
APPENDIX I

ACCOUNTANT’S REPORT

The following is the text of a report set out on pages [I-1] to [I-2], received from the Company’s reporting accountant, [PricewaterhouseCoopers], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of HKSIR 200 Accountants’ Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

[to insert firm’s letterhead]

[DRAFT]

ACCOUNTANT’S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CHANGZHOU MICROINTELLIGENCE CO., LTD (常州微億智造科技股份有限公司) AND ORIENT CAPITAL (HONG KONG) COMPANY LIMITED

Introduction

We report on the historical financial information of Changzhou Microintelligence Co., Ltd (常州微億智造科技股份有限公司) (the “Company”) and its subsidiaries (together, the “Group”) set out on pages [I-3] to [I-65], which comprises the consolidated balance sheets as at 31 December 2023, 2024 and 2025, the balance sheets of the Company as at 31 December 2023, 2024 and 2025, and the consolidated statements of comprehensive (loss)/income, the consolidated statements of changes in (deficit)/equity and the consolidated statements of cash flows for each of the years ended 31 December 2023, 2024 and 2025 (the “Track Record Period”) 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-65] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [[REDACTED] date] (the “Document”) in connection with the [REDACTED] of H Shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of 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 Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant’s 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 accountant’s 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 accountant considers internal control relevant to the entity’s preparation of 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.

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APPENDIX I**ACCOUNTANT’S REPORT**

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 accountant’s report, a true and fair view of the financial position of the Company as at 31 December 2023, 2024 and 2025 and the consolidated financial position of the Group as at 31 December 2023, 2024 and 2025 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period 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 of Hong Kong Limited (the “Listing Rules”) 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 14 to the Historical Financial Information which states that no dividends have been paid by Changzhou Microintelligence Co., Ltd (常州微億智造科技股份有限公司) in respect of the Track Record Period.

[PricewaterhouseCoopers]
Certified Public Accountants
Hong Kong
[Date]

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APPENDIX I

ACCOUNTANT’S REPORT

I HISTORICAL FINANCIAL INFORMATION OF THE GROUP**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountant’s report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by [PricewaterhouseCoopers] in accordance with International Standards on Auditing (“ISAs”) issued by the International Auditing and Assurance Standards Board (“IAASB”) (“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.

APPENDIX I

ACCOUNTANT’S REPORT

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS)/INCOME

		Year ended 31 December		
		2023	2024	2025
	Note	RMB'000	RMB'000	RMB'000
Revenue	6	434,026	600,246	795,504
Cost of sales	10	(250,209)	(312,981)	(410,132)
Gross profit		183,817	287,265	385,372
Selling expenses	10	(49,756)	(31,314)	(38,791)
General and administrative expenses	10	(60,733)	(42,032)	(80,320)
Research and development expenses	10	(178,330)	(164,874)	(235,467)
(Provision for)/reversal of expected credit losses on financial assets and contract assets — net	9	(10,312)	(10,821)	15,525
Other income	7	21,754	18,666	2,433
Other losses — net	8	(1,444)	(501)	(1,619)
Operating (loss)/profit		(95,004)	56,389	47,133
Finance income	12	178	22	663
Finance cost	12	(28,816)	(34,094)	(39,226)
Finance cost — net	12	(28,638)	(34,072)	(38,563)
Share of losses of investments accounted for using the equity method	16	(188)	(2,424)	(4,127)
(Loss)/profit before income tax		(123,830)	19,893	4,443
Income tax credit/(expense)	13	10,026	(4,154)	623
(Loss)/profit for the year		<u>(113,804)</u>	<u>15,739</u>	<u>5,066</u>
(Loss)/profit attributable to:				
Owners of the Company		(113,804)	15,739	5,066
Non-controlling interests		*	*	*
		<u>(113,804)</u>	<u>15,739</u>	<u>5,066</u>
Other comprehensive (loss)/income				
<i>Item that may be reclassified to profit or loss</i>				
Exchange differences on translation of foreign operations		(86)	(127)	(14)
Total comprehensive (loss)/income for the year		<u>(113,890)</u>	<u>15,612</u>	<u>5,052</u>
Total comprehensive (loss)/income attributable to:				
Owners of the Company		(113,890)	15,612	5,052
Non-controlling interests		*	*	*
		<u>(113,890)</u>	<u>15,612</u>	<u>5,052</u>
(Losses)/earnings per share attributable to the equity owners of the Company				
Basic and diluted (losses)/earnings per share (RMB)	15	<u>(0.52)</u>	<u>0.07</u>	<u>0.02</u>

* The balance represents an amount less than 1,000.

APPENDIX I

ACCOUNTANT’S REPORT

CONSOLIDATED BALANCE SHEETS

	<i>Note</i>	As at 31 December		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
ASSETS				
Non-current assets				
Property, plant and equipment	17	32,072	26,825	351,001
Right-of-use assets	18	11,859	7,529	4,021
Intangible assets	19	222,440	217,535	787,280
Investments accounted for using the equity method	16	812	388	3,261
Deferred tax assets	34	28,895	24,538	24,483
Prepayments	17	—	—	160,772
Total non-current assets		<u>296,078</u>	<u>276,815</u>	<u>1,330,818</u>
Current assets				
Inventories	22	45,743	77,553	110,077
Trade and notes receivables	23	386,540	615,133	463,891
Contract assets	6	22,311	35,742	58,068
Prepayments and other receivables	25	15,379	18,595	46,529
Financial assets at fair value through other comprehensive income	24	199	5	302
Restricted cash	26	—	744	34
Cash and cash equivalents	26	<u>20,867</u>	<u>14,117</u>	<u>241,747</u>
Total current assets		<u>491,039</u>	<u>761,889</u>	<u>920,648</u>
Total assets		<u><u>787,117</u></u>	<u><u>1,038,704</u></u>	<u><u>2,251,466</u></u>
(DEFICIT)/EQUITY				
(Deficit)/equity attributable to owners of the Company				
Paid-in capital	27	44,193	45,700	—
Share capital	27	—	—	335,482
Reserves	28	188,862	192,859	1,078,854
Accumulated losses		<u>(245,210)</u>	<u>(229,471)</u>	<u>(165,234)</u>
Equity attributable to owners of the Company		<u>(12,155)</u>	<u>9,088</u>	<u>1,249,102</u>
Non-controlling interests		<u>*</u>	<u>*</u>	<u>*</u>
Total (deficit)/equity		<u><u>(12,155)</u></u>	<u><u>9,088</u></u>	<u><u>1,249,102</u></u>

* The balance represents an amount less than 1,000.

APPENDIX I

ACCOUNTANT’S REPORT

	<i>Note</i>	As at 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
LIABILITIES				
Non-current liabilities				
Borrowings	29	—	19,920	212,500
Lease liabilities	18	8,825	4,568	523
Long-term payables	32	1,384	—	—
Deferred tax liabilities	34	6,102	5,424	4,746
Contract liabilities	6	1,372	60	1,335
Redemption liabilities	30	230,495	313,271	—
Other non-current liabilities	33	17,893	18,628	19,389
Total non-current liabilities		266,071	361,871	238,493
Current liabilities				
Trade and notes payables	31	208,099	212,772	179,783
Other payables and accruals	31	53,407	96,107	43,588
Contract liabilities	6	12,446	10,145	47,677
Borrowings	29	254,040	342,887	486,687
Current income tax liabilities		1,553	2,023	2,013
Lease liabilities	18	3,656	3,811	4,123
Total current liabilities		533,201	667,745	763,871
Total liabilities		799,272	1,029,616	1,002,364
Total liabilities and equity		787,117	1,038,704	2,251,466
Net current (liabilities)/assets		(42,162)	94,144	156,777

APPENDIX I

ACCOUNTANT’S REPORT

BALANCE SHEETS OF THE COMPANY

	<i>Note</i>	As at 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
ASSETS				
Non-current assets				
Property, plant and equipment	17	22,785	20,718	340,672
Intangible assets		—	—	2,137
Investments in subsidiaries	16	256,272	255,312	606,866
Investments accounted for using the equity method	16	812	388	3,261
Deferred tax assets	37	21,685	17,289	21,344
Prepayments	17	—	—	145,021
Total non-current assets		<u>301,554</u>	<u>293,707</u>	<u>1,119,301</u>
Current assets				
Inventories	22	30,666	72,662	59,355
Trade and notes receivables	23	281,552	455,901	386,217
Contract assets		18,237	33,014	48,458
Prepayments and other receivables	25	119,485	165,552	62,553
Financial assets at fair value through other comprehensive income	24	74	5	146
Restricted cash	26	—	692	—
Cash and cash equivalents	26	<u>9,174</u>	<u>6,222</u>	<u>152,754</u>
Total current assets		<u>459,188</u>	<u>734,048</u>	<u>709,483</u>
Total assets		<u><u>760,742</u></u>	<u><u>1,027,755</u></u>	<u><u>1,828,784</u></u>
EQUITY				
Paid-in capital	27	44,193	45,700	—
Share capital	27	—	—	335,482
Reserves	28	189,799	194,807	1,079,493
Accumulated losses		<u>(218,161)</u>	<u>(183,408)</u>	<u>(616,892)</u>
Total equity		<u><u>15,831</u></u>	<u><u>57,099</u></u>	<u><u>798,083</u></u>

APPENDIX I

ACCOUNTANT’S REPORT

	<i>Note</i>	As at 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
LIABILITIES				
Non-current liabilities				
Borrowings	29	—	19,920	212,500
Long-term payables	32	1,384	—	—
Contract liabilities		961	60	1,335
Redemption liabilities	30	<u>230,495</u>	<u>313,271</u>	<u>—</u>
Total non-current liabilities		<u>232,840</u>	<u>333,251</u>	<u>213,835</u>
Current liabilities				
Trade and notes payables	31	194,752	201,125	125,162
Other payables and accruals	31	101,749	138,720	226,737
Contract liabilities		2,320	8,460	33,047
Borrowings	29	<u>213,250</u>	<u>289,100</u>	<u>431,920</u>
Total current liabilities		<u>512,071</u>	<u>637,405</u>	<u>816,866</u>
Total liabilities		<u>744,911</u>	<u>970,656</u>	<u>1,030,701</u>
Total equity and liabilities		<u>760,742</u>	<u>1,027,755</u>	<u>1,828,784</u>

APPENDIX I

ACCOUNTANT’S REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN (DEFICIT)/EQUITY

	Note	Attributable to owners of the Company				Non-controlling interest RMB'000	Total (deficit)/equity RMB'000
		Paid-in capital (Note 27) RMB'000	Reserves (Note 28) RMB'000	Accumulated deficit RMB'000	Total RMB'000		
Balance at 1 January 2023		44,193	123,106	(131,406)	35,893	—	35,893
Loss for the year		—	—	(113,804)	(113,804)	—	(113,804)
Currency translation differences		—	(86)	—	(86)	—	(86)
Total comprehensive income		—	(86)	(113,804)	(113,890)	—	(113,890)
Transactions with owners:							
Share- based payment	20	—	65,842	—	65,842	—	65,842
Total transactions with owners		—	65,842	—	65,842	—	65,842
Balance at 31 December 2023		44,193	188,862	(245,210)	(12,155)	—	(12,155)
Balance at 1 January 2024		44,193	188,862	(245,210)	(12,155)	—	(12,155)
Profit for the year		—	—	15,739	15,739	—	15,739
Currency translation differences		—	(127)	—	(127)	—	(127)
Total comprehensive income		—	(127)	15,739	15,612	—	15,612
Transactions with owners:							
Capital contribution from shareholders	27	1,507	58,493	—	60,000	—	60,000
Recognition of redemption liabilities	30	—	(60,000)	—	(60,000)	—	(60,000)
Share based payment	20	—	5,631	—	5,631	—	5,631
Total transactions with owners		1,507	4,124	—	5,631	—	5,631
Balance at 31 December 2024		45,700	192,859	(229,471)	9,088	—	9,088

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APPENDIX I

ACCOUNTANT’S REPORT

	<i>Note</i>	Attributable to owners of the Company				Non-controlling interest <i>RMB'000</i>	Total (deficit)/ equity <i>RMB'000</i>
		Paid- in capital (<i>Note 27</i>) <i>RMB'000</i>	Share Capital (<i>Note 27</i>) <i>RMB'000</i>	Reserves (<i>Note 28</i>) <i>RMB'000</i>	Accumulated deficit <i>RMB'000</i>	Total <i>RMB'000</i>	
Balance at 1 January 2025		45,700	—	192,859	(229,471)	9,088	9,088
Profit for the period		—	—	—	5,066	5,066	5,066
Currency translation differences		—	—	(14)	—	(14)	(14)
Total comprehensive income		—	—	(14)	5,066	5,052	5,052
Transactions with owners:							
Capital contribution from shareholders	27	15,232	—	591,381	—	606,613	606,613
Conversion into a joint stock company	27	(60,932)	300,000	(298,239)	59,171	—	—
Capital issuance to acquire a subsidiary	27	—	35,482	251,518	—	287,000	287,000
Recognition of redemption liabilities	30	—	—	(606,613)	—	(606,613)	(606,613)
Derecognition of redemption liabilities	30	—	—	943,303	—	943,303	943,303
Share based payment	20	—	—	4,659	—	4,659	4,659
Total transactions with owners		(45,700)	335,482	886,009	59,171	1,234,962	1,234,962
Balance at 31 December 2025		—	335,482	1,078,854	(165,234)	1,249,102	1,249,102

APPENDIX I

ACCOUNTANT’S REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

	<i>Note</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Cash flows from operating activities				
Cash (used in)/generated from operations	35(a)	(105,510)	(153,975)	140,300
Interest received		178	22	663
Income tax paid		(30)	(5)	(11)
Net cash (used in)/generated from operating activities		(105,362)	(153,958)	140,952
Cash flows from investing activities				
Purchases of property, plant and equipment		(17,090)	(2,337)	(506,532)
Payment for investments accounted for using the equity method	16	(1,000)	(2,000)	(7,000)
Loans to an associate and a joint venture		—	(2,430)	(8,700)
Purchases of intangible assets		—	(70)	(2,390)
Acquisition of a subsidiary (net of cash acquired)	36	—	—	(315,104)
Proceeds from disposal of property, plant and equipment		141	19	407
Repayment of loans by an associate		—	450	8,680
Net cash used in investing activities		(17,949)	(6,368)	(830,639)
Cash flows from financing activities				
Repayment of bank borrowings	35(b)	(165,699)	(305,540)	(401,153)
Interest paid		(7,801)	(10,532)	(14,603)
Repayment of other borrowings		(4,362)	(54,322)	(5,763)
Payment of lease liabilities		(4,755)	(3,993)	(3,833)
Payment for [REDACTED]		—	—	(1,214)
Proceeds from bank borrowings		244,040	414,307	737,533
Proceeds of other borrowings		—	53,613	—
Redemption liabilities		—	60,000	606,613
Net cash generated from financing activities		61,423	153,533	917,580
Net (decrease)/increase in cash and cash equivalents		(61,888)	(6,793)	227,893
Cash and cash equivalents at beginning of year		83,520	20,867	14,117
Exchange (losses)/gains on cash and cash equivalents		(765)	43	(263)
Cash and cash equivalents at end of year	26	20,867	14,117	241,747

APPENDIX I

ACCOUNTANT’S REPORT

II NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Changzhou Microintelligence Co., Ltd. (常州微億智造科技有限公司) (the predecessor company) was incorporated as a limited liability company in Changzhou, People’s Republic of China (the “PRC”) on 16 August 2018. The address of its registered office and headquarters of the Company is Building 4, Changzhou Big Data Industrial Park, No. 280 Yulong South Road, Zhonglou Economic Development Zone, Changzhou, Jiangsu Province, the PRC. On 22 September 2025, the Company was converted into a joint stock company with limited liability in the PRC, and changed its name to Changzhou Microintelligence Co., Ltd (常州微億智造科技股份有限公司) (the “Company”).

The Company and its subsidiaries (together, the “Group”) are principally engaged in sales of robots and software solutions, leveraging core technologies to effectively address the varied needs of the customers in industrial settings by offering embodied intelligent industrial robots products (“EHIR products”), AI-enabled intelligent products, modular products and other products in the PRC.

Mr. Zhang Zhiqi and Mr. Pan Zhengyi are the ultimate controlling shareholders of the Group as at the date of this report.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of the Historical Financial Information. These policies have been consistently applied throughout the Track Record Period, unless otherwise stated.

2.1 Basis of preparation

(i) Compliance with IFRS Accounting Standards

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards (“IFRS Accounting Standards”) issued by the International Accounting Standards Board (IASB).

IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

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

(ii) Historical cost convention

The Historical Financial Information has been prepared under the historical cost convention, except that certain financial assets/liabilities are carried at fair value.

(iii) Accounting policies

In preparing the Historical Financial Information, the Group has consistently adopted all applicable new and amended IFRS Accounting Standards throughout all the years presented except for any new standard, amendment and interpretation to existing standards that are not yet effective.

The followings are new standards, amendments to existing standards and new interpretations that have been issued but are not effective for the Track Record Period and have not been early adopted:

New/amended standards	Effective for annual periods beginning on or after
Amendments to the Classification and Measurement of Financial Instruments — Amendments to IFRS 9 and IFRS 7	1 January 2026
Contracts Referencing Nature-dependent Electricity — Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvement to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IAS 21 on Translation to a Hyperinflationary Presentation	1 January 2027
Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 — Disclosures about Uncertainties in the Financial Statements	1 January 2027
IFRS 10 and IAS 28 (Amendment) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

APPENDIX I

ACCOUNTANT’S REPORT

According to the assessment made by the directors of the Company, these new and amended standards are either not relevant to the Group or not significant to the financial performance and positions of the Group when they become effective, except for IFRS 18 which will mainly impact the presentation of the consolidated statements of comprehensive loss.

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group’s consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

Impact on consolidated statements of comprehensive loss:

- Although the adoption of IFRS 18 will have no impact on the Group’s net profit, the Group expects that grouping items of income and expenses in the income statement into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:

Foreign exchange differences

Foreign exchange differences currently aggregated in the line item “other gains/(losses) — net” in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit, unless doing so would involve undue cost or effort.

Impact on consolidated balance sheets:

- The line items presented on the primary financial statements might change as a result of the application of the concept of ‘useful structured summary’ and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the Group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.

Impact on disclosures:

- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - for the first annual period of application of IFRS 18, a reconciliation for each line item in the income statement between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

2.2 Principles of consolidation

(i) *Subsidiaries*

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

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated balance sheets respectively.

APPENDIX I

ACCOUNTANT’S REPORT

(ii) Changes in ownership interests in subsidiaries without change of control

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in other reserves within equity attributable to owners of the Company.

(iii) Associates

The Group’s interests in associates in the form of ordinary shares with significant influence but not control or joint control are generally accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

The Company may designate a venture capital investment in associate as FVPL at initial recognition. A venture capital investment can be distinguished from other investments by considering the way it is managed, the nature of the investment, and expected returns.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses of the investee in profit or loss, and the Group’s share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group and the Company.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.6.

2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations under non-common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest’s proportionate share of the acquired entity’s net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity.

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity’s incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

APPENDIX I

ACCOUNTANT’S REPORT

When the acquirer exchanges its share-based payment awards (replacement awards) for awards held by employees of the acquiree, the replacements of share-based payment awards are accounted for as modifications of the acquiree’s existing share-based payment awards, in accordance with IFRS 2.

The value of the replaced acquiree award at the acquisition date that relates to pre-combination services is accounted for as part of consideration in a business combination, which is calculated as the IFRS 2 measure of the acquiree’s awards multiplied by the ratio of completed service to the greater of the original or the new total vesting period. The amount of replacement share-based payment award that relates to post-combination services is a payment for services, and it is charged to the post-combination statement of profit or loss.

The IFRS 2 value of replacement awards attributable to both pre-combination services and to post-combination services is adjusted for the number of share-based payment awards expected to vest.

2.4 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values of 5% over their estimated useful lives as follows:

Machinery	3–10 years
Transportation	4–5 years
Computers and electronic equipment	3–5 years
Other equipment	3–5 years
Leasehold improvements	Estimated useful lives or remaining lease terms, whichever is shorter

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each Track Record Period.

Construction-in-progress is stated at cost less accumulated impairment losses. This includes cost of construction and other direct costs. Construction-in-progress is not depreciated until such time as the assets are completed and are ready for operational use.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount (Note 2.6).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

2.5 Intangible assets

(i) Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring the specific software into usage. These costs are amortised using the straight-line method over their estimated useful lives.

(ii) Technology

Technology acquired through business combination is initially recognized and measured at fair value, which is amortised using the straight-line method over their estimated useful lives.

(iii) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

(iv) Amortisation methods and periods

Software	2–10 years
Technology	10 years

(v) Research and development expenditures

Research expenditures are recognized as an expense incurred. Development cost is capitalized only if all of the following conditions are satisfied:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;

APPENDIX I

ACCOUNTANT’S REPORT

- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred.

2.6 Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each Track Record Period.

2.7 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labour and related expenses. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.8 Trade and notes receivables and other receivables

Trade and notes receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Majority of other receivables are deposits and other receivable from third parties. If collection of trade and notes receivables and other receivables are expected in one year or less (or in the normal operating cycle of business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and notes receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and notes receivables and other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.1 for further information about the Group’s impairment policies for trade and notes receivables and other receivables and Note 4.3 for a description of the Group’s accounting estimate for trade and notes receivables.

The Group holds the notes receivables for both collection of contractual cash flows and selling purpose. If selling of the notes receivables meets the definition of derecognition of financial assets, notes receivables are measured at fair value through other comprehensive income (“FVOCI”). Otherwise, notes receivables are measured at amortized cost using the effective interest method.

2.9 Investments and other financial assets

(i) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income (“OCI”) or through profit or loss), and
- those to be measured at amortised cost.

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

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

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

(ii) Recognition and derecognition

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

(iii) Measurement

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

APPENDIX I

ACCOUNTANT’S REPORT

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

Debt instruments

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

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

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and notes receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For others, it is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

2.10 Redemption liabilities

A contract that contains an obligation to repurchase the Company’s own equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount, even if the Company’s obligations to purchase is conditional on the counterparty exercising a right to redeem. The Company undertakes such redemption obligations as certain redemption rights are granted to the investors in the Company’s financing process, such redemption obligation is recognized as financial liability initially at the present value of the redemption amount and subsequently measured at amortized cost with changes charged in finance costs.

The Group removes redemption liabilities to financial investors when, and only when, the redemption obligations are discharged, cancelled or expired. The carry amount of the removed redemption liabilities to financial investors is reclassified into equity, if the contract expires without delivery.

2.11 Paid-in capital/share capital

Paid-in capital/share capital from owners are classified as equity.

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

Other reserve is recorded to reflect the carrying amount of the redemption liabilities when it is initially reclassified from equity and will be reversed back to equity when the redemption liabilities are derecognized upon the Group’s obligations in connection with those redemption liabilities are discharged, cancelled or expired.

APPENDIX I

ACCOUNTANT’S REPORT

2.12 Share-based payments

The Group operates certain share incentive plans, under which the Group receives services from employees as consideration for equity instruments of the Company. The fair value of the services received in exchange for the grant of the equity instruments is recognised as an expense in the consolidated statements of comprehensive income with a corresponding increase in equity.

In terms of the options and/or restricted share units awarded to employees, the total amount to be expensed is determined by reference to the fair value of the options and/or shares granted:

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

Service and non-marketing performance vesting conditions are included in calculation of the number of options and shares that are expected to vest. The total amount expensed is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each Track Record Period, the Group revises its estimates of the number of options and shares that are expected to vest based on the service and non-marketing vesting performance conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where the terms of the share-based payment plan are modified, the expense that is not yet recognized for the award is recognized over the remaining vesting period as if the terms had not been modified.

If a modification increases the fair value of the equity instruments granted, the incremental fair value granted is included in the measurement of the amount recognized for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification.

If the Group modifies the terms or conditions of its equity instruments granted in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the Group shall nevertheless continue to account for the services received as consideration for the equity instruments granted as if that modification had not occurred.

When the identifiable consideration received by the Company appears to be less than the fair value of the equity instruments granted or liability incurred, the Company measures the unidentifiable goods or services received as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received. The Company measures the unidentifiable goods or services received at the grant date.

If a grant of equity instruments is cancelled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Group shall account for the cancellation or settlement as an acceleration of vesting, and shall therefore recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

2.13 Revenue recognition

The Group principally derives revenue from the sale of embodied intelligent industrial robots products, AI-enabled intelligent products, modular products and other products.

Revenue is recognized when or as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group’s performance:

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

If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

When either party to a contract has performed, the Group presents the contract on the consolidated statements of financial position as a contract asset or a contract liability, depending on the relationship between the entity’s performance and the customer’s payment.

The accounting policies for the Group’s principal revenue sources are as follows:

(i) Sales of embodied intelligent industrial robots products and AI-enabled intelligent products

The Group generates revenue from sales of integrated embodied intelligent industrial robots products (“EIIR products”) and AI-enabled intelligent products.

The revenue for sales of the products mentioned above is recognized at a point in time when the control of the products mentioned above are transferred to the customer. Specifically, sales are recognised when the products have been shipped to the specific location in accordance with the sales contract and the customers have inspected and accepted the products.

APPENDIX I

ACCOUNTANT’S REPORT

(ii) Sales of modular products

The Group sells modular products and generates revenue from sales of standardized, universal hardware and software components for individual sale.

The revenue for sales of the products mentioned above is recognized at a point in time when the control of the products mentioned above are transferred to the customer. Specifically, sales are recognised when the products have been delivered to customers and the customers have inspected and accepted the products.

(iii) Sales of other products and services

The Group generates revenue from sales of other products which are mainly electronic appliances, computing power services and provision of ancillary services. This revenue of electronic appliances is recognized at a point in time and the revenue of ancillary services is recognized over the contracted period with customers in which the services are provided as the customers simultaneously receive and consume the benefit provided by the Group.

(iv) Multiple performance obligations in contracts with customers

Several contracts with customers include multiple performance obligations of sales of products and provision of ancillary services. For such arrangements, the Group allocates transaction price to each performance obligation based on the relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers when the Group sells it separately in similar circumstances to similar customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgements on these assumptions and estimates may impact the revenue recognition.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group entities’ functional currency. The Group’s businesses are principally conducted in RMB. The majority of assets is denominated in RMB. The non-RMB assets and liabilities are cash and cash equivalents and trade receivables denominated in USD. The Group is primarily exposed to changes in RMB/USD exchange rates.

The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates. Cash repatriation from the PRC are subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group did not have other significant exposure to foreign exchange risk.

As at 31 December 2023, 2024 and 2025, if the USD strengthened/weakened by 10% against the RMB, with all other variables held constant, profit/(loss) before income tax for the years/periods then ended would have been approximately RMB790,000 RMB984,000 and RMB1,568,000 higher/lower respectively as a result of foreign exchange gains/losses on translation of USD denominated financial assets.

(ii) Cash flow and fair value interest rate risk

The Group’s income and operating cash flows are substantially independent of changes in market interest rates, as the Group has no significant interest-bearing assets except for cash and cash equivalents, restricted cash measured at amortised cost.

The Group’s exposure to changes in interest rates is attributable to its borrowings from banks. Borrowings at variable rates expose the Group to cash flow interest rate risk whereas borrowings at fixed rates expose the Group to fair value interest rate risk, details of which has been disclosed in Note 29. The Group has not hedged its cash flow or fair value interest rate risk. The redemption liabilities to financial investors (Note 30) of the Group carried at fixed rates expose the Group to fair value interest risk.

As at 31 December 2023, 2024 and 2025, if the Group’s interest rates on borrowings had been 10% higher/lower, the (loss)/profit before income tax for the year then ended would have been approximately RMB864,000, RMB1,234,000, RMB2,047,000 higher/lower respectively.

APPENDIX I

ACCOUNTANT’S REPORT

(b) Credit risk

Credit risk arises from cash and cash equivalents, trade and notes receivables, contract assets, financial assets at fair value through other comprehensive income (“FVOCI”) and other receivables. The carrying amounts of these financial assets represent the Group’s maximum exposure to credit risk in relation to these financial assets.

Risk management

To manage this risk, cash and cash equivalents and restricted cash is mainly placed with state-owned or reputable financial institutions in Mainland China which are all high-credit-quality financial institutions.

To manage risk arising from trade and notes receivables, contract assets and financial assets at FVOCI, management performs ongoing credit evaluations of the counterparties. Trade and notes receivables have been grouped based on shared credit risk characteristics and aging to measure the expected credit losses. Trade and notes receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade and notes receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experiences, and forward-looking information.

Impairment of financial assets and contract assets

The Group has three types of financial assets that are subject to the expected credit loss model: (i) cash and cash equivalents and restricted cash; (ii) trade and notes receivables, contract assets and financial assets at FVOCI; and (iii) other receivables.

(i) Cash and cash equivalents and restricted cash

To manage risk arising from cash and cash equivalents and restricted cash, the Group only transacts with state-owned or reputable financial institutions in Mainland China. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. Cash and cash equivalents and restricted cash are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

(ii) Trade and notes receivables, contract assets and financial assets at FVOCI

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and notes receivables. To measure the expected credit losses, trade and notes receivables have been grouped based on shared credit risk characteristics and aging.

For trade and notes receivables, management makes periodic assessments as well as individual assessment on the recoverability based on historical settlement records and past experience and adjusts for forward looking information. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The determination of the expected loss rates is based on the probability of default and the loss given the default with reference to the credit ratings of the counter parties at the end of each reporting period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product (GDP) and consumer price index (CPI) of mainland China in which it provides services to be the relevant factors, and accordingly adjusts the loss rates based on expected changes in those factors.

Individually impaired trade receivables are related to customers who are experiencing unexpected economic difficulties. The Group expects that the amounts of the receivables will partially or entirely have difficulty to be recovered and has recognized impairment losses.

Trade receivables

Category 1 (collective basis): customers who are grouped based on shared credit risk characteristics.

Category 2 (individual basis): customers who are insolvent or in operating difficulty with a relatively higher credit risk.

APPENDIX I

ACCOUNTANT’S REPORT

As of 31 December 2023, 2024 and 2025, the loss allowance provision for the trade receivables was determined as follows:

	Gross carrying amount RMB'000	Expected credit loss rate RMB'000	Loss allowance RMB'000
As at 31 December 2023			
Category 1	403,567	4.46%	(18,005)
Category 2	1,784	100.00%	(1,784)
	<u>405,351</u>	<u>4.88%</u>	<u>(19,789)</u>
As at 31 December 2024			
Category 1	636,097	3.75%	(23,822)
Category 2	6,546	100.00%	(6,546)
	<u>642,643</u>	<u>4.73%</u>	<u>(30,368)</u>
As at 31 December 2025			
Category 1	468,996	2.47%	(11,578)
Category 2	3,064	100.00%	(3,064)
	<u>472,060</u>	<u>3.10%</u>	<u>(14,642)</u>

Contract assets

As of 31 December 2023, 2024 and 2025, the loss allowance provision for the contract assets was determined as follows:

	Gross carrying amount RMB'000	Expected credit loss rate RMB'000	Loss allowance RMB'000
As at 31 December 2023			
Category 1	23,180	3.75%	(869)
Category 2	—	—	—
	<u>23,180</u>	<u>3.75%</u>	<u>(869)</u>
As at 31 December 2024			
Category 1	36,830	2.95%	(1,088)
Category 2	—	—	—
	<u>36,830</u>	<u>2.95%</u>	<u>(1,088)</u>
As at 31 December 2025			
Category 1	59,410	2.26%	(1,342)
Category 2	—	—	—
	<u>59,410</u>	<u>2.26%</u>	<u>(1,342)</u>

APPENDIX I

ACCOUNTANT’S REPORT

Notes receivables and financial assets at FVOCI

As of 31 December 2023, 2024 and 2025, the loss allowance provision for notes receivables and financial assets at FVOCI was determined as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Expect loss rate	—	—	—
Notes receivables	978	2,858	6,473
Financial assets at FVOCI	199	5	302
	<u>1,177</u>	<u>2,863</u>	<u>6,775</u>

The notes receivables and financial assets at FVOCI are notes issued by those who are of high credit quality with a low risk of default and therefore no material credit loss was recognized.

(iii) Other receivables

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability based on historical settlement records, past experience and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group measures credit risk of other receivables and finance lease receivables using Probability of Default (“PD”), Exposure at Default (“EAD”) and Loss Given Default (“LGD”).

- Financial instruments that are not credit-impaired on initial recognition are classified in “Stage 1” and have their credit risk continuously monitored by the Group. The expected credit loss is measured on a 12-month basis.
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to “Stage 2” but is not yet deemed to be credit-impaired. The expected credit loss is measured on lifetime basis.
- If the financial instrument is credit-impaired, the financial instrument is then moved to “Stage 3”. The expected credit loss is measured on lifetime basis.

As at 31 December 2023, 2024 and 2025 the loss allowance of other receivables are determined as follows:

	Gross carrying amount RMB'000	Expected credit loss rate RMB'000	Loss allowance RMB'000
As at 31 December 2023			
Stage 1	3,088	4.73%	(146)
Stage 3	558	100.00%	(558)
	<u>3,646</u>	<u>19.31%</u>	<u>(704)</u>
As at 31 December 2024			
Stage 1	4,397	3.75%	(165)
Stage 3	562	100.00%	(562)
	<u>4,959</u>	<u>14.66%</u>	<u>(727)</u>
As at 31 December 2025			
Stage 1	8,272	1.79%	(148)
Stage 3	526	100.00%	(526)
	<u>8,798</u>	<u>7.66%</u>	<u>(674)</u>

Other receivables mainly include deposits, advance to employees and others. All the Group’s financial assets at amortized cost are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition as described in Note 25. As of 31 December 2023, 2024 and 2025, the majority of the Group’s other receivables were classified in Stage 1, and their expected credit losses were measured on a 12-month basis. Other receivables with a relatively low reasonable expectation of recovery were classified in Stage 3, and their expected credit losses were measured on a lifetime basis.

(iv) Summary of impairment of financial assets

Impairment losses on the above-mentioned trade related receivables and other receivables are presented as net impairment losses within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

APPENDIX I

ACCOUNTANT’S REPORT

The movement of loss allowance for trade and notes receivables, contract assets, financial assets at FVOCI and other receivables during the years ended 31 December 2023, 2024 and 2025 is as follows:

	Trade and notes receivables and financial assets at FVOCI	Contract assets	Other receivables	Total
Opening loss allowance as at 1 January 2023	(9,670)	(689)	(691)	(11,050)
Increase in loss allowance recognized in profit or loss during the year	(10,119)	(180)	(13)	(10,312)
As at 31 December 2023	(19,789)	(869)	(704)	(21,362)
Opening loss allowance as at 1 January 2024	(19,789)	(869)	(704)	(21,362)
Increase in loss allowance recognized in profit or loss during the year	(10,579)	(219)	(23)	(10,821)
As at 31 December 2024	(30,368)	(1,088)	(727)	(32,183)
Opening loss allowance as at 1 January 2025	(30,368)	(1,088)	(727)	(32,183)
Decrease/(increase) in loss allowance recognized in profit or loss during the year	15,726	(254)	53	15,525
As at 31 December 2025	(14,642)	(1,342)	(674)	(16,658)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. The Group’s objective is to maintain adequate committed credit lines to ensure sufficient and flexible funding is available to the Group.

The table below analyses the Group’s financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB’000	Between 1 and 2 years RMB’000	Between 2 and 5 years RMB’000	Over 5 years RMB’000	Total RMB’000
At 31 December 2023					
Redemption liabilities	—	—	335,105	—	335,105
Borrowings	259,025	—	—	—	259,025
Trade and notes payables	208,099	—	—	—	208,099
Lease liabilities	4,141	4,288	5,035	—	13,464
Long-term payables	4,358	1,379	—	—	5,737
Other payables and accruals (excluding employee benefits payables, warranty provision, long-term payables and tax payables)	2,706	—	—	—	2,706
	<u>478,329</u>	<u>5,667</u>	<u>340,140</u>	<u>—</u>	<u>824,136</u>

APPENDIX I

ACCOUNTANT’S REPORT

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 31 December 2024					
Redemption liabilities	—	—	417,738	—	417,738
Borrowings	349,256	20,240	—	—	369,496
Trade and notes payables	212,772	—	—	—	212,772
Lease liabilities	4,119	4,152	547	—	8,818
Long-term payables	1,377	—	—	—	1,377
Other payables and accruals (excluding employee benefits payables, warranty provision, long-term payables and tax payables)	5,961	—	—	—	5,961
	<u>573,485</u>	<u>24,392</u>	<u>418,285</u>	<u>—</u>	<u>1,016,162</u>
At 31 December 2025					
Borrowings	501,287	30,775	88,125	120,375	740,562
Trade and notes payables	179,783	—	—	—	179,783
Lease liabilities	4,554	410	90	—	5,054
Other payables and accruals (excluding employee benefits payables, warranty provision and tax payables)	7,397	—	—	—	7,397
	<u>693,021</u>	<u>31,185</u>	<u>88,215</u>	<u>120,375</u>	<u>932,796</u>

3.2 Capital management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders’ value in the long-term.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchase the Company’s shares. In the opinion of the directors of the Company, the Group’s net liabilities as at 31 December 2023 mainly include redemption liabilities to financial investors disclosed in Note 30. The Group’s position then turned to net assets as at 31 December 2024 and 2025. Especially as at 31 December 2025, as disclosed in Note 30, the redemption liabilities were derecognized and the Group’s net assets increased to RMB1,249,102,000. Besides there are no regulatory indicators in the industry where the Company is located. Measurement of capital management is not a tool currently used in the internal management reporting procedures of the Group.

3.3 Fair value estimation

(a) Financial assets and liabilities

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

	Notes	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
At 31 December 2023					
Financial assets					
Financial assets at FVOCI	24	—	—	199	199
Total financial assets		<u>—</u>	<u>—</u>	<u>199</u>	<u>199</u>
At 31 December 2024					
Financial assets					
Financial assets at FVOCI	24	—	—	5	5
Total financial assets		<u>—</u>	<u>—</u>	<u>5</u>	<u>5</u>
At 31 December 2025					
Financial assets					
Financial assets at FVOCI	24	—	—	302	302
Total financial assets		<u>—</u>	<u>—</u>	<u>302</u>	<u>302</u>

APPENDIX I

ACCOUNTANT’S REPORT

The Group’s policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting year.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading securities) is based on quoted market prices at the end of the Track Record Period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted debt and equity investment.

(b) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include quoted market prices or dealer quotes for similar instruments.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

The carrying amounts of the Group’s current financial assets, including cash and cash equivalents, restricted cash, trade and notes receivables, other receivables; and the Group’s current financial liabilities, including trade payables, other payables and accruals and lease liabilities approximate their fair values due to their short maturities.

The following table presents the changes in Level 3 items including financial assets at fair value through other comprehensive income:

	Financial assets at fair value through profit or loss (Note 36) RMB’000	Financial assets at fair value through other comprehensive income RMB’000	Total RMB’000
At 1 January 2023	—	1,568	1,568
Additions	—	500	500
Disposals	—	(1,869)	(1,869)
At 31 December 2023	—	199	199
At 1 January 2024	—	199	199
Additions	—	2,932	2,932
Disposals	—	(3,126)	(3,126)
At 31 December 2024	—	5	5
At 1 January 2025	—	5	5
Additions	224,000	5,751	229,751
Disposals	(224,000)	(5,454)	(229,454)
At 31 December 2025	—	302	302

(c) Valuation inputs and relationships to fair value

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

Description	Fair value	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
As at 31 December 2023				
Financial assets at FVOCI				
— Notes receivables	199	Discount rate	1.55%	The higher the discounted rate, the lower the fair value

APPENDIX I

ACCOUNTANT’S REPORT

Description	Fair value	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
As at 31 December 2024				
Financial assets at FVOCI				
— Notes receivables	5	Discount rate	1.55%	The higher the discounted rate, the lower the fair value
As at 31 December 2025				
Financial assets at FVOCI				
— Notes receivables	302	Discount rate	1.55%	The higher the discounted rate, the lower the fair value

For the level 3 financial assets at FVOCI, the financial impact amount on fair value which was affected by the unobservable inputs (discount rates) were not material.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of historical financial information requires the use of accounting estimates, which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group’s accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Goodwill impairment assessment

For the purposes of goodwill impairment assessment, management considered the whole group as one cash-generated-units (“CGU”) and goodwill was monitored at group level. Management assessed the impairment of goodwill by determining the recoverable amounts of the CGU to which goodwill has been allocated based on the higher of value-in-use calculation and fair value less cost of disposals. Significant judgements and estimates were involved in the goodwill impairment assessment. These significant judgements and estimates include the adoption of appropriate valuation method and the use of key assumptions in the valuation, which primarily include annual revenue growth rate, terminal revenue growth rates, gross profit rates and discount rate.

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

Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to sell. These calculations require the use of judgments and estimates.

Judgement is required to determine key assumptions adopted in the valuation models for impairment review purpose. Changing the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and as a result affect the Group’s financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take additional impairment charge to the consolidated income statements.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

During the Track Record Period, the Group’s products are mainly manufactured by outsourced manufacturers. As of 31 December 2023, 2024 and 2025, the non-financial assets of the Group mainly include leased buildings, computing equipment, equipment and software held for the overall R&D activities and daily operations of the Group, which is identified as one single cash generating unit (“CGU”) for impairment testing purpose. As at 31 December 2023, the Group’s management identified impairment indicator being the loss making situation of the Group, and estimated the corresponding recoverable amounts of the CGU. The recoverable amount of the CGU at the end of the reporting period had been determined based on value in use calculations, using cash flow projections based on management’s approved financial forecasts. Key assumptions applied in preparing the cash flow projections included revenue growth rate and gross profit rate. Based on the result of the assessment, the recoverable amount exceeded the carrying amount of the CGU with sufficient headroom. Hence, no impairment of non-financial assets was recognized during the years ended 31 December 2023. As at 31 December 2024 and 2025, the Group’s management did not identify any impairment indicators.

4.3 Provision for expected credit losses on trade receivables

The loss allowance for financial assets disclosed in Note 3.1 is based on assumptions about Probability of Default (“PD”), Exposure at Default (“EAD”) and Loss Given Default (“LGD”). The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group’s past history, existing market conditions as well as forward looking estimates at the end of each Track Record Period.

APPENDIX I

ACCOUNTANT’S REPORT

4.4 Recognition of share-based payments to employees

The fair value of restricted share units and share options granted to certain employees are measured on the respective grant dates based on the fair value of the underlying shares. The Group only recognise an expense for those restricted shares expected to vest over the vesting period. Changes in these estimates and assumptions could have a material effect on determination of the fair value of restricted share units and share options and the amount of such share-based awards vested, which may in turn significantly impact the determination of share-based payments.

4.5 Recognition of contingent liability

Contingent liabilities primarily represents the potential payment to a supplier and the amount was estimated to be RMB17,893,000, RMB18,628,000 and RMB19,389,000 as of 31 December 2023, 2024 and 2025, respectively. The potential future payment was due to the termination of the originally agreed purchase orders. When estimating the amount, the Company considered the total claim exposure, the determination of payment amount related to these early terminated purchase orders under multiple scenarios.

4.6 Current and deferred income tax

Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional tax will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the year in which such determination is made.

For temporary differences or tax losses which give rise to deferred tax assets, the Group assesses the likelihood that the deferred tax assets could be recovered. Deferred tax assets are recognised based on the Group’s estimates and assumptions that they will be recovered from taxable income arising from continuing operations in the foreseeable future.

5 SEGMENT INFORMATION

During the Track Record Period, the Group is engaged in the research, development, and application of technologies related to the digital and intelligent transformation and upgrading of the industrial manufacturing sector, creating a series of intelligent products that combine perception algorithms with drive-control algorithms.

The executive directors of the Company review the operating results of the business as one operating segment to make strategic decisions and resources allocation.

The major operating entities of the Group are domiciled in the PRC. Accordingly, majority of the Group’s results were derived in the PRC and all the operating assets of the Group are located in the PRC during the years ended 31 December 2023, 2024 and 2025.

6 REVENUE

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
EIIR products	114,137	271,833	453,256
AI-enabled intelligent products	203,357	204,954	208,947
Modular products	96,457	112,333	127,039
Others	20,075	11,126	6,262
Total	434,026	600,246	795,504

Revenue from the transfer of products and rendering of services at a point in time or over time, which are analysed as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At a point in time			
— EIIR products	114,137	271,833	453,256
— AI-enabled intelligent products	203,357	204,954	208,947
— Modular products	96,457	112,333	127,039
— Others	8,971	5,346	2,187
	422,922	594,466	791,429
Over time			
— Others	11,104	5,780	4,075
Total	434,026	600,246	795,504

APPENDIX I

ACCOUNTANT’S REPORT

There’s no single external customer who contributed more than 10% of the Group’s total revenue for the years ended 31 December 2024 and 2025.

For the year ended 31 December 2023, revenue from customers contributing over 10% of the Group’s total revenue is as follows:

	Year ended 31 December 2023	
	RMB'000	%
Customer A	58,560	13%
Customer B	51,073	12%
Customer C	46,131	11%
Total	155,764	36%

The Group has recognized the following liabilities related to contracts with customers:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contract liabilities	13,818	10,205	49,012

The following table shows the amount of revenue recognised that were included in the contract liabilities at the beginning of each of the Track Record Period:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue recognized that was included in the contract liabilities at the beginning of the year	4,335	12,446	10,145

Transaction price allocated to the unsatisfied performance obligation related to contract liabilities is immaterial during the Track Record Period.

The Group has recognized the following assets related to contracts with customers:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current contract assets relating to quality guarantee	23,180	36,830	59,410
Less: loss allowance (Note 3.1(b))	(869)	(1,088)	(1,342)
Total contract assets	22,311	35,742	58,068

Contract assets are generally the final payments of revenue contracts which are due at the end of the quality guarantee period. Contract assets are recorded as the Group has the right to these amounts of consideration the payment of which was conditional pending on something other than the passage of time when the revenue is recognised. The contract assets are transferred to trade receivables when the rights become unconditional.

7 OTHER INCOME

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government grants	21,480	18,483	2,279
Value added tax (“VAT”) refund	234	179	150
Others	40	4	4
	21,754	18,666	2,433

APPENDIX I

ACCOUNTANT’S REPORT

The government grants received during the year primarily comprised the financial subsidies received from various local government authorities in mainland China. There are no unfulfilled condition or other contingencies attaching to these grants.

8 OTHER LOSSES — NET

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Provision for legal claim	—	—	(1,619)
Net foreign exchange (losses)/gains	(679)	170	(249)
Net (losses)/gains on disposals of long-term assets	(24)	28	(2)
Donation	(31)	(12)	(11)
Others	(710)	(687)	262
	<u>(1,444)</u>	<u>(501)</u>	<u>(1,619)</u>

9 (PROVISION FOR)/REVERSAL OF EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS — NET

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(Provision for)/reversal of impairment losses on:			
— trade and notes receivables	(10,119)	(10,579)	15,726
— contract assets	(180)	(219)	(254)
— other receivables	(13)	(23)	53
	<u>(10,312)</u>	<u>(10,821)</u>	<u>15,525</u>

10 EXPENSES BY NATURE

The expenses charged to cost of sales, selling expenses, general and administrative expenses and research and development expenses are analysed as follow.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials and consumables used	196,435	270,365	344,547
Changes in finished goods and work in progress	(26,084)	(35,580)	(15,829)
Computing power costs (a)	106,293	129,103	211,939
Employee benefit expenses	145,175	127,471	124,172
Share-based payment (Note 20)	65,842	5,631	4,659
Services fees	10,924	15,759	25,966
Depreciation and amortization	14,257	13,172	13,126
[REDACTED]	—	—	15,582
Travel expenses	7,128	5,989	8,692
Office expenses	4,145	4,531	8,300
Marketing, advertising and business development expenses	4,684	6,482	8,710
Tax surcharges	1,266	1,164	6,912
Provision for impairment of inventories	881	973	916
Others	8,082	6,141	7,018
Total	<u>539,028</u>	<u>551,201</u>	<u>764,710</u>

(a) Computing power costs include the depreciation of computing equipment, the amounts of which for the years ended 31 December 2023, 2024 and 2025 were approximately RMB5,051,000, RMB5,246,000 and RMB25,081,000 respectively.

11 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wages, salaries and bonuses	112,026	97,328	99,918
Pension costs-defined contribution plans	12,827	12,042	11,252
Other employee benefits	20,322	18,101	13,002
Share-based payment expenses (Note 20)	65,842	5,631	4,659
Total employee benefit expenses	<u>211,017</u>	<u>133,102</u>	<u>128,831</u>

APPENDIX I

ACCOUNTANT’S REPORT

(a) Pensions — defined contribution plans

Employees of the Group are required to participate in a defined contribution plan administrated and operated by the local municipal government in the PRC. The Group contributes funds which are calculated on certain percentages of the employee salary as agreed by the local municipal government to the plan to fund the retirement benefits of the employees.

During the Track Record Period, no forfeited contributions were utilised by the Group to reduce its contributions for the year.

The five individuals whose emoluments were the highest in the Company for the years ended 31 December 2023, 2024 and 2025 included 2, 2 and 4 directors and supervisors, respectively, whose emoluments are reflected in Note 39. The emoluments payable to the remaining 3, 3 and 1 highest paid individuals during the years ended 31 December 2023, 2024 and 2025 are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wages, salaries and bonuses	1,716	1,810	905
Pension costs-defined contribution plans, other social security and housing fund	435	323	50
Share-based payments	23,279	3,095	860
	<u>25,430</u>	<u>5,228</u>	<u>1,815</u>

(b) Five highest paid individuals

The emoluments of the non-director highest paid employees fell within the following bands:

	Year ended 31 December		
	2023	2024	2025
Within HKD1,000,000	—	—	—
HKD1,000,001 to HKD5,000,000	—	3	1
HKD5,000,001 to HKD10,000,000	2	—	—
HKD10,000,001 to HKD15,000,000	1	—	—
	<u>3</u>	<u>3</u>	<u>1</u>

12 FINANCE COST — NET

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Finance income			
Interest income on bank deposits	178	22	663
Finance cost			
Interest expenses on bank borrowings	(7,801)	(10,532)	(14,803)
Interest expenses on lease liabilities	(649)	(485)	(278)
Interest expenses on other borrowings	(516)	(301)	(726)
Interest expenses on redemption liabilities	(19,850)	(22,776)	(23,419)
	<u>(28,816)</u>	<u>(34,094)</u>	<u>(39,226)</u>
Finance cost — net	<u>(28,638)</u>	<u>(34,072)</u>	<u>(38,563)</u>

13 INCOME TAX EXPENSES

(i) PRC Corporate income tax (“PRC CIT”)

The income tax provision of the Group in respect of its operations in PRC was subject to statutory tax rate of 25% on the assessable profits for the years ended 31 December 2023, 2024 and 2025, based on the existing legislation, interpretations and practices in respect thereof.

The Company obtained its High and New Technology Enterprises (“HNTE”) status in year 2020 and hence is entitled to a preferential tax rate of 15% for a three-year period commencing 2020. In 2023, the Company succeeded the qualification for HNTE and is therefore subject to a preferential income tax rate of 15% for a three-year period commencing 2023.

The Group’s subsidiary, Agilebot Robotics Co., Ltd. (上海捷勃特机器人有限公司) was qualified as HNTE in year 2023 and hence it is entitled to a preferential tax rate of 15% for a three-year period commencing 2023.

The Group’s subsidiary, Jiangsu SVFactory Co., Ltd. (江蘇智雲天工科技有限公司) was qualified as HNTE in year 2024 and hence it is entitled to a preferential tax rate of 15% for a three-year period commencing 2024.

APPENDIX I

ACCOUNTANT’S REPORT

During the Track Record Period, certain subsidiaries in the mainland China that were qualified as “small low-profit enterprises” under the Enterprise Income Tax Law of the PRC enjoyed a preferential income tax rate of 20%.

(ii) Hong Kong income tax

The entity incorporated in Hong Kong is subject to Hong Kong profits tax of which the tax rate is 8.25% for assessable profits in the first HKD2 million and 16.5% for any assessable profits in excess of HKD2 million.

(iii) The United States income tax

The United States income tax rate divided into the federal tax and state tax. The federal income tax is 21%. And the state income tax rates range from 1% to 12%.

(iv) Singapore income tax

The entity incorporated in Singapore is subject to Singapore income tax at a rate of 17% for taxable income earned in Singapore. No provision for Singapore income tax was made as the Group had no estimated assessable profit that was subject to Singapore income tax during the Track Record Period.

(v) Japan income tax

Corporate income tax is levied at a standard rate of 23.2% (national corporate tax) plus local inhabitant tax and enterprise tax, resulting in an effective combined statutory tax rate of approximately 30.86% for the year ended 31 December 2025. For small and medium-sized enterprises in Japan, a reduced national corporate tax rate of 15% applies to the first JPY8 million of taxable income, with the balance taxed at 23.2%.

(vi) Pillar Two income tax

The Pillar Two legislation has been enacted in Singapore and Japan which the Group operates in, and the legislation was effective for the Group’s financial year beginning 1 January 2025. Based on the assessment, the Group does not expect a material exposure to Pillar Two income taxes.

The following table sets for the component of the Group’s income tax expense for the years ended 31 December 2023, 2024 and 2025.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current income tax expense	5	475	—
Deferred income tax (expense)/credit (<i>Note 34</i>)	(10,031)	3,679	(623)
Income tax (credit)/expense	(10,026)	4,154	(623)

The tax on the Group’s profit before income tax differs from the theoretical amount that would arise using the statutory tax rate of 25% for the years ended 31 December 2023, 2024 and 2025. The differences are analysed as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(Loss)/Profit before income tax	(123,830)	19,893	4,443
Tax calculated at the applicable statutory tax rate of 25%	(30,958)	4,973	1,111
Adjustment for tax effect of:			
Preferential income tax rates applicable to certain companies comprising the Group	11,115	(2,987)	(987)
Super deduction for research and development expenses (<i>a</i>)	(7,667)	(6,410)	(9,181)
Tax effects of expenses not deductible for tax purposes	3,241	4,145	3,753
Tax losses for which no deferred tax asset was recognised	4,442	3,419	4,063
Other temporary difference for which no deferred tax asset was recognised	9,801	1,025	625
Utilization of previously unrecognized temporary difference and tax losses	—	(11)	(7)
Income tax (credit)/expense	(10,026)	4,154	(623)

For each of the years ended 31 December 2023, 2024 and 2025, the effective tax rate was 8%, 21%, -14%.

(a) Super Deduction for research and development expenses

The State Taxation Administration of the People’s Republic of China announced in March 2023 that enterprises engaging in research and development activities would entitle to claim 200% of their research and development expenses as Super Deduction from 1 January 2023. The Group has made its best estimate for the Super Deduction to be claimed for the Group’s entities in ascertaining their assessable profits during the Track Record Period.

APPENDIX I

ACCOUNTANT’S REPORT

Deductible losses that are not recognized for deferred tax assets will expire as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
2025	236	236	236
2026	2,367	2,367	2,269
2027	26,335	26,335	20,627
2028	18,191	18,139	17,281
2029	—	16,858	16,849
2030 and after	—	—	326,523
	<u>47,129</u>	<u>63,935</u>	<u>383,785</u>

The increase of deductible losses primarily represent the tax deductible losses of Agilebot, which was acquired by the Company in 2025.

14 DIVIDENDS

No dividend was paid or declared by the Company during the Track Record Period.

15 (LOSSES)/EARNINGS PER SHARE

On 22 September 2025, the Company was converted into a joint stock company with limited liability, 300,000,000 ordinary shares at RMB1.0 each were issued and allotted to the then owners of the Company in proportion to their paid-in capital to the Company on that day. This capitalization of share capital is applied retrospectively for the purpose of calculating basic loss per share, as adjusted for the paid-in capital by the then owners and the number of registered capital.

(a) Basic (losses)/earnings per share

Basic earnings per share is calculated by dividing the (loss)/profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the years ended 31 December 2023, 2024 and 2025.

Those shares with redemption features were included in the calculation of weighted average number of ordinary shares outstanding.

	Year ended 31 December		
	2023	2024	2025
(Loss)/profit attributable to owners of the Company (RMB'000)	(113,804)	15,739	5,066
Weighted average number of ordinary shares in issue (thousands)	<u>217,587</u>	<u>222,112</u>	<u>283,944</u>
Basic (loss)/earnings per share attributable to the equity holders of the Company (RMB per share)	<u>(0.52)</u>	<u>0.07</u>	<u>0.02</u>

(b) Diluted (losses)/earnings per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive instruments. For the year ended 31 December 2023, these potential ordinary shares with Redeemable Rights (Note 30) and share option plan were not included in the calculation of diluted losses/earnings per share because they were anti-dilutive. For the years ended 31 December 2024 and 2025, these potential ordinary shares with Redeemable Rights (Note 30) were not included in the calculation of diluted losses/earnings per share because they were anti-dilutive. Accordingly, diluted losses/earnings per share for the years ended 31 December 2023, 2024 and 2025 were the same as basic loss per share for the respective years.

APPENDIX I

ACCOUNTANT’S REPORT

16 SUBSIDIARIES AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The Group and The Company

(a) Subsidiaries of the Group and the Company

As at the date of this report, the Group and the Company has direct or indirect interests in the following subsidiaries:

Name of entity	Date of incorporation	Place of incorporation/ operation	Registered share capital	Effective interest held by the Group			As at the date of this report	Principal activities
				As at 31 December				
				2023 RMB'000	2024 RMB'000	2025 RMB'000		
Shanghai X Industry System Co., Ltd. (ii)	21 November 2005	the PRC	RMB5,000,000	100%	100%	100%	100%	Sales of software
Shanghai Microintelligence Co., Ltd. (i)	20 April 2020	the PRC	RMB5,000,000	100%	100%	100%	100%	Research and development services
Jiangsu SVFactory Co., Ltd. (ii)	28 April 2021	the PRC	RMB21,290,101	100%	100%	100%	100%	Sales of cloud platform
Beijing SVFactory Co., Ltd. (ii)	28 May 2021	the PRC	RMB5,000,000	100%	100%	100%	100%	Sales of robotic products
Shanghai SVFactory Co., Ltd. (ii)	07 June 2021	the PRC	RMB5,000,000	100%	100%	100%	100%	Research and development services
Shenzhen Zhihui Xiaoxiang Technology Co., Ltd. (ii)(iii)	12 July 2021	the PRC	RMB5,000,000	100%	100%	100%	100%	Deregistered
Suzhou Microintelligence Co., Ltd. (ii)	11 August 2021	the PRC	RMB100,000	100%	100%	100%	100%	Sales of robotic products
SVFactory, Inc. (ii)(iv)	17 August 2021	the USA	USD500,000	100%	100%	100%	100%	Dormant
Shenzhen Microintelligence Co., Ltd. (ii)	25 August 2021	the PRC	RMB5,000,000	100%	100%	100%	100%	Sales of robotic products
Jiangsu Flabegram Technology Co., Ltd. (ii)(iv)	13 October 2021	the PRC	RMB10,000,000	100%	100%	100%	100%	Dormant
Changzhou Zhizuo Technology Co., Ltd. (ii)	29 October 2021	the PRC	RMB1,000,000	80%	80%	80%	100%	Dormant
Hong Kong SVFACTORY Co., Limited (ii)(iii)	16 November 2021	Hong Kong	USD300,000	100%	NA	NA	NA	Deregistered
Shenzhen SVFactory Co., Ltd. (ii)(iv)	16 January 2023	the PRC	RMB5,000,000	100%	100%	100%	100%	Sales of cloud platform
Ningbo Microintelligence Co., Ltd. (ii)(iii)	13 July 2023	the PRC	RMB11,000,000	100%	NA	NA	NA	Deregistered
Foshan Microintelligence Co., Ltd. (ii)(iii)	18 August 2023	the PRC	RMB5,000,000	100%	NA	NA	NA	Deregistered
Changzhou Wujin Microintelligence Co., Ltd. (ii)	26 September 2023	the PRC	RMB5,000,000	100%	100%	100%	100%	Sales of robotic products
Micro Intelligence Inc. (ii)(iv)	29 September 2021	the USA	USD300,000	100%	100%	100%	100%	Dormant
Changzhou Jintan Microintelligence Co., Ltd. (ii)	16 April 2024	the PRC	RMB10,000,000	NA	100%	100%	100%	Sales of robotic products
Wuxi Microintelligence Co., Ltd. (ii)	24 April 2025	the PRC	RMB150,000,000	NA	100%	100%	100%	Sales of robotic products
Intelligence PTE. LTD. (ii)	7 May 2025	Singapore	SGD180,000	NA	NA	100%	100%	Sales of robotic products
Chongqing Microintelligence Co., Ltd. (ii)	28 August 2025	the PRC	RMB40,000,000	NA	NA	100%	100%	Sales of robotic products
Microintelligence Co., Ltd. (ii)(iv)	10 July 2025	Japan	JPY9,000,000	NA	NA	100%	100%	Sales of robotic products
MICROI INTELLIGENCE TECHNOLOGY SDN. BHD (ii)(iv)	2 July 2025	Malaysia	1,000 shares	NA	NA	100%	100%	Sales of robotic products
Agilebot Robotics Co., Ltd. (vi)	27 October 2020	the PRC	RMB13,800,000	NA	NA	100%	100%	Sales of robotic product
Shanghai Jiebote Intelligent Technology Co., Ltd. (iv)(vi)	10 August 2022	the PRC	RMB5,000,000	NA	NA	100%	100%	Sales of robotic product

APPENDIX I

ACCOUNTANT’S REPORT

- (i) The financial statements of Shanghai Micro-intelligence Co., Ltd. for the year ended 31 December 2023 were audited by Shandong Sui'an Certified Public Accountants (山東穗安會計師事務所(普通合夥)). No statutory financial statements were issued for the subsidiary for the years ended 31 December 2024 and 2025.
- (ii) No statutory financial statements were issued for the year ended 31 December 2023, 2024 and 2025.
- (iii) Shenzhen Zhihui Xiaoxiang Technology Co., Ltd. was deregistered on 25 December 2025. Hong Kong SVFACTORY Co., Limited was deregistered on 28 June 2025. Ningbo Micro-intelligence Co., Ltd. was deregistered on 13 August 2024, and Foshan Micro-intelligence Co., Ltd. was deregistered on 20 September 2024.
- (iv) The registered capital of Shenzhen SVFactory Co., Ltd., Jiangsu Flabegram Technology Co., Ltd., Micro Intelligence Inc., Microintelligence Co., Ltd., MICROI INTELLIGENCE TECHNOLOGY SDN. BHD and Shanghai Jiebote Intelligent Technology Co., Ltd. have not been fully paid-in.
- (v) The statutory financial statements of the Company and these entities for the years ended 31 December 2023 were audited by Shenzhen Zhongchuang Accounting Firm (General Partnership) 深圳中創會計師事務所(普通合夥).
- (vi) The Company acquired 100% equity interest of Agilebot Robotics Co., Ltd. (“Agilebot”) in November 2025 by cash and issuing 35 million registered shares to the shareholders of Agilebot. Shanghai Jiebote Intelligent Technology Co., Ltd. is the wholly-owned subsidiary of Agilebot. No statutory financial statements were issued for the year ended 31 December 2025.

Investment in subsidiaries — the Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Investments in subsidiaries	256,272	261,890	1,103,810
Less: allowance for impairment of investment in subsidiaries	—	(6,578)	(496,944)
	<u>256,272</u>	<u>255,312</u>	<u>606,866</u>

As at 31 December 2025, the Group performed impairment assessment on the investment in subsidiaries and provided impairment on the investment in Agilebot amounting to RMB490,366,000, which was based on the recoverable amounts of Agilebot from its value-in-use calculations standing alone. These calculations used pre-tax cash flow projections based on the approved financial budgets.

(b) Investments accounted for using the equity method of the Group and the Company

The movements in investments accounted for using the equity method were as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Opening balance	—	812	388
Investments in an associate and a joint venture	1,000	2,000	7,000
Share of loss of the associate and joint venture	(188)	(2,424)	(4,127)
	<u>812</u>	<u>388</u>	<u>3,261</u>

Set out below are the associate and joint venture of the Group and the Company during the Track Record Period and they are accounted for using the equity method. The country of incorporation or registration are also their principal place of business.

Company name	Place of business/ country of incorporation	% of ownership interest			As at the date of this report %	Nature of relationship	Measurement method	Carrying amount as at 31 December		
		As at 31 December		2025				2023		2025
		2023	2024					2023	2024	
		%	%					%	%	
Hinton AI Technology Co., Ltd.	PRC	30	30	30	30	Associate	Equity method	812	388	532
Shanghai Joywin Intelligent Technology Co., Ltd.	PRC	—	—	30	30	Joint venture	Equity method	—	—	2,729

APPENDIX I

ACCOUNTANT’S REPORT

17 PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery RMB'000	Computers and electronic equipment RMB'000	Other equipment RMB'000	Transportation RMB'000	Leasehold improvements RMB'000	Buildings RMB'000	Total RMB'000
At 31 December 2022							
Cost	28,362	5,260	2,550	329	6,646	232	43,379
Accumulated depreciation	(8,139)	(1,803)	(909)	(274)	(1,505)	(67)	(12,697)
Net book amount	20,223	3,457	1,641	55	5,141	165	30,682
Year ended 31 December 2023							
Opening net book amount	20,223	3,457	1,641	55	5,141	165	30,682
Additions	10,798	735	—	—	40	—	11,573
Disposals	—	(42)	(107)	(16)	—	—	(165)
Depreciation charge (Note 10)	(6,252)	(1,720)	(479)	(39)	(1,517)	(11)	(10,018)
Closing net book amount	24,769	2,430	1,055	—	3,664	154	32,072
At 31 December 2023							
Cost	39,160	5,931	2,424	—	6,686	232	54,433
Accumulated depreciation	(14,391)	(3,501)	(1,369)	—	(3,022)	(78)	(22,361)
Net book amount	24,769	2,430	1,055	—	3,664	154	32,072
Year ended 31 December 2024							
Opening net book amount	24,769	2,430	1,055	—	3,664	154	32,072
Additions	3,336	292	15	—	808	—	4,451
Disposals	—	(21)	(1)	—	—	—	(22)
Depreciation charge (Note 10)	(6,099)	(1,516)	(462)	—	(1,588)	(11)	(9,676)
Closing net book amount	22,006	1,185	607	—	2,884	143	26,825
At 31 December 2024							
Cost	42,496	5,979	2,400	—	7,494	232	58,601
Accumulated depreciation	(20,490)	(4,794)	(1,793)	—	(4,610)	(89)	(31,776)
Net book amount	22,006	1,185	607	—	2,884	143	26,825
Year ended 31 December 2025							
Opening net book amount	22,006	1,185	607	—	2,884	143	26,825
Acquisition of a subsidiary (Note 36)	1,181	343	5,317	—	573	—	7,414
Additions	343,843	531	71	1,211	351	—	346,007
Disposals	(73)	(32)	—	(304)	—	—	(409)
Depreciation charge (Note 10)	(26,043)	(748)	(417)	(149)	(1,468)	(11)	(28,836)
Closing net book amount	340,914	1,279	5,578	758	2,340	132	351,001
At 31 December 2025							
Cost	387,320	6,339	7,788	888	8,418	232	410,985
Accumulated depreciation	(46,406)	(5,060)	(2,210)	(130)	(6,078)	(100)	(59,984)
Net book amount	340,914	1,279	5,578	758	2,340	132	351,001

As at 31 December 2025, the Company prepaid RMB160,772,000 for the purchase of machinery, which will be recognized as fixed assets after delivery.

APPENDIX I

ACCOUNTANT’S REPORT

During the Track Record Period, the amounts of depreciation charged to profit or loss are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cost of sales	1,045	1,243	984
Research and development expenses	6,161	5,732	25,632
Selling expenses	366	286	115
General and administrative expenses	2,446	2,415	2,105
	<u>10,018</u>	<u>9,676</u>	<u>28,836</u>

The Company

	Machinery RMB'000	Computers and electronic equipment RMB'000	Other equipment RMB'000	Transportation RMB'000	Leasehold improvements RMB'000	Total RMB'000
At 31 December 2022						
Cost	21,235	2,166	1,957	329	4,248	29,935
Accumulated depreciation	<u>(8,120)</u>	<u>(1,154)</u>	<u>(883)</u>	<u>(274)</u>	<u>(1,415)</u>	<u>(11,846)</u>
Net book amount	<u>13,115</u>	<u>1,012</u>	<u>1,074</u>	<u>55</u>	<u>2,833</u>	<u>18,089</u>
Year ended 31 December 2023						
Opening net book amount	13,115	1,012	1,074	55	2,833	18,089
Additions	10,798	79	—	—	39	10,916
Disposals	—	—	—	(16)	—	(16)
Depreciation charge	<u>(4,418)</u>	<u>(486)</u>	<u>(372)</u>	<u>(39)</u>	<u>(889)</u>	<u>(6,204)</u>
Closing net book amount	<u>19,495</u>	<u>605</u>	<u>702</u>	<u>—</u>	<u>1,983</u>	<u>22,785</u>
At 31 December 2023						
Cost	32,033	2,245	1,957	—	4,287	40,522
Accumulated depreciation	<u>(12,538)</u>	<u>(1,640)</u>	<u>(1,255)</u>	<u>—</u>	<u>(2,304)</u>	<u>(17,737)</u>
Net book amount	<u>19,495</u>	<u>605</u>	<u>702</u>	<u>—</u>	<u>1,983</u>	<u>22,785</u>
Year ended 31 December 2024						
Opening net book amount	19,495	605	702	—	1,983	22,785
Additions	3,336	68	15	—	508	3,927
Disposals	—	—	—	—	—	—
Depreciation charge	<u>(4,267)</u>	<u>(370)</u>	<u>(369)</u>	<u>—</u>	<u>(988)</u>	<u>(5,994)</u>
Closing net book amount	<u>18,564</u>	<u>303</u>	<u>348</u>	<u>—</u>	<u>1,503</u>	<u>20,718</u>
At 31 December 2024						
Cost	35,369	2,313	1,972	—	4,795	44,449
Accumulated depreciation	<u>(16,805)</u>	<u>(2,010)</u>	<u>(1,624)</u>	<u>—</u>	<u>(3,292)</u>	<u>(23,731)</u>
Net book amount	<u>18,564</u>	<u>303</u>	<u>348</u>	<u>—</u>	<u>1,503</u>	<u>20,718</u>
Year ended 31 December 2025						
Opening net book amount	18,564	303	348	—	1,503	20,718
Additions	344,515	531	60	—	342	345,448
Disposals	(73)	(16)	—	—	—	(89)
Depreciation charge	<u>(24,161)</u>	<u>(235)</u>	<u>(149)</u>	<u>—</u>	<u>(860)</u>	<u>(25,405)</u>
Closing net book amount	<u>338,845</u>	<u>583</u>	<u>259</u>	<u>—</u>	<u>985</u>	<u>340,672</u>
At 31 December 2025						
Cost	379,684	2,582	2,032	—	5,137	389,435
Accumulated depreciation	<u>(40,839)</u>	<u>(1,999)</u>	<u>(1,773)</u>	<u>—</u>	<u>(4,152)</u>	<u>(48,763)</u>
Net book amount	<u>338,845</u>	<u>583</u>	<u>259</u>	<u>—</u>	<u>985</u>	<u>340,672</u>

As at December 31, 2025, the Company prepaid RMB145,021,000 for the purchase of machinery which will be recognized as fixed assets after delivery.

APPENDIX I

ACCOUNTANT’S REPORT

During the Track Record Period, the amounts of depreciation charged to profit or loss are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cost of sales	1,035	1,232	719
Research and development expenses	3,511	3,139	23,457
Selling expenses	160	104	68
Administrative expenses	1,498	1,519	1,161
	<u>6,204</u>	<u>5,994</u>	<u>25,405</u>

18 LEASE

(a) Amounts recognized in the consolidated balance sheets

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Right-of-use assets			
Offices and warehouses (i)	<u>11,859</u>	<u>7,529</u>	<u>4,021</u>
	<u>11,859</u>	<u>7,529</u>	<u>4,021</u>
Lease liabilities			
Current	3,656	3,811	4,123
Non-current	<u>8,825</u>	<u>4,568</u>	<u>523</u>
	<u>12,481</u>	<u>8,379</u>	<u>4,646</u>

(i) Additions to right-of-use assets during the years ended 31 December 2023, 2024 and 2025 were RMB1,652,000, nil and nil respectively.

(b) Amounts recognized in the consolidated statements of comprehensive loss

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Depreciation charge of right-of-use assets	4,257	3,767	3,164
Interest expenses (included in finance costs)	649	485	278
Expense relating to short-term leases (included in cost of sales, research and development expenses, sales and marketing expenses, and general and administrative expenses)	<u>1,332</u>	<u>440</u>	<u>1,453</u>
	<u>6,238</u>	<u>4,692</u>	<u>4,895</u>

The total cash outflows for leases payments for the years ended 31 December 2023, 2024 and 2025 were approximately RMB4,755,000, RMB3,993,000 and RMB3,833,000 respectively.

(c) The total future cash outflows for leases not yet commenced to which the lessee is committed are RMB469,000.

19 INTANGIBLE ASSETS

	Software RMB'000	Technology RMB'000	Goodwill (a) RMB'000	Total RMB'000
At 31 December 2022				
Cost	4,270	45,200	178,111	227,581
Accumulated amortisation	<u>(108)</u>	<u>—</u>	<u>—</u>	<u>(108)</u>
Net book amount	<u>4,162</u>	<u>45,200</u>	<u>178,111</u>	<u>227,473</u>
Year ended 31 December 2023				
Opening net book amount	4,162	45,200	178,111	227,473
Amortisation charge (Note 10)	<u>(513)</u>	<u>(4,520)</u>	<u>—</u>	<u>(5,033)</u>
Closing net book amount	<u>3,649</u>	<u>40,680</u>	<u>178,111</u>	<u>222,440</u>

APPENDIX I

ACCOUNTANT’S REPORT

	Software RMB'000	Technology RMB'000	Goodwill (a) RMB'000	Total RMB'000
At 31 December 2023				
Cost	4,270	45,200	178,111	227,581
Accumulated amortisation	(621)	(4,520)	—	(5,141)
Net book amount	3,649	40,680	178,111	222,440
Year ended 31 December 2024				
Opening net book amount	3,649	40,680	178,111	222,440
Additions	70	—	—	70
Amortisation charge (Note 10)	(455)	(4,520)	—	(4,975)
Closing net book amount	3,264	36,160	178,111	217,535
At 31 December 2024				
Cost	4,340	45,200	178,111	227,651
Accumulated amortisation	(1,076)	(9,040)	—	(10,116)
Net book amount	3,264	36,160	178,111	217,535
Year ended 31 December 2025				
Opening net book amount	3,264	36,160	178,111	217,535
Acquisition of a subsidiary (Note 36)	1,023	50,664	521,875	573,562
Additions	2,390	—	—	2,390
Amortisation charge (Note 10)	(739)	(5,468)	—	(6,207)
Closing net book amount	5,938	81,356	699,986	787,280
At 31 December 2025				
Cost	7,753	95,864	699,986	803,603
Accumulated amortisation	(1,815)	(14,508)	—	(16,323)
Net book amount	5,938	81,356	699,986	787,280

During the Track Record Period, the amounts of amortisation expenses charged to profit or loss are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cost of sales	4,520	4,520	5,468
Research and development expenses	451	455	478
Administrative expenses	62	—	243
Selling and distribution expenses	—	—	18
	5,033	4,975	6,207

(a) Goodwill impairment

The goodwill arose from the Group’s acquisition of 100% equity interest in Jiangsu SVFactory in December 2022 amounting to RMB178,111,000 and the Group’s acquisition of 100% equity interest in Agilebot in November 2025 amounting to RMB521,875,000 (Note 36), totalling RMB699,986,000.

On 23 December 2022, the Company acquired an aggregate of 100% equity interest in Jiangsu SVFactory Co., Ltd. from its respective shareholders (“Jiangsu SVFactory sellers”) for a total consideration of RMB228.83 million. The consideration was settled by cash and a share swap arrangement pursuant to which the Company issued registered paid-in capital to the Jiangsu SVFactory Sellers in the aggregate amount of approximately RMB14.1 million, and adjusted according to the replacement of restricted share scheme which relates to the pre-combination. After the acquisition in December 2022, Jiangsu SVFactory’s business and the Company’s existing business were managed together and the Company shortened traditional month-long algorithm development cycles, which benefits from Jiangsu SVFactory’s algorithm technologies. Therefore the management considered the whole group as one cash-generated-units (“CGU”) and goodwill was monitored at group level.

On 12 June 2025, the Company acquired 20.29% equity of Agilebot by cash and the investment was recognized as a financial asset at fair value through profit or loss as a whole as at 30 June 2025. On 19 November 2025, the Company acquired the remaining 79.71% equity of Agilebot by cash and the issuance of 35 million registered shares. After the acquisition in November 2025, Agilebot’s business and the Company’s existing business were managed together and the Company has further complemented its core capabilities in robot hardware and underlying motion control, achieving a

APPENDIX I

ACCOUNTANT’S REPORT

true synergistic fusion and optimization of software and hardware that allows the Company to maximize the advantages of its data and algorithms. Therefore the management considered the whole group, including Jiangsu SVFactory and Agilebot, as one cash-generated-units (“CGU”) and goodwill was monitored at group level.

The Group carries out its annual impairment test on goodwill by comparing the recoverable amounts of cash generating unit (“CGU”) to the carrying amounts of goodwill. Management determined the recoverable amount of the CGU based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets prepared by management covering a forecast period of five years. Cash flows beyond the forecast period are extrapolated using the estimated terminal growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

Based on the results of the impairment assessments, no impairment loss on the goodwill was recognized as at 31 December 2023, 2024 and 2025.

The key inputs and results of the impairment assessments are as follows:

	As at 31 December		
	2023	2024	2025
Annual revenue growth rate for the forecast period	8.8%–35.8%	8.8%–31.0%	10.9%–32.4%
Gross profit margin for the forecast period	40.9%–49.2%	40.9%–49.2%	42.8%–49.2%
Terminal growth rate (%)	2%	2%	2%
Pre- tax discount rate (%)	14%	13%	13%
Recoverable amount (<i>in millions of RMB</i>)	1,205	1,055	2,097
Headroom (<i>in millions of RMB</i>)	938	803	794

The discount rate used is pre-tax and reflects market assessments of the time value and the specific risks relating to the industry. The revenue growths rate and budgeted gross profit rate was determined by the management based on past performance and its expectation for market development.

The Group performs the sensitivity analysis based on the assumptions that revenue amount or gross profit margin or the discount rate has been changed. Had the estimated key assumptions during the forecast period been changed as below, the headroom would be decreased to as below:

	As at 31 December		
	2023	2024	2025
	<i>(in millions of RMB)</i>		
Annual revenue growth rate decreases by 5%	789	680	554
Gross profit margin decreases by 5%	644	454	362
Pre-tax discount rate increases by 5%	834	698	643

The recoverable amount of this CGU would equal its carrying amount if the key assumptions were individually changed as follows:

	2023		2024		2025	
	<i>From (%)</i>	<i>to (%)</i>	<i>From (%)</i>	<i>to (%)</i>	<i>From (%)</i>	<i>To (%)</i>
Annual revenue growth rate <i>(i)</i>	8.8–35.8	5.4–21.8	8.8–31.0	5.4–18.9	10.9–32.4	9.0–26.8
Gross profit margin rate <i>(ii)</i>	40.9–49.2	34.4–41.3	40.9–49.2	36.0–43.3	42.8–49.2	38.9–44.6
Pre-tax discount rate <i>(iii)</i>	14	27	13	21	13	18

- (i) As at 31 December 2023, 2024 and 2025, the revenue growth rates in the value-in-use calculations decreased by 39%, 39% and 17%, respectively, for each year of the forecast period, which would eliminate the remaining headroom.
- (ii) As at 31 December 2023, 2024 and 2025, the gross margin rates in the value-in-use calculations decreased by 16%, 12% and 9%, respectively, for each year of the forecast period, which would eliminate the remaining headroom.
- (iii) As at 31 December 2023, 2024 and 2025, the discount rates in the value-in-use calculations increased by 90%, 65% and 35%, respectively, for each year of the forecast period, which would eliminate the remaining headroom.

The Directors and management have considered and assessed reasonably possible changes for other key assumptions, and they have not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount.

APPENDIX I

ACCOUNTANT’S REPORT

20 SHARE-BASED PAYMENTS

(a) Employee incentive schemes

The Group adopted several employee restricted share unit plans (“RSU Plans”) to provide incentives for its directors, management team, employees and certain consultants contributing to the Group. During the Track Record Period, the employee incentive plan involves four partnership platforms and all shares held by these platforms were transferred from the ultimate controlling shareholders.

The Group granted restricted share units (“RSU”) to management team employees with certain service period.

RSU Plans

In December 2023, 2,910,739 restricted share units (“RSU”) of the partnership platforms were granted to directors, management team, employees immediately at a consideration of RMB1.0712 per share and without any service condition, and the Company recognized share-based compensation expenses immediately. During the year ended 31 December 2023, the expenses recognized were RMB55,069,830.

In December 2020, 403,283 restricted share units of the partnership platforms were granted to certain directors, managements and employees at a consideration of RMB1.0712 per share and with a 4- year service condition. From 2020 to 2023, the Company also adopted several batches of the RSU Plan with certain service period, which allows employees to hold the shares of the Company through the partnership platforms indirectly. From December 2023 to January 2024, the Company entered into supplementary agreements with the grantees, except for 1 grantee, to cancel the vesting condition and the RSUs were granted to those grantees immediately. During the year ended 31 December 2023, 2024 and 2025, the expenses recognized were RMB270,000, RMB475,000 and RMB295,000, respectively.

In August and September 2025, 588,918 restricted share units of the partnership platforms were granted to certain managements and employees at a consideration of RMB1.1049 per share and with a 4-year service condition. The total fair value of these restricted shares at the grant date was RMB22,831,000. During the year ended 31 December 2025, the expenses recognized were RMB4,364,000.

Movements in the number of restricted shares unit held by the grantees subject to service condition during the Track Record Period are as follows:

	Year ended 31 December		
	2023	2024	2025
At the beginning of the year	403,283	381,394	123,741
Granted	123,741	—	588,918
Vested	(145,630)	(257,653)	—
At the end of the year	<u>381,394</u>	<u>123,741</u>	<u>712,659</u>

From 2021 to 2022, Jiangsu SVFactory adopted a restricted share scheme, which allows employees to purchase certain interests of the partnership platform at a consideration of RMB1 per share to indirectly hold the shares of Jiangsu SVFactory. On 30 December 2022, Jiangsu SVFactory’s restricted share scheme was replaced by 2,090,456 share options of the Company’s restricted share scheme through the acquisition of Jiangsu SVFactory while the vesting condition kept the same as that condition before the acquisition date. The value of the replaced Jiangsu SVFactory’s restricted share scheme at the acquisition date that relates to pre-combination was accounted for as part of consideration amounting to RMB14,712,000 and the remaining value of the restricted share scheme that related to post-combination services was amortized during the remaining service period after acquisition date. From December 2023 to January 2024, the Company entered into supplementary agreements with the grantees to cancel the vesting condition and the remaining options could be vested immediately. During the year ended 31 December 2023 and 2024, the expenses recognized were RMB1,290,000 and RMB4,570,000, respectively.

Movements in the number of share options granted and their related weighted average exercise price during the Track Record Period are as follows:

	Year ended 31 December		
	2023	2024	2025
At the beginning of the year	2,090,456	1,048,122	—
Vested	(1,042,334)	(1,048,122)	—
At the end of the year	<u>1,048,122</u>	<u>—</u>	<u>—</u>

(b) Fair value of restricted shares granted

During the Track Record Period, the Company has employed the binomial option-pricing model to determine the fair value of the share options based on the fair value of the underlying equity of the Company at the grant date and determines the fair value of restricted share units on the basis of the fair value of the underlying ordinary shares on the date when the equity instruments are granted, less the exercise price. The fair value of the underlying equity of the Company is determined by the equity price allocation model.

APPENDIX I

ACCOUNTANT’S REPORT

Key assumptions are set out below:

	As at 31 December	
	2023	2025
Fair value per ordinary share (<i>RMB</i>)	19.99	39.83
Risk-free interest rates	2.30%	1.38%
Dividend Yield	—	—
Expected volatility	46.19%	66.88%

(c) **Expenses arising from share-based compensation transactions**

Expenses for the share-based compensation have been charged to the consolidated statements of comprehensive income as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Administrative expenses	15,808	4,404	1,749
Selling expenses	13,726	83	545
Research and development expenses	34,627	1,144	2,365
Cost of sales	1,681	—	—
	<u>65,842</u>	<u>5,631</u>	<u>4,659</u>

21 FINANCIAL INSTRUMENTS BY CATEGORY

The Group

The Group holds the following financial instruments:

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets at amortized costs:			
Cash and cash equivalents (<i>Note 26</i>)	20,867	14,117	241,747
Restricted cash (<i>Note 26</i>)	—	744	34
Trade and notes receivables (<i>Note 23</i>)	386,540	615,133	463,891
Other receivables (<i>Note 25</i>)	2,942	4,232	8,124
Financial assets at FVOCI (<i>Note 24</i>)	199	5	302
	<u>410,548</u>	<u>634,231</u>	<u>714,098</u>

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial liabilities at amortized costs:			
Redemption liabilities (<i>Note 30</i>)	230,495	313,271	—
Lease liabilities (<i>Note 18</i>)	12,481	8,379	4,646
Trade and notes payables (<i>Note 31</i>)	208,099	212,772	179,783
Other payables and accruals (excluding employee benefits payables, warranty provision, long-term payables and tax payables) (<i>Note 31</i>)	2,706	5,961	7,397
Borrowings (<i>Note 29</i>)	254,040	362,807	699,187
Long-term payables (<i>Note 32</i>)	5,445	1,347	—
	<u>713,266</u>	<u>904,537</u>	<u>891,013</u>

The Group’s exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk at the end of the Track Record Period is the carrying amount of each class of financial assets mentioned above.

APPENDIX I

ACCOUNTANT’S REPORT

22 INVENTORIES

The Group

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Work in progress	37,368	73,249	80,592
Raw materials	8,486	4,716	21,411
Finished goods	479	—	8,964
Less: provision for inventory	(590)	(412)	(890)
	<u>45,743</u>	<u>77,553</u>	<u>110,077</u>

During three years ended 31 December 2023, 2024 and 2025, inventories were recognised as cost of sales and research and development expenses amounted to RMB241,704,000, RMB309,896,000 and RMB406,101,000, respectively, and provision for impairment of inventories charged to cost of sales amounted to RMB881,000, RMB973,000 and RMB916,000, respectively.

The Company

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Work in progress	22,849	68,919	51,940
Raw materials	7,903	4,155	8,305
Less: provision for inventory	(86)	(412)	(890)
	<u>30,666</u>	<u>72,662</u>	<u>59,355</u>

During three years ended 31 December 2023, 2024 and 2025, inventories were recognised as cost of sales and research and development expenses amounted to RMB218,825,000, RMB278,756,000 and RMB376,899,000, respectively, and provision for impairment of inventories charged to cost of sales amounted to RMB377,000, RMB420,000 and RMB659,000, respectively.

23 TRADE AND NOTES RECEIVABLES

The Group

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Trade receivables from contracts with customers	405,351	642,643	472,060
Notes receivables	978	2,858	6,473
Less: provision for impairment	(19,789)	(30,368)	(14,642)
	<u>386,540</u>	<u>615,133</u>	<u>463,891</u>

As at 31 December 2023, 2024 and 2025, the carrying value of the Group’s trade and notes receivables approximately of their fair value as at the balance sheet dates.

The ageing analysis of the Group’s trade receivables based on date of revenue recognition is as follows:

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Within 1 year	360,363	513,186	414,794
1–2 years	39,467	96,196	36,668
2–3 years	2,458	28,926	8,858
Over 3 years	3,063	4,335	11,740
	<u>405,351</u>	<u>642,643</u>	<u>472,060</u>

As at 31 December 2025, the Group’s trade receivables balance for more than three years amounting to RMB6,857,000 was primarily attributed to a state-owned entity and was collected in February 2026.

APPENDIX I

ACCOUNTANT’S REPORT

Further details and the assessment of expected credit loss of the Group’s trade and notes receivables are set out in Note 3.1(b)(ii) above.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables from contracts with customers	292,669	469,837	390,827
Notes receivables at amortised cost	978	2,858	6,294
Less: provision for impairment	(12,095)	(16,794)	(10,904)
Total trade and notes receivables	<u>281,552</u>	<u>455,901</u>	<u>386,217</u>

As at 31 December 2023, 2024 and 2025, the carrying value of the Company’s trade and notes receivables approximately of their fair value as at the balance sheet dates.

The ageing analysis of the Company’s trade receivables based on date of revenue recognition is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	268,016	413,396	342,794
1–2 years	19,230	42,675	30,065
2–3 years	2,458	9,530	8,168
Over 3 years	<u>2,965</u>	<u>4,236</u>	<u>9,800</u>
	<u>292,669</u>	<u>469,837</u>	<u>390,827</u>

24 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Notes receivables classified as financial assets at FVOCI	<u>199</u>	<u>5</u>	<u>302</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Notes receivables classified as financial assets at FVOCI	<u>74</u>	<u>5</u>	<u>146</u>

Notes receivables held both by collecting contractual cash flows and selling of these assets are classified as FVOCI. All the aging of notes receivable is within one year.

25 PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other receivables			
Deposits	2,220	2,134	3,893
Amounts due from related parties (Note 37)	200	1,998	2,000
Others	<u>1,226</u>	<u>827</u>	<u>2,905</u>
	<u>3,646</u>	<u>4,959</u>	<u>8,798</u>
Less: impairment of other receivables	<u>(704)</u>	<u>(727)</u>	<u>(674)</u>
	2,942	4,232	8,124

APPENDIX I

ACCOUNTANT’S REPORT

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments and Other assets			
Deductible value-added tax	7,770	9,409	21,107
Products and services procurement	4,292	4,653	14,702
Prepaid [REDACTED]	—	—	1,624
Other prepayments and prepaid expenses	375	301	972
	<u>12,437</u>	<u>14,363</u>	<u>38,405</u>
Total prepayments, deposits and other receivables	<u>15,379</u>	<u>18,595</u>	<u>46,529</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other receivables			
Amounts due from related parties and subsidiaries	115,461	159,974	30,700
Deposits	396	560	1,830
Others	216	325	2,221
	<u>116,073</u>	<u>160,859</u>	<u>34,751</u>
Less: impairment of other receivables	<u>(1,586)</u>	<u>(2,215)</u>	<u>(752)</u>
	<u>114,487</u>	<u>158,644</u>	<u>33,999</u>
Prepayments and other assets			
Deductible value-added tax	4,288	5,647	16,001
Products and services procurement	550	1,046	10,005
Prepaid [REDACTED]	—	—	1,624
Other prepayments and prepaid expenses	160	215	924
	<u>4,998</u>	<u>6,908</u>	<u>28,554</u>
Total prepayments, deposits and other receivables	<u>119,485</u>	<u>165,552</u>	<u>62,553</u>

26 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and cash balances	20,867	14,861	241,781
Less: restricted cash	—	(744)	(34)
Cash and cash equivalents	<u>20,867</u>	<u>14,117</u>	<u>241,747</u>

As at 31 December 2024 and 2025 the restricted cash in the amount of RMB744,000 and RMB34,000, respectively, were frozen deposits.

The cash and cash equivalents are denominated in the following currencies:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
RMB	20,136	13,260	225,134
USD	730	857	16,613
EUR	1	—	—
	<u>20,867</u>	<u>14,117</u>	<u>241,747</u>

APPENDIX I

ACCOUNTANT’S REPORT

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and cash balances	9,174	6,914	152,754
Less: restricted cash	—	(692)	—
Cash and cash equivalents	<u>9,174</u>	<u>6,222</u>	<u>152,754</u>

As at 31 December 2024, the restricted cash in the amount of RMB692,000, respectively, were frozen deposits.

The cash and cash equivalents are denominated in the following currencies:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
RMB	9,174	6,222	144,191
USD	—	—	8,563
	<u>9,174</u>	<u>6,222</u>	<u>152,754</u>

27 PAID-IN CAPITAL/SHARE CAPITAL

(a) Paid-in capital

The Group and the Company

Paid-in capital were generated from founders’ and investors’ capital injection. The excess of total consideration raised over paid-in capital was credited to the Company’s capital reserve (Note 28).

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At 1 January	44,193	44,193	45,700
Capital contribution from shareholders	—	1,507	15,232
Conversion into a joint stock company	—	—	(60,932)
At 31 December	<u>44,193</u>	<u>45,700</u>	<u>—</u>

Notes:

- (i) In April and May 2024, the Company entered into an investment agreement with the April to May 2024 Financing investors (Note 30), pursuant to which total capital of RMB60,000,000 was contributed into the Company. The proceeds of RMB50,000,000 were received by the Company in May 2024, and the remaining proceeds of RMB10,000,000 were received by the Company in June 2024, with RMB1,507,000 and RMB58,493,000 credited to the Company’s paid-in capital and capital reserves, respectively (Note 28). Certain redemption rights upon capital contribution were granted to the April to May 2024 Financing investors, details of which refer to Note 30.
- (ii) In December 2024, the Company entered into an investment agreement with the December 2024 Financing investors, pursuant to which total capital of RMB350,000,000 was contributed into the Company from February to May 2025, with RMB8,788,000 and RMB341,212,000 credited to the Company’s paid-in capital and capital reserves, respectively (Note 28). Certain redemption rights upon capital contribution were granted to the December 2024 Financing investors, details of which refer to Note 30.
- (iii) From April to May 2025, the Company entered into an investment agreement with the April 2025 Financing investors, pursuant to which total capital of RMB256,613,000 was contributed into the Company with RMB6,444,000 and RMB250,169,000 credited to the Company’s paid-in capital and capital reserves, respectively (Note 28). Certain redemption rights upon capital contribution were granted to the April 2025 Financing investors, details of which refer to Note 30.

APPENDIX I

ACCOUNTANT’S REPORT

(b) Share capital

The Group and the Company

	Number of shares	Share capital RMB'000
At 1 January 2025	—	—
Conversion into a joint stock company	300,000	300,000
Capital issuance to acquire a subsidiary	35,482	35,482
At 31 December 2025	<u>335,482</u>	<u>335,482</u>

Notes:

- (i) On 22 September 2025, the Company was converted into a joint stock company with limited liability. 300,000,000 ordinary shares at RMB1.0 each were issued and allotted to the then owners of the Company in proportion to their paid-in capital to the Company as of that date. In accordance with a resolution passed by the Company’s shareholders, the capital reserves amounting to RMB298,239,000 (Note 28) as of the conversion reference date were utilized as follows: RMB239,068,000 was converted into share capital, and RMB59,171,000 was applied to offset the accumulated deficit.
- (ii) In November 2025, the Company issued 35 million shares to the shareholders of Agilebot in the aggregate amount of approximately RMB287,000,000 to acquire 60% equity of Agilebot. The fair value of these registered share capital at the acquisition date is RMB8.09 per share with RMB35,482,000 and RMB251,518,000 credited to the Company’s share capital and capital reserves, respectively (Note 28).

28 RESERVES

The Group

	Reserves				
	Other reserve RMB'000	Capital reserve RMB'000	Share- based payment RMB'000	Currency translation reserve RMB'000	Total RMB'000
At 1 January 2023	(192,639)	261,658	54,087	—	123,106
Share-based payment (Note 20)	1,043	—	64,799	—	65,842
Currency translation differences	—	—	—	(86)	(86)
At 31 December 2023	<u>(191,596)</u>	<u>261,658</u>	<u>118,886</u>	<u>(86)</u>	<u>188,862</u>
At 1 January 2024	(191,596)	261,658	118,886	(86)	188,862
Capital contribution from investor	—	58,493	—	—	58,493
Share-based payment (Note 20)	1,048	—	4,583	—	5,631
Recognition of redemption liabilities (Note 30)	(60,000)	—	—	—	(60,000)
Currency translation differences	—	—	—	(127)	(127)
At 31 December 2024	<u>(250,548)</u>	<u>320,151</u>	<u>123,469</u>	<u>(213)</u>	<u>192,859</u>
At 1 January 2025	(250,548)	320,151	123,469	(213)	192,859
Capital contribution from investors	—	591,381	—	—	591,381
Conversion to joint stock company (Note 27(b)(i))	—	(298,239)	—	—	(298,239)
Capital issuance to acquire a subsidiary	—	251,518	—	—	251,518
Share-based payment (Note 20)	—	—	4,659	—	4,659
Recognition of redemption liabilities (Note 30)	(606,613)	—	—	—	(606,613)
Derecognition of redemption liabilities (Note 30)	858,432	84,871	—	—	943,303
Currency translation differences	—	—	—	(14)	(14)
At 31 December 2025	<u>1,271</u>	<u>949,682</u>	<u>128,128</u>	<u>(227)</u>	<u>1,078,854</u>

APPENDIX I

ACCOUNTANT’S REPORT

The Company

	Reserves				
	Other reserve RMB'000	Capital reserve RMB'000	Share- based payment RMB'000	Currency translation reserve RMB'000	Total RMB'000
At 1 January 2023	(192,639)	261,995	53,729	—	123,085
Share- based payment	1,043	—	65,671	—	66,714
Currency translation differences	—	—	—	—	—
At 31 December 2023	<u>(191,596)</u>	<u>261,995</u>	<u>119,400</u>	<u>—</u>	<u>189,799</u>
At 1 January 2024	(191,596)	261,995	119,400	—	189,799
Capital contribution from investors	—	58,493	—	—	58,493
Share- based payment	1,048	—	5,467	—	6,515
Recognition of financial instruments with preferred rights at amortized cost (Note 30)	(60,000)	—	—	—	(60,000)
At 31 December 2024	<u>(250,548)</u>	<u>320,488</u>	<u>124,867</u>	<u>—</u>	<u>194,807</u>
At 1 January 2025	(250,548)	320,488	124,867	—	194,807
Conversion to joint stock company (Note 27(b)(i))	—	(298,239)	—	—	(298,239)
Share- based payment	—	—	3,336	—	3,336
Capital contribution from investors	—	591,381	—	—	591,381
Capital issuance to acquire a subsidiary	—	251,518	—	—	251,518
Recognition of redemption liabilities (Note 30)	(606,613)	—	—	—	(606,613)
Derecognition of redemption liabilities (Note 30)	858,432	84,871	—	—	943,303
At 31 December 2025	<u>1,271</u>	<u>950,019</u>	<u>128,203</u>	<u>—</u>	<u>1,079,493</u>

29 BANK BORROWINGS

The Group

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Bank borrowings included in current liabilities:			
Long term bank borrowings due within one year — unsecured and guaranteed	30,000	27,000	27,000
Long term bank borrowings due within one year — secured and guaranteed	—	—	25,000
Bank borrowings — unsecured and guaranteed	156,040	290,887	349,687
Bank borrowings — secured and guaranteed	33,000	25,000	—
Bank borrowings — unsecured and unguaranteed	35,000	—	85,000
	<u>254,040</u>	<u>342,887</u>	<u>486,687</u>
Bank borrowings included in non-current liabilities:			
Long term bank borrowings — unsecured and guaranteed	30,000	46,920	27,000
Long term bank borrowings — secured and guaranteed	—	—	237,500
Less:			
long term bank borrowings due within one year — unsecured and guaranteed	(30,000)	(27,000)	(27,000)
long term bank borrowings due within one year — secured and guaranteed	—	—	(25,000)
	<u>—</u>	<u>19,920</u>	<u>212,500</u>
Total bank borrowings	<u>254,040</u>	<u>362,807</u>	<u>699,187</u>

APPENDIX I

ACCOUNTANT’S REPORT

The Group had interest-bearing bank loans of RMB254.0 million, RMB342.9 million and RMB486.7 million as of 31 December 2023, 2024 and 2025, respectively, that were due within one year. The Group had interest-bearing bank loans of nil, RMB19.9 million and RMB212.5 million as of 31 December 2023, 2024 and 2025, respectively, that were due in more than one year.

The secured and guaranteed borrowings were RMB33.0 million, RMB25.0 million and RMB237.5 million as of 31 December 2023, 2024, and 2025, respectively. The secured and guaranteed borrowings as at 31 December 2023 and 2024 were secured by intellectual property rights and guaranteed by Mr. Pan Zhengyi. The secured and guaranteed borrowings as at 31 December 2025 were secured by the 100% equity of Agilebot and guaranteed by Mr. Pan Zhengyi and Mr. Zhang Zhiqi and the Group complied with the financial covenant term set forth in the loan agreement.

The unsecured and guaranteed borrowings were RMB186.0 million, RMB337.8 million and RMB376.7 million as of 31 December 2023, 2024 and 2025, respectively. The unsecured and guaranteed borrowings were mainly guaranteed by Mr. Pan Zhengyi and Mr. Zhang Zhiqi.

The unsecured and unguaranteed borrowings were RMB35.0 million, nil and RMB85.0 million as at 31 December 2023, 2024 and 2025, respectively.

The annual interest rate of the interest-bearing bank loans was 3.5%, 3.6% and 3.1% as of 31 December, 2023, 2024, and 2025, respectively.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bank borrowings included in current liabilities:			
Long term bank borrowings due within one year — unsecured and guaranteed	30,000	27,000	27,000
Long term bank borrowings due within one year — secured and guaranteed	—	—	25,000
Bank borrowings — unsecured and guaranteed	123,250	237,100	309,920
Bank borrowings — secured and guaranteed	30,000	25,000	—
Bank borrowings — unsecured and unguaranteed	30,000	—	70,000
	<u>213,250</u>	<u>289,100</u>	<u>431,920</u>
Bank borrowings included in non-current liabilities:			
Long term bank borrowings — unsecured and guaranteed	30,000	46,920	27,000
Long term bank borrowings — secured and guaranteed	—	—	237,500
Less:			
long term bank borrowings due within one year — unsecured and guaranteed	(30,000)	(27,000)	(27,000)
long term bank borrowings due within one year — secured and guaranteed	—	—	(25,000)
	<u>—</u>	<u>19,920</u>	<u>212,500</u>
Total bank borrowings	<u>213,250</u>	<u>309,020</u>	<u>644,420</u>

The Company had interest-bearing bank loans of RMB213.3 million, RMB289.1 million and RMB431.9 million as of 31 December 2023, 2024 and 2025, respectively, that were due within one year on demand. The Company had interest-bearing bank loans of nil, RMB19.9 million and RMB212.5 million as of 31 December 2023, 2024 and 2025, respectively, that were due in more than one year.

The secured and guaranteed borrowings were RMB30.0 million, RMB25.0 million and RMB237.5 million as of 31 December 2023, 2024 and 2025, respectively. The secured and guaranteed borrowings as at 31 December 2023 and 2024 were secured by intellectual property rights and guaranteed by Mr. Pan Zhengyi. The secured and guaranteed borrowings as at 31 December 2025 were secured by the 100% equity of Agilebot and guaranteed by Mr. Pan Zhengyi and Mr. Zhang Zhiqi and the Group complied with the financial covenant term set forth in the loan agreement.

The unsecured and guaranteed borrowings were RMB153.3 million, RMB284.0 million and RMB336.9 million as of 31 December 2023, 2024 and 2025, respectively. The unsecured and guaranteed borrowings were mainly guaranteed by Mr. Pan Zhengyi and Mr. Zhang Zhiqi.

The unsecured and unguaranteed borrowings were RMB30.0 million, nil and RMB15.0 million as of 31 December 2023, 2024 and 2025, respectively.

The annual interest rate of the interest-bearing bank loans was 3.5%, 3.6% and 3.0% as of 31 December 2023, 2024 and 2025.

APPENDIX I

ACCOUNTANT’S REPORT

30 REDEMPTION LIABILITIES

The Group and The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Redemption liabilities	230,495	313,271	—

Since its incorporation in 2018, the Company has completed several rounds of financing including Series A Financing, Series B Financing, Jiangsu SVFactory Acquisition, April to May 2024 Financing, December 2024 Financing and April 2025 Financing. The Company issued common shares to the investors, and the Company has entered into separate agreements with shareholders granting them redemption rights, anti-dilution rights, liquidation preferences, and other rights (collectively referred to as “Redeemable Rights”). The Company recognizes the obligations under such redemption rights as financial liabilities at amortized cost, and recognizes finance costs in the statement of comprehensive loss using the effective simple interest method.

Series	Subscription Year	Subscribed Registered Capital RMB'000	Consideration per Unit of Registered Capital RMB	Total Consideration RMB'000
Series A Financing	2019	1,285	8.26	10,619
Series B Financing	2019	1,793	16.73	30,000
July 2022 Transfers — Qingfeng Yungang and Zhonglou Investment (a)	2022	1,805	39.89	72,000
Jiangsu SVFactory Acquisition	2022	3,752	21.11	79,200
April to May 2024 Financing	2024	1,507	39.83	60,000
December 2024 Financing	2025	8,788	39.83	350,000
April 2025 Financing	2025	6,444	39.83	256,613

(a) July 2022 Transfers — Qingfeng Yungang and Zhonglou Investment

On 27 July 2022, Series A Financing investor, Baidu Online Network Technology (Beijing) Co., Ltd. (百度在線網絡技術(北京)有限公司) (“Baidu Network”), transferred equity interest in the predecessor company, together with the related Redeemable Rights, in the respective amounts of RMB902,486 and RMB902,486 in registered capital to Changzhou Qingfeng Yungang Investment Center (Limited Partnership) (常州青楓雲港投資中心(有限合伙)) (“Qingfeng Yungang”) and Changzhou Zhonglou Listed Backup Industry Investment Partnership (Limited Partnership) (常州鐘樓上市後備產業投資合夥企業(有限合伙)) (“Zhonglou Investment”) at a consideration of RMB36,000,000 and RMB36,000,000, respectively.

(i) Key terms of Redeemable Rights granted.

Redemption right

The Series A Financing investors including Qingfeng Yungang and Zhonglou Investment (“Series A investors”), Series B Financing investors, Jiangsu SVFactory Acquisition, April to May 2024 Financing investors, December 2024 Financing investors and April 2025 Financing investors have rights to require the Company to redeem their investments if:

- The Company fails to achieve a Qualified [REDACTED] before 31 December 2028.
- The Group, the founders, Mr. Zhang Zhiqi and shareholding platforms breaches or fails to fulfill the relevant commitments under the transaction documents corresponding to investment agreements, or cause the Company to be unable to list or significant negative impact on the Company’s operation;
- The Company loses or is unable to renew essential approvals for its main business, or its main business is prohibited or significantly restricted by laws and regulations.
- Any other shareholder requests a repurchase in compliance with legal requirements.

For Series A Financing investors, April to May 2024 Financing investors, December 2024 Financing investors and April 2025 Financing investors, the redemption amount is the highest of the: (i) redemption amount equivalent to the original investment amount plus annual simple interest rate of 12%/8% (12% for Series A Financing investors, 8% for April to May 2024 Financing investors, December 2024 Financing investors and April 2025 Financing investors), as well as any dividends or bonuses that the Board of Directors has declared but not yet paid; (ii) on the date when the investor requests the repurchase of equity, the proportion of the equity that the investor requests to be repurchased to the total equity of the Company at that time, multiplied by the net assets confirmed in the consolidated financial statements of the Group audited by an accounting firm recognized by the investor.

APPENDIX I

ACCOUNTANT’S REPORT

For Jiangsu SVFactory Acquisition the redemption amount is the sum of the redemption amount equivalent to the original investment amount plus annual simple interest rate of 8%, as well as any dividends or bonuses that the Board of Directors has declared but not yet paid. The redemption rights of Jiangsu SVFactory Sellers can not be exercised until the completion of redemption rights for Series A Financing investors, April to May 2024 Financing investors, December 2024 Financing investors and April 2025 Financing investors.

Liquidation preferences

If the Deemed Liquidation Event occurs, Series A Financing investors, April to May 2024 Financing investors, December 2024 Financing investors and April 2025 Financing investors shall be entitled to receive the liquidation preference amount, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the other holders of ordinary shares of the Company.

The following events shall be treated as a “Deemed Liquidation Event”: (a) The Company is subject to merger, acquisition, whole business sale, or other similar transaction that result in a change of control of the Company, causing the shareholders of the Company prior to such events to hold less than 50% of the shares or voting rights after such events; (b) All or substantially all of the Company’s assets are sold, and all or substantially all of the intellectual property are exclusively licensed or sold to a third party; (c) Any equity transfer, equity sale, or other transaction that results in the transfer of more than 50% of the Company’s voting rights to a third party.

For Series A Financing investors, April to May 2024 Financing investors, December 2024 Financing investors and April 2025 Financing investors, the liquidation preference amount is the highest of the: (i) redemption amount equivalent to the original investment amount plus annual simple interest rate of 12%/8% (12% for Series A Financing investors, 8% for April to May 2024 Financing investors, December 2024 Financing investors and April 2025 Financing investors), as well as any dividends or bonuses that the Board of Directors has declared but not yet paid; (ii) on the date when the investor requests the repurchase of equity, the proportion of the equity that the investor requests to be repurchased to the total equity of the Company at that time, multiplied by the net assets confirmed in the consolidated financial statements of the Group audited by an accounting firm recognized by the investor.

For Series B Financing investors and Jiangsu SVFactory Sellers, the liquidation preference amount is equal to the original investment amount plus annual simple interest rate of 12%/8% (12% for Series B Financing investors, 8% for Jiangsu SVFactory Sellers), as well as any dividends or bonuses that the Board of Directors has declared but not yet paid. The liquidation preference rights of Jiangsu SVFactory Sellers can not be exercised until the full payment for liquidation preference rights of Series A Financing investors, April to May 2024 Financing investors, December 2024 Financing investors and April 2025 Financing investors.

Anti-dilution right

If the Company issues new shares at a lower price than the price paid by the Series A Financing investors, Jiangsu SVFactory Sellers, April to May 2024 Financing investors, December 2024 Financing investors and April 2025 Financing investors, those investors have the right to request: (i) the Company to issue compensation equity to the investor at zero RMB or the minimum consideration allowed by laws and regulations, or (ii) the founding shareholders (among which April to May 2024 Financing investors, December 2024 Financing investors and April 2025 Financing investors also have the right to request Mr. Zhang Zhiqi) to transfer compensation equity to the investor at zero RMB or the minimum consideration allowed by laws and regulations, or (iii) other methods negotiated by the relevant parties.

The directors of the Company considered that the fair value of the anti-dilution right was immaterial and therefore no derivative financial liability was recognized by the Company.

APPENDIX I

ACCOUNTANT’S REPORT

(ii) Presentation and classification

The Redeemable rights granted to the investors constitute as the Company’s obligations to repurchase its own equity instruments. These obligations were recognized as redemption liabilities to financial investors which are initially measured at fair value (representing the present value of the expected cash flows for settling the related obligations if these rights are exercised by the Investors) and subsequently measured at amortized cost.

	Series A Financing RMB'000	Series B Financing RMB'000	Jiangsu SVFactory Acquisition RMB'000	April to May 2024 Financing RMB'000	December 2024 Financing RMB'000	April 2025 Financing RMB'000	Total RMB'000
As at 1 January 2023	90,351	40,938	79,356	—	—	—	210,645
Charged to finance costs	9,914	3,600	6,336	—	—	—	19,850
As at 31 December 2023	100,265	44,538	85,692	—	—	—	230,495
As at 1 January 2024	100,265	44,538	85,692	—	—	—	230,495
Recognition of redemption liabilities	—	—	—	60,000	—	—	60,000
Charged to finance costs	9,914	3,600	6,336	2,926	—	—	22,776
As at 31 December 2024	110,179	48,138	92,028	62,926	—	—	313,271
As at 1 January 2025	110,179	48,138	92,028	62,926	—	—	313,271
Recognition of redemption liabilities	—	—	—	—	350,000	256,613	606,613
Charged to finance costs	5,081	1,800	3,168	2,400	9,124	1,846	23,419
Derecognition of redemption liabilities	(115,260)	(49,938)	(95,196)	(65,326)	(359,124)	(258,459)	(943,303)
As at 31 December 2025	—	—	—	—	—	—	—

(iii) Termination of Preferred Rights

On 30 June 2025, pursuant to the new shareholder agreement entered into between the Company and all investors, all the Redeemable Rights, including, among others, the redemption rights, liquidation rights and anti-dilution rights were irrevocably terminated. Therefore, the redemption liabilities of approximately RMB943,303,000 and the other reserve of approximately RMB858,432,000 were derecognized accordingly. The difference of approximately RMB84,871,000 was credited to capital reserves.

31 TRADE AND NOTES PAYABLES, OTHER PAYABLES AND ACCRUALS

The Group

	2023 RMB'000	As at 31 December 2024 RMB'000	2025 RMB'000
Trade payables			
— Third parties	208,099	212,772	179,783
Other payables and accruals:			
Other taxes payables	30,251	74,104	14,922
Employee benefits payables	16,282	10,115	16,689
Warranty provision	107	4,580	4,580
Accrual expenses	1,007	995	744
Accrued [REDACTED]	—	—	4,095
Current portion of long-term payables	4,061	1,347	—
Amount due to related parties	—	393	—
Others	1,699	4,573	2,558
Total other payables and accruals	53,407	96,107	43,588

APPENDIX I

ACCOUNTANT’S REPORT

The ageing analysis of the Group’s trade payables as at 31 December 2023, 2024 and 2025 based on purchase date was as follows:

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Within 1 year	199,067	177,592	154,750
1–2 years	7,270	28,785	14,727
2–3 years	1,735	4,647	4,415
Over 3 years	27	1,748	5,891
	<u>208,099</u>	<u>212,772</u>	<u>179,783</u>

The Company

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Trade payables			
— Third parties	<u>194,752</u>	<u>201,125</u>	<u>125,162</u>
Other payables and accruals:			
Amount due to subsidiaries	58,496	55,159	195,470
Other taxes payables	28,540	70,500	15,941
Current portion of long-term payables	4,061	1,347	—
Warranty provision	107	4,580	4,580
Employee benefits payables	8,736	5,726	5,918
Accrual expenses	726	705	4,590
Others	<u>1,083</u>	<u>703</u>	<u>238</u>
Total other payables and accruals	<u>101,749</u>	<u>138,720</u>	<u>226,737</u>

The ageing analysis of the Company’s trade payables as at 31 December 2023, 2024 and 2025 based on purchase date was as follows:

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Within 1 year	189,923	175,159	108,834
1–2 years	3,168	23,763	14,351
2–3 years	1,660	556	248
Over 3 years	1	1,647	1,729
	<u>194,752</u>	<u>201,125</u>	<u>125,162</u>

32 LONG-TERM PAYABLES

The Group and the Company

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Long-term payables			
Current	4,061	1,347	—
Non-current	<u>1,384</u>	<u>—</u>	<u>—</u>
	<u>5,445</u>	<u>1,347</u>	<u>—</u>

The long-term payables represented the balance of rent payable at the balance sheet dates arising from the sale and leaseback of assets.

APPENDIX I

ACCOUNTANT’S REPORT

33 OTHER NON-CURRENT LIABILITIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Provision	17,893	18,628	19,389

The claim arises from a supplier asserting that related expenses were incurred due to the termination of the originally agreed purchase orders and the potential amount of all future payments that the Group may need to pay is estimated to be RMB17,893,000, RMB18,628,000 and RMB19,389,000 as of 31 December 2023, 2024 and 2025, respectively.

34 DEFERRED INCOME TAX

The Group

The analysis of the Group’s deferred tax assets & liabilities is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Total deferred tax assets:	31,271	26,065	32,605
Set-off of deferred tax liabilities pursuant to set-off provisions (a)	(2,376)	(1,527)	(8,122)
Net deferred tax assets	28,895	24,538	24,483
Deferred tax assets			
— to be recovered within 12 months	11,201	9,243	5,776
— to be recovered more than 12 months	20,070	16,822	26,829
	31,271	26,065	32,605
Total deferred tax liabilities:	(8,478)	(6,951)	(12,868)
Set-off of deferred tax assets pursuant to set-off provisions (a)	2,376	1,527	8,122
Net deferred tax liabilities	(6,102)	(5,424)	(4,746)
Deferred tax liabilities			
— to be settled within 12 months	(1,444)	(1,365)	(2,045)
— to be settled more than 12 months	(7,034)	(5,586)	(10,823)
	(8,478)	(6,951)	(12,868)

(a) The Group only offset deferred tax assets and deferred tax liabilities if the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same tax authority on same tax payee.

The gross movement on the Group’s deferred tax assets is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	22,394	31,271	26,065
Acquisition of a subsidiary (Note 36)	—	—	7,529
Credited/(charged) to profit or loss	8,877	(5,206)	(989)
At the end of the year	31,271	26,065	32,605

APPENDIX I

ACCOUNTANT’S REPORT

The gross movement on the Group’s deferred tax liabilities is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	(9,632)	(8,478)	(6,951)
Acquisition of a subsidiary (<i>Note 36</i>)	—	—	(7,529)
Credited/(charged) to profit or loss	1,154	1,527	1,612
At the end of the year	(8,478)	(6,951)	(12,868)

The detailed movements in Group’s deferred tax assets and liabilities during the year are as follows:

(1) Deferred tax assets:

	Impairment of trade and other receivables, inventories and contract assets RMB'000	Tax losses RMB'000	Contingent liabilities RMB'000	Lease liabilities RMB'000	Total RMB'000
As at 1 January 2023	1,914	15,265	2,370	2,845	22,394
Credited/(charged) to profit or loss	1,540	8,053	(247)	(469)	8,877
At 31 December 2023 and 1 January 2024	3,454	23,318	2,123	2,376	31,271
As at 1 January 2024	3,454	23,318	2,123	2,376	31,271
Credited/(charged) to profit or loss	1,912	(7,014)	734	(838)	(5,206)
At 31 December 2024	5,366	16,304	2,857	1,538	26,065
As at 1 January 2025	5,366	16,304	2,857	1,538	26,065
Acquisition of a subsidiary (<i>Note 36</i>)	—	7,529	—	—	7,529
(Charged)/credited to profit or loss	(2,648)	2,178	274	(793)	(989)
At 31 December 2025	2,718	26,011	3,131	745	32,605

(2) Deferred tax liabilities:

	Fair value adjustment on assets upon acquisition RMB'000	Right of use assets RMB'000	Total RMB'000
As at 1 January 2023	(6,780)	(2,852)	(9,632)
Credited to profit or loss	678	476	1,154
At 31 December 2023	(6,102)	(2,376)	(8,478)
As at 1 January 2024	(6,102)	(2,376)	(8,478)
Credited to profit or loss	678	849	1,527
At 31 December 2024	(5,424)	(1,527)	(6,951)
As at 1 January 2025	(5,424)	(1,527)	(6,951)
Acquisition of a subsidiary (<i>Note 36</i>)	(7,529)	—	(7,529)
(Charged)/credited to profit or loss	819	793	1,612
At 31 December 2025	(12,134)	(734)	(12,868)

APPENDIX I

ACCOUNTANT’S REPORT

The Company

The analysis of the Company’s deferred tax assets & liabilities is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Total deferred tax assets:	21,685	17,289	21,344
Set-off of deferred tax liabilities pursuant to set-off provisions	—	—	—
Net deferred tax assets	<u>21,685</u>	<u>17,289</u>	<u>21,344</u>
Deferred tax assets			
— to be recovered within 12 months	9,117	4,721	2,735
— to be recovered more than 12 months	<u>12,568</u>	<u>12,568</u>	<u>18,609</u>
	<u>21,685</u>	<u>17,289</u>	<u>21,344</u>

The gross movement on the Company’s deferred tax assets is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	12,633	21,685	17,289
Credited/(charged) to profit or loss	<u>9,052</u>	<u>(4,396)</u>	<u>4,055</u>
At the end of the year	<u>21,685</u>	<u>17,289</u>	<u>21,344</u>

The detailed movements in the Company’s deferred tax assets during the year are as follows:

(1) Deferred tax assets:

	Impairment of trade and other receivables, inventories and contract assets RMB'000	Tax losses RMB'000	Estimate liabilities RMB'000	Impairment of Investments in associates RMB'000	Total RMB'000
At 1 January 2023	1,145	11,162	326	—	12,633
Credited to profit or loss	<u>1,027</u>	<u>8,335</u>	<u>(310)</u>	<u>—</u>	<u>9,052</u>
At 31 December 2023 and 1 January 2024	<u>2,172</u>	<u>19,497</u>	<u>16</u>	<u>—</u>	<u>21,685</u>
As at 1 January 2024	2,172	19,497	16	—	21,685
Credited/(charged) to profit or loss	<u>875</u>	<u>(6,929)</u>	<u>671</u>	<u>987</u>	<u>(4,396)</u>
At 31 December 2024 and 1 January 2025	<u>3,047</u>	<u>12,568</u>	<u>687</u>	<u>987</u>	<u>17,289</u>
As at 1 January 2025	3,047	12,568	687	987	17,289
Credited/(charged) to profit or loss	<u>(999)</u>	<u>5,054</u>	<u>—</u>	<u>—</u>	<u>4,055</u>
At 31 December 2025	<u>2,048</u>	<u>17,622</u>	<u>687</u>	<u>987</u>	<u>21,344</u>

APPENDIX I

ACCOUNTANT’S REPORT

35 CASH FLOW INFORMATION

(a) Reconciliation of profit before income tax to cash generated from operations

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
(Loss)/profit before income tax	(123,830)	19,893	4,443
Adjustments for:			
Depreciation of property, plant and equipment (<i>Note 17</i>)	10,018	9,676	28,836
Amortisation of intangible assets (<i>Note 19</i>)	5,033	4,975	6,207
Depreciation of right-of-use asset (<i>Note 18</i>)	4,257	3,767	3,164
Credit loss allowances/(impairment reversal) on financial assets	10,312	10,821	(15,525)
Provision of impairment on inventory	881	973	916
Losses/(gains) of disposal of long-term assets (<i>Note 8</i>)	24	(28)	2
Finance cost — net (<i>Note 12</i>)	28,638	34,072	38,563
Share-based payment (<i>Note 20</i>)	65,842	5,631	4,659
Net foreign exchange (gains)/losses (<i>Note 8</i>)	679	(170)	249
Share of loss of an associate (<i>Note 16</i>)	188	2,424	4,127
Operating gain/(loss) before changes in working capital	2,042	92,034	75,641
Changes in working capital (excluding the effects of acquisition and currency translation differences on consolidation):			
Restricted cash	22,826	(744)	710
Inventories	(33,477)	(34,897)	1,564
Trade and notes receivables, other receivables and prepayments	(227,728)	(253,887)	124,174
Contract liabilities	9,140	(3,613)	35,476
Trade and notes payables, other payables and accruals	121,687	47,132	(97,265)
Cash (used in)/generated from operations activities	(105,510)	(153,975)	140,300

(b) Reconciliation of liabilities from financing activities

	Borrowings	Lease liabilities	Other borrowings	Redemption liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023	175,699	14,935	9,291	210,645	410,570
Cash flows	70,540	(4,755)	(4,362)	—	61,423
Addition of new lease	—	1,652	—	—	1,652
Accrued interest expenses	7,801	649	516	19,850	28,816
As at 31 December 2023	254,040	12,481	5,445	230,495	502,461
As at 1 January 2024	254,040	12,481	5,445	230,495	502,461
Cash flows	98,235	(3,993)	(709)	60,000	153,533
Termination of leases	—	(594)	—	—	(594)
Accrued interest expenses	10,532	485	301	22,776	34,094
As at 31 December 2024	362,807	8,379	5,037	313,271	689,494
As at 1 January 2025	362,807	8,379	5,037	313,271	689,494
Cash flows	321,777	(3,833)	(5,763)	606,613	918,794
New leases entered	—	645	—	—	645
Accrued interest expenses	14,803	278	726	23,419	39,226
Lease modification	—	(823)	—	—	(823)
Derecognition of redemption liabilities	—	—	—	(943,303)	(943,303)
As at 31 December 2025	699,387	4,646	—	—	704,033

APPENDIX I

ACCOUNTANT’S REPORT

(c) Non-cash investing and financing activities

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Redemption liabilities derecognition (<i>Note 30</i>)	—	—	943,303
Consideration of Agilebot acquisition (<i>Note 36</i>)	—	—	287,000
Increase in right-of-use assets in the current year	1,652	—	—
Lease modification in the current year	—	—	823
	<u>1,652</u>	<u>—</u>	<u>1,231,126</u>

Save as disclosed in the table above, there is no other material non-cash transaction.

36 BUSINESS COMBINATIONS

(a) Summary of acquisition

On 11 June 2025, the Company entered into a framework purchase agreement (“Framework Agreement”) with the shareholders of Agilebot Robotics Co., Ltd. (“Agilebot Sellers”) for the acquisition of 100% equity interest in Agilebot Robotics Co., Ltd. (the “Agilebot Acquisition”). Pursuant to the Framework Agreement, the Agilebot Acquisition shall be completed in two batches.

On 12 June 2025, the Company acquired 20.29% equity of Agilebot by RMB224,000,000 cash and the investment was recognized as a financial asset at fair value through profit or loss as at 30 June 2025. Pursuant to the Framework Agreement, the Company shall enter into a definitive agreement with the Agilebot Sellers for the second batch of the remaining 79.71% equity, the consideration of which shall be settled by cash and the issuance of registered shares of the Company. If the second batch fails to complete and the failure reason is not attribute to the Company, the founding shareholder of Agilebot commits to redeem the 20.29% equity at the original price of the first batch transaction. Therefore the investment for 20.29% equity and arrangement with founding shareholder of Agilebot was designated as a financial asset at fair value through profit or loss as a whole as at 30 June 2025.

On 19 November 2025, the Company acquired the remaining 79.71% equity of Agilebot by RMB94,000,000 cash and the issuance of 35 million registered shares amounting to RMB287,000,000. After the completion of second batch acquisition, the Company held 100% equity of Agilebot and got control of Agilebot. The financial asset at fair value through profit or loss was derecognized and regarded as deemed consideration without material remeasurement gain or loss.

Details of the purchase consideration, the net assets acquired and the goodwill are as follows:

	RMB'000
Purchase consideration:	
Fair value of 35 million ordinary shares the Company issued	287,000
Cash settlement	<u>318,000</u>
	<u>605,000</u>

The assets and liabilities of Agilebot recognised as a result of the acquisition are as follows:

	Fair value RMB'000
Property, plant and equipment	7,414
Right-of-use assets	479
Intangible assets (i)	51,687
Cash and cash equivalents	2,896
Trade and notes receivables	4,033
Prepayments and other receivables	3,655
Inventories	34,292
Deferred tax assets	7,529
Other payables and accruals	(10,046)
Lease liabilities	(61)
Trade and notes payables	(7,309)
Lease liabilities	(584)
Contract liabilities	(3,331)
Deferred tax liabilities	<u>(7,529)</u>
	83,125
Add: goodwill	<u>521,875</u>
Consideration	<u>605,000</u>

APPENDIX I

ACCOUNTANT’S REPORT

- (i) The intangible assets of Agilebot include the Single Chip Multiaxis Integrated Motion Controller (SCIMC), HyperRing and Magnetic Transportation System technology which were valued at totally RMB50,194,000 at the acquisition date. The fair value of this technology was determined using the income approach.
- (ii) These amounts were calculated using the subsidiary’s results and after adjustment for differences in the accounting policies.

Revenue and net profit contribution

The acquired business contributed revenues of RMB7,715,000 and net loss of RMB5,084,000 to the Group for the period from 19 November to 31 December 2025.

If the acquisition had occurred on 1 January 2025, the revenue and loss of the combined entity for the year ended 31 December 2025 would have been RMB803,687,000 and RMB160,150,000 respectively. These amounts have been calculated using the subsidiary’s results and after adjustments for:

- the elimination of revenue and cost generated from transactions between the Group and Agilebot;
- the additional amortization that would have been charged on the assumption that the fair value adjustments to intangible assets had applied from 1 January 2025, together with the consequential tax effects.

(b) Purchase consideration — cash outflow

	2025 <i>RMB’000</i>
Cash consideration	318,000
Less: balances of cash acquired cash	<u>(2,896)</u>
Net outflow of cash — investing activities	<u><u>315,104</u></u>

37 RELATED PARTY TRANSACTIONS

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

(a) Related parties of the Group during the Track Record Period

Name of related parties	Relationship
Mr. Zhang Zhiqi	Ultimate controlling shareholder, chairman of the Board, director and chief executive officer
Mr. Pan Zhengyi	Ultimate controlling shareholder, director, chief operation office and general manager
Mr. Hou Dawei	Executive Director
Mr. Li Kepin	Director
Hinton AI Technology Co., Ltd.	Associate with significant influence
Shanghai Joywin Intelligent Technology Co., Ltd.	Joint Venture
Mr. He Yan	Non-executive Director

The following is a summary of the significant transactions carried out between the Group and its related parties during the Track Record Period, and balances with related parties as at the respective balance sheet dates.

(b) Transactions with related parties

	Year ended 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Loans due from			
Hinton AI Technology Co., Ltd.	—	2,430	6,700
Shanghai Joywin Intelligent Technology Co., Ltd.	—	—	2,000
Loans due to			
Mr. Pan Zhengyi	—	950	—
Mr. Zhang Zhiqi	—	2,893	—
Mr. Hou Dawei	—	400	—
Mr. Li Kepin	—	180	—
	<u>—</u>	<u>6,853</u>	<u>8,700</u>

APPENDIX I

ACCOUNTANT’S REPORT

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Advances to			
Mr. Pan Zhengyi	—	29	—
Mr. Zhang Zhiqi	200	100	—
Mr. Hou Dawei	—	—	322
	<u>200</u>	<u>129</u>	<u>322</u>
Guarantees (i)			
Guarantees provided by Mr. Pan Zhengyi and Mr. Zhang Zhiqi for the Group’s bank borrowings	19,800	97,800	434,277
Guarantees provided by Mr. Pan Zhengyi for the Group’s bank borrowings	<u>162,840</u>	<u>236,617</u>	<u>169,920</u>
	<u>182,640</u>	<u>334,417</u>	<u>604,197</u>

- (i) The borrowings were guaranteed by Mr. Pan Zhengyi and Mr. Zhang Zhiqi and both of the guarantees were agreed with the relevant banks to be released upon [REDACTED].

The Company acquired 100% equity interest of Agilebot and further details of this acquisition is set out in Note 36. Shanghai Jiebote Enterprise Management Partnership (Limited Partnership) (上海捷勃特企業管理合夥企業(有限合夥)) (“Shanghai Jiebote”) was one of the Agilebot shareholders. The Company issued 12,846,189 registered shares to Shanghai Jiebote to acquire its 21.74% equity interest of Agilebot held by Shanghai Jiebote. The consideration of this transaction was RMB103,909,000. Shanghai Jiebote is a limited partnership whose general partner is ultimately controlled by Mr. He Yan (賀岩), a non-executive Director of the Company since September 2025.

(c) Balances with related parties

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Amounts due from related party (trade)			
Hinton AI Technology Co., Ltd.	<u>—</u>	<u>—</u>	<u>313</u>
Amounts due from related party (non-trade)			
Hinton AI Technology Co., Ltd.	—	1,980	—
Shanghai Joywin Intelligent Technology Co., Ltd.	—	—	2,000
Mr. Pan Zhengyi	—	18	—
Mr. Zhang Zhiqi	<u>200</u>	<u>—</u>	<u>—</u>
	<u>200</u>	<u>1,998</u>	<u>2,000</u>

The amount due from Hinton AI Technology Co., Ltd. as at 31 December 2025 was trade in nature and generated from the sales of goods between Agilebot and Hinton AI Technology Co., Ltd. before the acquisition date.

Apart from the above-mentioned balance, the other balances were non-trade in nature. And the non-trade balance due from Hinton AI Technology Co., Ltd. was fully settled on 31 December 2025 and the non-trade balance due from Shanghai Joywin Intelligent Technology Co., Ltd. is expected to be settled on 31 December 2026.

(d) Key management personnel compensation

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wages, salaries and bonus	6,130	4,702	5,271
Pension costs — defined contribution plans	421	431	449
Other employee benefits	523	531	367
Share-based payment expenses	<u>20,075</u>	<u>2,672</u>	<u>585</u>
	<u>27,149</u>	<u>8,336</u>	<u>6,672</u>

APPENDIX I

ACCOUNTANT’S REPORT

38 COMMITMENTS

(a) Capital commitments

The following table sets forth a summary of our capital commitments as of the dates indicated:

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Contracted but not provided for equity investment	14,000	12,000	8,000
Software	—	—	4,373
	<u>14,000</u>	<u>12,000</u>	<u>12,373</u>
Capital commitment to investment in subsidiaries	<u>47,800</u>	<u>57,850</u>	<u>12,427</u>

(b) Non-cancellable short-term operating leases

	As at 31 December		
	2023 RMB'000	2024 RMB'000	2025 RMB'000
Less than 1 year	<u>16</u>	<u>27</u>	<u>—</u>

39 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS

(a) Directors’ and supervisors’ emoluments

The remuneration of every director and supervisor for the years ended 31 December 2023, 2024 and 2025 were set out below:

Name of Directors and supervisors	Fees RMB'000	Wages, salaries and bonuses RMB'000	Contributions to pension plans RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Share-based payments RMB'000	Total RMB'000
For the year ended 31 December 2023						
Directors:						
Mr. Zhang Zhiqi	—	952	46	62	—	1,060
Mr. Pan Zhengyi	—	480	68	81	—	629
Mr. Hou Dawei	—	420	66	80	—	566
Mr. Zhao He	—	1,200	46	62	1,216	2,524
Ms. Chen Cuihong	—	846	42	52	11,202	12,142
Mr. Li Kepin	—	600	46	62	2,106	2,814
Mr. Jiang Shaoqing	—	—	—	—	—	—
Supervisor:						
Mr. Yuan Zhen	—	695	29	35	2,885	3,644
	<u>—</u>	<u>5,193</u>	<u>343</u>	<u>434</u>	<u>17,409</u>	<u>23,379</u>
For the year ended 31 December 2024						
Directors:						
Mr. Zhang Zhiqi	—	816	47	68	—	931
Mr. Pan Zhengyi	—	480	71	81	—	632
Mr. Hou Dawei	—	420	67	77	—	564
Mr. Zhao He	—	1,130	47	68	855	2,100
Ms. Chen Cuihong	—	481	47	60	—	588
Ms. Tong Zhuqing	—	35	4	4	21	64
Mr. Li Kepin	—	213	12	17	1,210	1,452
Mr. Jiang Shaoqing	—	—	—	—	—	—
Mr. Zhao Junwei	—	—	—	—	—	—
Mr. Liu Jieyin	—	—	—	—	—	—
Supervisor:						
Mr. Yuan Zhen	—	480	29	36	—	545
	<u>—</u>	<u>4,055</u>	<u>324</u>	<u>411</u>	<u>2,086</u>	<u>6,876</u>

APPENDIX I

ACCOUNTANT’S REPORT

Name of Directors and supervisors	Fees RMB'000	Wages, salaries and bonuses RMB'000	Contributions to pension plans RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Share-based payments RMB'000	Total RMB'000
For the Year ended 31 December 2025						
Directors:						
Mr. Zhang Zhiqi	—	816	47	68	—	931
Mr. Pan Zhengyi	—	714	71	81	—	866
Mr. Hou Dawei	—	750	80	92	—	922
Mr. Zhao He	—	960	47	68	—	1,075
Ms. Chen Cuihong	—	493	43	56	—	592
Ms. Tong Zhuqing	—	298	30	31	—	359
Mr. Jiang Shaoqing	—	—	—	—	—	—
Mr. Zhao Junwei	—	—	—	—	—	—
Mr. Liu Jieyin	—	—	—	—	—	—
Mr. He Yan	—	40	6	6	—	52
Name of Independent directors:						
Ms. Xiao Jieyun	35	—	—	—	—	35
Mr. Wang Wenxue	35	—	—	—	—	35
Mr. Zhang Chaohui	35	—	—	—	—	35
Mr. Xiang Zhe	35	—	—	—	—	35
Supervisor:						
Mr. Yuan Zhen	—	320	19	24	—	363
	140	4,391	343	426	—	5,300

- (i) Mr. Pan Zhengyi was appointed as the chairman of the board with effect from October 2019 to January 2024, re-designated as a director of the Company with effect from January 2024 and was appointed as the executive director of the Company in September 2025.

Mr. Zhang Zhiqi was appointed as a director of the Company with effect from January 2023 to January 2024, re-designated as the chairman of the board with effect from January 2024 and was appointed as the chairman of the board of the Company in September 2025.

- (ii) Mr. Hou Dawei was appointed as a director of the Company with effect from October 2019 and was appointed as the inaugural executive director of the Company in September 2025.

Mr. Wang Gang was appointed as a director of the Company with effect from December 2021 to January 2023.

Ms. Chen Cuihong was appointed as a director of the Company with effect from August 2021 and was appointed as the inaugural executive director of the Company in September 2025.

Mr. Ma Yuanwei was appointed as a director of the Company with effect from June 2022 to January 2023.

Mr. Li Shuo was appointed as a director of the Company with effect from November 2019 to July 2022.

Mr. Yuan Zhen was appointed as a supervisor of the Company with effect from December 2021 to September 2025.

Mr. Zhao He was appointed as a director of the Company with effect from January 2023 and was appointed as the inaugural executive director of the Company in September 2025.

Mr. Li Kepin was appointed as a director of the Company with effect from January 2023 to December 2024.

Mr. Jiang Shaoqing was appointed as a director of the Company with effect from January 2023 to September 2025.

Ms. Tong Zhuqing was appointed as a director of the Company with effect from December 2024 to August 2025.

Mr. Zhao Junwei was appointed as a director of the Company with effect from December 2024 and was re-designated as the non-executive director of the Company in September 2025.

Mr. Liu Jieyin was appointed as a director of the Company with effect from December 2024 and was re-designated as the non-executive director of the Company in September 2025.

Mr. He Yan was appointed as the independent director of the Company with effect from September 2025.

APPENDIX I

ACCOUNTANT’S REPORT

Ms. Xiao Jieyun was appointed as the independent director of the Company with effect from September 2025.

Mr. Wang Wenxue was appointed as the independent director of the Company with effect from September 2025.

Mr. Xiang Zhe was appointed as the inaugural independent director of the joint-stock company with effect from September 2025.

Mr. Zhang Chaohui was appointed as the inaugural independent director of the Company with effect from September 2025.

No emoluments have been paid by the Group to the directors or supervisors as an inducement to join or upon joining the Group or as compensation for loss of office or no directors or supervisors waived or agreed to waive any emoluments during the Track Record Period.

(b) Directors’ and supervisors’ retirement and termination benefits

There were no retirement and termination benefits paid to any director or supervisor during the Track Record Period.

(c) Consideration provided to third parties for making available directors’ and supervisors’ services

During the Track Record Period, no consideration to third parties for making available director’s or supervisors’ services.

(d) Information about loans, quasi-loans and other dealings in favour of directors

Save as disclosed in Note 37, there were no loans, quasi-loans and other dealings entered into between the Group and the directors or supervisors and in favour of the directors or supervisors during the Track Record Period.

(e) Directors’ and supervisors’ material interests in transactions, arrangements or contracts

Save as disclosed in Note 37, no significant transactions, arrangements and contracts in relation to the Group’s business to which the Company was a party and in which a director or supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or during the Track Record Period.

40 CONTINGENCIES

Other than the termination of the originally agreed purchase orders case as disclosed in Note 33, the Group has no other material contingent liabilities outstanding as at 31 December 2023, 2024 and 2025.

41 EVENTS AFTER THE BALANCE SHEET DATE

There is no other material subsequent event undertaken by the Company or by the Group after 31 December 2025.

42 SUMMARY OF OTHER ACCOUNTING POLICIES

42.1 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker of the Company assesses the financial performance and position of the Group, and makes strategic decisions. The chief operating decision maker of the Group consists of the executive directors.

42.2 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). As the major operations of the Group are within the mainland China, the Group determined to present the Historical Financial Information in RMB, which is the Company’s functional currency.

(ii) Transactions and balances

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

All other foreign exchange gains and losses are presented in the consolidated statements of comprehensive income on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

APPENDIX I

ACCOUNTANT’S REPORT

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

42.3 Separate financial statements

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

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

42.4 Cash and cash equivalents and restricted cash

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

Cash that is restricted from withdrawal, from use or from being pledged as security is reported separately on the face of the consolidated balance sheet, and is not included in the total cash and cash equivalents in the consolidated statement of cash flows.

42.5 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the Track Record Period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

42.6 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the group has a right to defer settlement of the liability for at least 12 months after the reporting period.

42.7 Borrowing costs

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

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

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

42.8 Current and deferred income tax

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

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the Track Record Period in the regions where the Company’s subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which

APPENDIX I

ACCOUNTANT’S REPORT

applicable tax regulation is subject to interpretation, and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(ii) Deferred income tax

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

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

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

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

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

42.9 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees’ services up to the end of the Track Record Period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

(ii) Pension obligations and other social welfare benefits

Full-time employees of the Group in mainland China are entitled to staff welfare benefits including pension, work-related injury benefits, maternity insurances, medical insurances, unemployment benefits and housing fund plans through a PRC government-mandated defined contribution plan. Chinese labour regulation requires that the Group make contributions to the government for these benefits based on certain percentage of the employees’ salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the required contributions. There is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

42.10 Interest income

Interest income from financial assets at fair value through profit or loss is included in the net fair value gains/(losses) on these assets.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

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

42.11 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

APPENDIX I

ACCOUNTANT’S REPORT

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group’s incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

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

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise equipment and small items of office furniture.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

42.12 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the Track Record Period but not distributed at the end of the Track Record Period.

42.13 Government grants

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

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected useful lives of the related assets.

42.14 Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) *Diluted earnings per share*

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

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

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared for the Company or any of its subsidiaries now comprising the Group in respect of any period subsequent to 31 December 2025 and up to the date of this report.