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REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF TRANSWARP TECHNOLOGY (SHANGHAI) CO., LTD.

Introduction

We have reviewed the condensed consolidated financial statements of Transwarp Technology (Shanghai) Co., Ltd. ("星環信息科技(上海)股份有限公司") (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages IA-2 to IA-20, which comprise the condensed consolidated statement of financial position as at June 30, 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The condensed consolidated financial statements have been prepared by the directors of the Company solely for the purpose of application of listing of the shares of the Company on The Stock Exchange of Hong Kong Limited. As a result, the condensed consolidated financial statements may not be suitable for another purpose. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of 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.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Deloitte Touche Tohmatsu

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
September 11, 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2026

	NOTES	Six months ended June 30, 2026 *RMB'000* *(unaudited)*	Six months ended June 30, 2025 *RMB'000* *(unaudited)*
Revenue	4	173,456	152,045
Cost of sales		(91,294)	(82,443)
Gross profit		**82,162**	**69,602**
Other income	5	5,763	22,113
Other gains and losses, net	6	27,054	2,744
Selling expenses		(67,996)	(75,455)
Administrative expenses		(52,404)	(61,996)
Listing expenses		(454)	-
Research and development expenses		(96,482)	(99,002)
Impairment losses under expected credit loss ("ECL") model, net of reversal	7	(9,492)	549
Finance costs	8	(637)	(1,374)
Share of results of associates		(351)	(127)
Loss before tax	9	(112,837)	(142,946)
Income tax expense	10	-	-
Loss and other comprehensive expense for the period		(112,837)	(142,946)
Loss and other comprehensive expense for the period attributable to:			
Owners of the Company		(112,837)	(142,946)
Non-controlling interests		-	-
		(112,837)	(142,946)
Loss per share			
- Basic (RMB yuan)	11	(0.93)	(1.18)
- Diluted (RMB yuan)	11	(0.93)	(1.18)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2026

	NOTES	As at June 30, 2026 *RMB'000* *(unaudited)*	As at December 31, 2025 *RMB'000* *(audited)*
Non-current assets			
Property and equipment		84,476	102,307
Right-of-use assets	13	32,485	16,987
Intangible assets	14	97,880	88,387
Interests in associates		3,945	4,296
Term deposits	18	101,680	70,587
Financial assets at fair value through profit or loss ("FVTPL")	17	48,168	22,340
		368,634	304,904
Current assets			
Trade and bills receivables	15	264,088	265,435
Prepayments and other receivables	16	52,542	40,219
Contract assets		54,911	48,107
Inventories		2,878	4,779
Contract costs		47,929	47,016
Financial assets at FVTPL	17	67,295	71,588
Bills receivables at fair value through other comprehensive income ("FVTOCI")		986	11,684
Term deposits	18	27,070	30,357
Restricted bank deposits		8	8
Cash and cash equivalents	18	151,330	353,951
		669,037	873,144
Current liabilities			
Trade and other payables	19	146,521	177,235
Contract liabilities		49,314	57,270
Borrowings	20	30,016	30,036
Financial liabilities at FVTPL		-	44
Provisions		26,635	23,983
Lease liabilities		10,187	15,295
		262,673	303,863
Net current assets		406,364	569,281
Total assets less current liabilities		774,998	874,185
Non-current liabilities			
Lease liabilities		20,593	1,261
Deferred income		4,730	10,412
		25,323	11,673
Net assets		749,675	862,512

	As at June 30, 2026 *RMB'000* *(unaudited)*	As at December 31, 2025 *RMB'000* *(audited)*
Capital and reserves		
Share capital	121,136	121,136
Reserves	628,539	741,376
Total equity	749,675	862,512

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2026

	Share capital *RMB'000*	Share premium *RMB'000*	Share-based payments reserve *RMB'000*	Other reserve *RMB'000*	Accumulated losses *RMB'000*	Attributable to owners of the Company	Non-controlling interests	Total *RMB'000*
As at January 1, 2025 (audited)	120,842	2,219,200	77,910	-	(1,319,225)	1,098,727	(4,286)	1,094,441
Loss and total comprehensive expense for the period	-	-	-	-	(142,946)	(142,946)	-	(142,946)
Purchase of additional interests in a subsidiary	-	-	-	(4,286)	-	(4,286)	4,286	-
Issue of ordinary shares under 2023 Share Incentive Scheme (Note 21)	288	29,106	(16,440)	-	-	12,954	-	12,954
As at June 30, 2025 (unaudited)	121,130	2,248,306	61,470	(4,286)	(1,462,171)	964,449	-	964,449

	Share capital *RMB'000*	Share premium *RMB'000*	Share-based payments reserve *RMB'000*	Other reserve *RMB'000*	Accumulated losses *RMB'000*	Attributable to owners of the Company	Non-controlling interests	Total *RMB'000*
As at January 1, 2026 (audited)	121,136	2,248,587	61,470	(4,286)	(1,564,395)	862,512	-	862,512
Loss and total comprehensive expense for the period	-	-	-	-	(112,837)	(112,837)	-	(112,837)
As at June 30, 2026 (unaudited)	121,136	2,248,587	61,470	(4,286)	(1,677,232)	749,675	-	749,675

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2026

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
OPERATING ACTIVITIES		
NET CASH USED IN OPERATING ACTIVITIES	(155,855)	(132,777)
INVESTING ACTIVITIES		
Interest received	1,560	3,461
Investment in an associate	-	(450)
Proceeds on disposal of property and equipment	11	6
Purchase of property and equipment	(741)	(3,971)
Purchase of intangible assets	(15,803)	(452)
Proceeds from disposal of financial assets at FVTPL	697,751	2,207,500
Purchases of financial assets at FVTPL	(691,455)	(2,167,000)
Withdrawal of term deposits	13,839	70,000
Placement of term deposits	(41,071)	(25,055)
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(35,909)	84,039
FINANCING ACTIVITIES		
Interest paid	(344)	(702)
Repayments of lease liabilities	(8,154)	(9,141)
New bank loans raised	30,000	30,000
Repayments of borrowings	(30,000)	(20,000)
Issued costs paid	(1,137)	-
Proceeds from issue of new shares	-	12,954
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(9,635)	13,111
NET DECREASE IN CASH AND CASH EQUIVALENTS	(201,399)	(35,627)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	353,951	543,261
Effect of foreign exchange rate changes	(1,222)	(892)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	151,330	506,742

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2026

1. GENERAL INFORMATION

The Company was established and registered in the People's Republic of China (the "PRC") on June 5, 2013, as a limited liability company. In December 2020, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. In October 2022, the Company was listed on the Science and Technology Innovation Board of Shanghai Stock Exchange (stock code: 688031). The address of the registered office and the principal place of business of the Company are set out in the section headed "Corporate Information" in the prospectus dated September 11, 2026 (the "Prospectus").

The Group is principally engaged in the developing and delivering AI and enterprise-grade data infrastructure and software solutions.

The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("IAS 34") "Interim Financial Reporting" issued by the International Accounting Standards Board as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2026 are the same as those presented in the Group's historical financial information for each of the three years ended December 31, 2025 and the three months ended March 31, 2026 (the "Historical Financial Information") included in the accountants' report as set out in Appendix I to the Prospectus.

4. REVENUE AND SEGMENT INFORMATION

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Type of business lines		
AI and big data infrastructure software and related technical services	139,365	111,087
Consulting services	26,400	34,115
Other business	7,691	6,843
	173,456	152,045
Timing of revenue recognition		
A point in time	122,136	118,190
Over time	51,320	33,855
	173,456	152,045
Sales channel		
Direct sales	165,888	148,636
Distributorship	7,568	3,409
	173,456	152,045

Segment information

For the purpose of resource allocation and assessment of segment performance, the executive directors of the Company, being the chief operating decision makers, focus and review on the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

Geographical information

The Group principally operates in the PRC, which is also the place of domicile. The Group's revenue is substantially derived from operations in the PRC and the Group's non-current assets are substantially located in the PRC.

Information about major customers

For the six months ended June 30, 2026 and 2025, there was no revenue derived from transactions with a single external customer which amounted to 10% or more of the Group's revenue.

5. OTHER INCOME

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Unconditional Government grants (Notes (i))	558	6,197
Release of assets-related government subsides (Notes (ii))	349	3,007
Release of expense-related government subsides (Notes (ii))	1,714	880
Interest income on bank balances	1,104	1,903
Interest income on term deposits	1,515	751
Tax refunds	523	9,375
	5,763	22,113

Notes:

(i) The government grants represent unconditional grants from the PRC local governments to encourage the operations and industry development. Unconditional government grants are recognized in profit or loss when received.

(ii) The Group and the Company received various government grants aimed at encouraging the research and development projects or electronic equipment acquisitions. Government grants received for which related research and development expenditure has not yet been undertaken are included in deferred income in the condensed consolidated statement of financial position and recognized in the profit or loss over the period necessary to match them with the expenditures that they are intended to compensate. Government grants received related to assets are recognized in profit or loss over the expected useful lives of the relevant assets.

6. OTHER GAINS AND LOSSES, NET

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Gain on changes in fair value of financial assets at FVTPL	28,857	3,159
Net foreign exchange losses	(1,423)	(926)
Loss on changes in fair value of financial liabilities at FVTPL	(391)	-
Losses on disposal of property and equipment	(100)	(40)
Others	111	551
	27,054	2,744

7. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Impairment losses (recognized) reversed on:		
- trade receivables	(8,029)	1,933
- other receivables	(16)	(100)
- contract assets	(1,447)	(1,284)
	(9,492)	549

8. FINANCE COSTS

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Interest on borrowings	280	699
Interest on lease liabilities	357	675
	637	1,374

9. LOSS FOR THE PERIOD

Loss before tax for the period has been arrived at after charging (crediting):

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Depreciation of property and equipment	18,219	18,802
Depreciation of right-of-use assets	7,669	8,106
Amortization of intangible assets	10,433	5,724
Total depreciation and amortization	36,321	32,632
Less: amounts capitalized in the contract costs	(10,554)	(5,856)
amounts capitalized in the intangible assets	(4,291)	(4,549)
	21,476	22,227
Auditors' remuneration	-	37
Impairment losses reversed on contract costs included in cost of sales	(514)	(391)
Cost of inventories recognized as cost of sales	6,106	4,416
Amortization of contract costs	73,585	68,234
Research and development costs recognized as an expense	96,482	99,002
Total staff costs:		
- fees, salaries and other benefits	190,259	200,214
- retirement benefit scheme contributions	22,676	24,873
- termination benefits	7,003	14,801
Total staff costs (including directors and supervisors' emoluments)	219,938	239,888
Less: amounts capitalized in the contract costs	(35,852)	(45,995)
amounts capitalized in the intangible assets	(14,662)	(18,079)
	169,424	175,814

10. INCOME TAX EXPENSE

No provision for income tax expense has been made since the Company and its subsidiaries have no assessable profits for the six months ended June 30, 2026 (six months ended June 30, 2025: Nil).

11. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Loss		
Loss for the purpose of basic and diluted loss per share for the period attributable to owners of the Company	(112,837)	(142,946)
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	121,136	120,938
	RMB	*RMB*
Basic and diluted loss per share	(0.93)	(1.18)

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 six months ended June 30, 2026 and 2025, the Company has the unexercised share options granted to the directors and employees as set out in Note 21 to the condensed consolidated financial statements. As the Group incurred losses for the six months ended June 30, 2026 and 2025, the share options were not included in the calculation of diluted loss per share, as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the six months ended June 30, 2026 and 2025 is the same as basic loss per share for the respective periods.

12. DIVIDENDS

No dividend was paid, declared or proposed for the shareholders of the Company during the six months ended June 30, 2026 (six months ended June 30, 2025: nil), nor has any dividend been proposed since the end of the reporting period.

13. RIGHT-OF-USE ASSETS

During the six months ended June 30, 2026, the Group renewed several lease agreements and entered into several new lease agreements with lease terms ranged from 2.5 to 3.25 years (six months ended June 30, 2025: nil). On date of lease modification or lease commencement, the Group recognised right-of-use assets of RMB23,167,000 and lease liabilities of RMB23,167,000 (six months ended June 30, 2025: nil).

14. INTANGIBLE ASSETS

During the six months ended June 30, 2026, the Group incurred additional expenditures on intangible assets amounting to RMB19,926,000 (six months ended June 30, 2025: RMB24,465,000), consisting of development costs RMB19,926,000 (six months ended June 30, 2025: development costs RMB24,065,000 and software RMB400,000).

14A. IMPAIRMENT ASESSMENT ON PROPERTY AND EUQIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

The management has identified indicators of impairment for non-current assets including property and equipment, right-of-use assets and intangible assets including development costs as the continuing losses position as at June 30, 2026. Given that the Group operates as a single CGU, the management performed the impairment assessment on non-current assets at the Group level based on the recoverable amount of the CGU as at June 30, 2026.

Based on the result of impairment assessment, there are no impairment losses recognized during the current period.

15. TRADE AND BILLS RECEIVABLES

	As at June 30, 2026 *RMB'000* *(unaudited)*	As at December 31, 2025 *RMB'000* *(audited)*
Trade receivables from third parties	353,589	344,614
Bills receivables from third parties	1,535	3,828
Trade receivables from related parties	30	30
	355,154	348,472
Less: allowance for credit losses	(91,066)	(83,037)
	264,088	265,435

The Group normally grants a credit period of 30 to 365 days or a particular period agreed with customers effective from the date when the services have been completed or control of goods has been transferred to the customer and billed to the customer.

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on dates of rendering of services or delivery of goods at the end of the reporting period:

	As at June 30, 2026 *RMB'000* *(unaudited)*	As at December 31, 2025 *RMB'000* *(audited)*
Within 1 year	175,536	159,429
1 to 2 years	33,873	40,936
2 to 3 years	53,144	61,242
	262,553	261,607

The aging of bills receivables based on the issue dates of bills receivables were all within one year.

16. PREPAYMENTS AND OTHER RECEIVABLES

	As at June 30, 2026 *RMB'000* *(unaudited)*	As at December 31, 2025 *RMB'000* *(audited)*
Deposits	20,919	20,659
Loans to a third party	2,000	2,000
Others	201	205
Less: allowance for credit losses	(6,098)	(6,082)
	17,022	16,782
Value-Added Tax recoverable	4,224	-
Deferred issue costs	22,317	18,642
Prepayments	8,979	4,795
	52,542	40,219

17. FINANCIAL ASSETS AT FVTPL

	As at June 30, 2026 *RMB'000* *(unaudited)*	As at December 31, 2025 *RMB'000* *(audited)*
Structured deposits (Note (i))	50,187	50,083
Unlisted fund investment (Note (ii))	48,168	22,340
Money market fund (Note (i))	17,108	21,505
	115,463	93,928
Analyzed as		
Current	67,295	71,588
Non-current	48,168	22,340
	115,463	93,928

Notes:

(i) The structured deposits and money market fund held by the Group are with variable interest rates and are classified as current as the management expects to realize these financial assets within twelve months after the reporting period.

(ii) The amounts represent unlisted equity interest in an entity established in the PRC.

18. CASH AND CASH EQUIVALENTS/TERM DEPOSITS

Cash and cash equivalents carry interest at prevailing market rates of 0.05% to 3.50% as at June 30, 2026 (December 31, 2025: 0.05% to 3.67%).

Term deposits held by the Group carry interests at market rates ranging from 2.30% to 2.85% as at June 30, 2026 (December 31, 2025: 2.30% to 3.86%).

19. TRADE AND OTHER PAYABLES

	As at June 30, 2026 *RMB'000* *(unaudited)*	As at December 31, 2025 *RMB'000* *(audited)*
Trade payables	90,403	98,158
Other tax payables	22,198	25,850
Payroll payable	9,809	36,953
Other payables	8,855	5,988
Accrued issue costs	7,897	5,188
Bills payables	7,359	5,098
	146,521	177,235

The following is an aged analysis of trade payables presented based on the invoice dates at the end of the reporting period is as follows:

	As at June 30, 2026 *RMB'000* *(unaudited)*	As at December 31, 2025 *RMB'000* *(audited)*
Within 1 year	48,870	54,008
1 to 2 years	15,356	23,154
2 to 3 years	19,094	13,882
Over 3 years	7,083	7,114
	90,403	98,158

20. BORROWINGS

During the six months ended June 30, 2026, the Group obtained new bank loans amounting to RMB30,000,000 (six months ended June 30, 2025: RMB30,000,000), and repaid bank loans amounting to RMB30,000,000 (six months ended June 30, 2025: RMB20,000,000).

As at June 30, 2026, the Group had a fixed-rate bank loan with a carrying amount of RMB10,000,000, and a floating-rate bank loan with a carrying amount of RMB20,000,000. The fixed-rate loan carries an interest rate of 2.08% per annum. The floating-rate bank loan carries interest at one-year Loan Prime Rate ("LPR") minus 0.92% per annum. All loans are all repayable within one year.

21. SHARE-BASED PAYMENT TRANSACTIONS

The restricted shares issued under the employee stock ownership platform ("Restricted A-share Scheme"), which are disclosed in Note 38 to the Historical Financial Information included in the accountants' report as set out in Appendix I to the Prospectus, has no change for the six months ended June 30, 2026 and 2025.

The following table summarized the movement of the outstanding share options under the share option plan adopted on March 29, 2023 ("2023 Share Incentive Scheme") during the six months ended June 30, 2026 and 2025:

	Number of options	Weighted average exercise price *RMB*	Weighted average grant date fair value *RMB*	Weighted average remaining contractual life *Years*
Outstanding as of December 31, 2024	1,034,398	45.06	56.95	3.83
Exercised	(287,448)	45.06	57.19	
Forfeited	(319,134)	45.06	52.65	
Outstanding as of June 30, 2025	427,816	45.06	60.51	3.40

	Number of options	Weighted average exercise price *RMB*	Weighted average grant date fair value *RMB*	Weighted average remaining contractual life *Years*
Outstanding as of December 31, 2025	377,326	45.06	60.92	2.82
Forfeited	(204,562)	45.06	60.13	
Outstanding as of June 30, 2026	172,764	45.06	63.60	2.38

22. RELATED PARTY TRANSACTIONS

(i) The relationships with related parties during the reporting periods

Name of related parties	Relationship with the Group
Tencent Cloud Computing (Beijing) Co., Ltd.* 腾訊雲計算(北京)有限責任公司 ("Tencent Cloud")	Under ultimate control with shareholders holding 5% or more of the Company's shares
Shenzhen Tencent Computer Systems Co., Ltd.* 深圳市腾訊計算機係統有限公司 ("Shenzhen Tencent")	Under ultimate control with shareholders holding 5% or more of the Company's shares
Beijing Tencent Cultural Media Co., Ltd.* 北京腾訊文化傳媒有限公司 ("Beijing Tencent")	Under ultimate control with shareholders holding 5% or more of the Company's shares

* *English name is for reference only.*

(ii) The Group has following transactions with related parties during the reporting periods:

Purchase of goods and receipt of services	Six months ended June 30,	
	2026	2025
	RMB'000	*RMB'000*
	(unaudited)	*(unaudited)*
Tencent Cloud	36	14
Shenzhen Tencent	5	4
Beijing Tencent	3	-
	44	18

(iii) As at the end of the reporting periods, the Group had balances with related parties, which are all unsecured, as follows:

Trade receivables

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	*(audited)*
Tencent Cloud(Note)	30	30

Note: The carrying amounts of trade receivables are presented gross of allowance for credit losses.

Contract assets

	As at June 30, 2026	As at December 31, 2025
	RMB'000	*RMB'000*
	(unaudited)	*(audited)*
Tencent Cloud(Note)	6	6

Note: The carrying amounts of contract assets are presented gross of allowance for credit losses.

All the balances with related parties at the Group level are trade in nature.

(iv) Compensation of key management personnel

The remuneration of directors of the Company was as follows:

	Six months ended June 30, 2026 RMB'000 (unaudited)	Six months ended June 30, 2025 RMB'000 (unaudited)
Fees, salaries and other benefits	3,846	3,621
Retirement benefit scheme contributions	220	218
Discretionary bonuses (Note)	520	-
	4,586	3,839

Note: Discretionary bonus are determined based on their duties and responsibilities of the relevant individuals within the Group and the Group's performance.

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

- **Fair value of the Group's financial assets that are measured at fair value on a recurring basis**

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

	Note	Fair value as at June 30, 2026 RMB'000 (unaudited)	Fair value as at December 31, 2025 RMB'000 (audited)	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
Financial assets						
Money market fund	17	17,108	21,505	Level 2	Discounted cash flow method. Future cash flows are estimated based on expected return.	N/A
Structured deposits	17	50,187	50,083	Level 2	Discounted cash flow method. Future cash flows are estimated based on discount rate observed in the available market.	N/A
Unlisted fund investment	17	48,168	22,340	Level 3	Net assets value of unlisted fund.	The higher the net assets value, the higher the fair value (Note (i))
Bills receivables at FVTOCI	N/A	986	11,684	Level 3	Discounted cash flow method. Future cash flows are estimated based on expected discount rate.	The higher the expected discount rate, the lower the fair value (Note (ii))
Financial liabilities						
Derivative financial liabilities	N/A	-	44	Level 2	Discounted cash flow method. Future cash flows are estimated based on observable forward exchange rates and contracted forward rates, discounted at rates that reflect the credit risk of various counterparties.	N/A

Notes:

(i) A 10% increase/decrease in the net assets while holding all other variables constant would increase/decrease the fair value measurement of the unlisted fund investments by RMB4,817,000 as at June 30, 2026.

(ii) A 10% increase/decrease in the expected return rate while holding all other variables constant would decrease/increase the fair value measurement of the bills receivables at FVTOCI by RMB99,000 as at June 30, 2026.

There were no transfers between Level 1, 2 and 3 during the reporting periods.

Fair value of the Group's financial assets and liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The directors of the Company consider that the carrying amount of the Group's financial assets and financial liabilities recorded at amortized cost in the condensed consolidated financial statements approximate their fair values.

Reconciliation of Level 3 fair value measurements

	Unlisted fund investment *RMB'000*	Bills receivables at FVTOCI *RMB'000*
As at January 1, 2025 (audited) and June 30, 2025 (unaudited)	20,000	-
As at January 1, 2026 (audited)	22,340	11,684
Additions	-	3,723
Disposal	(1,751)	-
Settlements	-	(14,421)
Gains recognized in profit or loss	27,579	-
As at June 30, 2026 (unaudited)	48,168	986

24. EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no material events taken place subsequent to June 30, 2026.