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## **ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHANGHAI SEER INTELLIGENT TECHNOLOGY CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED**

### **Introduction**

We report on the historical financial information of Shanghai Seer Intelligent Technology Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-62, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-62 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 15 June 2026 (the "Prospectus") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

### **Directors' responsibility for the Historical Financial Information**

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

### **Reporting accountants' responsibility**

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

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

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



## Opinion

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

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

### Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

### Dividends

We refer to note 12 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

A handwritten signature in black ink that reads "Eric S. Young".

*Certified Public Accountants*

Hong Kong  
15 June 2026

## I. HISTORICAL FINANCIAL INFORMATION

## Preparation of Historical Financial Information

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

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

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

## (A) Consolidated Statements of Profit or Loss

	Notes	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
		RMB'000	RMB'000	RMB'000
Revenue . . . . .	5	249,023	339,323	441,877
Cost of sales . . . . .		(126,597)	(183,638)	(232,582)
Gross profit . . . . .		122,426	155,685	209,295
Other income and gains . . . . .	6	5,784	10,576	11,629
Selling and distribution expenses . . . . .		(72,279)	(88,985)	(105,667)
Administrative expenses . . . . .		(36,783)	(42,929)	(67,654)
Research and development expenses . . . . .		(63,749)	(71,311)	(79,168)
Impairment losses on financial assets, net . . . . .		(622)	(1,932)	(10,576)
Other expenses . . . . .		(200)	(98)	(1,540)
Finance costs . . . . .	8	(1,561)	(2,163)	(3,116)
<b>LOSS BEFORE TAX . . . . .</b>	7	<b>(46,984)</b>	<b>(41,157)</b>	<b>(46,797)</b>
Income tax expense . . . . .	11	(720)	(1,151)	(269)
<b>LOSS FOR THE YEAR . . . . .</b>		<b>(47,704)</b>	<b>(42,308)</b>	<b>(47,066)</b>
Attributable to:				
Owners of the parent . . . . .		(47,704)	(42,308)	(47,066)
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>				
Basic and diluted (RMB) . . . . .	13	(0.53)	(0.46)	(0.48)

For the details of Pre-IPO Investments, please refer to Note 30 to this report.

## (B) Consolidated Statements of Comprehensive Income

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	RMB'000	RMB'000	RMB'000
<b>LOSS FOR THE YEAR . . . . .</b>	<b>(47,704)</b>	<b>(42,308)</b>	<b>(47,066)</b>
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>			
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations . . . . .	—	(6)	382
<b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX . . . . .</b>	<b>—</b>	<b>(6)</b>	<b>382</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR . . . . .</b>	<b>(47,704)</b>	<b>(42,314)</b>	<b>(46,684)</b>
Attributable to:			
Owners of the parent . . . . .	(47,704)	(42,314)	(46,684)

## (C) Consolidated Statements of Financial Position

	<i>Notes</i>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>31 December 2025</b>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment . . . . .	14	5,706	4,518	5,668
Right-of-use assets . . . . .	15	15,603	19,809	27,885
Other intangible assets . . . . .	16	1,271	1,095	1,869
Other long-term receivables . . . . .	17	1,560	1,312	1,224
Equity investments designated at fair value through other comprehensive income . . . . .		—	—	250
Other non-current assets . . . . .	18	635	1,494	1,871
Total non-current assets . . . . .		<u>24,775</u>	<u>28,228</u>	<u>38,767</u>
<b>CURRENT ASSETS</b>				
Inventories . . . . .	19	85,285	94,898	107,123
Trade and notes receivables . . . . .	20	53,741	108,973	169,569
Debt instruments at fair value through other comprehensive income . . . . .	21	7,907	4,353	3,494
Prepayments, other receivables and other assets . . . . .	22	10,534	11,257	17,589
Financial assets at fair value through profit or loss . . . . .	23	—	2,083	18,012
Restricted bank deposits . . . . .	24	161	408	1,007
Cash and cash equivalents . . . . .	24	99,681	92,859	153,940
Total current assets . . . . .		<u>257,309</u>	<u>314,831</u>	<u>470,734</u>
<b>CURRENT LIABILITIES</b>				
Trade and bills payables . . . . .	25	42,816	74,910	130,076
Other payables and accruals . . . . .	26	35,503	41,342	50,872
Contract liabilities . . . . .	27	45,226	46,147	37,051
Interest-bearing bank borrowings . . . . .	28	34,013	52,479	103,747
Provision . . . . .	29	624	860	1,116
Tax payable . . . . .		594	237	80
Lease liabilities . . . . .	15	2,609	4,891	6,100
Total current liabilities . . . . .		<u>161,385</u>	<u>220,866</u>	<u>329,042</u>
NET CURRENT ASSETS . . . . .		<u>95,924</u>	<u>93,965</u>	<u>141,692</u>
TOTAL ASSETS LESS CURRENT LIABILITIES . . . . .		<u>120,699</u>	<u>122,193</u>	<u>180,459</u>
<b>NON-CURRENT LIABILITIES</b>				
Interest-bearing bank borrowings . . . . .	28	—	9,000	9,000
Lease liabilities . . . . .	15	12,553	15,437	22,471
Total non-current liabilities . . . . .		<u>12,553</u>	<u>24,437</u>	<u>31,471</u>
NET ASSETS . . . . .		<u>108,146</u>	<u>97,756</u>	<u>148,988</u>
<b>EQUITY</b>				
Paid-in capital . . . . .	30	11,370	11,617	—
Share capital . . . . .	30	—	—	100,000
Reserves . . . . .	32	96,776	86,139	48,988
Total equity . . . . .		<u>108,146</u>	<u>97,756</u>	<u>148,988</u>

For the details of Pre-IPO Investments, please refer to Note 30 to this report.

**(D) Consolidated Statements of Changes in Equity**

	Note	Attributable to owners of the parent				
		Paid-in capital	Other reserves*	Exchange fluctuation*	Accumulated loss*	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023 . . . . .		10,465	237,771	—	(119,143)	129,093
Loss for the year . . . . .		—	—	—	(47,704)	(47,704)
Total comprehensive loss for the year . . . . .		—	—	—	(47,704)	(47,704)
Capital injection . . . . .		905	—	—	—	905
Business combination under common control . . . . .	33	—	(945)	—	—	(945)
Equity-settled share-based payments of the Company . . . . .		—	26,797	—	—	26,797
At 31 December 2023 . . . . .		11,370	263,623	—	(166,847)	108,146
At 31 December 2023 and 1 January 2024 . . . . .		11,370	263,623	—	(166,847)	108,146
Loss for the year . . . . .		—	—	—	(42,308)	(42,308)
Other comprehensive loss for the year:						
Exchange differences on translation of foreign operations . . . . .		—	—	(6)	—	(6)
Total comprehensive loss for the year . . . . .		—	—	(6)	(42,308)	(42,314)
Capital injection . . . . .		247	—	—	—	247
Equity-settled share-based payments of the Company . . . . .		—	31,677	—	—	31,677
At 31 December 2024 . . . . .		11,617	295,300	(6)	(209,155)	97,756

	Attributable to owners of the parent					
	Paid-in capital	Share capital	Other reserves*	Exchange fluctuation*	Accumulated loss*	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2024 and 1 January 2025 . . . . .	11,617	—	295,300	(6)	(209,155)	97,756
Loss for the year . . . . .	—	—	—	—	(47,066)	(47,066)
Other comprehensive income for the year:						
Exchange differences on translation of foreign operations . . . . .	—	—	—	382	—	382
Total comprehensive loss for the year . . . . .	—	—	—	382	(47,066)	(46,684)
Conversion into a joint stock company . . . . .	(11,617)	11,617	(246,376)	—	246,376	—
Issue of new shares . . . . .	—	792	68,325	—	—	69,117
Other reserve converted into share capital . . . . .	—	87,591	(87,591)	—	—	—
Equity-settled share-based payments of the Company . . . . .	—	—	28,799	—	—	28,799
At 31 December 2025 . . . . .	—	100,000	58,457	376	(9,845)	148,988

\* The reserve accounts comprise the consolidated reserves of RMB96,776,000, RMB86,139,000 and RMB48,988,000 in the consolidated statements of financial position as at the end of each of the Relevant Periods, respectively.

**(E) Consolidated Statements of Cash Flows**

	Notes	Year ended 31	Year ended 31	Year ended 31
		December 2023	December 2024	December 2025
		RMB'000	RMB'000	RMB'000
<b>CASH FLOWS FROM</b>				
<b>/(USED IN) OPERATING ACTIVITIES</b>				
Loss before tax . . . . .		(46,984)	(41,157)	(46,797)
<b>Adjustments for:</b>				
Finance costs . . . . .	8	1,561	2,163	3,116
Other interest income from financial assets at fair value through profit or loss . . . . .	6	(332)	(436)	(1,418)
Loss/(gain) on disposal of items of property, plant and equipment and right of use assets . . . . .		98	(4)	26
Depreciation of items of property, plant and equipment . . . . .	14	3,426	2,781	2,613
Depreciation of right of use assets . . . . .	15	5,587	5,546	6,241
Amortization of intangible assets . . . . .	16	196	176	238

	Notes	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
		RMB'000	RMB'000	RMB'000
Impairment losses of trade and notes receivables . . . . .	7	622	1,932	10,576
Write-down of inventories to net realizable value . . . . .	7	1,122	2,638	1,279
Foreign exchange differences . . . . .		(162)	(418)	1,412
Equity-settled share-based payment expenses . . . . .	7	26,797	31,677	28,799
		<u>(8,069)</u>	<u>4,898</u>	<u>6,085</u>
Decrease/ (increase) in inventories . . . . .		7,599	(12,251)	(13,504)
Increase in trade and notes receivables . . . . .		(17,499)	(57,164)	(71,172)
Decrease in amounts due from related parties . . . . .		10,781	—	—
(Increase)/decrease in debt instruments at fair value through other comprehensive income . . . . .		(5,221)	3,554	859
Decrease/(increase) in prepayments, other receivables and other assets . . . . .		1,345	(723)	(4,158)
Decrease/(increase) in restricted bank deposits . . . . .		1,018	(247)	(599)
Decrease in other long-term receivables . . . . .		248	248	88
Decrease/(increase) in other non-current assets . . . . .		660	(859)	(377)
Increase in trade and bills payables . . . . .		17,861	32,094	55,166
(Decrease)/increase in contract liabilities . . . . .		(612)	921	(9,096)
Increase in provision . . . . .		163	236	256
Increase in other payables and accruals . . . . .		2,170	5,839	9,080
Cash generated from/(used in) operations . . . . .		10,444	(23,454)	(27,372)
Taxes paid . . . . .		(128)	(1,508)	(426)
Net cash flows from/(used in) operating activities . . . . .		<u>10,316</u>	<u>(24,962)</u>	<u>(27,798)</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>				
Purchases of items of property, plant and equipment . . . . .		(4,119)	(2,526)	(3,788)
Purchase of other intangible assets . . . . .		(71)	—	(1,012)
Purchase of financial assets measured at fair value through profit or loss . . . . .		(271,461)	(173,040)	(427,312)
Disposal of financial assets measured at fair value through profit or loss . . . . .		271,793	171,393	412,801
Proceeds from disposal of items of property, plant and equipment . . . . .		243	937	—
Purchase of equity investments designed at fair value through other comprehensive income . . . . .		—	—	(250)
Net cash flows used in investing activities . . . . .		<u>(3,615)</u>	<u>(3,236)</u>	<u>(19,561)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
New bank borrowings . . . . .		46,280	82,250	122,000
Repayment of bank loans . . . . .		(25,800)	(54,830)	(70,696)
Interest paid . . . . .		(722)	(1,417)	(2,346)
Proceeds from capital injection . . . . .		905	247	69,117
Payment of lease liabilities . . . . .		(6,425)	(5,286)	(6,880)
Payment of business combination under common control . . . . .	33	(945)	—	—
Payment of listing expense . . . . .		—	—	(1,725)
Net cash flows from financing activities . . . . .		<u>13,293</u>	<u>20,964</u>	<u>109,470</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
Cash and cash equivalents at beginning of year . . . . .		19,994	(7,234)	62,111
Effect of foreign exchange rate changes, net . . . . .		79,525	99,681	92,859
		162	412	(1,030)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b> . . . . .		<u>99,681</u>	<u>92,859</u>	<u>153,940</u>

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances . . . . .	99,842	93,267	154,947
Less: Restricted bank deposits . . . . .	161	408	1,007
Cash and cash equivalents as stated in the consolidated statements of financial position and the consolidated statements of cash flows . . . . .	<u>99,681</u>	<u>92,859</u>	<u>153,940</u>

**(F) STATEMENT OF FINANCIAL POSITION OF THE COMPANY**

	Notes	31 December 2023	31 December 2024	31 December 2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment . . . . .	14	5,689	4,498	4,369
Right-of-use assets . . . . .	15	15,603	19,809	14,944
Other intangible assets . . . . .	16	969	845	1,671
Investments in subsidiaries . . . . .		10	484	13,254
Other long-term receivables . . . . .	17	600	400	200
Equity investments designated at fair value through other comprehensive income . . . . .		—	—	250
Other non-current assets . . . . .	18	635	1,494	1,871
Total non-current assets . . . . .		<u>23,506</u>	<u>27,530</u>	<u>36,559</u>
<b>CURRENT ASSETS</b>				
Inventories . . . . .	19	94,510	111,358	122,261
Trade and notes receivables . . . . .	20	53,683	108,915	175,086
Debt instruments at fair value through other comprehensive income . . . . .	21	7,907	4,353	3,494
Prepayments, other receivables and other assets . . . . .	22	10,055	10,975	17,720
Financial assets at fair value through profit or loss . . . . .	23	—	2,083	18,012
Restricted bank deposits . . . . .	24	161	408	1,007
Cash and cash equivalents . . . . .	24	97,022	92,311	139,627
Total current assets . . . . .		<u>263,338</u>	<u>330,403</u>	<u>477,207</u>
<b>CURRENT LIABILITIES</b>				
Trade and bills payables . . . . .	25	71,526	122,434	195,578
Other payables and accruals . . . . .	26	30,894	36,458	43,750
Contract liabilities . . . . .	27	43,102	46,147	36,973
Interest-bearing bank borrowings . . . . .	28	34,013	50,179	98,019
Provisions . . . . .	29	624	860	1,116
Lease liabilities . . . . .	15	2,609	4,891	5,316
Total current liabilities . . . . .		<u>182,768</u>	<u>260,969</u>	<u>380,752</u>
NET CURRENT ASSETS . . . . .		<u>80,570</u>	<u>69,434</u>	<u>96,455</u>
TOTAL ASSETS LESS CURRENT LIABILITIES . . . . .		<u>104,076</u>	<u>96,964</u>	<u>133,014</u>
<b>NON-CURRENT LIABILITIES</b>				
Interest-bearing bank borrowings . . . . .	28	—	9,000	9,000
Lease liabilities . . . . .	15	12,553	15,437	9,887
Total non-current liabilities . . . . .		<u>12,553</u>	<u>24,437</u>	<u>18,887</u>
NET ASSETS . . . . .		<u>91,523</u>	<u>72,527</u>	<u>114,127</u>
<b>EQUITY</b>				
Paid-in capital . . . . .	30	11,370	11,617	—
Share capital . . . . .	30	—	—	100,000
Reserves . . . . .	32	80,153	60,910	14,127
Total equity . . . . .		<u>91,523</u>	<u>72,527</u>	<u>114,127</u>

## II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

### 1. CORPORATE AND GROUP INFORMATION

Shanghai Seer Intelligent Technology Co., Ltd. is a limited liability company incorporated in Shanghai. The registered office of the Company is located at Building 11, Lane 2777, Jinxiu East Road, China (Shanghai) Pilot Free Trade Zone.

During the Relevant Periods, the Group provided one-stop robotics solutions through their platform by integrating robotic controllers, robot integrating their proprietary robotic controllers and software. The Group mainly generates revenue from sales of robots and robotic controllers, along with fees charged for proprietary software.

The Company has been converted into a joint stock company with limited liability on 24 March 2025.

As at the end of the Relevant Periods, the Company had direct interests in its subsidiaries, the particulars of which are set out below:

#### Information about subsidiaries

Name	Date and place of incorporation/ registration	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shanghai Seer Soft Information Technology Co., Ltd. (a)(b)(c)	28 April 2018 Chinese Mainland	RMB1,000,000	100%	—	Services of information and intelligent technology
Jiangsu Xianjue Intelligent Technology Co., Ltd. (a)(b)	16 April 2020 Chinese Mainland	RMB10,000,000	100%	—	Manufacture and sales of industrial products
Shanghai Xiangang Technology Co., Ltd. (a)(b)	5 March 2023 Chinese Mainland	RMB1,000,000	100%	—	Manufacture and sales of industrial products
SEER Intelligent HK Holding Limited (d)	14 November 2023 Hong Kong	HKD10,000	100%	—	Investment holding
Seer Robotics Europe GmbH (d)	16 October 2024 Germany	EUR100,000	100%	—	Manufacture and sales of industrial products
Wuxi Seer Intelligent Technology Co., Ltd. (d)	22 April 2025 Chinese Mainland	RMB10,000,000	100%	—	Manufacture and sales of industrial Products
Shanghai Seer Robot Co., Ltd. (d)	15 October 2025 Chinese Mainland	RMB1,000,000	100%	—	Manufacture and sales of industrial Products

(a) The statutory financial statements of these entities for the year ended 31 December 2023, prepared in accordance with Chinese Mainland's Accounting Standards for Business Enterprises and regulations have been audited by Shanghai Branch, Baker Tilly International Certified Public Accountants, a certified public accounting firm registered in the PRC.

(b) The statutory financial statements of these entities for the year ended 31 December 2024, prepared in accordance with Chinese Mainland's Accounting Standards for Business Enterprises and regulations have been audited by Shanghai Branch, Gongzheng Tianye Certified Public Accountants, a certified public accounting firm registered in the PRC.

(c) The statutory financial statements of this entity for the year ended 31 December 2025, prepared in accordance with Chinese Mainland's Accounting Standards for Business Enterprises and regulations have been audited by Shanghai Jinhang Certified Public Accountants Co., Ltd., a certified public accounting firm registered in the PRC.

(d) No audited financial statements have been prepared for the entity since its incorporation, as the entity was not subject to any statutory audit requirements under the relevant rules and regulations in its jurisdiction of incorporation.

### 2.1 BASIS OF PREPARATION

For ordinary shares issued to Pre-IPO Investors, pursuant to the supplemental agreements entered into between the Company and the Pre-IPO Investors in relation to the termination of certain of special rights granted by the Company, including redemption rights, liquidation preferences and anti-dilution rights, which are void ab initio as described in note 30 to this report, having taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the

supplementary agreements, the directors considered that it is appropriate to present the Pre-IPO Investments as equity throughout the Relevant Periods. For the details of financial impacts, see note 30 to this report.

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (“IASB”). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

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

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the Relevant Periods. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

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

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

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

## 2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in this Historical Financial Information.

Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>1</sup>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>2</sup>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> <sup>2</sup>
IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>3</sup>
IFRS 19	<i>Subsidiaries without Public Accountability Disclosures</i> <sup>3</sup>
Amendments to IFRS 19	<i>Subsidiaries without Public Accountability Disclosures</i> <sup>3</sup>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> <sup>3</sup>
<i>Annual Improvements to IFRS Accounting Standards — Volume 11</i>	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 <sup>2</sup>

<sup>1</sup> No mandatory effective date yet determined but available for adoption

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>3</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

The Group is in the process of making an assessment of the impact of these new and amended IFRS Accounting Standards upon initial application. The application of IFRS 18 will have no impact on the consolidated statement of financial position of the Group, but will have impact on the presentation of the consolidated statement of profit or loss and the consolidated statement of comprehensive income. Up to now, except for IFRS 18, the Group considers that these new and amended IFRS Accounting Standards will not have a significant impact on the Group's financial statements.

## 2.3 MATERIAL ACCOUNTING POLICIES

### Fair value measurement

The Group measures its debt instruments at fair value through other comprehensive income, equity investments designated at fair value through other comprehensive income, financial assets at fair value through profit and loss at the end of each of Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

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

### **Impairment of non-financial assets**

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

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

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

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

### **Related parties**

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

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;

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

### Property, plant and equipment and depreciation

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

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

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

Leasehold improvements	33.33%–50.00%
Machinery	20.00%
Furniture and fixtures	20.00%
Electronic devices	10.00%–33.33%
Vehicles	10.00%

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

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

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

**Intangible assets (other than goodwill)**

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

***Research and development expenses***

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

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

**Leases**

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

***Group as a lessee***

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

***(a) Right-of-use assets***

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

Buildings	2 to 6 years
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If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

***(b) Lease liabilities***

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group

exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

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

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

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

**Investments and other financial assets**

*Initial recognition and measurement*

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

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

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

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

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

***Subsequent measurement***

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

***Financial assets at amortised cost (debt instruments)***

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

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

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

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

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

***Financial assets at fair value through profit or loss***

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

**Derecognition of financial assets**

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the

transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

### Impairment of financial assets

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

#### *General approach*

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

At the end of each of the Relevant Periods, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the end of each of the Relevant Periods with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

The Group considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

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

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

Stage 1	—	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	—	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	—	Financial assets that are credit-impaired at the end of each of the Relevant Periods (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

***Simplified approach***

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

**Classification as equity and financial liabilities**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

A financial liability is any liability that is (a) a contractual obligation (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity's own equity instruments and is: (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

**Financial liabilities*****Initial recognition and measurement***

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

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

The Group's financial liabilities include trade and other payables and interest-bearing bank borrowings.

***Subsequent measurement***

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

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

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

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

**Derecognition of financial liabilities**

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

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

**Inventories**

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

For samples and defective items, the Company estimates the allowance for inventory obsolescence by applying a historical loss ratio based on the ageing of inventories and past experience of inventory deterioration rates. This methodology reflects reasonable and supportable assumptions about historical trends, current conditions, and forward-looking expectations.

**Cash and cash equivalents**

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

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

**Provisions**

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

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

The Group provides for warranties in relation to the sale of products during the warranty period. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. The warranty-related cost is revised annually.

**Income tax**

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

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

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

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

### **Government grants**

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

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

## Revenue recognition

### *Revenue from contracts with customers*

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

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

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

#### *(a) Robotic controllers*

Revenue from the sale of robotic controllers is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products or accepted by the customer.

#### *(b) Robots*

Revenue from the sale of robots is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products or accepted by the customer.

#### *(c) Software*

Revenue from software is recognised at the point in time when the software and activation code is provided and installation is completed.

#### *(d) Accessories*

Revenue from the sale of accessories is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

For some contracts, the Group provides installation and commissioning services that are bundled together with the sale of products to the customers. The installation and commissioning services significantly modify or customise the goods, therefore, the products and the services are highly interrelated and instead combined as one single performance obligation which is satisfied at a point in time.

**Other income**

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

**Contract liabilities**

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

**Contract costs**

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

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

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

**Share-based payments**

The Group operates restricted share unit schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“**equity-settled transactions**”). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a market model or the price of the recent transaction, further details of which are given in note 31 to the Historical Financial Information.

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

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

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

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

### **Other employee benefits**

#### *Pension scheme*

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

### **Borrowing costs**

Borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### **Foreign currencies**

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

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

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

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

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

#### Judgements

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

#### *Classification of financial assets*

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial assets' contractual cash flow characteristics:

- (1) Management needs to make significant judgement when assessing its business model, including but is not limited to (a) how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel; (b) the risks that affect the performance of the business model and the financial assets held within that business model and, in particular, the way in which those risks are managed; and (c) how managers of the business are compensated. In determining whether cash flows are going to be realised by collecting the financial assets' contractual cash flows, management needs to consider the reasons for the sales, timing of sales, frequency and value in prior periods; and
- (2) Management needs to make significant judgement on whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, such as whether contractual cash flows could be significantly different from the benchmark cash flows involves judgement when assessing a modified time value of a money element, and whether the fair value of prepayment features is insignificant also requires judgement when assessing the financial assets with prepayment features.

#### Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group had tax losses at the end of each of the Relevant Periods approximately RMB225,988,000, RMB273,779,000 and RMB303,102,000, respectively, which will expire in one to ten years for offsetting against future taxable profits. These losses related to the Group that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

### **Estimation uncertainty**

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

#### ***Provision for expected credit losses on trade receivables***

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on the revenue recognition dates for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

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

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 20 to the Historical Financial Information.

#### ***Leases — Estimating the incremental borrowing rate***

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

#### ***Warranties***

The provision for the warranties is estimated based on sales volumes and past experience of the level of repairs. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

***Fair value of financial instruments***

The fair value of financial instruments, in the absence of an active market, is estimated by using appropriate valuation techniques. Such valuations were based on certain assumptions about credit risk and liquidity risks, etc., associated with the instruments, which are subject to uncertainty and might materially differ from the actual results. Further details are included in note 38 to the Historical Financial Information.

***Impairment of non-financial assets (other than goodwill)***

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of the Relevant Periods. Non-financial assets with definite life are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

***Share-based payments***

Several employee incentive schemes are operated for the purpose of providing incentives to the Company's directors and the Group's employees. The grant date fair values of the shares of the employee incentive schemes are determined based on independent valuation. The cumulative expense recognised for equity-settled transactions at the end of the Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. However, this estimate may be revised if the number of equity instruments that will ultimately vest changes in the future. Further details are contained in note 31 to the Historical Financial Information.

**4. OPERATING 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 resource allocation. Therefore, the Group regards that there is only one segment which is used to make strategic decisions.

**Geographical information*****(a) Revenue from external customers***

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2024</b>	<b>Year ended 31 December 2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Chinese Mainland . . . . .	201,417	290,079	365,483
Other countries/regions . . . . .	47,606	49,244	76,394
Total . . . . .	<u>249,023</u>	<u>339,323</u>	<u>441,877</u>

The revenue information of continuing operations above is based on the locations of the customers.

**(b) Non-current assets**

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Chinese Mainland . . . . .	23,215	26,916	35,838
Other countries/regions . . . . .	—	—	1,455
Total . . . . .	<u>23,215</u>	<u>26,916</u>	<u>37,293</u>

The non-current asset information of continuing operations above is based on the locations of the assets and excludes financial instruments.

**Information about a major customer**

Revenue from continuing operations of approximately nil, RMB35,523,000, and nil during the Relevant Periods was derived from sales to a single customer, including sales to a group of entities which are known to be under common control with that customer.

**5. REVENUE**

An analysis of revenue is as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts . . . . .	<u>249,023</u>	<u>339,323</u>	<u>441,877</u>

**Revenue from contracts with customers****(a) Disaggregated revenue information**

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Types of goods or services</b>			
Robot . . . . .	148,667	235,763	299,911
Robotic controllers . . . . .	66,059	57,413	85,165
Software . . . . .	16,530	20,297	23,414
Accessories . . . . .	17,767	25,850	33,387
Total . . . . .	<u>249,023</u>	<u>339,323</u>	<u>441,877</u>
<b>Timing of revenue recognition</b>			
Goods transferred at a point in time . . . . .	<u>249,023</u>	<u>339,323</u>	<u>441,877</u>

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue recognised that was included in contract liabilities at the beginning of the reporting period . . . . .	<u>45,838</u>	<u>45,226</u>	<u>43,018</u>

**(b) Performance obligations**

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

*Sales of products*

Sales of products include sales of robotic controllers, robots and accessories.

The performance obligation is satisfied upon delivery or acceptance of products and payment is generally due within 3 months from delivery.

*Software*

The performance obligation is satisfied at the point in time when installation of software is completed and payment is generally due within 3 months.

The management of the Group expects the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as of the end of each of the Relevant Periods will be recognised within one year from the end of the respective periods. Therefore, the expedient allowed by IFRS 15.121 is applied.

**6. OTHER INCOME AND GAINS**

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	RMB'000	RMB'000	RMB'000
<b>Other income</b>			
Bank interest income . . . . .	1,474	941	1,249
Government grants . . . . .	3,709	8,526	8,524
<b>Other gain</b>			
Other interest income from financial assets at fair value through profit or loss . . . . .	332	436	1,418
Exchange gain . . . . .	265	556	—
Others . . . . .	4	117	438
Total other income and gains . . . . .	<u>5,784</u>	<u>10,576</u>	<u>11,629</u>

**7. LOSS BEFORE TAX**

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

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	RMB'000	RMB'000	RMB'000
Cost of sales* . . . . .	126,597	183,638	232,582
Depreciation of right-of-use assets* (note 15) . . . . .	5,587	5,546	6,241
Depreciation of property, plant and equipment (note 14) . . . . .	3,426	2,781	2,613
Depreciation of other intangible assets (note 16) . . . . .	196	176	238
Research and development expenses** . . . . .	63,749	71,311	79,168
Lease payments not included in the measurement of lease liabilities . . . . .	550	492	559
Travelling and business development expenses . . . . .	25,112	34,060	44,381
Consulting and other professional service fees . . . . .	5,142	4,624	8,743
Listing expenses . . . . .	—	—	15,402
Wages, salaries and allowances . . . . .	101,392	120,217	138,659
Equity-settled share-based payment expenses . . . . .	26,797	31,677	28,799
Impairment losses of trade and notes receivables, net . . . . .	622	1,932	10,576
Write-down of inventories to net realizable value . . . . .	1,122	2,638	1,279
Interest on bank borrowings . . . . .	742	1,463	2,310
Foreign exchange differences, net . . . . .	(265)	(556)	1,264
Government grants . . . . .	(3,709)	(8,526)	(8,524)
Bank interest income . . . . .	(1,474)	(941)	(1,249)

\* Cost of sales include RMB1,576,000, RMB1,218,000 and RMB755,000 for the years ended 31 December 2023, 2024 and 2025 respectively, relating to depreciation of right-of-use assets expenses and RMB6,844,000, RMB3,963,000 and RMB2,924,000 relating to wages, salaries and allowances for the years ended 31 December 2023, 2024 and 2025, respectively, and RMB1,122,000, RMB2,638,000 and RMB1,279,000 relating to write-down of inventories to net realizable value for the years ended 31 December 2023, 2024 and 2025, respectively.

\*\* Research and development expenses include RMB18,333,000, RMB20,925,000 and RMB18,497,000 relating to equity-settled share-based payment expenses and RMB36,725,000, RMB46,567,000 and RMB55,472,000 relating to wages, salaries and allowances for the years ended 31 December 2023, 2024 and 2025, respectively.

## 8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interest on bank borrowings . . . . .	742	1,463	2,310
Interest on lease liabilities . . . . .	819	700	806
Total . . . . .	<u>1,561</u>	<u>2,163</u>	<u>3,116</u>

For the details of Pre-IPO Investments, please refer to Note 30 to this report.

## 9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration as recorded during the Relevant Periods, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Fees . . . . .	—	—	228
Other emoluments:			
Salaries, allowances and benefits in kind . . . . .	2,970	3,479	2,571
Performance related bonuses . . . . .	585	850	675
Equity-settled share-based payment expenses . . . . .	4,505	4,635	1,142
Pension scheme contributions . . . . .	324	399	283
Subtotal . . . . .	<u>8,384</u>	<u>9,363</u>	<u>4,671</u>
Total . . . . .	<u>8,384</u>	<u>9,363</u>	<u>4,899</u>

### (a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	Group		
	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Mr. Lin Cheng . . . . .	—	—	76
Mr. Yong Liu . . . . .	—	—	76
Mr. Fei Chen . . . . .	—	—	76
Total . . . . .	<u>—</u>	<u>—</u>	<u>228</u>

The independent non-executive directors of the Company were appointed on 26 March 2025.

There were no other emoluments payable to the independent non-executive directors during the Relevant Periods.

## (b) Executive directors, non-executive directors and the chief executive

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Equity-settled share-based payment expenses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Year ended 31 December 2023</b>						
<b>Executive directors, supervisor and chief executive:</b>						
Mr. Zhao Yue (note (i))	—	420	100	—	60	580
Mr. Ye Yangsheng (note (iii))	—	448	100	—	46	594
Mr. Wang Qun (note (ii))	—	430	49	—	46	525
Ms. Ding Xia (note (ii))	—	489	100	—	65	654
Mr. Zhang Wenting (note (ii))	—	448	90	4,057	44	4,639
Mr. Zhang Xing (note (ii))	—	482	100	448	35	1,065
Ms. Fu Yingying (note (iii))	—	253	46	—	28	327
Subtotal	—	2,970	585	4,505	324	8,384
<b>Non-executive directors:</b>						
Mr. Dong Zhonglang (note (ii))	—	—	—	—	—	—
Mr. Wang Xin (note (ii))	—	—	—	—	—	—
Mr. Ma Jianjun (note (ii))	—	—	—	—	—	—
Mr. Xiong Yuzhu (note (ii))	—	—	—	—	—	—
Ms. Li Jia (note (ii))	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—
Total	—	2,970	585	4,505	324	8,384
<b>Year ended 31 December 2024</b>						
<b>Executive directors, supervisor and chief executive:</b>						
Mr. Zhao Yue (note (i))	—	506	144	—	60	710
Mr. Ye Yangsheng (note (ii))	—	497	144	—	58	699
Mr. Wang Qun (note (ii))	—	490	145	—	57	692
Ms. Ding Xia (note (ii))	—	674	130	—	70	874
Mr. Zhang Wenting (note (ii))	—	505	111	4,187	70	4,873
Mr. Zhang Xing (note (ii))	—	482	130	448	41	1,101
Ms. Fu Yingying (note (iii))	—	325	46	—	43	414
Subtotal	—	3,479	850	4,635	399	9,363
<b>Non-executive directors:</b>						
Mr. Dong Zhonglang (note (ii))	—	—	—	—	—	—
Mr. Wang Xin (note (ii))	—	—	—	—	—	—
Ms. Yi Weishu (note (ii))	—	—	—	—	—	—
Mr. Ma Jianjun (note (ii))	—	—	—	—	—	—
Mr. Xiong Yuzhu (note (ii))	—	—	—	—	—	—
Ms. Li Jia (note (ii))	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—
Total	—	3,479	850	4,635	399	9,363
<b>Year ended 31 December 2025</b>						
<b>Executive directors, supervisor and chief executive:</b>						
Mr. Zhao Yue (note (i))	—	569	150	—	60	779
Mr. Ye Yangsheng (note (ii))	—	545	147	—	58	750
Mr. Wang Qun (note (ii))	—	526	144	—	57	727
Ms. Ding Xia (note (ii))	—	569	165	—	70	804
Mr. Zhang Wenting (note (ii))	—	142	22	1,032	17	1,213
Mr. Zhang Xing (note (ii))	—	142	33	110	10	295
Ms. Fu Yingying (note (iii))	—	78	14	—	11	103
Subtotal	—	2,571	675	1,142	283	4,671
<b>Non-executive directors:</b>						
Mr. Dong Zhonglang (note (ii))	—	—	—	—	—	—
Ms. Yi Weishu (note (ii))	—	—	—	—	—	—
Mr. Ma Jianjun (note (ii))	—	—	—	—	—	—
Mr. Xiong Yuzhu (note (ii))	—	—	—	—	—	—
Ms. Li Jia (note (ii))	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—
Total	—	2,571	675	1,142	283	4,671

*Notes:*

- (i) Mr. Zhao Yue was appointed as the chief executive officer of the Company and the chairman of the Board with effect from April 2020.
- (ii) Mr. Ye Yangsheng and Mr. Wang Qun were appointed as directors of the Company with effect from September 2020. Ms. Ding Xia was appointed as a director of the Company in December 2021. Mr. Zhang Wenting was appointed as director in March 2021 and resigned in March 2025. Mr. Zhang Xing was appointed as a director in November 2020 and resigned in March 2025. Mr. Dong Zhonglang was appointed as a director of the Company in September 2020 and resigned in March 2025. Mr. Wang Xin was appointed as a director on March 2021 and resigned in November 2024. Ms. Yi Weishu was appointed as a director of the Company in December 2024 and resigned in March 2025. Mr. Ma Jianjun and Ms. Li Jia were appointed as directors of the Company in December 2021 and resigned in March 2025. Mr. Xiong Yuzhu was appointed as a director in September 2020 and resigned in March 2025.
- (iii) Ms. Fu Yingying was appointed as a supervisor in November 2020 and resigned from the position of a supervisor with effect from March 2025.

**10. FIVE HIGHEST PAID EMPLOYEES**

The five highest paid employees during the Relevant Periods included 1 director, 1 director and nil director, respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration for the remaining 4, 4 and 5 highest paid employees who are neither a director nor chief executive of the Company during the Relevant Periods are as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Salaries, allowances and benefits in kind . . . . .	2,326	2,232	2,915
Performance related bonuses . . . . .	540	913	864
Equity-settled share-based payment expenses . . . . .	10,166	10,693	15,150
Pension scheme contributions . . . . .	121	168	191
Total . . . . .	<u>13,153</u>	<u>14,006</u>	<u>19,120</u>

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

	Number of employees		
	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Nil to RMB1,000,000 . . . . .	—	—	—
RMB1,000,001 to RMB1,500,000 . . . . .	1	—	—
RMB1,500,001 to RMB2,000,000 . . . . .	1	2	1
RMB2,000,001 to RMB2,500,000 . . . . .	—	—	1
RMB2,500,001 to RMB3,000,000 . . . . .	—	—	—
RMB4,500,001 to RMB5,000,000 . . . . .	1	—	2
RMB5,000,001 to RMB5,500,000 . . . . .	1	2	1
Total . . . . .	<u>4</u>	<u>4</u>	<u>5</u>

**11. INCOME TAX**

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

Under the relevant income tax law, the Company and the subsidiaries in Chinese Mainland are subject to income tax at a preferential rate for high-tech enterprises of 15% for the Relevant Periods on their respective taxable income, other than small and micro-profit enterprises Jiangsu Xianjue Intelligent Technology Co., Ltd., Wuxi Seer Intelligent Technology Co., Ltd., Shanghai Xiangang Technology Co., Ltd. and Shanghai Seer Robot Co., Ltd. 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. 12) jointly issued by the Ministry of Finance and the State Taxation Administration of the PRC, from 1 January 2023 to 31 December 2027, the annual taxable income of a small low-profit enterprise that is not 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%.

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current — Chinese Mainland			
Charge for the year . . . . .	720	1,151	269

A reconciliation of the income tax expense applicable to loss before tax using the statutory income tax rate applicable in Chinese Mainland to the income tax expense at the Group's effective income tax rate for the Relevant Periods and is as follows:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Loss before tax . . . . .	(46,984)	(41,157)	(46,797)
Tax charge at the preferential tax rate of 15% . . . . .	(7,048)	(6,174)	(7,020)
Entities entitled to other income tax rates . . . . .	(66)	76	151
Additional deductible allowance for qualified research and development expenses . . . . .	(6,453)	(7,484)	(5,557)
Expenses not deductible for tax . . . . .	4,903	5,827	6,135
Temporary differences and tax losses not recognised . . . . .	9,384	8,906	6,560
Tax charge for the year at the Group's effective rate . . . . .	720	1,151	269

For presentation purposes, certain deferred tax assets and liabilities amounting to RMB2,340,000, RMB2,971,000 and RMB2,889,000 at the end of each of the Relevant Periods have been offset in the consolidated statement of financial position.

## 12. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods.

## 13. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for the year attributable to owners of the parent, and the weighted average numbers of ordinary shares outstanding during each of the Relevant Periods.

In determining the weighted average number of ordinary shares outstanding prior to the Company's conversion into a joint stock company, it was assumed that: (i) paid-in capital was converted into share capital at the same ratio as applied upon the conversion in March 2025; and (ii) reserves were capitalised into share capital in the same proportion as effected in April 2025. (note 30).

The calculations of basic and diluted loss per share are based on:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Loss</b>			
Loss attributable to ordinary equity holders of the parent ( <i>RMB'000</i> ) . . . . .	(47,704)	(42,308)	(47,066)
<b>Shares</b>			
Weighted average number '000 of ordinary shares in issue during the year . . . . .	89,497	92,148	97,902

The Group had no potentially dilutive ordinary shares in issue during the Relevant Periods.

For the details of Pre-IPO Investments, please refer to Note 30 to this report.

#### 14. PROPERTY, PLANT AND EQUIPMENT

##### The Group

	Machinery	Furniture and fixtures	Electronic devices	Construction in progress	Leasehold improvements	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>
<b>31 December 2023</b>						
At 1 January 2023:						
Cost . . . . .	74	582	4,483	—	4,383	9,522
Accumulated depreciation and impairment . . . . .	(9)	(156)	(2,205)	—	(1,818)	(4,188)
Net carrying amount . . . . .	<u>65</u>	<u>426</u>	<u>2,278</u>	<u>—</u>	<u>2,565</u>	<u>5,334</u>
At 1 January 2023, net of accumulated depreciation and impairment . . . . .						
	65	426	2,278	—	2,565	5,334
Additions . . . . .	949	421	1,227	761	760	4,118
Disposals . . . . .	(236)	—	(84)	—	—	(320)
Depreciation provided during the year . . . . .	(56)	(176)	(1,429)	—	(1,765)	(3,426)
At 31 December 2023, net of accumulated depreciation and impairment . . . . .	<u>722</u>	<u>671</u>	<u>1,992</u>	<u>761</u>	<u>1,560</u>	<u>5,706</u>
At 31 December 2023:						
Cost . . . . .	785	1,003	5,373	761	5,143	13,065
Accumulated depreciation and impairment . . . . .	(63)	(332)	(3,381)	—	(3,583)	(7,359)
Net carrying amount . . . . .	<u>722</u>	<u>671</u>	<u>1,992</u>	<u>761</u>	<u>1,560</u>	<u>5,706</u>
	Machinery	Furniture and fixtures	Electronic devices	Construction in progress	Leasehold improvements	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>
<b>31 December 2024</b>						
At 1 January 2024:						
Cost . . . . .	785	1,003	5,373	761	5,143	13,065
Accumulated depreciation and impairment . . . . .	(63)	(332)	(3,381)	—	(3,583)	(7,359)
Net carrying amount . . . . .	<u>722</u>	<u>671</u>	<u>1,992</u>	<u>761</u>	<u>1,560</u>	<u>5,706</u>
At 1 January 2024, net of accumulated depreciation and impairment . . . . .						
	722	671	1,992	761	1,560	5,706
Additions . . . . .	217	27	1,311	343	627	2,525
Disposals . . . . .	(932)	—	—	—	—	(932)
Transfers . . . . .	761	—	—	(761)	—	—
Depreciation provided during the year . . . . .	(169)	(203)	(1,439)	—	(970)	(2,781)
At 31 December 2024, net of accumulated depreciation and impairment . . . . .	<u>599</u>	<u>495</u>	<u>1,864</u>	<u>343</u>	<u>1,217</u>	<u>4,518</u>
At 31 December 2024:						
Cost . . . . .	794	1,030	6,579	343	5,770	14,516
Accumulated depreciation and impairment . . . . .	(195)	(535)	(4,715)	—	(4,553)	(9,998)
Net carrying amount . . . . .	<u>599</u>	<u>495</u>	<u>1,864</u>	<u>343</u>	<u>1,217</u>	<u>4,518</u>

	Machinery	Furniture and fixtures	Vehicles	Electronic devices	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>31 December 2025</b>							
At 1 January 2025:							
Cost . . . . .	794	1,030	—	6,579	343	5,770	14,516
Accumulated depreciation and impairment . . . . .	(195)	(535)	—	(4,715)	—	(4,553)	(9,998)
Net carrying amount . . . . .	599	495	—	1,864	343	1,217	4,518
At 1 January 2025, net of accumulated depreciation and impairment . . . . .	599	495	—	1,864	343	1,217	4,518
Additions . . . . .	93	49	407	2,301	939	—	3,789
Disposals . . . . .	—	—	—	(26)	—	—	(26)
Transfers . . . . .	343	—	—	—	(343)	—	—
Depreciation provided during the year . . . . .	(180)	(212)	(41)	(1,232)	—	(948)	(2,613)
At 31 December 2025, net of accumulated depreciation and impairment . . . . .	855	332	366	2,907	939	269	5,668
At 31 December 2025:							
Cost . . . . .	1,230	1,079	407	7,831	939	5,770	17,256
Accumulated depreciation and impairment . . . . .	(375)	(747)	(41)	(4,924)	—	(5,501)	(11,588)
Net carrying amount . . . . .	855	332	366	2,907	939	269	5,668

### The Company

	Machinery	Furniture and fixtures	Electronic devices	Construction in progress	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>31 December 2023</b>						
At 1 January 2023:						
Cost . . . . .	74	573	3,711	—	4,355	8,713
Accumulated depreciation and impairment . . . . .	(9)	(153)	(1,482)	—	(1,803)	(3,447)
Net carrying amount . . . . .	65	420	2,229	—	2,552	5,266
At 1 January 2023, net of accumulated depreciation and impairment . . . . .	65	420	2,229	—	2,552	5,266
Additions . . . . .	949	420	1,227	761	761	4,118
Disposals . . . . .	(236)	—	(82)	—	—	(318)
Depreciation provided during the year . . . . .	(56)	(174)	(1,390)	—	(1,757)	(3,377)
At 31 December 2023, net of accumulated depreciation and impairment . . . . .	722	666	1,984	761	1,556	5,689
At 31 December 2023:						
Cost . . . . .	785	993	4,701	761	5,116	12,356
Accumulated depreciation and impairment . . . . .	(63)	(327)	(2,717)	—	(3,560)	(6,667)
Net carrying amount . . . . .	722	666	1,984	761	1,556	5,689

**APPENDIX I**
**ACCOUNTANTS' REPORT**

	Machinery	Furniture and fixtures	Electronic devices	Construction in progress	Leasehold improvements	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>
<b>31 December 2024</b>						
At 1 January 2024:						
Cost . . . . .	785	993	4,701	761	5,116	12,356
Accumulated depreciation and impairment . . . . .	(63)	(327)	(2,717)	—	(3,560)	(6,667)
Net carrying amount . . . . .	<u>722</u>	<u>666</u>	<u>1,984</u>	<u>761</u>	<u>1,556</u>	<u>5,689</u>
At 1 January 2024, net of accumulated depreciation and impairment . . . . .						
	722	666	1,984	761	1,556	5,689
Additions . . . . .	217	12	1,308	343	626	2,506
Disposals . . . . .	(932)	—	—	—	—	(932)
Transfer . . . . .	761	—	—	(761)	—	—
Depreciation provided during the year . . . . .	(169)	(200)	(1,430)	—	(966)	(2,765)
At 31 December 2024, net of accumulated depreciation and impairment . . . . .	<u>599</u>	<u>478</u>	<u>1,862</u>	<u>343</u>	<u>1,216</u>	<u>4,498</u>
At 31 December 2024:						
Cost . . . . .	794	1,005	5,905	343	5,742	13,789
Accumulated depreciation and impairment . . . . .	(195)	(527)	(4,043)	—	(4,526)	(9,291)
Net carrying amount . . . . .	<u>599</u>	<u>478</u>	<u>1,862</u>	<u>343</u>	<u>1,216</u>	<u>4,498</u>
<b>31 December 2025</b>						
At 1 January 2025:						
Cost . . . . .	794	1,005	—	5,905	343	5,742
Accumulated depreciation and impairment . . . . .	(195)	(527)	—	(4,043)	—	(4,526)
Net carrying amount . . . . .	<u>599</u>	<u>478</u>	<u>—</u>	<u>1,862</u>	<u>343</u>	<u>4,498</u>
At 1 January 2025, net of accumulated depreciation and impairment . . . . .						
	599	478	—	1,862	343	4,498
Additions . . . . .	93	49	407	1,848	—	2,397
Disposals . . . . .	—	—	—	(26)	—	(26)
Transfers . . . . .	343	—	—	(343)	—	—
Depreciation provided during the year . . . . .	(180)	(207)	(41)	(1,124)	—	(948)
At 31 December 2025, net of accumulated depreciation and impairment . . . . .	<u>855</u>	<u>320</u>	<u>366</u>	<u>2,560</u>	<u>—</u>	<u>268</u>
At 31 December 2025:						
Cost . . . . .	1,230	1,054	407	6,704	—	5,742
Accumulated depreciation and impairment . . . . .	(375)	(734)	(41)	(4,144)	—	(5,474)
Net carrying amount . . . . .	<u>855</u>	<u>320</u>	<u>366</u>	<u>2,560</u>	<u>—</u>	<u>268</u>

No property, plant and equipment was pledged as at the end of each of the Relevant Periods.

No impairment indication of property, plant and equipment existed as at the end of each of the Relevant Periods.

**15. LEASES****The Group and the Company as the lessee**

The Group and the Company have lease contracts for various items of buildings used in its operations.

**(a) Right-of-use assets**

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

**The Group**

Buildings	31 December 2023	31 December 2024	31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at beginning of the year . . . . .	22,322	15,603	19,809
Additions . . . . .	239	9,752	14,317
Depreciation charge . . . . .	(5,587)	(5,546)	(6,241)
Disposal . . . . .	(1,371)	—	—
As at end of the year . . . . .	15,603	19,809	27,885
	15,603	19,809	27,885

**The Company**

Buildings	31 December 2023	31 December 2024	31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at beginning of the year . . . . .	22,322	15,603	19,809
Additions . . . . .	239	9,752	1,025
Depreciation charge . . . . .	(5,587)	(5,546)	(5,890)
Disposal . . . . .	(1,371)	—	—
As at end of the year . . . . .	15,603	19,809	14,944
	15,603	19,809	14,944

No right-of-use assets have been pledged as at the end of each of the Relevant Periods.

No impairment indication of right-of-use assets existed as at the end of each of the Relevant Periods.

**(b) Lease liabilities**

The carrying amount of lease liabilities and the movements during the year are as follows:

**The Group**

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of the year . . . . .	21,879	15,162	20,328
New leases . . . . .	239	9,752	14,317
Accretion of interest recognised during the year . . . . .	819	700	806
Payments . . . . .	(6,425)	(5,286)	(6,880)
Disposal . . . . .	(1,350)	—	—
At end of the year . . . . .	15,162	20,328	28,571
	15,162	20,328	28,571
Analysed into:			
Current portion . . . . .	2,609	4,891	6,100
Non-current portion . . . . .	12,553	15,437	22,471
	12,553	15,437	22,471

**The Company**

	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>31 December 2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of the year . . . . .	21,879	15,162	20,328
New leases . . . . .	239	9,752	1,025
Accretion of interest recognised during the year . . . . .	819	700	730
Payments . . . . .	(6,425)	(5,286)	(6,880)
Disposal . . . . .	(1,350)	—	—
At end of the year . . . . .	<u>15,162</u>	<u>20,328</u>	<u>15,203</u>
Analysed into:			
Current portion . . . . .	2,609	4,891	5,316
Non-current portion . . . . .	<u>12,553</u>	<u>15,437</u>	<u>9,887</u>

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

**The Group**

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2024</b>	<b>Year ended 31 December 2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interest on lease liabilities . . . . .	819	700	806
Depreciation charge of right-of-use assets . . . . .	5,587	5,546	6,241
Expense relating to short-term leases (included in administrative expenses) . . . . .	550	492	559
Total . . . . .	<u>6,956</u>	<u>6,738</u>	<u>7,606</u>

**The Company**

	<b>Year ended 31 December 2023</b>	<b>Year ended 31 December 2024</b>	<b>Year ended 31 December 2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interest on lease liabilities . . . . .	819	700	730
Depreciation charge of right-of-use assets . . . . .	5,587	5,546	5,890
Expense relating to short-term leases (included in administrative expenses) . . . . .	550	492	527
Total . . . . .	<u>6,956</u>	<u>6,738</u>	<u>7,147</u>

**16. OTHER INTANGIBLE ASSETS****The Group**

	<b>Software</b>
	<i>RMB'000</i>
<b>31 December 2023</b>	
At 1 January 2023:	
Cost . . . . .	1,705
Accumulated amortisation . . . . .	(309)
Net carrying amount . . . . .	<u>1,396</u>
Cost at 1 January 2023, net of accumulated amortisation . . . . .	1,396
Additions . . . . .	71
Amortisation provided during the year . . . . .	(196)
At 31 December 2023 . . . . .	<u>1,271</u>
At 31 December 2023	
Cost . . . . .	1,776
Accumulated amortisation . . . . .	(505)
Net carrying amount . . . . .	<u>1,271</u>

	<b>Software</b>
	<i>RMB'000</i>
<b>31 December 2024</b>	
At 1 January 2024:	
Cost . . . . .	1,776
Accumulated amortisation . . . . .	(505)
Net carrying amount. . . . .	<u>1,271</u>
Cost at 1 January 2024, net of accumulated amortisation . . . . .	1,271
Amortisation provided during the year . . . . .	(176)
At 31 December 2024 . . . . .	<u>1,095</u>
At 31 December 2024	
Cost . . . . .	1,776
Accumulated amortisation . . . . .	(681)
Net carrying amount. . . . .	<u>1,095</u>

	<b>Software</b>
	<i>RMB'000</i>
<b>31 December 2025</b>	
At 1 January 2025:	
Cost . . . . .	1,776
Accumulated amortisation . . . . .	(681)
Net carrying amount. . . . .	<u>1,095</u>
Cost at 1 January 2025, net of accumulated amortisation . . . . .	1,095
Additions . . . . .	1,012
Amortisation provided during the year . . . . .	(238)
At 31 December 2025 . . . . .	<u>1,869</u>
At 31 December 2025	
Cost . . . . .	2,788
Accumulated amortisation . . . . .	(919)
Net carrying amount. . . . .	<u>1,869</u>

**The Company**

	<b>Software</b>
	<i>RMB'000</i>
<b>31 December 2023</b>	
At 1 January 2023:	
Cost . . . . .	1,194
Accumulated amortisation . . . . .	(152)
Net carrying amount. . . . .	<u>1,042</u>
Cost at 1 January 2023, net of accumulated amortisation . . . . .	1,042
Additions . . . . .	71
Amortisation provided during the year . . . . .	(144)
At 31 December 2023 . . . . .	<u>969</u>
At 31 December 2023 . . . . .	
Cost . . . . .	1,287
Accumulated amortisation . . . . .	(318)
Net carrying amount. . . . .	<u>969</u>

	<b>Software</b>
	<i>RMB'000</i>
<b>31 December 2024</b>	
At 1 January 2024:	
Cost . . . . .	1,287
Accumulated amortisation . . . . .	(318)
Net carrying amount. . . . .	<u>969</u>
Cost at 1 January 2024, net of accumulated amortisation . . . . .	969
Amortisation provided during the year . . . . .	(124)
At 31 December 2024 . . . . .	<u>845</u>
At 31 December 2024	
Cost . . . . .	1,287
Accumulated amortisation . . . . .	(442)
Net carrying amount. . . . .	<u>845</u>
<b>31 December 2025</b>	
At 1 January 2025:	
Cost . . . . .	1,287
Accumulated amortisation . . . . .	(442)
Net carrying amount. . . . .	<u>845</u>
Cost at 1 January 2025, net of accumulated amortisation . . . . .	845
Additions . . . . .	1,012
Amortisation provided during the year . . . . .	(186)
At 31 December 2025 . . . . .	<u>1,671</u>
At 31 December 2025	
Cost . . . . .	2,299
Accumulated amortisation . . . . .	(628)
Net carrying amount. . . . .	<u>1,671</u>

No impairment indication of other intangible assets existed as at the end of each of the Relevant Periods.

## 17. OTHER LONG-TERM RECEIVABLES

### The Group

	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>31 December 2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Due from employees . . . . .	<u>1,560</u>	<u>1,312</u>	<u>1,224</u>

### The Company

	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>31 December 2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Due from employees . . . . .	<u>600</u>	<u>400</u>	<u>200</u>

**18. OTHER NON-CURRENT ASSETS****The Group and the Company**

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Long-term prepayments . . . . .	635	1,494	1,871

**19. INVENTORIES****The Group**

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials . . . . .	21,929	21,529	39,120
Work in progress . . . . .	2,207	4,511	5,179
Goods in Transit . . . . .	35,292	38,447	32,045
Finished goods . . . . .	25,857	30,411	30,779
Total . . . . .	<u>85,285</u>	<u>94,898</u>	<u>107,123</u>

**The Company**

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials . . . . .	21,929	21,529	38,874
Work in progress . . . . .	2,207	4,511	5,179
Goods in Transit . . . . .	35,292	38,447	32,045
Finished goods . . . . .	35,082	46,871	46,163
Total . . . . .	<u>94,510</u>	<u>111,358</u>	<u>122,261</u>

No inventories were pledged as at the end of each of the Relevant Periods.

**20. TRADE AND NOTES RECEIVABLES****The Group**

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables . . . . .	49,455	101,772	168,140
Notes receivable . . . . .	5,571	10,418	15,222
Impairment . . . . .	(1,285)	(3,217)	(13,793)
Total . . . . .	<u>53,741</u>	<u>108,973</u>	<u>169,569</u>

The Group provides credit terms to certain customers with satisfied creditworthiness and long-term relationship. The credit period is generally around 30 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. As at the end of each of the Relevant Periods, the Group's trade receivables from its largest debtor accounted for 7.36%, 16.16% and 4.63% of the total trade receivables, respectively. The corresponding percentages attributable to the five largest debtors in aggregate were 26.92%, 31.09% and 18.19%, respectively.

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

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 6 months . . . . .	45,838	92,120	135,698
6–12 months . . . . .	3,186	13,030	22,011
1–2 years . . . . .	4,717	1,635	11,860
Over 2 years . . . . .	—	2,188	—
Total . . . . .	<u>53,741</u>	<u>108,973</u>	<u>169,569</u>

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

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of the year . . . . .	(663)	(1,285)	(3,217)
Impairment losses of financial assets, net . . . . .	(622)	(1,932)	(10,576)
At end of the year . . . . .	<u>(1,285)</u>	<u>(3,217)</u>	<u>(13,793)</u>

An impairment analysis was performed at the end of each of the Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are based on revenue recognition date for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that was available at the end of each of the Relevant Periods about past events, current conditions and forecasts of future economic conditions.

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

#### As at 31 December 2023

	<u>Less than 6 months</u>	<u>6 to 12 months</u>	<u>Over 12 months</u>	<u>Total</u>
Expected credit loss rate . . . . .	1.13%	5.01%	12.21%	2.60%
Gross carrying amount ( <i>RMB'000</i> ) . . . . .	40,728	3,354	5,373	49,455
Expected credit losses ( <i>RMB'000</i> ) . . . . .	461	168	656	1,285

#### As at 31 December 2024

	<u>Less than 6 months</u>	<u>6 to 12 months</u>	<u>Over 12 months</u>	<u>Total</u>
Expected credit loss rate . . . . .	1.08%	5.00%	29.99%	3.16%
Gross carrying amount ( <i>RMB'000</i> ) . . . . .	82,595	13,716	5,461	101,772
Expected credit losses ( <i>RMB'000</i> ) . . . . .	893	686	1,638	3,217

#### As at 31 December 2025

	<u>Less than 6 months</u>	<u>6 to 12 months</u>	<u>Over 12 months</u>	<u>Total</u>
Expected credit loss rate . . . . .	2.00%	5.06%	46.14%	8.20%
Gross carrying amount ( <i>RMB'000</i> ) . . . . .	122,934	23,184	22,022	168,140
Expected credit losses ( <i>RMB'000</i> ) . . . . .	2,458	1,173	10,162	13,793

The bank acceptance notes receivables held by the Group were mostly issued by reputable banks and with short-term maturity. Accordingly, the identified impairment loss was assessed to be minimal as at the end of each of the Relevant Periods.

**The Company**

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables . . . . .	49,365	101,689	174,459
Notes receivable . . . . .	5,571	10,418	14,294
Impairment . . . . .	(1,253)	(3,192)	(13,667)
Total . . . . .	<u>53,683</u>	<u>108,915</u>	<u>175,086</u>

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

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 6 months . . . . .	45,780	92,062	139,544
6–12 months . . . . .	3,186	13,030	23,682
1–2 years . . . . .	4,717	1,635	11,860
Over 2 years . . . . .	—	2,188	—
Total . . . . .	<u>53,683</u>	<u>108,915</u>	<u>175,086</u>

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

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of the year . . . . .	(637)	(1,253)	(3,192)
Impairment losses of financial assets, net . . . . .	(616)	(1,939)	(10,475)
At end of the year . . . . .	<u>(1,253)</u>	<u>(3,192)</u>	<u>(13,667)</u>

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

**As at 31 December 2023**

	<u>Less than 6 months</u>	<u>6 to 12 months</u>	<u>Over 12 months</u>	<u>Total</u>
Expected credit loss rate . . . . .	1.06%	5.01%	12.21%	2.54%
Gross carrying amount ( <i>RMB'000</i> ) . . . . .	40,638	3,354	5,373	49,365
Expected credit losses ( <i>RMB'000</i> ) . . . . .	429	168	656	1,253

**As at 31 December 2024**

	<u>Less than 6 months</u>	<u>6 to 12 months</u>	<u>Over 12 months</u>	<u>Total</u>
Expected credit loss rate . . . . .	1.05%	5.00%	29.99%	3.14%
Gross carrying amount ( <i>RMB'000</i> ) . . . . .	82,512	13,716	5,461	101,689
Expected credit losses ( <i>RMB'000</i> ) . . . . .	868	686	1,638	3,192

**As at 31 December 2025**

	<u>Less than 6 months</u>	<u>6 to 12 months</u>	<u>Over 12 months</u>	<u>Total</u>
Expected credit loss rate . . . . .	1.89%	4.72%	45.94%	7.83%
Gross carrying amount ( <i>RMB'000</i> ) . . . . .	127,667	24,855	21,937	174,459
Expected credit losses ( <i>RMB'000</i> ) . . . . .	2,417	1,173	10,077	13,667

The bank acceptance notes receivables held by the Company were mostly issued by reputable banks and with short-term maturity. Accordingly, the identified impairment loss was assessed to be minimal as at the end of each of the Relevant Periods.

**21. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME****The Group and the Company**

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Notes receivable . . . . .	7,907	4,353	3,494

Notes receivable balances are monitored on an ongoing basis and the Group's exposure to expected credit losses is not significant.

**22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS****The Group**

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Prepayments . . . . .	5,586	5,715	11,311
Deposits and other receivables . . . . .	4,470	5,126	3,643
Due from employees . . . . .	478	416	461
Listing expense . . . . .	—	—	2,174
Total . . . . .	<u>10,534</u>	<u>11,257</u>	<u>17,589</u>

**The Company**

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Prepayments . . . . .	5,586	5,721	11,002
Deposits and other receivables . . . . .	4,258	5,046	4,131
Due from employees . . . . .	211	208	413
Listing expense . . . . .	—	—	2,174
Total . . . . .	<u>10,055</u>	<u>10,975</u>	<u>17,720</u>

Prepayments mainly represent advanced payments to suppliers.

Deposits mainly represent deposits with suppliers and rental deposits.

As there was no significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). As at 31 December 2023, 2024 and 2025, the credit rating of other receivables was performing. The Group assessed that the expected credit losses for these receivables were not material under the 12-month expected credit loss method. In view of the history of cooperation with debtors and the sound collection history of receivables, management believes that the credit risk inherent in the outstanding other receivable balances of the Group is not significant.

**23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS****The Group and the Company**

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Other unlisted investments, at fair value . . . . .	—	2,083	18,012

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

## 24. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

### The Group

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash and bank balances: . . . . .	99,842	93,267	154,947
Less: Restricted bank deposits . . . . .	161	408	1,007
Cash and cash equivalents. . . . .	<u>99,681</u>	<u>92,859</u>	<u>153,940</u>
Denominated in RMB . . . . .	83,363	51,754	65,370
Denominated in USD . . . . .	16,250	40,578	84,854
Denominated in EUR . . . . .	68	527	3,716
Total . . . . .	<u>99,681</u>	<u>92,859</u>	<u>153,940</u>

### The Company

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash and bank balances . . . . .	97,183	92,719	140,634
Less: Restricted bank deposits . . . . .	161	408	1,007
Cash and cash equivalents. . . . .	<u>97,022</u>	<u>92,311</u>	<u>139,627</u>
Denominated in RMB . . . . .	80,704	51,590	53,287
Denominated in USD . . . . .	16,250	40,578	84,694
Denominated in EUR . . . . .	68	143	1,646
Total . . . . .	<u>97,022</u>	<u>92,311</u>	<u>139,627</u>

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

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and restricted bank deposits are deposited with creditworthy banks with no recent history of default. The restricted bank deposits represent amounts required to be placed in banks for securing notes payable and letters of guarantee.

## 25. TRADE AND BILLS PAYABLES

### The Group

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables . . . . .	36,756	60,000	102,389
Bills payable . . . . .	6,060	14,910	27,687
Total . . . . .	<u>42,816</u>	<u>74,910</u>	<u>130,076</u>

An aging analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within one year . . . . .	42,653	73,026	124,975
Over one year . . . . .	163	1,884	5,101
Total . . . . .	<u>42,816</u>	<u>74,910</u>	<u>130,076</u>

The trade payables are non-interest-bearing and are normally settled on around 90 day terms.

### The Company

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables . . . . .	65,466	105,224	163,091
Bills payable . . . . .	6,060	17,210	32,487
Total . . . . .	<u>71,526</u>	<u>122,434</u>	<u>195,578</u>

	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within one year . . . . .	69,842	102,681	190,477
Over one year . . . . .	1,684	19,753	5,101
Total . . . . .	<u>71,526</u>	<u>122,434</u>	<u>195,578</u>

The trade payables are non-interest-bearing and are normally settled on around 90 day terms.

## 26. OTHER PAYABLES AND ACCRUALS

### The Group

	<i>Notes</i>	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Employee benefit payables . . . . .		21,309	20,525	26,221
Tax payables other than income tax . . . . .		4,115	7,468	11,598
Other payables . . . . .	(a)	5,282	9,062	9,232
Output VAT to be transferred . . . . .		4,797	4,287	3,821
Total . . . . .		<u>35,503</u>	<u>41,342</u>	<u>50,872</u>

Note:

(a) Other payables are non-interest-bearing and have a non-fixed term.

### The Company

	<i>Notes</i>	<u>31 December 2023</u>	<u>31 December 2024</u>	<u>31 December 2025</u>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Employee benefit payables . . . . .		19,310	18,766	22,217
Tax payables other than income tax . . . . .		3,986	7,040	10,740
Other payables . . . . .	(a)	2,801	6,365	6,972
Output VAT to be transferred . . . . .		4,797	4,287	3,821
Total . . . . .		<u>30,894</u>	<u>36,458</u>	<u>43,750</u>

Note:

(a) Other payables are non-interest-bearing and have no fixed terms.

## 27. CONTRACT LIABILITIES

### The Group

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Advances received from customers . . . . .	45,226	46,147	37,051

### The Company

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Advances received from customers . . . . .	43,102	46,147	36,973

## 28. INTEREST-BEARING BANK BORROWINGS

### The Group

	31 December 2023			31 December 2024			31 December 2025		
	<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB'000</i>	<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB'000</i>	<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB'000</i>
<b>Current</b>									
Bank loans — Guaranteed . . . . .	2.60–3.10	2024	34,013	2.60–3.10	2025	14,012	—	—	—
Bank loans — Unsecured . . . . .			—	0.95–3.10	2025	38,467	2.30–2.70	2026	103,747
<b>Non-current</b>									
Bank loans — Unsecured . . . . .			—	2.80	2026	9,000	2.30	2027	9,000
Total . . . . .			34,013			61,479			112,747

An alternative approach of disclosing relevant information is illustrated below:

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Analysed into:			
Bank loans repayable			
Within one year . . . . .	34,013	52,479	103,747
In the second year . . . . .	—	9,000	9,000
Total . . . . .	34,013	61,479	112,747

### The Company

	31 December 2023			31 December 2024			31 December 2025		
	<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB'000</i>	<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB'000</i>	<i>Effective interest rate (%)</i>	<i>Maturity</i>	<i>RMB'000</i>
<b>Current</b>									
Bank loans — Guaranteed . . . . .	2.60–3.10	2024	34,013	2.60–3.10	2025	14,012	—	—	—
Bank loans — Unsecured . . . . .			—	0.95–3.10	2025	36,167	2.30–2.70	2026	98,019
<b>Non-current</b>									
Bank loans — Unsecured . . . . .			—	2.80	2026	9,000	2.30	2027	9,000
Total . . . . .			34,013			59,179			107,019

	31 December 2023	31 December 2024	31 December 2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Analysed into:			
Bank loans repayable			
Within one year . . . . .	34,013	50,179	98,019
In the second year . . . . .	—	9,000	9,000
Total . . . . .	<u>34,013</u>	<u>59,179</u>	<u>107,019</u>

**Notes:**

- (a) The Group's and the Company's bank borrowings are all denominated in RMB.
- (b) As at 31 December 2023, 2024 and 2025, the Group's and the Company's interest-bearing bank borrowings amounting to RMB34,013,000, RMB14,012,000 and nil were guaranteed by the ultimate controller Mr. Zhao Yue and director Ms. Ding Xia.

**29. PROVISION****The Group and the Company**

	<b>Warranties</b>
	<i>RMB'000</i>
At 1 January 2023 . . . . .	461
Additional provision . . . . .	640
Amounts utilised during the year . . . . .	(477)
At 31 December 2023 and 1 January 2024 . . . . .	<u>624</u>
At 1 January 2024 . . . . .	624
Additional provision . . . . .	604
Amounts utilised during the year . . . . .	(368)
At 31 December 2024 . . . . .	<u>860</u>
At 1 January 2025 . . . . .	860
Additional provision . . . . .	519
Amounts utilised during the year . . . . .	(263)
At 31 December 2025 . . . . .	<u>1,116</u>

The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

**30. PAID-IN CAPITAL/SHARE CAPITAL****The Group and the Company****Paid-in capital**

A summary of movements in the Company's paid-in capital is as follows:

	<b>Number of shares in issue</b>	<b>Paid-in capital</b>
	<i>'000</i>	<i>RMB'000</i>
At 31 December 2022 . . . . .	10,465	10,465
Rights fully paid . . . . .	905	905
At 31 December 2023 . . . . .	<u>11,370</u>	<u>11,370</u>
At 31 December 2023 . . . . .	11,370	11,370
Rights fully paid . . . . .	247	247
At 31 December 2024 . . . . .	<u>11,617</u>	<u>11,617</u>
At 31 December 2024 . . . . .	11,617	11,617
Conversion into a joint stock company . . . . .	(11,617)	(11,617)
At 31 December 2025 . . . . .	<u>—</u>	<u>—</u>

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	Share capital
	'000	RMB '000
At 1 January 2023, 31 December 2023, 31 December 2024 and 1 January 2025 . . . . .	—	—
Issue of ordinary shares upon conversion into a joint stock company (ordinary shares of RMB1.00 each) . . . . .	11,617	11,617
Issue of new shares . . . . .	792	792
Other reserve converted into share capital . . . . .	87,591	87,591
At 31 December 2025 . . . . .	<u>100,000</u>	<u>100,000</u>

The Company entered into respective shareholders' agreements and share subscription agreements (collectively, the "Pre-IPO Investors Agreements") with various Pre-IPO Investors (collectively, the "Pre-IPO Investors"). The Pre-IPO Investors acquired ordinary shares of the Company through share subscription and transfer from the shareholders of the Company with a total consideration of approximately RMB366 million (collectively, the "Pre-IPO Investments"). Pursuant to the Pre-IPO Investors Agreements, the Pre-IPO Investors were granted by the Company with special rights ("Special Rights") which included redemption rights, anti-dilution rights and liquidation preferences rights.

There was no exercise of Special Rights granted by the Company throughout the Relevant Periods.

On 19 May 2025, the Company and the Pre-IPO Investors subsequently entered into supplemental agreements, agreeing that certain of the Special Rights granted by the Company to Pre-IPO Investors, including redemption rights, liquidation preferences and anti-dilution rights, have been irrecoverably terminated and shall be void ab initio. Taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplemental agreements, the directors considered that it is appropriate to present the Pre-IPO Investments as equity throughout the Relevant Periods.

Had the Special Rights granted by the Company to the Pre-IPO Investors been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the supplemental agreements, (i) the redemption financial liabilities, total current liabilities, net current (liabilities)/assets and net (liabilities)/assets would have been:

	31 December 2023	31 December 2024	31 December 2025
	RMB'000	RMB'000	RMB'000
Redemption financial liabilities . . . . .	379,957	418,062	—
Total current liabilities . . . . .	541,342	638,928	329,042
(Net current liabilities)/net current assets . . . . .	(284,033)	(324,097)	141,692
(Net liabilities)/net assets . . . . .	<u>(271,811)</u>	<u>(320,306)</u>	<u>148,988</u>

, and (ii) the finance costs associated with the redemption financial liabilities, the net loss for the year, basic loss per share during the Relevant Periods would have been:

	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2025
	RMB'000	RMB'000	RMB'000
Finance costs associated with the redemption financial liabilities . . . . .	(34,187)	(38,105)	(16,170)
Total net loss . . . . .	(81,891)	(80,413)	(63,236)
Basic loss per share . . . . .	<u>(0.92)</u>	<u>(0.87)</u>	<u>(0.65)</u>

The Group had no potentially dilutive ordinary shares in issue during the Relevant Periods.

**31. SHARE-BASED PAYMENTS**

The board of directors (the “**Board**”) of the Company declared various restricted share unit schemes collectively (the “**Schemes**”) under a number of share-based compensation plans for the purpose of recognising and rewarding eligible persons for their contribution to the Group, attracting best available personnel and providing additional incentives to them so as to align the interests of these eligible persons with those of the Group and to further promote the success of the Group’s business.

The controlling shareholder of the Company established two partnerships (“**shareholding platforms**”) as employee shareholding platforms, and the shareholding platforms directly increase capital of the Company to obtain equity corresponding to the amount of capital contribution. As the incentive object, employees directly hold the property share of the partnership in the form of joining the shareholding platforms, and indirectly hold the equity of the Company, which vest in the form of the shares (the “**RSUs**”).

**Batch of 30 December 2022**

On 30 December 2022, equivalent to 282,046 shares of the Company were granted through a shareholding platform to eligible participants at a consideration of RMB20 per share and equivalent to 209,113 shares of the Company were granted through a shareholding platform to eligible participants at a consideration of RMB1 per share. The shares are subject to a cliff vesting schedule, with the vesting period commencing from the grant date and concluding upon the successful IPO of the Company. This structure is designed to incentivize the participants to contribute to the Company’s growth and successful public listing. After the IPO, in accordance with listing regulations, a lock-up period, commonly known as the “restricted period”, will be enforced. During this period, shareholders are prohibited from transferring their shares. The lock-up period is set to last for 1 year, ensuring stability in the Company’s shareholding structure and supporting the company’s post-IPO development. The following restricted shares were forfeited during the Relevant Periods.

	Number of shares		
	Year ended 31 December		
	2023	2024	2025
At beginning of the year . . . . .	491,159	470,248	470,248
Forfeited during the year . . . . .	(20,911)	—	(2,904)
At end of the year . . . . .	<u>470,248</u>	<u>470,248</u>	<u>467,344</u>

The participants have accepted restricted shares by signing off the offer letters.

The aggregate fair value of the restricted shares granted is amounted to approximately RMB102,587,000, and will be charged to profit or loss pursuant to the Scheme in aggregate from the date of grant to the date on which the vesting conditions are satisfied. The Group has recognized expenses of RMB24,591,000, RMB24,591,000, and RMB19,824,000 during the years ended 31 December 2023, 2024 and 2025 respectively.

**Batch of 30 June 2023**

On 30 June 2023, equivalent to 52,278 shares of the Company were granted through a shareholding platform to eligible participants at a consideration of RMB20 per share and equivalent to 11,008 shares of the Company were granted through a shareholding platform to eligible participants at a consideration of RMB1 per share. The shares are subject to a cliff vesting schedule, with the vesting period commencing from the grant date and concluding upon the successful IPO of the Company. This structure is designed to incentivize the participants to contribute to the Company’s growth and successful public listing. After the IPO, in accordance with listing regulations, a lock-up period, commonly known as the “restricted period”, will be enforced. During this period, shareholders are

prohibited from transferring their shares. The lock-up period is set to last for 1 year, ensuring stability in the Company's shareholding structure and supporting the Company's post-IPO development. The following restricted shares were granted and forfeited during the Relevant Periods.

	<u>Number of shares</u>	<u>Number of shares</u>	<u>Number of shares</u>
	<u>Year ended 31 December 2023</u>	<u>Year ended 31 December 2024</u>	<u>Year ended 31 December 2025</u>
At beginning of the year . . . . .	—	63,286	63,286
Granted during the year . . . . .	63,286	—	—
Forfeited during the year . . . . .	—	—	(2,662)
At end of the year . . . . .	<u>63,286</u>	<u>63,286</u>	<u>60,624</u>

The participants have accepted restricted shares by signing off the offer letters.

The aggregate fair value of the restricted shares granted is amounted to approximately RMB15,443,000, and will be charged to profit or loss pursuant to the Scheme in aggregate from the date of grant to the date on which the vesting conditions are satisfied. The Group has recognized expenses of RMB2,206,000, RMB4,412,000 and RMB3,249,000 during the years ended 31 December 2023, 2024 and 2025, respectively.

#### Batch of 30 June 2024

On 30 June 2024, equivalent to 49,132 shares of the Company were granted through a shareholding platform to eligible participants at a consideration of RMB20 per share. The shares are subject to a cliff vesting schedule, with the vesting period commencing from the grant date and concluding upon the successful IPO of the Company. This structure is designed to incentivize the participants to contribute to the Company's growth and successful public listing. After the IPO, in accordance with listing regulations, a lock-up period, commonly known as the "restricted period", will be enforced. During this period, shareholders are prohibited from transferring their shares. The lock-up period is set to last for 1 year, ensuring stability in the Company's shareholding structure and supporting the Company's post-IPO development. The following restricted shares were granted during the years ended 31 December 2024 and 2025, respectively.

	<u>Number of shares</u>	<u>Number of shares</u>
	<u>Year ended 31 December 2024</u>	<u>Year ended 31 December 2025</u>
At beginning of the year . . . . .	—	49,132
Granted during the year . . . . .	49,132	—
At end of the year . . . . .	<u>49,132</u>	<u>49,132</u>

The participants have accepted restricted shares by signing off the offer letters.

The aggregate fair value of the restricted shares granted is amounted to approximately RMB13,368,000, and will be charged to profit or loss pursuant to the Scheme in aggregate from the date of grant to the date on which the vesting conditions are satisfied. The Group has recognized expenses of RMB2,674,000 and RMB4,596,000 during the years ended 31 December 2024 and 2025, respectively.

#### Batch of 15 May 2025

On 15 May 2025, equivalent to 168,196 shares of the Company were granted through a shareholding platform to eligible participants at a consideration of RMB6.54 per share. The shares are subject to a cliff vesting schedule, with the vesting period commencing from the grant date and concluding upon the successful IPO of the Company with a lock-up period. This structure is designed to incentivize the participants to contribute to the Company's growth and successful public listing. During this period, shareholders are prohibited from transferring their shares. The lock-up period is set to last

for 1-3 year based on the performance-assessment results for the fiscal years ending 31 December 2025 and 2026, ensuring stability in the Company's shareholding structure and supporting the Company's post-IPO development. The following restricted shares were granted during the year ended 31 December 2025.

	<u>Number of shares</u>
	<u>Year ended 31 December 2025</u>
At beginning of the year . . . . .	—
Granted during the year . . . . .	168,196
At end of the year . . . . .	<u>168,196</u>

The participants have accepted restricted shares by signing off the offer letters.

The aggregate fair value of the restricted shares granted is amounted to approximately RMB4,400,000, and will be charged to profit or loss pursuant to the Scheme in aggregate from the date of grant to the date on which the vesting conditions are satisfied. The Group recognized expenses of RMB1,130,000 during the year ended 31 December 2025.

#### Batch of 31 December 2025

On 31 December 2025, equivalent to 35,497 shares of the Company were granted through a shareholding platform to eligible participants at a consideration of RMB6.54 per share. The shares are subject to a cliff vesting schedule, with the vesting period commencing from the grant date and concluding upon the successful IPO of the Company with a lock-up period. This structure is designed to incentivize the participants to contribute to the Company's growth and successful public listing. During this period, shareholders are prohibited from transferring their shares. The lock-up period is set to last for 1-3 year based on the performance-assessment results for the fiscal years ending 31 December 2025 and 2026, ensuring stability in the Company's shareholding structure and supporting the Company's post-IPO development. The following restricted shares were granted during the year ended 31 December 2025.

	<u>Number of shares</u>
	<u>Year ended 31 December 2025</u>
At beginning of the year . . . . .	—
Granted during the year . . . . .	35,497
At end of the year . . . . .	<u>35,497</u>

The participants have accepted restricted shares by signing off the offer letters.

The aggregate fair value of the restricted shares granted is amounted to approximately RMB1,365,000, and will be charged to profit or loss pursuant to the Scheme in aggregate from the date of grant to the date on which the vesting conditions are satisfied. The Group recognized no expenses during the year ended 31 December 2025.

The fair value of the restricted shares granted on the date of 30 June 2023, 30 June 2024 and 31 December 2025 was estimated on the dates of grant using the market model with the following assumptions used and the fair value of the restricted shares granted on the date of 15 May 2025 was estimated on the date of grant using the price of the recent transaction.

	<u>Batch of 30 June 2023</u>	<u>Batch of 30 June 2024</u>	<u>Batch of 15 May 2025</u>	<u>Batch of 31 December 2025</u>
EV/Sales . . . . .	9.5x	9.0x	n/a	11.8x
Discount for Lack of marketability . . . . .	16.78%	17.02%	n/a	14.69%
Price per share of the recent transaction . . . . .	n/a	n/a	33	n/a

**32. RESERVES****The Group**

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity on page I-5 of the financial statements.

**(a) Share-based payment reserve**

The share-based payment reserve represents the equity-settled share awards as set out in note 31 to the Historical Financial Information.

**The Company**

	<u>Other reserves</u>	<u>Accumulated loss</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023 . . . . .	236,672	(126,855)	109,817
Total comprehensive loss for the year . . . . .	—	(55,516)	(55,516)
Business combination under common control . . . . .	(945)	—	(945)
Equity-settled share-based payments of the Company . . . . .	26,797	—	26,797
At 31 December 2023 . . . . .	<u>262,524</u>	<u>(182,371)</u>	<u>80,153</u>

	<u>Other reserves</u>	<u>Accumulated loss</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024 . . . . .	262,524	(182,371)	80,153
Total comprehensive loss for the year . . . . .	—	(50,920)	(50,920)
Equity-settled share-based payments of the Company . . . . .	31,677	—	31,677
At 31 December 2024 . . . . .	<u>294,201</u>	<u>(233,291)</u>	<u>60,910</u>

	<u>Other reserves</u>	<u>Accumulated loss</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2025 . . . . .	294,201	(233,291)	60,910
Total comprehensive loss for the period . . . . .	—	(56,316)	(56,316)
Conversion into a joint stock company . . . . .	(246,376)	246,376	—
Capital injection . . . . .	68,325	—	68,325
Other reserve converted into share capital . . . . .	(87,591)	—	(87,591)
Equity-settled share-based payments of the Company . . . . .	28,799	—	28,799
At 31 December 2025 . . . . .	<u>57,358</u>	<u>(43,231)</u>	<u>14,127</u>

**33. BUSINESS COMBINATION**

In March 2023, the Company acquired 100% equity interests in Jiangsu Xianjue Intelligent Technology Co., Ltd. (“**Xianjue**”) held by Mr. Zhao Yue, Mr. Ye Yangsheng and Mr. Wang Qun at a purchase consideration of RMB945,000.00. Xianjue is principally engaged in manufacture and sales of industrial products.

After the completion of the acquisition, Xianjue was accounted for as a subsidiary of the Group. Since the Company and Xianjue were under common control of Mr. Yue Zhao (the ultimate controlling shareholder of the Company) before and after the completion of the aforesaid acquisition, the business combination of Xianjue has been accounted for by applying the pooling of interest method.

Business combinations arising from transfers of interests in entities that are under the control of the ultimate shareholder that controls the Group are accounted for as if the acquisitions had occurred at the beginning of the earliest date presented or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the acquired entities' financial statements.

Upon transfer of interest in an entity to another entity that is under the control of the ultimate shareholder that controls the Group, any difference between the Group's interest in the carrying value of the assets and liabilities and the cost of transfer of interest in the entity is recognised directly in equity.

The consolidated statement of comprehensive income includes the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where this is a shorter period.

All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full on consolidation.

The carrying value of the assets and liabilities of Xianjue at the acquisition date were as follows:

	<b>Carrying value recognised on acquisition</b>
	<i>RMB'000</i>
Current assets . . . . .	694
Non-current assets . . . . .	568
Total assets . . . . .	1,262
Current liabilities . . . . .	(317)
Non-current liabilities . . . . .	—
Total liabilities . . . . .	(317)
Net assets . . . . .	945
Satisfied by cash . . . . .	945

#### 34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

##### (a) Major non-cash transactions

During the years ended 31 December 2023, 2024 and 2025, the Group had non-cash additions to right-of-use assets RMB239,000, RMB9,752,000 and RMB14,317,000 and lease liabilities RMB239,000, RMB9,752,000 and RMB14,317,000, respectively, in respect of lease arrangements for office.

##### (b) Changes in liabilities arising from financing activities

###### 31 December 2023

	<b>Bank and other loans</b>	<b>Lease liabilities</b>
	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023 . . . . .	13,513	21,879
New leases . . . . .	—	239
Disposal . . . . .	—	(1,350)
Changes from financing cash flows . . . . .	19,758	(6,425)
Interest expense . . . . .	742	819
At 31 December 2023 . . . . .	34,013	15,162

## 31 December 2024

	<b>Bank and other loans</b>	<b>Lease liabilities</b>
	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024 . . . . .	34,013	15,162
New leases . . . . .	—	9,752
Changes from financing cash flows . . . . .	26,003	(5,286)
Interest expense. . . . .	1,463	700
At 31 December 2024 . . . . .	<u>61,479</u>	<u>20,328</u>

## 31 December 2025

	<b>Bank and other loans</b>	<b>Lease liabilities</b>	<b>Accrued listing expenses in other payables and accruals*</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2025 . . . . .	61,479	20,328	—
New Lease . . . . .	—	14,317	—
Changes from financing cash flows . . . . .	48,958	(6,880)	(1,725)
Interest expense. . . . .	2,310	806	—
Increase in deferred listing expenses. . . . .	—	—	2,174
At 31 December 2025 . . . . .	<u>112,747</u>	<u>28,571</u>	<u>449</u>

\* As of 31 December 2025, the listing expenses amounting to RMB2,174,000 were required to be capitalized and included in other payables and accruals, of which RMB1,725,000 has been paid.

## (c) The total cash outflow for leases included in the statement of cash flows is as follows:

	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>31 December 2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within operating activities . . . . .	550	492	559
Within financing activities . . . . .	6,425	5,286	6,880

## 35. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the year:

	<i>Notes</i>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>31 December 2025</b>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Acquisition a subsidiary from the ultimate controlling shareholder. . . . .	(i)	945	—	—
Interest income from shareholders . . . . .		158	—	—

*Note:*

(i) Details refer to Note 33 business combination under common control.

(b) No outstanding balances with related parties are as at the end of each of the Relevant Periods.

## 36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

## 2023

*Financial assets*

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	Mandatorily designated as such	Debt investments		
	RMB'000	RMB'000	RMB'000	RMB'000
Other long-term receivables . . . . .	—	—	1,560	1,560
Trade and notes receivables . . . . .	—	—	53,741	53,741
Debt instruments at fair value through other comprehensive income . . . . .	—	7,907	—	7,907
Financial assets included in prepayments, other receivables and other assets . . . . .	—	—	4,948	4,948
Restricted bank deposits . . . . .	—	—	161	161
Cash and cash equivalents . . . . .	—	—	99,681	99,681
Total . . . . .	—	7,907	160,091	167,998

*Financial liabilities*

	Financial liabilities at amortised cost
	RMB'000
Trade and bills payables . . . . .	42,816
Financial liabilities included in other payables and accruals ( <i>note 26</i> ) . . . . .	5,282
Interest-bearing bank borrowings . . . . .	34,013
Total . . . . .	82,111

## 2024

*Financial assets*

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	Mandatorily designated as such	Debt investments		
	RMB'000	RMB'000	RMB'000	RMB'000
Other long-term receivables . . . . .	—	—	1,312	1,312
Trade and notes receivables . . . . .	—	—	108,973	108,973
Debt instruments at fair value through other comprehensive income . . . . .	—	4,353	—	4,353
Financial assets included in prepayments, other receivables and other assets . . . . .	—	—	5,542	5,542
Financial assets at fair value through profit or loss . . . . .	2,083	—	—	2,083
Restricted bank deposits . . . . .	—	—	408	408
Cash and cash equivalents . . . . .	—	—	92,859	92,859
Total . . . . .	2,083	4,353	209,094	215,530

**Financial liabilities**

	<b>Financial liabilities at amortised cost</b>
	<i>RMB'000</i>
Trade and bills payables . . . . .	74,910
Financial liabilities included in other payables and accruals ( <i>note 26</i> ) . . . . .	9,062
Interest-bearing bank borrowings . . . . .	61,479
Total . . . . .	<u>145,451</u>

**2025****Financial assets**

	<b>Financial assets at fair value through profit or loss</b>	<b>Financial assets at fair value through other comprehensive income</b>		<b>Financial assets at amortised cost</b>	<b>Total</b>
	<b>Mandatorily designated as such</b>	<b>Debt investments</b>	<b>Equity investment</b>		
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Other long-term receivables . . . . .	—	—	—	1,224	1,224
Equity investments designated at fair value through other comprehensive income . . . . .	—	—	250	—	250
Trade and notes receivables . . . . .	—	—	—	169,569	169,569
Debt instruments at fair value through other comprehensive income . . . . .	—	3,494	—	—	3,494
Financial assets included in prepayments, other receivables and other assets . . . . .	—	—	—	4,104	4,104
Financial assets at fair value through profit or loss . . . . .	18,012	—	—	—	18,012
Restricted bank deposits . . . . .	—	—	—	1,007	1,007
Cash and cash equivalents . . . . .	—	—	—	153,940	153,940
Total . . . . .	<u>18,012</u>	<u>3,494</u>	<u>250</u>	<u>329,844</u>	<u>351,600</u>

**Financial liabilities**

	<b>Financial liabilities at amortised cost</b>
	<i>RMB'000</i>
Trade and bills payables . . . . .	130,076
Financial liabilities included in other payables and accruals ( <i>note 26</i> ) . . . . .	9,232
Interest-bearing bank borrowings . . . . .	112,747
Total . . . . .	<u>252,055</u>

For the details of Pre-IPO Investments, please refer to Note 30 to this report.

**37. TRANSFERS OF FINANCIAL ASSETS****Transferred financial assets that are not derecognised in their entirety**

The Group endorsed certain notes receivable accepted by banks in Chinese Mainland (the “**Endorsed Bills**”) with a carrying amount of RMB3,399,000, RMB8,876,000 and RMB12,272,000 to certain of its suppliers in order to settle the trade payables due to such suppliers (the “**Endorsement**”) as at 31 December 2023, 2024 and 2025, respectively. In the opinion of the management, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights

on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of the trade payables settled by the Endorsed Bills during the year to which the suppliers have recourse was RMB3,399,000, RMB8,876,000 and RMB12,272,000 as at 31 December 2023, 2024 and 2025, respectively. In addition, the Group discounted certain notes receivable accepted by banks in the Chinese Mainland (the “**Discounted Notes**”) to certain banks to finance its operating cash flows (the “**Discount**”) with an aggregate carrying amount of RMB2,300,000 and RMB5,728,000 as at 31 December 2024 and 31 December 2025, respectively.

#### **Transferred financial assets that are derecognised in their entirety**

The Group endorsed certain bills receivable accepted by banks (the “**Derecognised Bills**”) to certain of their suppliers in order to settle the trade payables due to such suppliers with carrying amounts in aggregate of RMB20,317,000, RMB18,212,000 and RMB35,772,000 as at 31 December 2023, 2024 and 2025, respectively. The Derecognised Bills had a maturity of 1 to 6 months at the end of the Relevant Periods. In accordance with the Law of Negotiable Instruments, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons, including the Group, liable for the Derecognised Bills regardless of the order of precedence (the “**Continuing Involvement**”). In the opinion of the management, the Group has transferred substantially all the risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of management, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

### **38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS**

Management has assessed that the fair values of cash and cash equivalents, the current portion of pledged deposits, trade and notes receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, and amounts due from related parties approximate to their carrying amounts largely due to the short term maturities of these instruments. Management has also assessed the fair value of the other long-term receivables approximate to their carrying amounts mainly due to the interest rate of other long-term receivables approximates to the market interest rates of instruments with similar terms and risks.

The Group’s finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At the end of each of the Relevant Periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

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

The fair values of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group’s own non-performance risk for interest-bearing bank borrowings as at were assessed to be insignificant.

The Group invests in unlisted investments, which represent wealth management products issued by banks in Chinese Mainland. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

For the fair value of the unlisted equity investments at fair value through other comprehensive income, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model. If all significant inputs required by fair value measurement are observable, the instruments are included in level 2. If one or more of the significant inputs is not based on observable market data, the instruments are included in level 3.

For Level 3 financial assets, the Group adopts the valuation techniques to determine the fair value. Valuation technique was the recent transaction price. The fair value measurement of these financial instruments may involve unobservable inputs such as recent transaction price. The Group periodically reviews the significant unobservable input and valuation adjustments used to measure the fair values of financial assets in Level 3.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2025:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investment . . .	recent transaction price	recent transaction price	N/A	N/A

### Fair value hierarchy

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

#### Assets measured at fair value:

##### As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	
Debt instruments at fair value through other comprehensive income . . . . .	—	7,907	—	7,907

##### As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	
Debt instruments at fair value through other comprehensive income . . . . .	—	4,353	—	4,353
Financial assets at fair value through profit or loss . . . . .	—	2,083	—	2,083
Total . . . . .	—	6,436	—	6,436

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Debt instruments at fair value through other comprehensive income . . . . .	—	3,494	—	3,494
Financial assets at fair value through profit or loss . . . . .	—	18,012	—	18,012
Equity investments designated at fair value through other comprehensive income . . . . .	—	—	250	250
Total . . . . .	—	21,506	250	21,756

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

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

	At 31 December 2025
	RMB'000
Equity investments at fair value through other comprehensive income	
At 1 January . . . . .	—
Purchases . . . . .	250
At 31 December . . . . .	250

### 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

#### Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales by operating units and investing and financing activities by investment holding units in currencies other than the units' functional currencies. The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the major foreign currency exchange rate, with all other variables held constant, of the Group's profit before tax due to differences arising on settlement or translation of monetary assets and liabilities and the Group's equity due to the changes of exchange fluctuation reserves of certain overseas subsidiaries of which the functional currencies are currencies other than RMB.

	Increase/ (decrease) in USD/RMB rate	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity
	%	RMB'000	RMB'000
<b>31 December 2023</b>			
If the USD weakens against the RMB . . . . .	(5)	(890)	(890)
If the USD strengthens against the RMB . . . . .	5	890	890
<b>31 December 2024</b>			
If the USD weakens against the RMB . . . . .	(5)	(2,338)	(2,338)
If the USD strengthens against the RMB . . . . .	5	2,338	2,338
<b>31 December 2025</b>			
If the USD weakens against the RMB . . . . .	(5)	(4,315)	(4,315)
If the USD strengthens against the RMB . . . . .	5	4,315	4,315

### Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by analysis by customer/counterparty, by geographical region and by industry sector. As at the end of each of the Relevant Periods, the Group had certain concentrations of credit risk as 7.36%, 16.16% and 4.63% of the Group's trade receivables were due from the Group's largest debtor, respectively, and 26.92%, 31.09% and 18.19% of the Group's trade receivables were due from the Group's five largest debtors, respectively.

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification. The amounts presented are gross carrying amounts for financial assets.

### 31 December 2023

	12-month ECLs		Lifetime ECLs		Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Other long-term receivables . . . . .	1,560	—	—	—	1,560
Trade and notes receivables* . . . . .	—	—	—	55,026	55,026
Debt instruments at fair value through other comprehensive income . . . . .	7,907	—	—	—	7,907
Financial assets included in prepayments, other receivables and other assets** . . . . .	4,948	—	—	—	4,948
Restricted bank balances . . . . .	161	—	—	—	161
Cash and cash equivalents . . . . .	99,681	—	—	—	99,681
<b>Total . . . . .</b>	<b>114,257</b>	<b>—</b>	<b>—</b>	<b>55,026</b>	<b>169,283</b>

**31 December 2024**

	12-month ECLs		Lifetime ECLs		Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Other long-term receivables . . . . .	1,312	—	—	—	1,312
Trade and notes receivables* . . . . .	—	—	—	112,190	112,190
Debt instruments at fair value through other comprehensive income . . . . .	4,353	—	—	—	4,353
Financial assets included in prepayments, other receivables and other assets** . . . . .	5,542	—	—	—	5,542
Restricted bank balances . . . . .	408	—	—	—	408
Cash and cash equivalents . . . . .	92,859	—	—	—	92,859
Total . . . . .	104,474	—	—	112,190	216,664

**31 December 2025**

	12-month ECLs		Lifetime ECLs		Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Other long-term receivables . . . . .	1,224	—	—	—	1,224
Trade and notes receivables* . . . . .	—	—	—	183,362	183,362
Debt instruments at fair value through other comprehensive income . . . . .	3,494	—	—	—	3,494
Financial assets included in prepayments, other receivables and other assets** . . . . .	4,104	—	—	—	4,104
Restricted bank balances . . . . .	1,007	—	—	—	1,007
Cash and cash equivalents . . . . .	153,940	—	—	—	153,940
Total . . . . .	163,769	—	—	183,362	347,131

\* For trade receivables to which the Group applies the simplified approach for impairment, information based on the expected credit loss rate is disclosed in note 20 to the Historical Financial Information.

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

**Liquidity risk**

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

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank borrowings and lease liabilities. All of the Group's borrowings would mature in less than one year as at the end of each of the Relevant Periods, respectively, based on the carrying value of borrowings reflected in the Historical Financial Information.

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

**31 December 2023**

Group	2023					
	On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities . . . . .	—	562	2,899	13,590	—	17,051
Trade and bills payables . . . . .	—	42,816	—	—	—	42,816
Financial liabilities included in payables and accruals . . . . .	5,282	—	—	—	—	5,282
Interest-bearing bank borrowings . . . . .	—	20,480	14,446	—	—	34,926
Total . . . . .	5,282	63,858	17,345	13,590	—	100,075

**31 December 2024**

Group	2024					
	On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities . . . . .	—	855	4,750	16,190	—	21,795
Trade and bills payables . . . . .	—	74,910	—	—	—	74,910
Financial liabilities included in payables and accruals . . . . .	9,062	—	—	—	—	9,062
Interest-bearing bank borrowings . . . . .	—	38,454	15,474	9,248	—	63,176
Total . . . . .	9,062	114,219	20,224	25,438	—	168,943

**31 December 2025**

Group	2025					
	On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities . . . . .	—	923	6,136	20,451	3,798	31,308
Trade and bills payables . . . . .	—	130,076	—	—	—	130,076
Financial liabilities included in payables and accruals . . . . .	9,232	—	—	—	—	9,232
Interest-bearing bank borrowings . . . . .	—	37,928	68,205	9,207	—	115,340
Total . . . . .	9,232	168,927	74,341	29,658	3,798	285,956

**Capital management**

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

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

**40. EVENTS AFTER 31 DECEMBER 2025**

There are no significant subsequent events undertaken by the Company or by the Group after 31 December 2025.

**41. SUBSEQUENT FINANCIAL STATEMENTS**

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025.