaction of ancillary services relating to V2X for the Group acting as an agent. The receivables are trade in nature, unsecured, interest-free and repayable on demand. The Group assessed whether revenue should be reporting on a gross or net basis for each sales transaction with basis as set out in Note 4(b). For certain sales transactions where the Group acts as agent during the Track Record Period, revenue is recorded on a net basis and the receivables arising from these transactions were recorded in other receivables. The management expects to realize these financial assets within twelve months after each reporting period during the Track Record Period.
- (c) As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, loans to the employees was non-trade in nature, unsecured, interest bearing ranging from 3% to 3.85% per annum and repayable on demand.
- (d) As at 31 December 2023, 31 December 2024 and 30 June 2025, loans to a third party represented the loans to the end customer for its business operation. The loans were non-trade in nature, unsecured, guaranteed by the project leader of customer, the interest-bearing from 3.5% to 5% per annum. According to the loan contracts, the principal amounts of RMB2.6 million, RMB3 million, RMB5 million and RMB1.8 million will be repayable in September 2024, December 2024, June 2025 and December 2025 respectively with the interests. In August 2024, the Company and the borrower entered into a supplementary agreement to extend the repayment dates of the loans, the principal amounts of RMB12.4 million would be repayable in December 2025 with the interests. The result of the modification of the financial assets is considered immaterial. The ECL assessment of the loans to the end customer is set out in note 3.1(b)(iii) to the consolidated financial statements.
- (e) For the impairment assessment of prepayments for acquisition of PPE, please refer to Note 16 for more details.

The Company

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
Non-current				
Prepayments for acquisition of PPE ..	1,710	23	—	500
Loan to a third party	—	6,800	—	—
Amount due from the subsidiaries (a) ..	232,530	166,000	190,000	190,000
	234,240	172,823	190,000	190,500
Less: loss allowance	—	(149)	—	—
	234,240	172,674	190,000	190,500
Current				
Prepayments made to the third party				
suppliers	6,490	15,702	35,091	85,061
Prepayment made to the ultimate				
holding company of the Company ..	3,660	660	—	—
Prepayments for listing expenses	—	—	2,689	1,223
Deferred listing expenses	—	—	2,049	3,637
Amount due from the employee	141	43	71	1,301
Amount due from the subsidiaries (a) ..	61,017	137,241	188,352	192,281
Amount due from the third parties ...	28	29	25	25
Payments made on behalf of				
customers	631	121	1,203	1,213
Loans to the employees	822	1,966	2,030	2,059
Loans to a third party	—	3,075	12,875	13,110
VAT recoverable	2,718	1,812	460	2,355
Deposits	4,111	3,726	21,495	21,361
	79,618	164,375	266,340	323,626
Less: provision for impairment	(125)	(144)	(7,488)	(20,252)
	79,493	164,231	258,852	303,374

(a) Amount due from the subsidiaries was unsecured, interest free and repayable on demand or range from two to six years.

25 CONTRACT ASSETS

The Group

	As at 31 December			As at
	2022	2023	2024	30 June
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Carrying amount	3,829	10,681	13,261	22,501
Impairment	(942)	(847)	(1,010)	(2,215)
	<u>2,887</u>	<u>9,834</u>	<u>12,251</u>	<u>20,286</u>

Contract assets are generally the final payments of revenue contracts which are due at the end of the quality assurance period (1–3 years). Contract assets are recorded as the Group has no right on these amounts of consideration when the revenue is recognised.

The Company

	As at 31 December			As at
	2022	2023	2024	30 June
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Carrying amount	3,828	9,214	12,332	21,238
Impairment	(941)	(810)	(888)	(2,030)
	<u>2,887</u>	<u>8,404</u>	<u>11,444</u>	<u>19,208</u>

26 TRADE AND NOTES RECEIVABLES

The Group

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Non-current				
Trade receivables	—	—	—	41,677
Less: provision for impairment				
(Note 3.1(b))	—	—	—	(1,797)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>39,880</u>
Current				
Trade receivables	34,464	52,880	148,831	402,742
Less: provision for impairment				
(Note 3.1(b))	(6,727)	(2,562)	(18,079)	(41,102)
	<u>27,737</u>	<u>50,318</u>	<u>130,752</u>	<u>361,640</u>
Notes receivables	3,114	8,475	6,754	57,724
Less: provision for impairment				
(Note 3.1(b))	(79)	(113)	(146)	(1,418)
	<u>3,035</u>	<u>8,362</u>	<u>6,608</u>	<u>56,306</u>
	<u>30,772</u>	<u>58,680</u>	<u>137,360</u>	<u>417,946</u>

(a) As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, notes receivables were mainly bank acceptance notes aged less than one year.

The Group usually grants a credit period of 0 days to 180 days to its customers, and extending to a credit period of 18 months to 24 months for major customers. As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the aging analysis of trade receivables based on recognition date of gross trade receivables are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Up to 3 months	29,863	34,825	66,076	321,650
3 to 6 months	6	2,014	18,726	2,833
6 to 9 months	431	6,530	28,271	37,850
9 to 12 months	82	1,632	1,424	17,334
over 12 months	4,082	7,879	34,334	64,752
	<u>34,464</u>	<u>52,880</u>	<u>148,831</u>	<u>444,419</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current				
Trade receivables	—	—	—	35,880
Less: provision for impairment				
<i>(Note 3.1(b))</i>	—	—	—	(1,517)
	<u>—</u>	<u>—</u>	<u>—</u>	<u>34,363</u>
Current				
Trade receivables				
— third parties	32,198	39,302	107,418	345,490
— subsidiaries	3,109	16,153	48,200	83,052
	<u>35,307</u>	<u>55,455</u>	<u>155,618</u>	<u>428,542</u>
Less: provision for impairment	(6,325)	(2,166)	(13,845)	(34,359)
	<u>28,982</u>	<u>53,289</u>	<u>141,773</u>	<u>394,183</u>
Notes receivables				
— third parties	3,114	7,475	6,555	56,724
— subsidiaries	—	1,000	200	1,000
	<u>3,114</u>	<u>8,475</u>	<u>6,755</u>	<u>57,724</u>
Less: provision for impairment	(79)	(98)	(142)	(1,400)
	<u>3,035</u>	<u>8,377</u>	<u>6,613</u>	<u>56,324</u>
	<u>32,017</u>	<u>61,666</u>	<u>148,386</u>	<u>450,507</u>

The Company usually grants a credit period of 0 days to 180 days to its normal customers, and extending to a credit period of 18 months to 24 months for major customers. As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the aging analysis of trade receivables based on recognition date of gross trade receivables are as follows:

	As at 31 December			As at
	2022	2023	2024	30 June 2025
	RMB'000	RMB'000	RMB'000	RMB'000
Up to 3 months	30,747	43,974	84,623	366,643
3 to 6 months	6	145	16,548	96
6 to 9 months	431	2,640	28,138	27,302
9 to 12 months	82	1,239	1,077	16,472
over 12 months	4,041	7,457	25,232	53,909
	<u>35,307</u>	<u>55,455</u>	<u>155,618</u>	<u>464,422</u>

27 CASH AND CASH EQUIVALENTS/TERM DEPOSITS/RESTRICTED BANK DEPOSITS

The Group

	As at 31 December			As at
	2022	2023	2024	30 June 2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	<u>381,678</u>	<u>234,663</u>	<u>306,402</u>	<u>186,225</u>
Term deposits				
— Short-term bank deposits (a)	—	147,411	5,328	5,402
— Long-term bank deposits (a).	190,101	5,177	—	—
	<u>190,101</u>	<u>152,588</u>	<u>5,328</u>	<u>5,402</u>
Restricted bank deposits (b)	<u>27,806</u>	<u>27,819</u>	<u>10,481</u>	<u>22,105</u>

- (a) Term deposits were deposits with initial terms of over three months which neither past due nor impaired. The directors of the Company considered that the carrying amount of the term deposits with initial terms of over three months approximated to their fair value as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025. Various term deposits were secured for borrowings, please refer to Note 28 for more details.

Short-term bank deposits are bank deposits with maturities over three months but within twelve months and redeemable on maturity. Long-term bank deposits are bank deposits with maturities over twelve months and redeemable on maturity. The effective interest rates for the short-term bank deposits were 2.75% to 3.55% per annum, 3% per annum and 3% per annum for the years ended 31 December 2023, 31 December 2024 and six months ended 30 June 2025, respectively.

- (b) As at 31 December 2022, 31 December 2023, 31 December 2024 and June 2025, the restricted deposits were mainly denominated in RMB and held in separate designed bank accounts as security deposits for issuance of bank acceptance bills and bank borrowings and fulfillment of contracts related to autonomous driving.

The restricted deposits for issuance of bank acceptance bills were used to secure the bank acceptance bills issued by the Company, and the restricted period was less than one year.

The restricted deposits for bank borrowings were used to secure the borrowings, and it has been released in 2023 since the borrowings were repaid.

The restricted deposits for fulfillment of contracts were deposited in September 2024 and released in March 2025.

As at 31 December 2024, a bank account with the amount of RMB0.68 million of the Group was frozen by the court in the PRC due to a legal case. The bank account has been released after the legal case terminated in April 2025.

As at 30 June 2025, three bank accounts with total carrying amounts of RMB8.8 million of the Group were frozen and will be released when the legal case resolves. Further details are set out in note 32(b).

The restricted deposits carry interests at 0.25%, 0.2%–1.3%, 0.1%–0.85% and 0.05 %–1.0% per annum as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025.

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	<u>269,589</u>	<u>145,688</u>	<u>244,392</u>	<u>134,892</u>
Term deposits				
— Short-term bank deposits	—	147,411	5,328	5,402
— Long-term bank deposits	190,101	5,177	—	—
	<u>190,101</u>	<u>152,588</u>	<u>5,328</u>	<u>5,402</u>
Restricted bank deposits	<u>27,806</u>	<u>27,819</u>	<u>9,796</u>	<u>13,312</u>

28 BORROWINGS

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Borrowings included in current liabilities				
Secured and unguaranteed bank borrowings (a)	34,512	90,528	39,822	47,689
Unsecured and unguaranteed bank borrowings (b)	10,013	23,225	114,020	181,171
Secured and guaranteed bank borrowings (c)	81	10,081	—	—
Other borrowings (d)	—	—	—	2,024
	<u>44,606</u>	<u>123,834</u>	<u>153,842</u>	<u>230,884</u>
Borrowings included in non-current liabilities				
Secured and unguaranteed bank borrowings (a)	91,800	3,700	83,900	75,800
Unsecured and unguaranteed bank borrowings (b)	—	—	—	19,000
Secured and guaranteed bank borrowings (c)	10,000	—	—	—
	<u>101,800</u>	<u>3,700</u>	<u>83,900</u>	<u>94,800</u>
Total borrowings	<u>146,406</u>	<u>127,534</u>	<u>237,742</u>	<u>325,684</u>

The following table sets out the maturity profile of the total bank borrowings as at each reporting period end:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
On demand or within one year	44,606	123,834	153,842	228,860
More than one year, but not exceeding two years	100,200	3,700	36,000	72,100
More than two years, but not exceeding five years	1,600	—	47,900	22,700
Total	146,406	127,534	237,742	323,660

The following table sets out the maturity profile of other borrowings as at each reporting period end:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
On demand or within one year	—	—	—	2,024

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	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Borrowings included in current liabilities				
Secured and unguaranteed bank borrowings (a)	29,381	405	39,822	47,689
Unsecured and unguaranteed bank borrowings (b)	10,013	23,225	114,020	176,167
Secured and guaranteed bank borrowings (c)	81	10,081	—	—
Other borrowings (d)	—	—	—	2,024
	39,475	33,711	153,842	225,880

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
Borrowings included in non-current liabilities				
Secured and unguaranteed bank borrowings (a)	1,800	3,700	83,900	75,800
Unsecured and unguaranteed bank borrowings (b)	—	—	—	19,000
Secured and guaranteed bank borrowings (c)	10,000	—	—	—
	<u>11,800</u>	<u>3,700</u>	<u>83,900</u>	<u>94,800</u>
Total borrowings	<u>51,275</u>	<u>37,411</u>	<u>237,742</u>	<u>320,680</u>

The following table sets out the maturity profile of the total bank borrowings as at each reporting period end:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
On demand or within one year	39,475	33,711	153,842	223,856
More than one year, but not exceeding two years	10,200	3,700	36,000	72,100
More than two years, but not exceeding five years	1,600	—	47,900	22,700
Total	<u>51,275</u>	<u>37,411</u>	<u>237,742</u>	<u>318,656</u>

The following table sets out the maturity profile of other borrowings as at each reporting period end:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
On demand or within one year	—	—	—	2,024

(a) Secured and unguaranteed bank borrowings

- (i) In March 2022, the Company entered into a loan facility agreement with China Minsheng Bank Co., Ltd. Xiangtan Branch which provided the Company a credit limit in an aggregate principal amount of RMB4 million with an interest rate of 4.20% per annum which shall be repaid by March 2023. Borrowings under the loan facility agreement were collateralized by 17 invention patents of the Company with the amount of RMB8.11 million under the appraisal of the valuation professional party during the terms of borrowings. In March 2023, the borrowings and related interest were fully repaid and the collateralization was released accordingly.
- (ii) In June 2022, the Company entered into a loan facility agreement with Shanghai Pudong Development Bank Co., Ltd. Changsha Branch which provided the Company loans aggregated principal amount of RMB1.03 million and RMB2.64 million with an interest rate of 4.00% per annum which shall be repaid by June 2023. Borrowings under the loan facility agreement were collateralized by deposits of the Company with the carrying amount of RMB4 million during the terms of borrowings. In June 2023, the borrowings and related interest were fully repaid and the collateralization was released accordingly.
- (iii) In June 2022, the Company entered into a loan facility agreement with Shanghai Pudong Development Bank Co., Ltd. Changsha Branch which provided the Company loans aggregated principal amount of RMB20.46 million with an interest rate of 4.00% per annum which shall be repaid by June 2023. Borrowings under the loan facility agreement were collateralized by deposits of the Company with the carrying amount of RMB22 million during the terms of borrowings. In June 2023, the borrowings and related interest were fully repaid and the collateralization was released accordingly.
- (iv) In September 2022, the Company entered into a loan facility agreement with Shanghai Pudong Development Bank Co., Ltd. Changsha Branch which provided the Company loans aggregated principal amount of RMB1.01 million with an interest rate of 4.00% per annum which shall be repaid by September 2023. Borrowings under the loan facility agreement were collateralized by deposits of the Company with the carrying amount of RMB1.1 million during the terms of borrowings. In March 2023, the borrowings and related interest were fully repaid and the collateralization was released accordingly.
- (v) In November 2022 and in February 2023, the Company entered into the loan facility agreement with China Construction Bank Corporation Hunan Branch Business Department which provided the Company loans aggregated principal amount of RMB2 million and RMB2.5 million respectively with an initial interest rate of 3.95% per annum, which shall be repaid from June 2023 to October 2025 respectively. Borrowings under the loan facility

agreement were collateralized by the three-year term deposit of the Company with the carrying amount of RMB5 million during the terms of borrowings. As at 30 June 2025, the principal amount of RMB1 million and related interest were repaid and the interest rate was taken down to 3.40% per annum.

- (vi) In June 2022, Changsha CiDi Intelligent Building Co., Ltd, the subsidiary of Company, entered into a loan facility agreement with Changsha Bank Co., Ltd. Xiangjiang New Area Branch which provided Changsha CiDi Intelligent Building Co., Ltd loans aggregated principal amount of RMB95 million with an interest rate of 4.50% per annum, which shall be repaid by June 2024. Borrowings under the loan facility agreement were collateralized by the two-year term deposit of Changsha CiDi Intelligent Building Co., Ltd with the carrying amount of RMB100 million during the terms of borrowings. In June 2024, the borrowings and related interest were fully repaid and the collateralization was released accordingly.
- (vii) In June 2024, the Company entered into a loan facility agreement with Bank of Communications Co., Ltd. Hunan Branch which provided the Company a loan with the maximum amount of RMB90 million with an interest rate of 3.20% per annum, which shall be repaid from December 2024 to June 2027. Borrowings under the loan facility agreement were collateralized by portion of the buildings of the Group and 3 invention patents of the Company during the terms of borrowings. During the period ended 30 June 2025, the borrowings and related interest were repaid according to payment schedule.
- (viii) In October 2024 and June 2025, the Company entered into two loan facility agreements with Bank of Communications Co., Ltd. Hunan Branch which provided the Company loans with the maximum amount of RMB30 million and RMB27 million with an interest rate of 3.10% per annum, which shall be repaid from April 2025 to November 2027 and December 2025 to June 2028. Borrowings under the loan facility agreement were collateralized by portion of the buildings of the Group and 3 invention patents of the Company during the terms of borrowings. During the period ended 30 June 2025, the borrowings and related interest were repaid according to payment schedule.

(b) Unsecured and unguaranteed bank borrowings

- (i) In January 2022, the Company entered into a loan facility agreement with Bank of Communications Co., Ltd. Hunan Branch which provided the Company loans aggregated principal amount of RMB10 million with a fixed interest at 4.3% per annum. In January 2023, the borrowings and related interest were fully repaid.
- (ii) In May 2023 and in October 2023, the Company entered into a one-year loan facility agreement with Bank of Communications Co., Ltd. Hunan Branch which provided the company the credit limit in the aggregate principal amount of RMB50 million and RMB5

million. As at 31 December 2023, the Company drew down borrowings with the amount of RMB8.2 million under the facility with an interest rate of 4.15% per annum which shall be repaid by June 2024. In June 2024, the borrowings and related interest were fully repaid. In February 2024, the Company drew down borrowings with the amount of RMB10 million under the facility with an interest rate of 3.85% per annum which shall be repaid by February 2025. In February 2025, the borrowings and related interest were fully repaid. And the Company drew down bank acceptances from July 2023 to October 2023 with the amount of RMB25.13 million under the facility and the amount paid were fully repaid on 30 June 2024. In July 2024, the Company drew down borrowings with the amount of RMB8.4 million under the facility with an interest rate of 3.50% per annum. The borrowings and related interest were fully repaid in July 2025.

- (iii) In December 2023, the Company entered into a one-year loan facility agreement with China CITIC Bank Co., Ltd. Changsha Branch which provided the Company a credit limit in an aggregate principal amount of RMB40 million. In December 2023 and January 2024, the Company drew down borrowings with the amount of RMB5 million and RMB5 million respectively under the facility with an interest rate of 4.0% per annum which shall be repaid by December 2024 and January 2025. In December 2024 and January 2025, the borrowings and related interest were fully repaid.
- (iv) In December 2023, the Company entered into a loan facility agreement with Bank of Beijing Co., Ltd. Changsha Branch which provided the Company a credit limit in an aggregate principal amount of RMB30 million. As at 20 December 2023, 2 January 2024 and 31 January 2024, the Company drew down borrowings with the amount of RMB5 million, RMB4 million and RMB1 million respectively under the facility with an interest rate of 3.85% per annum which shall be repaid by 25 December 2024. In December 2024, the borrowings and related interest were fully repaid. In September 2024 and December 2024, the Company drew down borrowings with the amount of RMB10 million and RMB10 million respectively under the facility with an interest rate of 3.75% and 3.5% per annum which shall be repaid by September 2025 and December 2025. The borrowings of RMB10 million and related interest were repaid in September 2025.
- (v) In December 2023, the Company entered into a one-year loan facility agreement with Shanghai Pudong Development Bank Co., Ltd. Changsha Branch which provided the Company a credit limit in an aggregate principal amount of RMB10 million. In December 2023 and January 2024, the Company drew down borrowings with the amount of RMB5 million and RMB5 million respectively under the facility with an interest rate of 3.85% per annum which shall be repaid by December 2024. In December 2024 and January 2025, the borrowings and related interest were fully repaid.

- (vi) In March 2024, the Company entered into a one-year loan facility agreement with Bank of China Co., Ltd. Hunan Xiangjiang New District branch which provided the Company a credit limit in an aggregate principal amount of RMB40 million. In March 2024, the Company drew down borrowings with the amount of RMB5.5 million under the facility with an interest rate of 3.45% per annum which shall be repaid by March 2025. In April 2024, the Company drew down borrowings with the amount of RMB5 million under the facility with an interest rate of 3.45% per annum which shall be repaid by April 2025. In March and April 2025, the borrowings and related interest were fully repaid. In June 2024, the Company drew down borrowings with the amount of RMB5 million under the facility with an interest rate of 3.45% per annum which were fully repaid in June 2025.
- (vii) In March 2024, the Company entered into a one-year loan facility agreement with China Everbright Bank Limited Changsha Yingwan branch which provided the Company a credit limit in an aggregate principal amount of RMB40 million. In March 2024, the Company drew down borrowings with the amount of RMB10 million under the facility with an interest rate of 3.85% per annum which shall be repaid by March 2025. In March 2025, the borrowings and related interest were fully repaid.
- (viii) In September 2024, the Company entered into a one-year loan facility agreement with Industrial and Commercial Bank of China Limited Changsha Yinxun branch which provided the Company a credit limit in an aggregate principal amount of RMB20 million. In September 2024, the Company drew down borrowings with the amount of RMB20 million under the facility with an interest rate of 3.15% per annum which shall be repaid by September 2025. The borrowings and related interest were fully repaid in September 2025.
- (ix) In December 2024, the Company entered into a one-year loan facility agreement with Shanghai Pudong Development Bank Co., Ltd. Changsha Branch which provided the Company a credit limit in an aggregate principal amount of RMB30 million. In December 2024, the Company drew down borrowings with the amount of RMB20 million under the facility with an interest rate of 3.45% per annum which shall be repaid by December 2025.
- (x) In February 2025, the Company entered into a loan facility agreement with Bank of Communications Co., Ltd. Hunan Branch which provided the Company loans aggregated principal amount of RMB11.6 million with a fixed interest at 3.1% per annum which shall be repaid by November 2025.
- (xi) In February 2025 and June 2025, the Company entered into two loan facility agreements with Shanghai Pudong Development Bank Co., Ltd. Changsha Branch which provided the Company loans aggregated principal amount of RMB10 million and RMB10 million with a fixed interest at 3.45% and 3.35% per annum which shall be repaid by February 2026 and June 2026, respectively.

- (xii) In February 2025, the Company entered into a loan facility agreement with Bank of Hunan Corporation Limited Xiangjiang New Area Branch which provided the Company a credit limit in an aggregate principal amount of RMB15 million. In February 2025, the Company drew down borrowings with the amount of RMB15 million under the facility with an interest rate of 3.5% per annum which shall be repaid by February 2026.
- (xiii) In March 2025, the Company entered into a loan facility agreement with Bank of Communications Co., Ltd. Hunan Branch which provided the Company loans aggregated principal amount of RMB50 million with a fixed interest at 2.98% per annum which shall be repaid by March 2026.
- (xiv) In March 2025, the Company entered into a loan facility agreement with China Construction Bank Corporation Hunan Branch which provided the Company loans aggregated principal amount of RMB20 million with a fixed interest at 2.98% per annum which shall be repaid by March 2027.
- (xv) In April 2025, the Company entered into a loan facility agreement with China Everbright Bank Limited Changsha Yingwan branch which provided the Company loans aggregated principal amount of RMB10 million with a fixed interest at 3.3% per annum which shall be repaid by April 2026.
- (xvi) In April 2025, a subsidiary of the Company entered into a loan facility agreement with Bank of Chengdu Co., Ltd. Shawan Branch which provided loans aggregated principal amount of RMB5 million with a fixed interest at 2.5% per annum which shall be repaid by April 2026.

(c) Secured and guaranteed bank borrowings

In October 2022, the Company entered into Maximum Loan Guarantee Delegation Contract with Hanhua Financing Guarantee Co., Ltd. which provided the Company a credit limit in an aggregate principal amount of RMB10 million with the guarantee rate of 2% per annum. In October 2022, Industrial Bank Co., Ltd. Changsha Branch was entrusted by an independent third party, Hunan Xiangjiang Zhongying Investment Management Co., Ltd, to offer the bank borrowing to the Company with an aggregate principal amount of RMB10 million and a fixed interest at 5.00% per annum. Borrowings under the loan facility agreement were collateralized by 10 invention patents of the Company with the amount of RMB30.58 million under the appraisal of the valuation professional party during the terms of borrowings. Hanhua Financing Guarantee Co., Ltd. was the guarantor. As at 31 December 2023, the Company drew down borrowings with the amount of RMB10 million under the facility which shall be repaid by November 2024. In October 2024, the borrowings and related interest were fully repaid and the collateralization was released accordingly.

(d) Other borrowings

Other borrowings as at 30 June 2025 were secured by the trade receivables of the Group with an interest rate of 5.1%. The borrowings and related interest were fully repaid in July 2025.

29 FINANCIAL INSTRUMENTS WITH PREFERRED RIGHTS AT AMORTIZED COST

The Group/The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current liabilities				
Financial instruments with preferred rights at amortized cost	—	—	—	1,962,541
Non-current liabilities				
Financial instruments with preferred rights at amortized cost	1,625,922	1,766,025	1,894,618	—

Since the date of incorporation, the Company has completed several rounds of financing by issuing ordinary shares with preferred rights to investors, namely, Series A Shares, Series A-1 Shares, Series A-2 Shares, Series A-3 Shares, Series B Shares, Series B+ Shares, Series C Shares and Series C+ Shares.

The movements of financial instruments with preferred rights at amortised cost for the years ended 31 December 2022 and 31 December 2023, 31 December 2024 and the six months ended 30 June 2024 and 30 June 2025 were as follows:

	Financial instruments with preferred rights at amortized cost
	<i>RMB'000</i>
As at 1 January 2022	1,264,220
Effect of financial instruments with preferred rights at amortized cost (a)	270,300
Reclassification of transaction cost payable included in other payable and accruals	(12,734)
Finance cost on financial instruments with preferred rights at amortized cost ...	104,136
As at 31 December 2022	<u>1,625,922</u>
As at 1 January 2023	1,625,922
Effect of financial instruments with preferred rights at amortized cost (a)	24,000
Reclassification of transaction cost payable included in other payable and accruals	(1,425)
Finance cost on financial instruments with preferred rights at amortized cost ...	117,528
As at 31 December 2023	<u>1,766,025</u>
As at 1 January 2024	1,766,025
Finance cost on financial instruments with preferred rights at amortized cost ...	128,593
As at 31 December 2024	<u>1,894,618</u>
As at 1 January 2024	1,766,025
Financial cost on financial instruments with preferred rights at amortized cost ..	63,119
As at 30 June 2024 (Unaudited)	<u>1,829,144</u>
As at 1 January 2025	1,894,618
Finance cost on financial instruments with preferred rights at amortized cost ...	67,923
As at 30 June 2025	<u>1,962,541</u>

(a) Series A financing to Series C+ financing

Series A financing

In January 2018, the Company entered into an investment agreement with certain series A investors, pursuant to which the Company issued and allotted approximately 3,489,000 shares, representing approximately 34.89% of the equity interests of the Company, to series A investors, at a consideration of USD30,000,000 (equals to RMB189,288,000). The proceeds of RMB189,288,000 were received by the Company in February, March and July 2018. The Company had initially recognized the related financial instruments with preferred rights of RMB189,288,000

(present value of the estimated amount to be paid out by the Company) in 2018. In February, March and July 2018, the Company applied a discount rate from 3.53% to 3.56% to derive the present value of the issued financial instruments.

In June 2019, the Company entered into an investment agreement with certain series A-1 investors, pursuant to which the Company issued and allotted approximately 1,595,745 shares, representing approximately 6.00% of the equity interests of the Company, to series A-1 investors, at a consideration of USD12,000,000 (equals to RMB82,716,000). The proceeds of RMB82,716,000 were received by the Company in June and September 2019. The Company had initially recognized the related financial instruments with preferred rights of RMB82,716,000 (present value of the estimated amount to be paid out by the Company) in 2019. In June and September 2019, the Company applied a discount rate from 6.58% to 7.70% to derive the present value of the issued financial instruments.

In July 2020, the Company entered into investment agreements separately with certain series A-2 investors, pursuant to which the Company issued and allotted approximately 1,632,309 shares, representing approximately 5.78% of the equity interests of the Company, to series A-2 investors, at a consideration of RMB100,139,000. The proceeds of RMB100,139,000 were received by the Company in July and August 2020. The Company had initially recognized the related financial instruments with preferred rights of RMB100,139,000 (present value of the estimated amount to be paid out by the Company) in 2020. In July and August 2020, the Company applied a discount rate from 7.35% to 7.42% to derive the present value of the issued financial instruments.

In December 2020, the Company entered into an investment agreement with certain series A-3 investors, pursuant to which the Company issued and allotted approximately 4,163,269 shares, representing approximately 12.85% of the equity interests of the Company, to series A-3 investors, at a consideration of RMB281,700,000. The proceeds of RMB281,700,000 were received by the Company in December 2020 and January 2021. The Company had initially recognized the related financial instruments with preferred rights of RMB281,700,000 (present value of the estimated amount to be paid out by the Company) in 2020 and 2021 respectively. In December 2020 and January 2021, the Company applied a discount rate from 7.49% to 7.72% to derive the present value of the issued financial instruments.

Series B financing

In March 2021, the Company entered into an investment agreement with certain series B investors, pursuant to which the Company issued and allotted approximately 3,078,248 shares, representing approximately 8.68% of the equity interests of the Company, to series B investors, at a consideration of RMB280,348,000. The proceeds of RMB280,348,000 were received by the Company in March, April and May 2021. The Company had initially recognized the related

financial instruments with preferred rights of RMB280,348,000 (present value of the estimated amount to be paid out by the Company) in 2021. In March, April and May 2021, the Company applied a discount rate from 6.91% to 8.09% to derive the present value of the issued financial instruments.

In August 2021, the Company entered into an investment agreement with certain series B+ investors, pursuant to which the Company issued and allotted approximately 1,558,592 shares, representing approximately 4.21% of the equity interests of the Company, to series B+ investors, at a consideration of RMB263,650,000. The proceeds of RMB263,650,000 were received by the Company in August, September, October and November 2021. The Company had initially recognized the related financial instruments with preferred rights of RMB263,650,000 (present value of the estimated amount to be paid out by the Company) in 2021. In August, September, October and November 2021, the Company applied a discount rate from 7.51% to 8.35% to derive the present value of the issued financial instruments.

Series C financing

In January 2022, the Company entered into an investment agreement with certain series C investors, pursuant to which the Company issued and allotted approximately 1,251,089 shares, representing approximately 3.27% of the equity interests of the Company, to series C investors, at a consideration of RMB270,300,000. The proceeds of RMB270,300,000 were received by the Company in March, April and June 2022. The Company had initially recognized the related financial instruments with preferred rights of RMB270,300,000 (present value of the estimated amount to be paid out by the Company) in 2022. In March, April and June 2022, the Company applied a discount rate from 7.87% to 8.64% to derive the present value of the issued financial instruments.

In December 2023, the Company entered into an investment agreement with certain series C+ investors, pursuant to which the Company issued and allotted approximately 102,078 shares, representing approximately 0.27% of the equity interests of the Company, to series C+ investors, at a consideration of RMB24,000,000. The proceeds of RMB24,000,000 were received by the Company in December 2023. The Company had initially recognized the related financial instruments with preferred rights of RMB24,000,000 (present value of the estimated amount to be paid out by the Company) in 2023. In December 2023, the Company applied a discount rate of 10.54% to derive the present value of the issued financial instruments.

In accordance with Series A investment agreements to Series C+ investment agreements, Series A Investors to Series C+ Investors had been granted with certain preferred rights (the “Preferred Rights”) upon capital contribution. These Preferred Rights mainly included the followings:

(b) Key terms

Liquidation preference

In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, all assets and funds of the Company legally available for distribution to the shareholders shall, by reason of the shareholders’ ownership of the shares, be distributed as follows:

The holders of the ordinary shares with preferred rights shall be entitled to receive for each outstanding ordinary shares with preferred rights held and fully paid, as applicable, the amount equal to one hundred percent of the applicable ordinary shares with preferred rights’ issue price, plus all declared but unpaid dividends on such ordinary shares with preferred rights. Upon the liquidation, in order of preference, first to the holders of Series C+ ordinary shares with preferred rights, then to the holders of Series C ordinary shares with preferred rights, Series B+ ordinary shares with preferred rights, Series B ordinary shares with preferred rights, Series A-3 ordinary shares with preferred rights, Series A-2 ordinary shares with preferred rights, Series A-1 ordinary shares with preferred rights, and last to the holders of Series A ordinary shares with preferred rights. If there are any assets or funds remaining after the aggregate amount have been distributed or paid in full to the applicable holders of ordinary shares with preferred rights as above, the remaining assets and funds legally available for distribution shall be distributed ratably among the holders of ordinary shares and holders of ordinary shares with preferred rights according to the relative number of ordinary shares on an as-converted basis.

Anti-dilution right

If the Company increases its paid-in capital/share capital at a price lower than the price paid by Series A Investors to Series C+ Investors on a per paid-in capital/share capital basis, Series A Investors to Series C+ Investors have a right to require (i) the Company to issue new paid-in capital/share capital for nil consideration (or lowest price allowed by law) to Series A Investors to Series C+ Investors: or (ii) existing shareholders to transfer the equity interests of the Company directly or indirectly held to Series A Investors to Series C+ Investors for nil consideration (or lowest price allowed by law), so that the total amount paid by Series A Investors to Series C+ Investors divided by the total amount of paid-in capital/share capital obtained is equal to the price

per paid-in capital/share capital in the new issuance. The increased shares should have a limitation which will not cause the percentage of shareholding of the Company held by NovoDriv (HK) Limited Partnership, the ultimate holding company of the Company, (the “NovoDriv”) below 25%.

The directors of the Company considered that the fair value of the anti-dilution right given to investors was immaterial and therefore no liability was recognised by the Company.

Redemption rights

The Company shall redeem, at the option of any holder of outstanding ordinary shares with preferred rights, all of the outstanding ordinary shares with preferred rights (other than the unpaid shares) held by the requesting holder, at any time after (a) the failure by the Company to complete a Qualified IPO as at 5 February 2026, or (b) the significant violation of the investing agreements, shareholders agreements, articles of association and other related documents by the Company or NovoDriv or NovoDriv Limited or 東莞灣區智能科技有限公司 or 馬灘 or 李澤湘. The redemption price for Series A fully paid ordinary shares with preferred rights (other than the unpaid shares) shall be equal to the ordinary shares with preferred rights’ purchase price, plus an annual simple interest rate of 4% accrued for the period from the ordinary shares with preferred rights’ deemed issue date up to and until the date when such ordinary shares with preferred rights are redeemed, plus all declared but unpaid dividends. The redemption price for Series A-1 fully paid ordinary shares with preferred rights, Series A-2 fully paid ordinary shares with preferred rights, Series A-3 fully paid ordinary shares with preferred rights, Series B fully paid ordinary shares with preferred rights, Series B+ fully paid ordinary shares with preferred rights, Series C fully paid ordinary shares with preferred rights and Series C+ fully paid ordinary shares with preferred rights (other than the unpaid shares) shall be equal to the ordinary shares with preferred rights’ purchase price, plus an annual simple interest rate of 8% accrued for the period from the ordinary shares with preferred rights’ deemed issue date up to and until the date when such ordinary shares with preferred rights are redeemed, plus all declared but unpaid dividends.

Upon the redemption, in order of preference, first to the holders of Series C+ ordinary shares with preferred rights, then to the holders of Series C ordinary shares with preferred rights, Series B+ ordinary shares with preferred rights, Series B ordinary shares with preferred rights, Series A-3 ordinary shares with preferred rights, Series A-2 ordinary shares with preferred rights, Series A-1 ordinary shares with preferred rights, and last to the holders of Series A ordinary shares with preferred rights.

If the assets and funds are insufficient for the full payment to redemption of such ordinary shares with preferred rights, then the entire assets and funds legally available for distribution shall be distributed ratably among such holders in proportion. If obtain the consent of all requesting holders, upon the redemption, in order of preference, first to the holders of Series C+ ordinary

shares with preferred rights, then to the holders of Series C ordinary shares with preferred rights, Series B+ ordinary shares with preferred rights, Series B ordinary shares with preferred rights, Series A-3 ordinary shares with preferred rights, Series A-2 ordinary shares with preferred rights, A-1 ordinary shares with preferred rights, and Series A ordinary shares with preferred rights, and last to the holders of ordinary shares.

(c) Presentation and Classification

The ordinary shares with preferred rights are classified as financial liabilities. In addition, the Group measures financial instruments with preferred rights at amortized costs and does not bifurcate any embedded derivatives from the host instruments.

30 TRADE AND NOTES PAYABLES

The suppliers usually grant a credit period of 0 days to 90 days to the Group and the Company, and extended to a credit period of 18 months from major suppliers. As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the aging analysis of the trade payables based on transaction date are as follows:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current				
Trade payables	—	—	—	20,251
Current				
Trade payables				
— The third party	39,274	41,006	63,299	365,616
— The related party	—	83	—	—
	39,274	41,089	63,299	365,616
Notes payables	2,256	29,600	—	12,092
	41,530	70,689	63,299	377,708

As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the aging analysis of trade payables are as follows:

The Group

	As at 31 December			As at
	2022	2023	2024	30 June 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Up to 6 months	27,935	23,526	32,411	342,907
6 to 12 months	3,094	7,278	17,336	14,549
over 12 months	8,245	10,285	13,552	28,411
	<u>39,274</u>	<u>41,089</u>	<u>63,299</u>	<u>385,867</u>

The carrying amounts of trade payables are considered approximately to their fair values.

The Company

	As at 31 December			As at
	2022	2023	2024	30 June 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current				
Trade payables	<u>—</u>	<u>—</u>	<u>—</u>	<u>20,251</u>
Current				
Trade payables				
— The third party	37,359	36,344	62,291	364,368
— The subsidiaries	10,719	16,802	13,683	17,973
— The related party	—	83	—	—
	<u>48,078</u>	<u>53,229</u>	<u>75,974</u>	<u>382,341</u>
Notes payables	<u>2,256</u>	<u>29,600</u>	<u>—</u>	<u>12,092</u>
	<u>50,334</u>	<u>82,829</u>	<u>75,974</u>	<u>394,433</u>

As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the aging analysis of trade payables are as follows:

The Company

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Up to 6 months	38,229	39,278	36,967	360,649
6 to 12 months	2,981	4,989	24,213	14,184
over 12 months	6,868	8,962	14,794	27,759
	<u>48,078</u>	<u>53,229</u>	<u>75,974</u>	<u>402,592</u>

31 OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Payroll and welfare payables	30,384	25,370	27,030	14,311
Repayable government grants (a)	2,360	—	—	—
Other taxes payable	1,791	264	3,689	1,957
Amount due to the third parties (b) . . .	500	3,562	6,111	501
Other payable arising from the transaction of ancillary services (c) . . .	419	34,523	11,837	13,633
Accruals	1,008	2,379	2,661	2,132
Payables for purchases of PPE	40,168	38,755	39,986	39,106
Payables for purchases of intangible assets	98	—	—	—
Transaction costs payable (d)	—	1,426	—	—
Financial guarantee contracts liability (e)	—	186	6,452	50,515
Accrued listing expenses	—	—	3,941	11,676
	<u>76,728</u>	<u>106,465</u>	<u>101,707</u>	<u>133,831</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Payroll and welfare payables	27,625	23,515	25,456	13,401
Repayable government grants (a)	2,360	—	—	—
Other taxes payable	22	107	3,240	1,869
Amount due to the third parties (b) . . .	500	3,562	6,111	501
Amount due to a subsidiary (f)	—	—	695	684
Other payable arising from the transaction of ancillary services (c) . . .	409	7,126	4,571	6,367
Accruals	1,008	2,305	2,361	1,899
Payables for purchases of PPE	—	242	25	258
Payables for purchases of intangible assets	98	—	—	—
Transaction costs payable (d)	—	1,426	—	—
Financial guarantee contracts liability (e)	—	186	6,452	50,515
Accrued listing expenses	—	—	3,941	11,676
	<u>32,022</u>	<u>38,469</u>	<u>52,852</u>	<u>87,170</u>

- (a) As the agreement agreed, the Company should achieve the performance appraisal otherwise the government grants should be repaid. During the year ended 31 December 2022, according to the results of performance appraisal, the Company failed to meet the requirements, and the deferred income was derecognized. The repayable government grants were repaid to the government in April 2023.
- (b) Amount due to the third parties are trade nature, unsecured, interest free and repayable on demand.
- (c) Other payable arising from the transaction of ancillary services represent proceeds received from the customers and yet to be paid to the third party suppliers on behalf of the customers arising from the transaction of ancillary services relating to V2X for the Group acting as an agent. Please refer to Note 24 for more details. The payable are trade nature, unsecured, interest-free and repayable on demand.
- (d) Transaction costs payable represent payable to the agencies for acquisition of capital contributions from investors.
- (e) In September 2023, the Company entered into a guarantee agreement in favour of Jiangsu Financial Leasing Co., Ltd. (“**Jiangsu Financial Leasing**”) to provide guarantee for the buyer credit loan in the maximum principal amount of RMB20 million made available by Jiangsu Financial Leasing to Henan Yuda Industry and Trade Co.,

Ltd. (“**Henan Yuda**”) and Henan Anda Blasting Co., Ltd. (“**Henan Anda**”). Henan Yuda and Henan Anda are independent of the Group and are the end users of the products and solutions sold by the Company. Under the guarantee agreement, the Company assumes joint guarantee liability with the principal debtors, Henan Yuda and Henan Anda. The guarantee covers 20% of the principal amount advanced by Jiangsu Financial Leasing with overdue interest and any other amounts payable by Henan Yuda and Henan Anda under the relevant loan agreement and the amount of guarantee would not exceed RMB4 million. The guarantee periods start from the data of expiry of the buyer credit loan to three years later.

In March 2024, the Company entered into a guarantee agreement in favour of Haitong Unitrust International Financial Leasing Co., Ltd. (“**Haitong Unitrust**”) to provide guarantee for the buyer credit loan in the maximum principal amount of RMB70 million made available by Haitong Unitrust to Anhui Beishan Engineering Technology Co., Ltd. (“**Anhui Beishan**”). Anhui Beishan is independent of the Company and is the end user of the products and solutions sold by the Company. Under the guarantee agreement, the Company assumes joint guarantee liability with the principal debtor, Anhui Beishan. The guarantee covers the principal amount advanced by Haitong Unitrust with overdue interest and any other amounts payable by Anhui Beishan under the relevant loan agreement and the amount of guarantee would not exceed RMB70 million. The guarantee periods start from the data of expiry of the buyer credit loan to three years later. The fair value of the financial guarantee contracts provided for Jiangsu Financial Leasing and Haitong Unitrust on initial recognition was determined by Avista Limited, a professional valuer independent to the Group. The details of impairment assessment subsequent to the initial recognition are set out in note 3.1(b) to the consolidated financial statements.

As at 31 December 2022, 31 December 2023, 31 December 2024 and 30 June 2025, the financial guarantee contracts liability of nil, RMB186,000, RMB6,452,000 and RMB50,515,000 was recognized respectively in “other payables” in the consolidated statements of financial position.

- (f) Amount due to a subsidiary is non-trade nature, unsecured, interest free and repayable on demand.

32 PROVISION

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Provision for warranties (a)	1,938	4,743	16,886	34,368
Provision for outstanding litigation (b)	—	—	849	849
	<u>1,938</u>	<u>4,743</u>	<u>17,735</u>	<u>35,217</u>

- (a) Provision for warranties are recognized when the Group has a present obligation (legal or constructive) as a result of the sales contracts it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

- (b) The Group has been informed that a supplier provided construction services has started legal proceedings against the Group for collection of construction payments and related interests in December 2024. As at the date of this report, the legal case has been docketed by the court in the PRC, and the legal case will be heard in 2026. In February 2025, a PRC court issued an asset preservation order on a building and three bank accounts owned by the Group. These bank accounts with total carrying amounts of RMB8.8 million of the Group were frozen and will be released when the legal case resolves. Details of the order on the building are set out in note 16 of the consolidated financial statements. The Group has recorded the unpaid construction services fee in “Other payables” and the related interests in “Provision for outstanding litigation”.

The movements of the Group’s provision are analyzed as follows:

The Group

	Provision for warranties	Provision for outstanding litigation	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2022	4,048	—	4,048
Provision for the year	1,375	—	1,375
Amounts utilized during the year	(3,485)	—	(3,485)
As at 31 December 2022	1,938	—	1,938
As at 1 January 2023	1,938	—	1,938
Provision for the year	5,368	—	5,368
Amounts utilized during the year	(2,563)	—	(2,563)
As at 31 December 2023	4,743	—	4,743
As at 1 January 2024	4,743	—	4,743
Provision for the year	16,931	849	17,780
Amounts utilized during the year	(4,788)	—	(4,788)
As at 31 December 2024	16,886	849	17,735
As at 1 January 2024	4,743	—	4,743
Provision for the period	11,502	—	11,502
Amounts utilized during the six-month period	(1,680)	—	(1,680)
As at 30 June 2024 (Unaudited)	14,565	—	14,565
As at 1 January 2025	16,886	849	17,735
Provision for the period	19,373	—	19,373
Amounts utilized during the six-month period	(1,891)	—	(1,891)
As at 30 June 2025	34,368	849	35,217

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Provision for warranties	1,846	4,587	16,595	34,040

The movements of the Company's provision are analyzed as follows:

The Company

	Provision for warranties
	<i>RMB'000</i>
As at 1 January 2022	3,944
Provision for the year	1,357
Amounts utilized during the year	(3,455)
As at 31 December 2022	1,846
As at 1 January 2023	1,846
Provision for the year	5,216
Amounts utilized during the year	(2,475)
As at 31 December 2023	4,587
As at 1 January 2024	4,587
Provision for the year	16,731
Amounts utilized during the year	(4,723)
As at 31 December 2024	16,595
As at 1 January 2024	4,587
Provision for the period	11,457
Amounts utilized during the six-month period	(1,642)
As at 30 June 2024 (Unaudited)	14,402
As at 1 January 2025	16,595
Provision for the period	19,332
Amounts utilized during the six-month period	(1,887)
As at 30 June 2025	34,040

33 RECONCILIATION OF LIABILITIES FROM FINANCING ACTIVITIES

	Financial instruments with preferred rights at amortized costs (Note 29)	Lease liabilities (Note 17)	Borrowings (Note 28)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022	1,264,220	10,280	—	1,274,500
Cash flows	—	(7,209)	143,126	135,917
New leases	—	3,186	—	3,186
Lease deduction	—	(166)	—	(166)
Finance cost on financial instruments with preferred rights at amortized cost	104,136	—	—	104,136
Effect of financial instruments with preferred rights at amortized cost (Note 29)	270,300	—	—	270,300
Reclassification of transaction cost payable included in other payable and accruals.	(12,734)	—	—	(12,734)
Interest expenses	—	350	1,156	1,506
Interest expenses — capitalization	—	—	2,124	2,124
As at 31 December 2022	<u>1,625,922</u>	<u>6,441</u>	<u>146,406</u>	<u>1,778,769</u>

	Financial instruments with preferred rights at amortized costs (Note 29)	Lease liabilities (Note 17)	Borrowings (Note 28)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023	1,625,922	6,441	146,406	1,778,769
Cash flows	—	(8,629)	(24,597)	(33,226)
New leases	—	5,904	—	5,904
Lease deduction	—	(13)	—	(13)
Finance cost on financial instruments with preferred rights at amortized cost	117,528	—	—	117,528
Effect of financial instruments with preferred rights at amortized cost (Note 29)	24,000	—	—	24,000
Reclassification of transaction cost payable included in other payable and accruals	(1,425)	—	—	(1,425)
Interest expenses	—	208	3,364	3,572
Interest expenses — capitalization	—	—	2,361	2,361
Lease termination	—	(323)	—	(323)
As at 31 December 2023	<u>1,766,025</u>	<u>3,588</u>	<u>127,534</u>	<u>1,897,147</u>

	Financial instruments with preferred rights at amortized costs (Note 29)	Lease liabilities (Note 17)	Borrowings (Note 28)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	1,766,025	3,588	127,534	1,897,147
Cash flows	—	(5,683)	103,250	97,567
New leases	—	6,515	—	6,515
Finance cost on financial instruments with preferred rights at amortized cost	128,593	—	—	128,593
Interest expenses	—	165	6,958	7,123
Lease termination	—	(592)	—	(592)
As at 31 December 2024	<u>1,894,618</u>	<u>3,993</u>	<u>237,742</u>	<u>2,136,353</u>
As at 1 January 2024	1,766,025	3,588	127,534	1,897,147
Cash flows	—	(2,262)	38,621	36,359
New leases	—	6,515	—	6,515
Finance cost on financial instruments with preferred rights at amortized cost	63,119	—	—	63,119
Interest expenses	—	68	3,431	3,499
Lease termination	—	(163)	—	(163)
As at 30 June 2024 (Unaudited)	<u>1,829,144</u>	<u>7,746</u>	<u>169,586</u>	<u>2,006,476</u>
As at 1 January 2025	1,894,618	3,993	237,742	2,136,353
Cash flows	—	(2,976)	83,360	80,384
New leases	—	5,636	—	5,636
Finance cost on financial instruments with preferred rights at amortized cost	67,923	—	—	67,923
Interest expenses	—	32	4,582	4,614
Other non-cash movements	—	(568)	—	(568)
As at 30 June 2025	<u>1,962,541</u>	<u>6,117</u>	<u>325,684</u>	<u>2,294,342</u>

34 COMMITMENTS

- (a) As at 31 December 2023, the Company has commitment to the limited partnership fund investments amounted to RMB8.80 million. In December 2024 and January 2025, the Company injected capital of RMB0.5 million and RMB0.5 million, respectively, to these fund investments. The residual committed amount will be due for payment before August 2030.
- (b) As at 31 December 2024 and 30 June 2025, the Company has commitment to inject capital to its subsidiary, Anhui CiDi Engineering Technology Co., Ltd, amounted to RMB2.55 million. The committed amount will be due for payment before May 2029.

35 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family member of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related party during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Name and relationship of related parties

Name of related parties	Relationship with the Group
松靈機器人(東莞)有限公司	The same director
東莞松山湖國際機器人研究院有限公司	The same director
雲鯨智能科技(深圳)有限公司	The same director
東莞市李群自動化技術有限公司	The same director
新驅動香港有限合夥	Ultimate holding company
Tangram. AI. Inc.	Controlled by the immediate family member of the director

Name of related parties	Relationship with the Group
深圳市深科創產業發展有限公司	Controlled by the ultimate controlling shareholder of the Company
深圳科創學院	Controlled by the ultimate controlling shareholder of the Company

(b) Transactions with related parties

(i) Purchase from the related parties

The Company	Relationship	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)	
松靈機器人(東莞)有限公司	Purchase goods	21	274	—	—	35
東莞松山湖國際機器人研究院有限公司 . .	Purchase services	346	—	—	—	—
雲鯨智能科技(深圳)有限公司	Purchase goods	90	—	—	—	—
Tangram. AI. Inc.	Purchase services	1,901	—	—	—	—
深圳科創學院	Purchase services	—	—	—	—	6
		2,358	274	—	—	41

Note: In June 2020, the Company entered into a management services agreement contract with NovoDrive, the ultimate holding company of the Company, and paid RMB3.66 million in accordance with the terms. In February 2023, NovoDrive and the Company confirmed that the service had not yet been provided, and agreed to sign the termination agreement. NovoDrive repaid the amounts of RMB3 million and RMB0.66 million in April 2023 and June 2024 respectively.

(ii) Advance to the related parties

	Start date	End date	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)	
東莞市李群自動化技術有限公司	1/6/2023	2/9/2023	—	3,000	—	—	—
			—	3,000	—	—	—

(iii) Repayment from the related parties

	Start date	End date	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)	
新驅動香港有限合夥	11/8/2021	No fixed term	—	3,000	660	660	—
東莞市李群自動化技術有限公司	1/6/2023	2/9/2023	—	3,000	—	—	—
			—	6,000	660	660	—

(iv) Interest from the related party

	Start date	End date	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)	
東莞市李群自動化技術有限公司	1/6/2023	2/9/2023	—	17	—	—	—

(c) Year/Period end balance with related parties

(i) Amounts due from the related parties

	As at 31 December			As at 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
新驅動香港有限合夥	3,660	660	—	—	—
松靈機器人(東莞)有限公司	40	—	—	—	—
深圳市深科創產業發展有限公司	—	—	—	—	205
深圳科創學院	—	—	—	—	30
	3,700	660	—	—	235

(ii) *Amounts due to a related party*

	As at 31 December			As at 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
松靈機器人(東莞)有限公司	—	83	—	—	—
	—	83	—	—	—
	<u>—</u>	<u>83</u>	<u>—</u>	<u>—</u>	<u>—</u>

Amounts due from a related party and amounts due to a related party were trade in nature.

(d) **Key management personnel compensation**

	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)	
Wages, salaries and bonuses	3,236	4,462	4,551	1,665	2,116
Share-based compensation expenses	—	—	19,452	—	21,421
Pension obligations, housing funds, medical insurances and other social insurances	48	65	333	108	205
	<u>3,284</u>	<u>4,527</u>	<u>24,336</u>	<u>1,773</u>	<u>23,742</u>

36 CONTINGENT LIABILITIES

Saved as disclosed in note 27 (b) to the consolidated financial statements, no other material contingent liabilities undertaken by or impacted on the Company or the Group as at each reporting date during the Track Record Period.

37 PAID-IN CAPITAL

Paid-in capital are generated from founders' and investors' capital injection. The excess of total consideration raised over paid-in capital was credited to the Company's capital reserve (Note 39).

Authorized and issued

The Group and Company	Number of ordinary shares	Equivalent nominal value of shares
	'000	RMB'000
As at 1 January 2022	37,028	37,028
Capital contributions from series C investors	1,251	1,251
As at 31 December 2022 and 1 January 2023	38,279	38,279
Capital contributions from series C+ investors	102	102
As at 31 December 2023, 1 January 2024	38,381	38,381
Conversion into a joint stock limited company (<i>Note 38 (a)</i>) .	(38,381)	(38,381)
As at 31 December 2024 and 30 June 2025	—	—

- (a) In December 2020, the Company entered into an investment agreement with series A-3 investors, pursuant to which total capital of RMB281,700,000 was contributed into the Company. The proceeds of RMB191,700,000 were received by the Company in December 2020. The remaining proceeds of RMB90,000,000 were received by the Company in Jan 2021, with RMB4,163,269 and RMB277,536,731 credited to the Company's paid-in capital and capital reserves, respectively (*Note 39*). Certain preferred rights upon capital contribution were granted to series A-3 investors (*Note 29*).
- (b) In March 2021, the Company entered into an investment agreement with series B investors, pursuant to which total capital of RMB280,347,776 was contributed into the Company. The proceeds of RMB280,347,776 were received by the Company in March, April and May 2021, with RMB3,078,248 and RMB277,269,528 credited to the Company's paid-in capital and capital reserves, respectively (*Note 39*). Certain preferred rights upon capital contribution were granted to series B investors (*Note 29*).
- (c) In August 2021, the Company entered into an investment agreement with series B+ investors, pursuant to which total capital of RMB263,650,000 was contributed into the Company. The proceeds of RMB263,650,000 were received by the Company in August, September, October and November 2021, with RMB1,558,592 and RMB262,091,408 credited to the Company's paid-in capital and capital reserves, respectively (*Note 39*). Certain preferred rights upon capital contribution were granted to series B+ investors (*Note 29*).

- (d) In January 2022, the Company entered into an investment agreement with series C investors, pursuant to which total capital of RMB270,300,000 was contributed into the Company. The proceeds of RMB270,300,000 were received by the Company in March, April and June 2022, with RMB1,251,089 and RMB269,048,911 credited to the Company's paid-in capital and capital reserves, respectively (Note 39). Certain preferred rights upon capital contribution were granted to series C investors (Note 29).
- (e) In December 2023, the Company entered into an investment agreement with a series C investor, pursuant to which total capital of RMB24,000,000 was contributed into the Company. The proceeds of RMB24,000,000 were received by the Company in December 2023, with RMB102,078 and RMB23,897,922 credited to the Company's paid-in capital and capital reserves, respectively (Note 39). Certain preferred rights upon capital contribution were granted to series C+ investor (Note 29).

38 SHARE CAPITAL

The Group and Company	Number of ordinary shares	Share capital
	'000	RMB'000
As at 1 January 2024	—	—
Conversion into a joint stock limited company (a)	38,381	38,381
As at 31 December 2024 and 30 June 2025	<u>38,381</u>	<u>38,381</u>

- (a) In July 2024, as approved in the shareholders' general meeting, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. The Company has transferred its capital reserve and accumulated loss of RMB1,460,415,000 and RMB558,800,000, respectively, to share capital of approximately 38,381,000 ordinary shares at RMB1.0 each, with the excess credited to the Company's share premium (Note 39).

39 TREASURY STOCK AND RESERVES

The Group

	Reserves					
	Treasury stock	Share premium	Capital Reserve	Employee share-based compensation reserve	Exchange reserve	Total
	(Note (a))					
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022	(1,197,841)	—	1,167,468	—	—	1,167,468
Capital contributions from series C investors	—	—	269,049	—	—	269,049
Effect of financial instruments with preferred rights at amortized costs	(270,300)	—	—	—	—	—
As at 31 December 2022 and 1 January 2023	(1,468,141)	—	1,436,517	—	—	1,436,517
Capital contributions from series C+ investors	—	—	23,898	—	—	23,898
Effect of financial instruments with preferred rights at amortized costs	(24,000)	—	—	—	—	—
As at 31 December 2023 and 1 January 2024	(1,492,141)	—	1,460,415	—	—	1,460,415
Change in foreign currency translation of the financial statements of the subsidiaries of the Company	—	—	—	—	21	21
Conversion into a joint stock company (Note 38(a))	—	901,615	(1,460,415)	—	—	(558,800)
Share-based payment (Note 40)	—	—	—	319,944	—	319,944
As at 31 December 2024 and 1 January 2025	(1,492,141)	901,615	—	319,944	21	1,221,580
Change in foreign currency translation of the financial statements of the subsidiaries of the Company	—	—	—	—	(14)	(14)
Contribution from non-controlling interests with change of the ownership interest in a subsidiary that do not result in a loss of control (Note 15(a)(d))	—	67	—	—	—	67
Share-based payment (Note 40)	—	—	—	266,568	—	266,568
As at 30 June 2025	(1,492,141)	901,682	—	586,512	7	1,488,201

- (a) The Group recorded treasury stock to reflect the carrying amount of the financial instruments with preferred rights at the date of issuance of the Series A financing to Series C+ financing. Further details are described in Note 29 (a).

The Company

	Reserves					Total
	Treasury stock	Share premium	Capital Reserve	Employee share-based compensation reserve	Exchange reserve	
	(Note (a))					
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022	(1,197,841)	—	1,167,468	—	—	1,167,468
Capital contributions from series C investors	—	—	269,049	—	—	269,049
Effect of financial instruments with preferred rights at amortized costs	(270,300)	—	—	—	—	—
As at 31 December 2022 and 1 January 2023	(1,468,141)	—	1,436,517	—	—	1,436,517
Capital contributions from series C+ investors	—	—	23,898	—	—	23,898
Effect of financial instruments with preferred rights at amortized costs	(24,000)	—	—	—	—	—
As at 31 December 2023 and 1 January 2024	(1,492,141)	—	1,460,415	—	—	1,460,415
Conversion into a joint stock company (Note 38(a))	—	901,615	(1,460,415)	—	—	(558,800)
Share-based payment (Note 40)	—	—	—	319,944	—	319,944
As at 31 December 2024 and 1 January 2025	(1,492,141)	901,615	—	319,944	—	1,221,559
Share-based payment (Note 40)	—	—	—	266,568	—	266,568
As at 30 June 2025	(1,492,141)	901,615	—	586,512	—	1,488,127

40 EQUITY-SETTLED SHARE-BASED PAYMENT

The Company has adopted a Pre-IPO share option scheme pursuant to a resolution passed on 23 September 2024 (the “2024 Share Option Scheme”).

The purpose of the 2024 Share Option Scheme is to recognize the contribution or future contribution of the Eligible Participants (as defined below) for their contribution to the Group by granting options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants in line with the performance goals of the Group.

The Eligible Participants of the 2024 Share Option Scheme include the directors and employees of the Company or any of its subsidiaries and any persons (whether a natural person, a corporate entity or otherwise) who provide consultancy services to the Group.

Under the 2024 Share Option Scheme, the Company will grant option(s) (“**Option(s)**”) to Scheme Participants to acquire the shares of Changsha Gangwan Investment Partnership (Limited Partnership) (“**Changsha Gangwan**”), the immediate holding company of the Company. The Eligible Participants shall not have any interest or economic rights (including the rights to receive dividends) in the shares of Changsha Gangwan prior to the vesting of the options. According to the scheme, Changsha Gangwan is required to keep a minimum percentage equity interest in the Company. As at 31 December 2024 and 30 June 2025, the registered shares of the Company is 38,381,330 Shares. 89,560,000 Options and 4,020,000 Options of Changsha Gangwan have been granted to 389 and 19 Eligible Participants under the 2024 Share Option Scheme at an exercise price ranging from RMB0.001 to RMB1 per Option during the year ended 31 December 2024 and the period ended 30 June 2025. The share options granted to the Eligible Participants shall be vested by various types: (a) 100% after the qualified initial public offering of the Company is completed, (b) 75% after the qualified initial public offering of the Company is completed, and 25% in March 2026, (c) 25% after the qualified initial public offering of the Company is completed, and 25%, 25% and 25% in December 2025, December 2026 and December 2027 respectively, (d) 25% after the qualified initial public offering of the Company is completed, and 25%, 25% and 25% in September 2026, September 2027 and September 2028 respectively, (e) 25% after the qualified initial public offering of the Company is completed, and 25%, 25% and 25% in September 2026, September 2027 and September 2028 respectively, (f) 25% after the qualified initial public offering of the Company is completed, and 25%, 25% and 25% in October 2026, October 2027 and October 2028 and (g) 25%, 25%, 25% and 25% in January 2026, January 2027, January 2028 and January 2029 respectively. The share options shall be vested in yearly instalments of agreed percentage at each agreed date commencing from the vesting commencement date.

The share options under the 2024 Share Option Scheme have an exercise period of ten years from the grant date. According to the 2024 Share Option Scheme, the granted shares can be vested when the conditions of vesting are satisfied and the qualified initial public offering of the Company is completed, subject to employees’ continuous service to the Group.

During the year ended 31 December 2024 and the period ended 30 June 2025, the Group recognized share-based compensation expenses of RMB319,944,000 and RMB266,568,000 in profit or loss over its relevant vesting periods with a corresponding increase in employee share-based compensation reserve. Share-based compensation expenses have been recognized 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)	
Research and development expenses. . . .	—	—	109,529	—	107,692
General and administrative expenses . . .	—	—	176,166	—	137,743
Selling expenses.	—	—	21,591	—	21,010
Costs of inventories.	—	—	12,658	—	123
	—	—	319,944	—	266,568

The following Options were outstanding during the Track Record Period:

Date of grant	Vesting Period	Number of Options						
		As at 1 January 2024	Granted	Forfeited (a)	As at 31 December 2024 and 1 January 2025	Granted	Forfeited (a)	As at 30 June 2025
27 September 2024	27 September 2024– The date of qualified initial public offering of the Company is completed	—	51,052,500	(42,500)	51,010,000	—	(97,500)	50,912,500
	27 September 2024– 31 December 2025	—	3,172,500	—	3,172,500	—	—	3,172,500
	27 September 2024– 31 March 2026	—	200,000	—	200,000	—	—	200,000
	27 September 2024– 26 September 2026	—	9,430,000	(42,500)	9,387,500	—	(97,500)	9,290,000
	27 September 2024– 31 December 2026	—	3,172,500	—	3,172,500	—	—	3,172,500
	27 September 2024– 26 September 2027	—	9,430,000	(42,500)	9,387,500	—	(97,500)	9,290,000
	27 September 2024– 31 December 2027	—	3,172,500	—	3,172,500	—	—	3,172,500

		Number of Options						
Date of grant	Vesting Period	As at			As at			As at
		1 January 2024	Granted	Forfeited (a)	31 December 2024 and 1 January 2025	Granted	Forfeited (a)	
	27 September 2024– 26 September 2028	—	9,430,000	(42,500)	9,387,500	—	(97,500)	9,290,000
10 October 2024	10 October 2024– The date of qualified initial public offering of the Company is completed	—	75,000	—	75,000	—	—	75,000
	10 October 2024– 26 September 2026	—	75,000	—	75,000	—	—	75,000
	10 October 2024– 26 September 2027	—	75,000	—	75,000	—	—	75,000
	10 October 2024– 26 September 2028	—	75,000	—	75,000	—	—	75,000
1 November 2024	1 November 2024– The date of qualified initial public offering of the Company is completed	—	50,000	—	50,000	—	—	50,000
	1 November 2024– 29 October 2026	—	50,000	—	50,000	—	—	50,000
	1 November 2024– 29 October 2027	—	50,000	—	50,000	—	—	50,000
	1 November 2024– 29 October 2028	—	50,000	—	50,000	—	—	50,000
9 January 2025	9 January 2025– 8 January 2026	—	—	—	—	1,005,000	—	1,005,000
	9 January 2025– 8 January 2027	—	—	—	—	1,005,000	—	1,005,000
	9 January 2025– 8 January 2028	—	—	—	—	1,005,000	—	1,005,000
	9 January 2025– 8 January 2029	—	—	—	—	1,005,000	—	1,005,000
		—	89,560,000	(170,000)	89,390,000	4,020,000	(390,000)	93,020,000

(a) Two employees of the Company resigned in 2024 and five employees of the Company resigned in 2025, and the granted share options were forfeited.

The fair value of the share options granted on 27 September 2024 was between RMB287.06 and RMB288.04 per share and the exercise price was between RMB0.001 and RMB1 per Option, the fair value of the share options granted on 10 October 2024 was RMB287.11 per share and the exercise price was RMB1 per Option, the fair value of the share options granted on 1 November 2024 was RMB287.08 per share and the exercise price was RMB1 per Option and the fair value of the share options granted on 9 January 2025 was RMB294.71 per share and the exercise price was RMB1 per Option.

The fair value of 2024 Share Option Scheme 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:

	27 September 2024	10 October 2024	1 November 2024	9 January 2025
Dividend yield (%)	—	—	—	—
Expected Volatility (%)	49.16	49.22	49.46	49.71
Risk-free interest rate (%)	2.16	2.13	2.12	1.64
Expected life of options (years)	10	10	10	10
Minimum shares of the Company held by Changsha Gangwan.	4,104,788 shares	4,118,615 shares	4,127,832 shares	4,313,114 shares

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

41 DIVIDEND

No dividend has been paid or declared by the Company or subsidiaries of the Company during the Track Record Period and up to the date of this report.

42 SUBSEQUENT EVENTS

Saved as disclosed elsewhere in the consolidated financial statements, no material subsequent events undertaken by or impacted on the Company or the Group subsequent to 30 June 2025 and up to the date of the consolidated financial statements.

43 APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorized for issue by the board of the directors of the Company on 11 December 2025.