

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-1 to I-[73], received from the Company’s reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.



ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF HEFEI YOUIBOT ROBOTICS CO., LTD. (FORMERLY KNOWN AS XI’AN YOUAI ZHIHE ROBOT TECHNOLOGY CO., LTD.) AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of Hefei Youibot Robotics Co., Ltd. (合肥優艾智合智能機器人有限公司) (formerly known as Xi’an Youai Zhihe Robot Technology Co., Ltd., “西安優艾智合機器人科技有限公司”) (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-[3] to I-[73], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2023, 2024 and 2025, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated cash flow statements for each of the years ended December 31, 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-[73] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [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 the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

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

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 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

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internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants’ report, a true and fair view of the Company’s and the Group’s financial position as at December 31, 2023, 2024 and 2025 and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 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 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 28(d) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

KPMG

Certified Public Accountants

8th Floor, Prince’s Building

10 Chater Road

Central, Hong Kong

[Date]

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HISTORICAL FINANCIAL INFORMATION

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

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by KPMG under separate terms of engagement with the Company in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “**Underlying Financial Statements**”).

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Note</i>	Year ended December 31,		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	4	107,671	254,892	339,685
Cost of sales		(79,533)	(165,266)	(215,549)
Gross profit		28,138	89,626	124,136
Other net income	5	10,795	11,323	5,430
Selling and marketing expenses		(53,860)	(62,487)	(77,242)
General and administrative expenses		(52,746)	(56,051)	(87,314)
Research and development expenses		(67,425)	(62,398)	(83,023)
Provision of loss allowance on financial assets and contract assets	6(c)	(4,792)	(8,281)	(11,948)
Loss from operations		(139,890)	(88,268)	(129,961)
Finance costs	6(a)	(1,526)	(2,979)	(5,214)
Share of (losses)/profits of an associate and a joint venture	14	(39)	(129)	226
Changes in the carrying amount of redemption liabilities	24	(118,539)	(108,840)	(249,384)
Loss before taxation		(259,994)	(200,216)	(384,333)
Income tax	7	—	—	—
Loss and total comprehensive income for the year		<u>(259,994)</u>	<u>(200,216)</u>	<u>(384,333)</u>
Attributable to:				
Equity shareholders of the Company		(260,169)	(199,856)	(383,789)
Non-controlling interests		175	(360)	(544)
Loss and total comprehensive income for the year		<u>(259,994)</u>	<u>(200,216)</u>	<u>(384,333)</u>
Loss per share	10			
Basic and diluted (RMB)		<u>(16.40)</u>	<u>(12.06)</u>	<u>(19.86)</u>

The accompanying notes form part of the Historical Financial Information.

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	<i>Note</i>	As at December 31,		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets				
Property, plant and equipment	11	9,752	11,162	9,138
Prepayments, other receivables and other assets	19	2,161	2,929	2,702
Right-of-use assets	12(a)	14,268	12,837	7,471
Interests in an associate and a joint venture	14	961	1,596	2,586
		<u>27,142</u>	<u>28,524</u>	<u>21,897</u>
Current assets				
Inventories and contract costs	15	130,922	99,942	49,900
Contract assets	16(a)	9,225	17,513	30,150
Trade and bills receivables	17	50,987	146,875	247,378
Financial assets at fair value through other comprehensive income	18	—	1,109	13,197
Prepayments, other receivables and other assets	19	10,871	31,806	45,624
Restricted cash	20	12,658	13,544	26,200
Cash and cash equivalents	20	75,832	131,331	243,422
		<u>290,495</u>	<u>442,120</u>	<u>655,871</u>
Current liabilities				
Trade and bills payables	21	75,155	135,322	189,238
Contract liabilities	16(b)	83,266	67,417	12,574
Other payables and accruals	22	25,447	60,969	84,868
Bank loans	23	32,039	104,326	190,096
Redemption liabilities	24	1,227,221	1,456,061	2,121,122
Lease liabilities	12(b)	7,167	7,719	4,224
Provisions	25	1,387	2,896	3,808
		<u>1,451,682</u>	<u>1,834,710</u>	<u>2,605,930</u>
Net current liabilities		<u>(1,161,187)</u>	<u>(1,392,590)</u>	<u>(1,950,059)</u>
Total assets less current liabilities		<u>(1,134,045)</u>	<u>(1,364,066)</u>	<u>(1,928,162)</u>
Non-current liabilities				
Bank loans	23	—	—	10,007
Lease liabilities	12(b)	9,103	6,947	4,103
Deferred income	26	496	2,656	267
		<u>9,599</u>	<u>9,603</u>	<u>14,377</u>
NET LIABILITIES		<u>(1,143,644)</u>	<u>(1,373,669)</u>	<u>(1,942,539)</u>

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	<i>Note</i>	As at December 31,		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
CAPITAL AND RESERVES	28			
Paid-in capital		2,945	3,102	—
Share capital		—	—	24,380
Reserves		(1,145,251)	(1,375,073)	(1,964,677)
Total deficit attributable to equity				
shareholders of the Company		(1,142,306)	(1,371,971)	(1,940,297)
Non-controlling interests		(1,338)	(1,698)	(2,242)
TOTAL DEFICIT		<u>(1,143,644)</u>	<u>(1,373,669)</u>	<u>(1,942,539)</u>

The accompanying notes form part of the Historical Financial Information.

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	<i>Note</i>	As at December 31,		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets				
Property, plant and equipment		4	4	4
Investment in subsidiaries	13	519,800	629,588	855,452
		519,804	629,592	855,456
Current assets				
Inventories		—	—	138
Contract assets		—	—	257
Trade and bills receivables	17	677	582	4,135
Prepayments, other receivables and other assets	19	12,895	—	54,788
Restricted cash	20	3,370	—	—
Cash and cash equivalents	20	4,771	22,974	45,409
		21,713	23,556	104,727
Current liabilities				
Trade and bills payables	21	11,977	728	9,407
Other payables and accruals	22	13,862	48,740	134,829
Redemption liabilities	24	1,227,221	1,456,061	2,121,122
Provisions		—	—	122
		1,253,060	1,505,529	2,265,480
Net current liabilities		(1,231,347)	(1,481,973)	(2,160,753)
Total assets less current liabilities		(711,543)	(852,381)	(1,305,297)
Non-current liabilities				
Deferred income	26	259	646	69
		259	646	69
NET LIABILITIES		(711,802)	(853,027)	(1,305,366)
CAPITAL AND RESERVES	28			
Paid-in capital		2,945	3,102	—
Share capital		—	—	24,380
Reserves		(714,747)	(856,129)	(1,329,746)
TOTAL DEFICIT		(711,802)	(853,027)	(1,305,366)

The accompanying notes form part of the Historical Financial Information.

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to equity shareholders of the Company							
	Note	Paid-in capital	Share capital	Capital reserve	Share-based payments reserve	Accumulated losses	Total	Non-controlling interests	Total deficit
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(Note 28(b))	(Note 28(b))	(Note 28(c)(i))	(Note 28(c)(ii))				
As at January 1, 2023		2,808	—	(304,706)	27,094	(582,398)	(857,202)	(1,513)	(858,715)
Changes in equity for the year ended December 31, 2023:									
(Loss)/profit and total comprehensive income for the year		—	—	—	—	(260,169)	(260,169)	175	(259,994)
Capital contribution by investors		137	—	69,863	—	—	70,000	—	70,000
Equity settled share-based transactions	27	—	—	—	10,065	—	10,065	—	10,065
Recognition of redemption liabilities	24	—	—	(105,000)	—	—	(105,000)	—	(105,000)
As at December 31, 2023 and January 1, 2024		2,945	—	(339,843)	37,159	(842,567)	(1,142,306)	(1,338)	(1,143,644)
Changes in equity for the year ended December 31, 2024:									
Loss and total comprehensive income for the year		—	—	—	—	(199,856)	(199,856)	(360)	(200,216)
Capital contribution by investors		157	—	79,843	—	—	80,000	—	80,000
Equity settled share-based transactions	27	—	—	—	10,191	—	10,191	—	10,191
Recognition of redemption liabilities	24	—	—	(120,000)	—	—	(120,000)	—	(120,000)

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		Attributable to equity shareholders of the Company						
Note	Paid-in capital	Share capital	Capital reserve	Share-based payments reserve	Accumulated losses	Total	Non-controlling interests	Total deficit
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 28(b))	(Note 28(b))	(Note 28(c)(i))	(Note 28(c)(ii))				
As at December 31, 2024 and January 1, 2025	3,102	—	(380,000)	47,350	(1,042,423)	(1,371,971)	(1,698)	(1,373,669)
Changes in equity for the year ended December 31, 2025:								
Loss and total comprehensive income for the year	—	—	—	—	(383,789)	(383,789)	(544)	(384,333)
Capital contribution by investors	984	1,375	218,790	—	—	221,149	—	221,149
Transaction costs associated with capital contribution	—	—	(1,509)	—	—	(1,509)	—	(1,509)
Equity settled share-based transactions	27	—	—	11,500	—	11,500	—	11,500
Conversion into a joint stock company with limited liability	(4,086)	4,086	(24,498)	—	24,498	—	—	—
Capital reserve transfer to share capital	—	18,919	(18,919)	—	—	—	—	—
Recognition of redemption liabilities	24	—	(415,677)	—	—	(415,677)	—	(415,677)
As at December 31, 2025	—	24,380	(621,813)	58,850	(1,401,714)	(1,940,297)	(2,242)	(1,942,539)

The accompanying notes form part of the Historical Financial Information.

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CONSOLIDATED CASH FLOW STATEMENTS

	<i>Note</i>	Year ended December 31,		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Operating activities				
Cash used in operations	20(b)	(95,093)	(79,916)	(185,469)
Interest received		679	459	463
Net cash used in operating activities		(94,414)	(79,457)	(185,006)
Investing activities				
Purchases of items of property, plant and equipment		(5,953)	(6,422)	(3,297)
Purchase of wealth management products		(20,000)	—	—
Proceeds from redemption of wealth management products		20,003	—	—
Proceeds from disposal of property, plant and equipment		107	144	161
Acquisition of investments in an associate and a joint venture		(1,000)	(764)	(764)
Net cash used in investing activities		(6,843)	(7,042)	(3,900)
Financing activities				
Proceeds from bank loans	20(c)	32,000	106,010	210,000
Repayment of bank loans	20(c)	—	(33,800)	(112,200)
Interest of bank loans paid	20(c)	(575)	(2,154)	(6,738)
Capital element of lease rentals paid	20(c)	(6,739)	(7,310)	(8,028)
Interest element of lease rentals paid	20(c)	(912)	(748)	(499)
Proceeds from capital injections		—	—	1,177
Proceeds from financial instruments issued to investors	20(c)	70,000	80,000	219,972
Payment of financing service fees		—	—	(1,509)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net cash generated from financing activities		93,774	141,998	300,997
Net (decrease)/increase in cash and cash equivalents		(7,483)	55,499	112,091
Cash and cash equivalents at the beginning of the year	20(a)	83,315	75,832	131,331
Cash and cash equivalents at the end of the year	20(a)	75,832	131,331	243,422

The accompanying notes form part of the Historical Financial Information.

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NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 Basis of preparation and presentation of the Historical Financial Information

Hefei Youibot Robotics Co., Ltd. (formerly known as Xi’an Youai Zhihe Robot Technology Co., Ltd.) (the “**Company**”) was established in Xi’an, Shanxi Province, the People’s Republic of China (the “**PRC**”) on May 16, 2017 as a company with limited liability. On February 14, 2025, the Company’s registered address was changed into Hefei, Anhui Province, the PRC.

The Company was converted from a company with limited liability into a joint stock company with limited liability on September 10, 2025.

The Company and its subsidiaries (together, the “**Group**”) are mainly engaged in providing industrial embodied AI robotic solutions for global industrial customers through mobile manipulation robots.

The financial statements of the Company for the years ended December 31, 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by RSM Certified Public Accountants LLP (容誠會計師事務所 (特殊普通合伙)). The financial statements of the Company for the year ended December 31, 2025 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by Shenzhen Hengrui Certified Public Accountants (General Partnership) (深圳恆瑞會計師事務所 (普通合夥)).

As at the date of this report, the Company has direct or indirect interests in the following subsidiaries, all of which are private companies:

Company name	Place and date of establishment	Registered and paid-up share capital	Proportion of ownership interest		Principal activities
			Held by the Company	Held by the subsidiary	
Hefei Youai Intelligent Manufacturing Equipment Co., Ltd. (note i and iii) (合肥優艾智能製造裝備有限公司)	Chinese Mainland June 26, 2024	RMB10,000,000/ RMB10,000,000	100%	—	Industrial embodied AI robot manufacturing and general equipment manufacturing
Huzhou Youai Zhihe Robot Technology Co., Ltd. (note i and ii) (湖州優艾智合機器人科技有限公司)	Chinese Mainland April 17, 2023	RMB50,000,000/ RMB39,000,000	100%	—	Industrial embodied AI robot manufacturing and general equipment manufacturing
Youibot Robotics Co., Ltd. (note i and ii) (深圳優艾智合機器人科技有限公司)	Chinese Mainland March 5, 2018	RMB100,000,000/ RMB100,000,000	100%	—	Industrial embodied AI robotic solutions R&D and sales
Suzhou Youai Zhichuang Robot Technology Co., Ltd. (note i and ii) (蘇州優艾智創機器人科技有限公司)	Chinese Mainland June 22, 2022	RMB30,000,000/ RMB23,000,000	100%	—	Industrial embodied AI robotic solutions R&D and sales
Shenzhen Youai Zhidian Intelligent Technology Co., Ltd. (note i and v) (深圳優艾之電智能科技有限公司)	Chinese Mainland November 8, 2019	RMB2,000,000/ RMB nil	55%	—	Industrial embodied AI robotic solutions sales

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Company name	Place and date of establishment	Registered and paid-up share capital	Proportion of ownership interest		Principal activities
			Held by the Company	Held by the subsidiary	
Shenzhen Youai Zhijia Robot Technology Co., Ltd. (note i and ii) (深圳優艾智嘉機器人科技有限公司)	Chinese Mainland May 20, 2019	RMB2,000,000/ RMB400,000	55%	—	Industrial embodied AI robotic solutions R&D and sales
Youibot Robotics Hongkong Limited (note iv)	Hong Kong March 20, 2024	HKD10,000,000/ HKD2,000,000	—	100%	Industrial embodied AI robotic solutions sales
Youibot Robotics Japan Co., Ltd. (note v)	Japan October 24, 2024	JPY10,000,000/ JPY10,000,000	—	100%	Industrial embodied AI robotic solutions R&D and sales

Note:

- (i) These entities are PRC limited liability companies. The official names of these entities are in Chinese. The English translation is for identification purpose only.
- (ii) The financial statements of these entities for the years ended December 31, 2023 and 2024 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by RSM Certified Public Accountants LLP (容誠會計師事務所 (特殊普通合伙)). The financial statements of these entities for the year ended December 31, 2025 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by Shenzhen Hengrui Certified Public Accountants (General Partnership) (深圳恆瑞會計師事務所 (普通合伙)).
- (iii) No audited financial statements have been prepared for the entity for the years ended December 31, 2023. The financial statements of the entity for the period ended December 31, 2024 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by RSM Certified Public Accountants LLP (容誠會計師事務所 (特殊普通合伙)). The financial statements of the entity for the year ended December 31, 2025 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and audited by Shenzhen Hengrui Certified Public Accountants (General Partnership) (深圳恆瑞會計師事務所 (普通合伙)).
- (iv) No audited financial statements have been prepared for the entity for the year ended December 31, 2023. The financial statements of the entity for the period ended December 31, 2024 were prepared in accordance with the Hong Kong Financial Reporting Standards issued by the HKICPA and audited by Zhongjie Overseas Group Co., Limited (中界海外集團有限公司). The audited financial statements for the year ended December 31, 2025 have not yet been issued.
- (v) No audited financial statements have been prepared for these entities for the years ended December 31, 2023, 2024, and 2025.

All companies comprising the Group have adopted December 31 as their financial year end date.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). Further details of the material accounting policy information are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the accounting period beginning on January 1, 2025. The revised and new accounting standards and interpretations issued but not yet effective for the accounting period beginning on January 1, 2025 are set out in Note 32.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As at December 31, 2025, the Group had net liabilities of RMB1,942,539,000 and net current liabilities of RMB1,950,059,000, which is primarily due to redemption liabilities (see Note 24). The redemption liabilities will be reclassified to equity upon completion of the [REDACTED]

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(“[REDACTED]”). The directors have reviewed the Group’s cash flow projections, which cover a period of at least twelve months from the date of this report. Notwithstanding the net current liabilities and net liabilities as at December 31, 2025, the directors of the Company consider that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group’s ability to continue as a going concern. Accordingly, the directors of the Company consider it is appropriate to prepare the Historical Financial Information on a going concern basis.

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

2 Material accounting policy information

(a) Basis of measurement

The Historical Financial Information are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis, except for certain financial assets measured at their fair value as explained in Note 2(e)(i).

(b) Use of estimates and judgements

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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 over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect

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of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the period between non-controlling interests and the shareholders of the Company.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the statement of financial position of the Company, investments in subsidiaries are stated at cost less impairment losses (see Note 2(h)(ii)).

(d) Interests in associates and joint ventures

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or the Company and other parties contractually agree to share control of the arrangement and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group’s share of the acquisition-date fair values of the investee’s identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate or joint venture that forms part of the Group’s equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group’s share of the investee’s net assets and any impairment loss relating to the investment (see Note 2(h)(ii)). At each reporting date, the Group assesses whether there is any objective evidence that the investment is impaired. Any acquisition-date excess over cost, the Group’s share of the post-acquisition, post-tax results of the investees and any impairment losses for the period are recognised in the consolidated statement of profit or loss, whereas the Group’s share of the post-acquisition post-tax items of the investees’ other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

(e) Other investments in debt and equity securities

The Group’s policies for investments in debt and equity securities, other than investments in subsidiaries, associates, and joint ventures are set out below.

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Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss (FVPL) for which transaction costs are recognised directly in profit or loss. These investments are subsequently accounted for as follows, depending on their classification.

(i) Investments other than equity investments

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see Note 2(r)(ii)(b)).
- fair value through other comprehensive income (FVOCI) — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognized in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer’s perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and any accumulated impairment losses (see Note 2(h)(ii)):

- right-of-use assets arising from leases over leasehold properties where the Group is not the registered owner of the property interest; and
- items of equipment, including right-of-use assets arising from leases of underlying plant and equipment (see Note 2(g)).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values, if any, using the straight line method over their estimated useful lives, and is generally recognised in profit or loss.

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The estimated useful lives are as follows:

— Properties leased for own use	Over the unexpired lease terms
— Leasehold improvements	Over the shorter of the lease term and the estimated useful lives
— Office equipment	3–5 years
— Machinery and equipment	3–5 years
— Electronic equipment	3–5 years
— Others	1–3 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(g) *Leased assets*

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items such as laptops and office furniture. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is recognised using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(f) and 2(h)(ii)). Depreciation is calculated using the straight line method over the unexpired term of lease.

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost. Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

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The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(h) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses (“ECL”s) on:

- financial assets measured at amortised cost (including cash and cash equivalents, restricted cash, trade receivables, bills receivables, other receivables and contract assets as defined IFRS 15).
- financial assets measured at FVOCI.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade and bills receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected live of the instrument is less than 12 months); and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs:

- financial instruments that are determined to have low credit risk at the reporting date; and

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- other financial instruments (including loan commitments issued) for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held). The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument’s external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor’s ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument’s credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

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Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (“CGU”s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Inventories and contract costs

(i) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using weighted average cost formula and comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable 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.

When inventories are sold, the carrying amount of those inventories is recognised as cost of sales in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as cost of sales in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as cost of sales in the period in which the reversal occurs.

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(ii) Contract costs

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

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

Amortization of the capitalised contract costs are recognised in the statements of profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

(j) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(r)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are reclassified to receivables when the right to the consideration becomes unconditional (see Note 2(k)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(r)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(k)).

(k) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

(l) Cash and cash equivalents and restricted cash

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

Demand deposit in regulatory accounts and frozen deposits which are restricted to use are presented separately in consolidated statements of financial position as “restricted cash”. Restricted cash is excluded from cash and cash equivalents in the consolidated cash flow statements.

Cash and cash equivalents and restricted cash are assessed for ECLs in accordance with the policy set out in Note 2(h)(i).

(m) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(n) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(s).

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(o) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Pursuant to the relevant laws and regulations of the PRC, the Group participates in a defined contribution basic pension insurance in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. The local government authorities are responsible for the pension obligations payable to the retired employees covered under the defined contribution basic pension insurance. There are no forfeited contributions for the defined contribution basic pension insurance in the PRC social insurance system as the contributions are fully vested to the employees upon payments to the scheme.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(ii) Share-based payments

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

(p) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

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- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the report date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(q) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(r) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods and the provision of services in the ordinary course of the Group’s business.

Further details of the Group’s revenue and other income recognition policies are as follows:

(i) Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognises revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group’s ability to direct the use of and obtain substantially all of the remaining benefits from the products or services.

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Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

(a) Sales of industrial embodied AI robotic solutions

Industrial embodied AI robotic solutions involve design, production, deployment and commissioning of customized robotic systems, which can complete required tasks in specified scenarios as indicated in the sales contract. The Group determines that the promised goods and services in industrial embodied AI robotic solutions represent one performance obligation, because these promises are highly interdependent, and the customer is unable to derive significant benefits from the access to an individual promise for the intended purposes without receipt of the other goods or services.

Revenue from the sale of industrial embodied AI robotic solutions is recognised at point in time when the industrial embodied AI robotic solutions are accepted by the customers.

(ii) *Revenue from other sources and other income*

(a) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

(b) Interest income

Interest income is recognised using the effective interest method. The “effective interest rate” is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

(s) ***Borrowing costs***

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(t) ***Related parties***

(a) A person, or a close member of that person’s family, is related to the Group if that person:

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

(b) An entity is related to the Group if any of the following conditions applies:

- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) both entities are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

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- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group’s parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(u) *Redemption liabilities*

A contract that contains an obligation to purchase the Company’s equity instruments for cash or another financial asset gives rise to a financial liability for the redemption amount, even if the Company’s obligations to purchase is conditional on the counterparty exercising a right to redeem. The redemption liability is measured at the highest redemption amount (on a present value basis) the Company could be required to pay from time to time. Any change in the carrying amount of the redemption liability arising from the remeasurement of the redemption amount is recognised in profit or loss. Then the carrying amount of the redemption liability is reclassified to equity upon a termination of the counterparty’s redemption right.

The redemption liability is classified as current as the Company does not have the right at the reporting date to defer settlement of the liability for at least 12 months from the reporting date.

(v) *Segment reporting*

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group’s most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group’s various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

The Group has only one single reportable segment. Accordingly, no segmental analysis is presented.

3 Accounting judgements and estimates

Note 29 contains information about the assumptions and their risk factors relating to measurement of ECL allowance for trade receivables. Other significant sources of estimation uncertainty are as follows:

(a) *Fair value of share-based payments*

The equity-settled share-based payments were recognised based on fair value of the awards as at the date of grant using valuation model as disclosed in Note 27. This requires the Group to determine the most appropriate inputs to the valuation model and make assumptions about them which involved judgements. Further details are included in Note 27 to the Historical Financial Information.

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(b) *Impairment of non-current assets*

If circumstances indicate that the carrying value of a non-current asset may not be recoverable, the asset may be considered “impaired”, and an impairment loss may be recognised in profit or loss. The carrying amounts of assets are reviewed periodically in order to assess whether the recoverable amounts have declined below the carrying amounts. These assets are tested for impairment whenever events or changes in circumstance indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount.

The recoverable amount is the greater of the fair value less costs of disposal and the value in use. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and amount of operating costs.

(c) *Net realisable value of inventories*

Net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated cost necessary to make the sale. These estimates are based on the current market conditions and the historical experience of selling products with similar nature. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-down made in prior years and affect the Group’s profit or loss and net assets value. The Group reassesses these estimates annually.

(d) *Warranty provisions*

As explained in Note 25, the Group makes provisions under the warranties provided on sale of products taking into account the Group’s recent claim experience. As the Group is continually upgrading its product designs and launching new products it is possible that the recent claim experience is not indicative of future claims that it will receive in respect of past sales. Any increase or decrease in the provision would affect profit or loss in future years.

(e) *Deferred tax assets*

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

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4 Revenue and segment reporting

The Group principally generates its revenue from the provision of industrial embodied AI robotic solutions.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by types of major products is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS 15			
<i>Disaggregated by types of major products</i>			
Industrial embodied AI robotic solutions	107,671	254,892	339,685
<i>Disaggregated by timing of revenue recognition</i>			
Goods transferred at a point in time	107,671	254,892	339,685

The amounts of revenue recognised in the Track Record Period that were included in the contract liabilities at the beginning of each reporting period of the Track Record Period are set out in Note 16(b).

(b) Information about major customers

Revenue from customers with whom transactions have exceeded 10% of the Group’s total revenue during the years ended December 31, 2023, 2024 and 2025, are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Customer A	N/A*	N/A*	69,194
Customer B	11,300	N/A*	N/A*

* Revenue from relevant customers is less than 10% of the Group’s total revenue for the respective year.

Details of concentrations of credit risk arising from these customers are set out in Note 29(a).

(c) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group takes advantage of the practical expedient in paragraph 121 of IFRS 15 and does not disclose the remaining performance obligation as all of the Group’s sale contracts have an original expected duration of less than 1 year.

(d) Geographic information

The following table sets out information about the geographical location of the Group’s revenue from external customers. The geographical location of customers is based on the location of the customers.

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	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Chinese Mainland	101,738	240,111	318,287
Others*	5,933	14,781	21,398
	<u>107,671</u>	<u>254,892</u>	<u>339,685</u>

* Others primarily include Germany, Japan, and Thailand.

As substantially all of the Group’s non-current assets are mainly in the Chinese Mainland, no geographic information is presented.

5 Other net income

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government grants (note)	10,325	11,008	5,155
Interest income from bank deposits	679	459	463
Loss on disposal of property, plant and equipment, net	(20)	(55)	(27)
Net foreign exchange gain/(loss)	113	(66)	(256)
Others	(302)	(23)	95
	<u>10,795</u>	<u>11,323</u>	<u>5,430</u>

Note: The amounts mainly represented government incentive and support to the Group during the Track Record Period.

6 Loss before taxation

Loss before taxation is arrived at after charging/(crediting):

(a) Finance costs

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest expenses on bank loans	614	2,231	4,715
Interest on lease liabilities	912	748	499
	<u>1,526</u>	<u>2,979</u>	<u>5,214</u>

(b) Staff costs (including directors’ and supervisors’ emoluments)

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, wages and other benefits	92,344	90,612	101,623
Contributions to defined contribution retirement plan	8,081	8,251	10,233
Equity-settled shared-based payment expenses	10,065	10,191	11,500
	<u>110,490</u>	<u>109,054</u>	<u>123,356</u>

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Employees of the Company and its subsidiaries in the PRC are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government.

The Company and its subsidiaries in the PRC contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

All other overseas subsidiaries of the Group are subject to the statutory enterprise contribution retirement scheme under the laws of the countries/jurisdictions.

The Group has no other material obligation for the payment of pension benefits beyond those schemes described above.

(c) Other items

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cost of inventories sold (<i>Note 15</i>)	62,380	140,933	191,772
Depreciation of property, plant and equipment (<i>Note 11</i>)	4,668	4,813	5,133
Depreciation of right-of-use assets (<i>Note 12(a)</i>)	6,890	7,137	7,055
Provision of loss allowance on financial assets and contract assets	4,792	8,281	11,948
Provision for write-down of inventories and contract costs (<i>Note 15</i>)	405	2,268	—
Product warranty provision (<i>Note 25</i>)	5,959	12,790	14,272
Auditor’s remuneration	165	165	220
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

The amount of product warranty provision is included in “Selling and marketing expenses” in profit or loss.

7 Income tax in the consolidated statements of profit or loss

(a) Taxation in the consolidated statements of profit or loss represents:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current tax			
Provision for the year	—	—	—
Deferred tax			
Origination and reversal of temporary differences	—	—	—
	—	—	—
	—	—	—

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

Income tax for the Company and its subsidiaries established and operated in the Chinese Mainland are subject to statutory tax rate of 25% unless otherwise specified.

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Under the PRC Income Tax Laws, an enterprise which qualifies as a High and New Technology Enterprise (“HNTe”) is entitled to a preferential tax rate of 15% provided it continues to meet HNTe qualification standards on an annual basis.

The Company was qualified as a HNTe and was subject to income tax at a preferential tax rate of 15% from the year 2023 to the year 2025.

Youibot Robotics Co., Ltd., a subsidiary of the Group in Chinese Mainland, was qualified as a HNTe and was subject to income tax at a preferential tax rate of 15% during the Track Record Period.

The notional tax of Youibot Robotics Hongkong Limited, a subsidiary of the Group in Hong Kong, is calculated in accordance with the two-tiered profits tax rate regime under which tax on the first HK\$2 million of assessable profits is taxed at 8.25% and the remaining assessable profits is taxed at 16.5%.

Youibot Robotics Japan Co., Ltd. is a subsidiary of the Group in Japan. Its provision for Japan Corporate Income Tax is calculated at 15% of assessable profits up to JPY 8 million, and the remaining assessable profits are taxed at 23.2%.

Other certain subsidiaries in the PRC fulfil the micro and small enterprises qualification under the PRC Corporate Income Tax System. Therefore, assessable profits of these subsidiaries were subject to the preferential income tax rate of 20% during the Track Record Period.

According to the relevant tax rules in the PRC, qualified research and development costs are allowed for bonus deduction for income tax purpose, as a result, an additional 100% of the qualified research and development costs could be deemed as deductible expenses during the Track Record Period.

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss before taxation	(259,994)	(200,216)	(384,333)
Tax at the PRC income tax rate of 25%	(64,999)	(50,054)	(96,083)
Effect of different tax rates enacted by local authorities	25,604	19,199	36,888
Effect of research and development expenses that are additionally deducted	(8,881)	(7,370)	(11,244)
Expenses not deductible for tax	18,446	16,842	38,238
Effect of deductible temporary difference not recognised	389	3,980	2,411
Tax losses not recognised	29,441	17,403	29,790
Income tax expense	—	—	—

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(c) *Deferred tax assets have not been recognised in respect of the following items:*

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Tax losses	562,530	672,739	854,387
Deductible temporary differences	51,749	72,447	90,918
	<u>614,279</u>	<u>745,186</u>	<u>945,305</u>

The tax losses mainly arising from operations in Chinese Mainland can be carried forward to offset against taxable profits of subsequent years for up to ten years from the year in which they arose.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilised.

8 Directors’ and supervisors’ emoluments

Directors’ and supervisors’ emoluments during the Track Record Period which were included in the staff costs as disclosed in Note 6(b) are as follows:

For the year ended December 31, 2023

	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments (i)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors							
Mr. Zhang Zhaohui	—	760	120	33	913	—	913
Mr. Bian Xu	—	576	123	38	737	182	919
Mr. Zheng Hao	—	822	120	21	963	193	1,156
Mr. Xu Jin	—	580	120	35	735	182	917
Ms. Mei Wanqing (ii)	—	460	17	36	513	303	816
Non-executive directors							
Mr. Mei Xuesong (iii)	—	—	—	—	—	—	—
Mr. Du Zhen'an	—	—	—	—	—	—	—
Mr. Xuan Yihao	—	—	—	—	—	—	—
Ms. Qian Yu	—	—	—	—	—	—	—
Mr. Cao Wei	—	—	—	—	—	—	—
Supervisor							
Mr. Zhao Wanqiu	—	580	122	35	737	182	919
	—	3,778	622	198	4,598	1,042	5,640
	<u>—</u>	<u>3,778</u>	<u>622</u>	<u>198</u>	<u>4,598</u>	<u>1,042</u>	<u>5,640</u>

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For the year ended December 31, 2024

	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments (i)	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors							
Mr. Zhang Zhaohui	—	762	299	35	1,096	—	1,096
Mr. Bian Xu	—	625	299	38	962	182	1,144
Mr. Zheng Hao	—	846	299	35	1,180	193	1,373
Mr. Xu Jin	—	626	243	37	906	182	1,088
Ms. Mei Wanqing	—	515	19	38	572	283	855
Non-executive directors							
Mr. Du Zhen’an	—	—	—	—	—	—	—
Mr. Xuan Yihao	—	—	—	—	—	—	—
Ms. Qian Yu (iv)	—	—	—	—	—	—	—
Mr. Cao Wei	—	—	—	—	—	—	—
Mr. Zheng Hongfei (v)	—	—	—	—	—	—	—
Supervisor							
Mr. Zhao Wanqiu	—	626	299	37	962	182	1,144
	—	4,000	1,458	220	5,678	1,022	6,700

For the year ended December 31, 2025

	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-Total	Share-based payments (i)	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors							
Mr. Zhang Zhaohui	—	979	—	37	1,016	—	1,016
Mr. Bian Xu	—	750	—	38	788	182	970
Mr. Zheng Hao	—	986	—	37	1,023	193	1,216
Mr. Xu Jin (vi)	—	559	—	30	589	136	725
Ms. Mei Wanqing	—	689	—	41	730	283	1,013
Non-executive directors							
Mr. Wang Xin (vii)	—	58	—	—	58	—	58
Mr. Yu Zhenzhong (vii)	—	58	—	—	58	—	58
Ms. Chiu Mun Wai (vii)	—	95	—	—	95	—	95
Mr. Du Zhen’an (viii)	—	—	—	—	—	—	—
Mr. Xuan Yihao (viii)	—	—	—	—	—	—	—
Mr. Caowei (viii)	—	—	—	—	—	—	—
Mr. Zheng Hongfei (v)	—	—	—	—	—	—	—
Supervisor							
Mr. Zhao Wanqiu (ix)	—	559	—	30	589	136	725
	—	4,733	—	213	4,946	930	5,876

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Notes:

- (i) The details of these benefits in kind, including the principal terms and number of incentive granted, are disclosed in Note 27.
- (ii) Ms. Mei Wanqing was appointed as an executive director of the Company in July 2023.
- (iii) Mr. Mei Xuesong was resigned as a non-executive director of the Company in July 2023, his resignation was due to personal reasons.
- (iv) Ms. Qian Yu was resigned as a non-executive director of the Company in November 2024, her resignation was due to personal reasons.
- (v) Mr. Zheng Hongfei was appointed as a non-executive director of the Company in November 2024 and resigned as a non-executive director of the Company in July 2025.
- (vi) Mr. Xu Jin was resigned as an executive director of the Company in September 2025.
- (vii) Mr. Wang Xin, Mr. Yu Zhenzhong and Ms. Chiu Mun Wai were appointed as non-executive directors of the Company in September 2025.
- (viii) Mr. Du Zhen’an, Mr. Xuan Yihao and Mr. Caowei were resigned as non-executive directors of the Company in September 2025.
- (ix) Mr. Zhao Wanqiu was resigned as a supervisor of the Company in September 2025.

The Company cancelled the supervisor positions when converted into a joint stock company.

During the Track Record Period, no director or supervisor has waived or agreed to waive any emoluments and no amounts were paid or payable by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

9 Individuals with highest emoluments

The number of directors and supervisors and other employees included in the five highest paid individuals for the years ended December 31, 2023, 2024 and 2025 are set forth below:

	Year ended December 31,		
	2023	2024	2025
	<i>Number of individuals</i>	<i>Number of individuals</i>	<i>Number of individuals</i>
Directors and supervisors	—	—	—
Other employees	5	5	5
	<u>5</u>	<u>5</u>	<u>5</u>

The aggregates of the emoluments for the five highest paid non-director/supervisor individuals, are as follows:

	Year ended December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Salaries and other emoluments	2,996	3,409	3,710
Discretionary bonuses	100	598	—
Share-based payments	4,406	4,503	4,503
Retirement scheme contributions	200	226	250
	<u>7,702</u>	<u>8,736</u>	<u>8,463</u>

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The emoluments of the five highest paid non-director/supervisor individuals are within the following bands:

	Year ended December 31,		
	2023	2024	2025
	<i>Number of individuals</i>	<i>Number of individuals</i>	<i>Number of individuals</i>
HKD1,500,001– HKD2,000,000	5	4	5
HKD2,000,001– HKD2,500,000	—	1	—
	5	5	5

During the Track Record Period, no amounts were paid or payable by the Group to the above non-director/supervisor highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

10 Loss per share

(a) Basic loss per share:

Basic loss per share for the Track Record Period are calculated by dividing the loss attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares in issue or deemed to be in issue for the respective years.

As disclosed in Note 28(b)(i), the Company was converted into a joint stock limited liability company and issued 4,086,000 shares with the par value of RMB1 each on September 10, 2025. For the purpose of computing basic loss per share, the weighted average number of ordinary shares deemed to be in issue before the Company’s conversion into a joint stock limited liability company was determined assuming the conversion into joint stock limited liability company had occurred since 1 January 2023, at the exchange ratio established in the conversion on September 10, 2025.

In addition, as disclosed in Note 28(b)(ii), the Company issued 4.63 shares for each share in issue by converting RMB18,919,000 from capital reserve to share capital on September 19, 2025. Accordingly, the weighted average number of ordinary shares has also been adjusted retrospectively from January 1, 2023 for such capitalisation issue.

The weighted average number of ordinary shares has not considered the impact of the share subdivision that is expected to be conducted immediately prior to [REDACTED] as disclosed in Note 28(b)(ii).

Loss for the year attributable to ordinary equity shareholders of the Company

	Year ended December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Loss for the year attributable to all equity shareholders of the Company	(260,169)	(199,856)	(383,789)
Allocation of loss for the year attributable to shares with redemption rights	225,907	174,663	307,440
Loss for the year attributable to ordinary equity shareholders of the Company	(34,262)	(25,193)	76,349

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Weighted average number of ordinary shares deemed to be in issue

	Year ended December 31,		
	2023	2024	2025
	<i>No. of shares'000</i>	<i>No. of shares'000</i>	<i>No. of shares'000</i>
Ordinary shares deemed to be in issue at			
January 1	2,808	2,945	3,102
Effect of ordinary shares deemed to be issued			
(Note 28(b)(i))	103	92	656
Effect of capitalisation issue (Note 28(b)(ii))	13,477	14,060	17,401
Effect of ordinary shares issued			
(Note 28(b)(ii))	—	—	115
Effect of ordinary shares with redemption			
rights (Note 24)	(13,774)	(14,483)	(15,483)
Effect of unvested shares held for employee			
incentive scheme (Note 27)	(525)	(525)	(1,946)
Weighted average number of ordinary			
shares deemed to be in issue at December			
31	2,089	2,089	3,845

(b) Diluted loss per share:

During the Track Record Period, ordinary shares with redemption rights (see Note 24) and the restricted share units/share options (see Note 27) were not included in the calculation of diluted loss per share, as their inclusion would have been anti-dilutive. Accordingly, diluted loss per share were the same as basic loss per share for the respective years.

11 Property, plant and equipment

The Group

	Office equipment	Machinery and equipment	Electronic equipment	Others	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost:						
At January 1, 2023	6,097	234	151	1,606	8,269	16,357
Additions	2,586	340	—	756	2,271	5,953
Disposals	(218)	(5)	—	—	—	(223)
At December 31, 2023 and						
January 1, 2024	8,465	569	151	2,362	10,540	22,087
Additions	1,606	1,033	165	6	3,612	6,422
Disposals	(211)	—	—	—	(240)	(451)
At December 31, 2024 and						
January 1, 2025	9,860	1,602	316	2,368	13,912	28,058
Additions	1,138	360	322	—	1,477	3,297
Disposals	(315)	(150)	—	(6)	—	(471)
At December 31, 2025	10,683	1,812	638	2,362	15,389	30,884

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	Office equipment	Machinery and equipment	Electronic equipment	Others	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Accumulated depreciation:						
At January 1, 2023	2,209	66	52	1,358	4,078	7,763
Charge for the year	1,875	89	47	648	2,009	4,668
Written back on disposals	(94)	(2)	—	—	—	(96)
At December 31, 2023 and January 1, 2024	3,990	153	99	2,006	6,087	12,335
Charge for the year	2,064	158	89	356	2,146	4,813
Written back on disposals	(117)	—	—	—	(135)	(252)
At December 31, 2024 and January 1, 2025	5,937	311	188	2,362	8,098	16,896
Charge for the year	1,712	399	332	—	2,690	5,133
Written back on disposals	(266)	(17)	—	—	—	(283)
At December 31, 2025	7,383	693	520	2,362	10,788	21,746
Net book value:						
At December 31, 2023	4,475	416	52	356	4,453	9,752
At December 31, 2024	3,923	1,291	128	6	5,814	11,162
At December 31, 2025	3,300	1,119	118	—	4,601	9,138

12 Lease

The Group has lease contracts for various items of buildings. Leases of buildings generally have lease terms between 2 and 5 years. None of the leases includes variable lease payments.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the Track Record Period are as follows:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cost:			
At the beginning of the year	26,236	26,739	32,445
Additions	4,447	5,706	1,689
Expiration of lease term	(512)	—	—
Early termination of lease term	(3,432)	—	—
At the end of the year	26,739	32,445	34,134
Accumulated depreciation:			
At the beginning of the year	9,324	12,471	19,608
Charge for the year	6,890	7,137	7,055
Expiration of lease term	(512)	—	—
Early termination of lease term	(3,231)	—	—
At the end of the year	12,471	19,608	26,663
Net book value:			
At the end of the year	14,268	12,837	7,471

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(b) Lease liabilities

As at December 31, 2023, 2024 and 2025, the lease liabilities were repayable as follows:

The Group

	As at December 31,					
	2023		2024		2025	
	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	7,167	7,843	7,719	8,298	4,224	4,426
After 1 year but within 2 years	6,604	6,865	3,796	3,850	1,782	1,895
After 2 years but within 5 years	2,499	2,531	3,151	3,297	2,321	2,376
	9,103	9,396	6,947	7,147	4,103	4,271
	16,270	17,239	14,666	15,445	8,327	8,697
Less: total future interest expenses		(969)		(779)		(370)
Present value of lease liabilities		16,270		14,666		8,327

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

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Depreciation charge of right-of-use assets of buildings (note 6(c))	6,890	7,137	7,055
Interest on lease liabilities (note 6(a))	912	748	499
Expense relating to short-term leases	166	348	381

13 Investment in subsidiaries

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Investment in subsidiaries, at cost	519,800	629,588	855,452

Further details of the principal subsidiaries of the Group are set out in Note 1.

14 Interests in an associate and a joint venture

On September 30, 2023, the Group entered into an investment agreement with other independent investors to invest in Beijing Shengji Power Technology Co., Ltd. (“**Shengji Power**”), pursuant to which, the Group’s subsidiary acquired 9.09% of equity interest in Shengji Power. Based on the investment agreement, all decisions require consent of all parties, therefore, the Group considered the arrangement to be a joint venture.

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On December 22, 2023, the Group entered into an investment agreement with other independent investors to invest in Pinggao Xinsong Electric Power Intelligent Equipment (Henan) Co., Ltd. (“**Pinggao Xinsong**”), pursuant to which, the Group’s subsidiary acquired 12% of equity interest in Pinggao Xinsong. The Group has significant influence over Pinggao Xinsong as it has the power to participate in the financial and operating decisions by appointing a vice general manager in Pinggao Xinsong’s management, therefore, the Group considered the arrangement to be an associate.

Details of the Group’s interest in Shengji Power and Pinggao Xinsong, which are accounted for using the equity method in the consolidated financial statements, are as follows:

Name of associates and joint ventures	Form of business structure	Place of incorporation and business	Particulars of registered and paid up capital	Proportion of ownership interest			Principal activity
				Group’s effective interest	Held by the Company	Held by a subsidiary	
Beijing Shengji Power Technology Co., Ltd	Incorporate	Chinese Mainland	RMB11,000,000 /RMB1,150,000	9.09%	—	9.09%	Selling intelligent robots
Pinggao Xinsong Electric Power Intelligent Equipment (Henan) Co., Ltd	Incorporate	Chinese Mainland	RMB20,000,000 /RMB10,000,000	12%	—	12%	Providing electric operation and maintenance services

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Carrying amounts of the associate and joint venture in the consolidated financial statements	961	1,596	2,586
Amounts of the Group’s share of the associate and joint venture’s (loss)/profit and total comprehensive income	(39)	(129)	226

15 Inventories and contract costs

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Raw materials	9,917	4,404	5,962
Work in progress	6,311	3,556	5,931
Finished goods	14,699	14,207	32,688
Contract costs	99,995	77,775	5,319
	130,922	99,942	49,900

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The analysis of the amount of inventories and contract costs recognised as cost of sales and included in profit or loss is as follows:

	Year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost of inventories sold	62,380	140,933	191,772
Provision for write-down of inventories and contract costs	405	2,268	—
	<u>62,785</u>	<u>143,201</u>	<u>191,772</u>

16 Contract assets and contract liabilities

(a) Contract assets

The Group

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Warranty retention receivables	<u>9,225</u>	<u>17,513</u>	<u>30,150</u>

Contract assets are mainly generated by the industrial embodied AI robotic solutions contracts. According to the contract term, a certain percentage of contract amount is retention receivables which will be collected upon the completion of warranty period. The retention receivables are recognised as contract assets when the industrial embodied AI robotic solutions are accepted by the customer and are reclassified to trade receivables upon the completion of warranty period which is usually one year.

(b) Contract liabilities

The Group

Contract liabilities mainly include advance payment for sales of industrial embodied AI robotic solutions. Movement of contract liabilities are as follows:

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at the beginning of the year	45,088	83,266	67,417
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(24,553)	(37,663)	(63,341)
Increase in contract liabilities as a result of billing in advance of sales activities	62,731	21,814	8,498
Balance at the end of the year	<u>83,266</u>	<u>67,417</u>	<u>12,574</u>

All of the contract liabilities are expected to be recognised as income within one year as at December 31, 2023, 2024 and 2025.

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17 Trade and bills receivables

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables, net of loss allowance			
— third parties	44,892	134,022	230,783
— related parties	3,889	12,022	11,065
Bills receivable	2,206	831	5,530
	<u>50,987</u>	<u>146,875</u>	<u>247,378</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables, net of loss allowance			
— third parties	677	565	4,135
— related parties	—	17	—
	<u>677</u>	<u>582</u>	<u>4,135</u>

Trade receivables, net of loss allowance, and bills receivables, represent amounts in connection with the sales of industrial embodied AI robotic solutions due from customers.

An ageing analysis of the trade and bills receivables as at the end of each reporting period during the Track Record Period, based on the revenue recognition date (except for warranty retention receivables based on the completion date of warranty period) and net of allowance for expected credit losses, is as follows:

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	31,683	122,325	182,112
1 to 2 years	14,878	18,723	59,292
Over 2 years	4,426	5,827	5,974
	<u>50,987</u>	<u>146,875</u>	<u>247,378</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	80	17	3,599
1 to 2 years	597	72	—
Over 2 years	—	493	536
	<u>677</u>	<u>582</u>	<u>4,135</u>

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Further details on the Group’s credit policy and credit risk arising from trade and bills receivables are set out in Note 29(a).

18 Financial assets at fair value through other comprehensive income

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Bank acceptance bills	—	1,109	13,197

The above bank acceptance bills are issued by reputable banks in Chinese Mainland. They are classified and measured at fair value through other comprehensive income as they are held within a business model with the objective of both collecting contractual cashflows and selling. The fair value approximates to the carrying value due to the short maturity.

19 Prepayments, other receivables and other assets

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Non-current:			
Deposits	2,156	2,925	2,698
Other receivables	5	4	4
	2,161	2,929	2,702
Current:			
Prepayments	2,802	4,470	5,543
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Value-added tax recoverable	7,316	25,160	35,449
Deposits	696	2,102	1,780
Other receivables	57	74	11
	10,871	31,806	45,624
	13,032	34,735	48,326

The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current:			
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Value-added tax recoverable	—	—	1,859
Other receivables	12,895	—	50,088
	12,895	—	54,788

All of the prepayments, other receivables and other assets are expected to be recovered or recognised as expense within one year, except for lease deposits paid to vendors for office premises and industrial factory facilities.

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20 Cash and cash equivalents and restricted cash

(a) Cash and cash equivalents comprise:

The Group

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash at bank and on hand	88,490	144,875	269,622
Less: restricted cash			
— Bank deposits pledged for the issuance of performance guarantee	(1,523)	(2,277)	(4,200)
— Bank deposits pledged for the issuance of bills payable	(11,135)	(11,267)	(12,000)
— Bank deposits pledged for issuing letter of credit	—	—	(10,000)
Cash and cash equivalents	<u>75,832</u>	<u>131,331</u>	<u>243,422</u>

The Company

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash at bank and on hand	8,141	22,974	45,409
Less: restricted cash			
— Bank deposits pledged for the issuance of bills payable	(3,370)	—	—
Cash and cash equivalents	<u>4,771</u>	<u>22,974</u>	<u>45,409</u>

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(b) *Reconciliation of loss before taxation to cash used in operations:*

	<i>Note</i>	Year ended December 31,		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Loss before taxation		(259,994)	(200,216)	(384,333)
Adjustments for:				
Depreciation	6(c)	11,558	11,950	12,188
Loss on disposal of property, plant and equipment, net	5	20	55	27
Gain on lease termination		(66)	—	—
Provision of loss allowance on financial assets and contract assets	6(c)	4,792	8,281	11,948
Interest income from bank deposits	5	(679)	(459)	(463)
Investment income from wealth management products		(3)	—	—
Finance costs	6(a)	1,526	2,979	5,214
Provision for write-down of inventories and contract costs	6(c)	405	2,268	—
Changes in the carrying amount of redemption liabilities	24	118,539	108,840	249,384
Share of losses/(profits) of an associate and a joint venture	14	39	129	(226)
Equity-settled share-based payment expenses	6(b)	10,065	10,191	11,500
Changes in working capital:				
(Increase)/decrease in inventories		(27,177)	28,712	50,042
Increase in trade and bills receivables		(7,505)	(104,169)	(112,451)
Decrease/(increase) in financial assets at fair value through other comprehensive income		75	(1,109)	(12,088)
Increase in contract assets		(1,881)	(8,288)	(12,637)
Decrease/(increase) in prepayments, other receivables and other assets		1,170	(21,703)	(10,750)
Increase in restricted cash		(5,439)	(886)	(12,656)
Increase in trade and bills payables		28,061	60,167	53,916
Increase/(decrease) in contract liabilities		38,178	(15,849)	(54,843)
(Decrease)/increase in other payables and accruals		(1,800)	35,522	22,236
Increase in provisions		148	1,509	912
(Decrease)/increase in deferred income		(5,125)	2,160	(2,389)
Cash used in operations		(95,093)	(79,916)	(185,469)

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(c) *Reconciliation of liabilities arising from financing activities*

The table below details changes in the Group’s liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group’s consolidated cash flow statements as cash flows from financing activities.

	Bank loans	Lease liabilities	Redemption liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000
	(Note 23)	(Note 12(b))	(Note 24)	
At January 1, 2023	—	18,829	1,003,682	1,022,511
Changes from financing cash flows:				
Proceeds from bank loans	32,000	—	—	32,000
Interest of bank loans paid	(575)	—	—	(575)
Capital element of lease rentals paid	—	(6,739)	—	(6,739)
Interest element of lease rentals paid	—	(912)	—	(912)
Proceeds from financial instruments issued to investors	—	—	70,000	70,000
Total changes from financing cash flows	31,425	(7,651)	70,000	93,774
Other changes:				
Interest expenses on bank loans	614	—	—	614
Increase in lease liabilities from entering into new leases during the year	—	4,447	—	4,447
Interest on lease liabilities	—	912	—	912
Decrease in lease liabilities from ceasing leases contract during the year	—	(267)	—	(267)
Changes in the carrying amount of redemption liabilities	—	—	118,539	118,539
Other changes	—	—	35,000	35,000
Total other changes	614	5,092	153,539	159,245
At December 31, 2023	32,039	16,270	1,227,221	1,275,530

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	Bank loans	Lease liabilities	Redemption liabilities	Total
	<i>RMB'000</i> <i>(Note 23)</i>	<i>RMB'000</i> <i>(Note 12(b))</i>	<i>RMB'000</i> <i>(Note 24)</i>	<i>RMB'000</i>
At January 1, 2024	32,039	16,270	1,227,221	1,275,530
Changes from financing cash flows:				
Proceeds from bank loans	106,010	—	—	106,010
Repayment of bank loans	(33,800)	—	—	(33,800)
Interest of bank loans paid	(2,154)	—	—	(2,154)
Capital element of lease rentals paid	—	(7,310)	—	(7,310)
Interest element of lease rentals paid	—	(748)	—	(748)
Proceeds from financial instruments issued to investors	—	—	80,000	80,000
Total changes from financing cash flows	70,056	(8,058)	80,000	141,998
Other changes:				
Interest expenses on bank loans	2,231	—	—	2,231
Increase in lease liabilities from entering into new leases during the year	—	5,706	—	5,706
Interest on lease liabilities	—	748	—	748
Changes in the carrying amount of redemption liabilities	—	—	108,840	108,840
Other changes	—	—	40,000	40,000
Total other changes	2,231	6,454	148,840	157,525
At December 31, 2024	104,326	14,666	1,456,061	1,575,053

	Bank loans	Lease liabilities	Redemption liabilities	[REDACTED] payables (included in other payables and accruals)	Total
	<i>RMB'000</i> <i>(Note 23)</i>	<i>RMB'000</i> <i>(Note 12(b))</i>	<i>RMB'000</i> <i>(Note 24)</i>	<i>RMB'000</i>	<i>RMB'000</i>
At January 1, 2025	104,326	14,666	1,456,061	[REDACTED]	1,575,053
Changes from financing cash flows:					
Proceeds from bank loans	210,000	—	—	[REDACTED]	210,000
Repayment of bank loans	(112,200)	—	—	[REDACTED]	(112,200)
Interest of bank loans paid	(6,738)	—	—	[REDACTED]	(6,738)
Capital element of lease rentals paid	—	(8,028)	—	[REDACTED]	(8,028)
Interest element of lease rentals paid	—	(499)	—	[REDACTED]	(499)
Proceeds from financial instruments issued to investors	—	—	219,972	[REDACTED]	219,972
Payment of [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total changes from financing cash flows	91,062	(8,527)	219,972	[REDACTED]	301,329
Other changes:					
Interest expenses on bank loans	4,715	—	—	[REDACTED]	4,715
Increase in lease liabilities from entering into new leases during the year	—	1,689	—	[REDACTED]	1,689
Interest on lease liabilities	—	499	—	[REDACTED]	499
Changes in the carrying amount of redemption liabilities	—	—	249,384	[REDACTED]	249,384
Other changes	—	—	195,705	[REDACTED]	198,546
Total other changes	4,715	2,188	445,089	[REDACTED]	454,833
At December 31, 2025	200,103	8,327	2,121,122	[REDACTED]	2,331,215

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(d) Total cash outflow for leases

Amounts included in the consolidated cash flow statements for leases comprise the following:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Within operating cash flows	264	1,450	443
Within financing cash flows	7,651	8,058	8,527
	7,915	9,508	8,970

21 Trade and bills payables

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Trade payables			
— third parties	52,582	111,714	153,089
— related parties	—	3,395	1,488
Bills payables	22,573	20,213	34,661
	75,155	135,322	189,238

The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Trade payables			
— third parties	128	111	374
— related parties	617	617	9,033
Bills payables	11,232	—	—
	11,977	728	9,407

All trade and bills payables are expected to be settled within one year or are repayable on demand.

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

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Within 1 year	69,884	108,877	148,695
1 to 2 years	2,269	23,735	25,934
Over 2 years	3,002	2,710	14,609
	75,155	135,322	189,238

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The Company

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	11,360	111	8,790
1 to 2 years	617	—	—
Over 2 years	—	617	617
	<u>11,977</u>	<u>728</u>	<u>9,407</u>

22 Other payables and accruals

The Group

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Payroll payables	12,598	9,207	6,617
Other tax payables	722	745	1,118
Output value added tax to be transferred	5,230	34,886	52,102
Payable to employee for reimbursement	1,964	3,404	3,059
Payable to universities for R&D cooperation	—	8,201	—
Other payables and accruals	4,933	4,526	21,972
	<u>25,447</u>	<u>60,969</u>	<u>84,868</u>

The Company

	As at December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Payroll payables	454	313	55
Other tax payables	92	36	67
Output value added tax to be transferred	—	—	1,285
Payable to employee for reimbursement	27	44	61
Other payables due to related parties*	12,803	47,861	121,397
Other payables and accruals	486	486	11,964
	<u>13,862</u>	<u>48,740</u>	<u>134,829</u>

All other payables and accruals are expected to be settled or recognised as income within one year or repayable on demand.

* Other payables due to related parties are unsecured, interest free and repayable on demand.

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23 Bank loans

The Group

As at December 31,			
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year or on demand	32,039	104,326	190,096
After 1 year but within 2 years	—	—	10,007
	<u>32,039</u>	<u>104,326</u>	<u>200,103</u>
As at December 31,			
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current:			
Bank loans — unsecured and guaranteed (note)	—	—	10,007
Current:			
Bank loans — unsecured and guaranteed (note)	32,039	86,275	190,096
Bank loans — unsecured and unguaranteed	—	18,051	—
	<u>32,039</u>	<u>104,326</u>	<u>190,096</u>
	<u>32,039</u>	<u>104,326</u>	<u>200,103</u>

Note: The bank loans were guaranteed by the chairman of the Board and his close family member. The details have been disclosed in Note 31(e). The directors of the Company confirm that all of the guarantees by related parties will either be replaced by a corporate guarantee of the Company or be fully released prior to or upon the [REDACTED] of the Company in the Main Board of the Stock Exchange.

As at December 31, 2023, 2024 and 2025, all bank loans of the Group were denominated in RMB and interest-bearing at 3.85%–4.4%, 1.91%–4.4%, and 1.84% - 3.2% per annum, respectively.

All of the Group’s banking facilities are subject to the fulfilment of covenants relating to the Group’s financial metrics which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the related loans would become payable on demand. As at December 31, 2023, 2024 and 2025, none of the covenants relating to the drawn down facilities had been breached.

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24 Redemption liabilities

The Group and the Company

	Redemption liabilities
	<i>RMB’000</i>
At January 1, 2023	1,003,682
Grant of redemption right upon issuance of registered capital	105,000
Changes in the carrying amount of redemption liabilities	118,539
At December 31, 2023 and January 1, 2024	1,227,221
Grant of redemption right upon issuance of registered capital	120,000
Changes in the carrying amount of redemption liabilities	108,840
At December 31, 2024 and January 1, 2025	1,456,061
Grant of redemption right upon issuance of registered capital	415,677
Changes in the carrying amount of redemption liabilities	249,384
At December 31, 2025	2,121,122

From May 2017 to December 2025, the Company conducted several rounds of financing by issuing registered capital to investors and granting them redemption right to put back the registered capital acquired to the Company upon the occurrence of any of the following events:

- (i) a Qualified [REDACTED] has not been consummated by the Company by June 30, 2026;
- (ii) The founder shareholders terminate employment, or unilaterally terminate or materially change the core business of the Group without a shareholders’ resolution.
- (iii) the Group, any founder shareholders or share incentive platform materially breaches the provisions of the investment agreement or related documents, commits criminal acts, material violations, or fraud, or other actions materially harming the interests of the Group or other shareholders.

The redemption price is as follows in case of event (i) above:

The higher of (i) the investment amount paid by the investors plus an annual interest rate (as per the respective investment agreement) on the investment amount for the period commencing from the issue date to the date on which the investors receive the redemption amount, and any declared but unpaid dividends; and (ii) the market fair value of the Company corresponding to the proportion of registered capital put by the investors.

The redemption price is as follows in case of events (ii) — (iii) above:

The higher of (i) 150% of the investment amount paid by the investors, plus an annual simple interest rate of 10% on the investment amount for the period commencing from the issue date to the date on which the investors receive the redemption amount, and any declared but unpaid dividends; and (ii) the market fair value of the Company corresponding to the proportion of registered capital put by the investors.

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25 Provisions

The Group

	Warranties
	<i>RMB’000</i>
At January 1, 2023	1,239
Additional provision	5,959
Amounts utilised during the year	(5,811)
At December 31, 2023 and January 1, 2024	1,387
Additional provision	12,790
Amounts utilised during the year	(11,281)
At December 31, 2024 and January 1, 2025	2,896
Additional provision	14,272
Amounts utilised during the year	(13,360)
At December 31, 2025	3,808

The Group generally provides warranties of one year to its customers on certain of its products for general repairs of defects occurring during the warranty period. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

26 Deferred income

The Group

	As at December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Government grants	496	2,656	267

The Company

	As at December 31,		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Government grants	259	646	69

The Group’s deferred income represented government fundings received for projects with conditions to be satisfied.

27 Equity settled share-based transactions

(a) Description of share-based payment arrangements

For the purpose of rewarding the eligible participants for their service and to incentive them to further contribute to the Group, since 2021 the Group operates share incentive schemes (the “**Scheme**”) which grant the eligible participants the restricted share units (“**RSUs**”) or employee share options (“**ESOs**”). Eligible participants of the Scheme are the employees of the Group who contribute directly to the overall business performance and sustainable development of the Group.

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In order to implement the Scheme, Xi’an Youai Zhonghe Technology Partnership Enterprise (Limited Partnership) (“**Youai Zhonghe**”) was designated as a share incentive platform to hold the shares reserved for the Scheme.

The Group modified the Scheme of 2021 for further improve the employee’s incentive mechanism in September 2025. Pursuant to the Scheme modified, the Group has additionally established Xi’an Youai Hezhi Technology Partnership (Limited Partnership) (“**Youai Hezhi**”), Xi’an Youai Zhongshi Technology Partnership (Limited Partnership) (“**Youai Zhongshi**”), Xi’an Youai Zhongwei Technology Partnership (Limited Partnership) (“**Youai Zhongwei**”), and Xi’an Youai Zhongyi Technology Partnership (Limited Partnership) (“**Youai Zhongyi**”), which were also designated as share incentive platforms. All unvested ESOs have been converted to the RSUs at the modification date. Other terms and conditions have no changes compare with the Scheme of 2021 except the changes above mentioned.

(i) *Restricted share units (“RSUs”)*

On June 20, 2021 (the “**First Batch**”), 78 employees of the Group were granted with a total of 21,017,600 RSUs.

On December 30, 2021 (the “**Second Batch**”), 82 employees of the Group were granted with a total of 8,308,900 RSUs.

On October 1, 2023 (the “**Third Batch**”), 91 employees of the Group were granted with a total of 2,157,603 RSUs.

On December 1, 2024 (the “**Fourth Batch**”), 24 employees of the Group were granted with a total of 807,529 RSUs.

On July 1, 2025 (the “**Fifth Batch**”), 8 employees of the Group were granted with a total of 1,694,300 RSUs.

The RSUs vest at the later of three years from the date of grant and one year after an [REDACTED] of the Company that has been consummated. The transfer restriction of 25% of the vested RSUs would be released year by year in the following four years from one year after an [REDACTED] that has been consummated.

(ii) *Employee share options (“ESOs”)*

On June 20, 2021, December 30, 2021, October 1, 2023, and December 1, 2024, the certain ESOs were separately offered to key management and senior employees of the Group. Holder of each vested option is entitled to purchase an ordinary share of the Company at the exercise price. The shares obtained through the exercise of the share options are subject to the same transfer restriction as that for the RSUs (see note (i) above).

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The Key terms and conditions related to the ESOs granted are as follows:

Grant date/employees entitled	Number of employees	Number of options	Vesting conditions	Contractual life of options
Options granted to key management personnel				
On June 20, 2021	1	1,425,000	Remain in service until the later of four years from the date of grant and one year after an [REDACTED] that has been consummated	2.78 years
On December 30, 2021	20	7,177,950	Same as above	2.21 years
On October 1, 2023	10	1,511,600	Same as above	1.91 years
On December 1, 2024	1	14,450	Same as above	1.83 years
Options granted to senior employees				
On June 20, 2021	28	2,199,196	Same as above	2.71 years
On December 30, 2021	58	4,050,650	Same as above	2.23 years
On October 1, 2023	81	2,542,936	Same as above	1.62 years
On December 1, 2024	22	1,032,937	Same as above	2.3 years
Total share options		<u>19,954,719</u>		

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(b) Measurement of fair values

The grant-date fair value of the RSUs has been measured by reference to the fair value of ordinary shares with a liquidity discount. The grant-date fair value of the ESOs has been measured using the Black-Scholes formula. Key valuation assumptions used to determine the grant-date fair value of the equity settled share-based payment were as follows:

	ESOs								RSUs				
	Key management personnel				Senior employees								
	Second		Fourth		Second		Fourth		Second		Fourth		Fifth Batch
	First Batch	Batch	Third Batch	Batch	First Batch	Batch	Third Batch	Batch	First Batch	Batch	Third Batch	Batch	
Fair value at grant date (RMB)	1.59-1.61	1.43-1.75	1.65-2.04	1.77-1.91	1.64-1.72	1.43-1.75	1.65-2.12	1.77-2.25	1.81-1.89	1.81-1.89	2.14-2.27	2.27-2.39	2.40-2.52
Share price at grant date (RMB)	1.91	1.91	2.33	2.48	1.91	1.91	2.33	2.48	1.91	1.91	2.33	2.48	2.63
Exercise price (RMB)	0.25	0.1-0.43	0.18-0.51	0.51	0.18	0.1-0.43	0.1-0.51	0.1-0.51	N/A	N/A	N/A	N/A	N/A
Liquidity discount rate	3%-5%	1%-5%	3%-8%	4%-9%	1%-5%	1%-5%	3%-8%	4%-10%	1%-5%	1%-5%	3%-8%	4%-9%	4%-9%
Expected volatility	49.49%-50.62%	45.17%-50.03%	38.64%-48.18%	58.56%-62.08%	49.49%-50.62%	45.17%-50.03%	38.64%-48.18%	56.16%-62.08%	50.30%	50.30%	48.16%	59.99%	64.88%
Expected life of the options	2.78	2.21	1.91	1.83	2.71	2.23	1.62	2.3	N/A	N/A	N/A	N/A	N/A
Expected dividends	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Risk-free interest rates	2.32%-2.49%	2.25%-2.45%	2.04%-2.29%	1.33%	2.32%-2.49%	2.25%-2.45%	2.04%-2.29%	1.33%-1.41%	2.50%	2.50%	2.23%	1.10%	1.33%

Expected volatility has been based on an evaluation of the historical volatility of the comparative company’s share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

(c) Reconciliation of outstanding ESOs

The number and weighted-average exercise prices of ESOs were as follows:

	As at December 31,					
	2023		2024		2025	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
	RMB		RMB		RMB	
Outstanding at the beginning of the year	0.24	9,522,402	0.25	8,420,674	0.18	3,515,364
Forfeited during the year	0.18	(460,175)	0.30	(123,548)	0.18	(67,291)
Exercised during the year	0.24	(4,696,089)	0.28	(5,829,149)	—	—
Granted during the year	0.25	4,054,536	0.18	1,047,387	—	—
Options are modified to shares during the year	—	—	—	—	0.18	(3,448,073)
Outstanding at the end of the year	0.25	8,420,674	0.18	3,515,364	—	—

The ESOs outstanding at December 31, 2023 had an exercise price in the range of RMB0.1 to RMB0.51 and a weighted-average remaining contractual life of 1.87 years. The weighted-average share price at the date of exercise for ESOs exercised in 2023 was RMB0.24.

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The ESOs outstanding at December 31, 2024 had an exercise price in the range of RMB0.1 to RMB0.51 and a weighted-average remaining contractual life of 2.51 years. The weighted-average share price at the date of exercise for ESOs exercised in 2024 was RMB0.28.

There was no ESOs outstanding at December 31, 2025 since all unvested ESOs have been converted to the RSUs at the modification date.

(d) Expense recognised in the consolidated statements of profit or loss

The total expenses recognized in the consolidated statements of profit or loss for share-based incentives granted to the participants are RMB10,065,000, RMB10,191,000 and RMB11,500,000 for the years ended December 31, 2023, 2024 and 2025, respectively.

28 Capital, reserves and dividends

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group’s consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company’s individual components of equity between the beginning and the end of the year are set out below:

	Note	Paid-in capital	Share capital	Capital reserve	Share-based payments reserve	Accumulated losses	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023		2,808	—	(304,706)	27,094	(291,486)	(566,290)
Loss and total comprehensive income for the year		—	—	—	—	(120,577)	(120,577)
Capital contribution by investors		137	—	69,863	—	—	70,000
Equity settled share-based transactions	27	—	—	—	10,065	—	10,065
Recognition of redemption liabilities	24	—	—	(105,000)	—	—	(105,000)
As at December 31, 2023 and January 1, 2024		2,945	—	(339,843)	37,159	(412,063)	(711,802)
Loss and total comprehensive income for the year		—	—	—	—	(111,416)	(111,416)
Capital contribution by investors		157	—	79,843	—	—	80,000
Equity settled share-based transactions	27	—	—	—	10,191	—	10,191
Recognition of redemption liabilities	24	—	—	(120,000)	—	—	(120,000)
As at December 31, 2024 and January 1, 2025		3,102	—	(380,000)	47,350	(523,479)	(853,027)
Loss and total comprehensive income for the year		—	—	—	—	(267,802)	(267,802)
Capital contribution by investors		984	1,375	218,790	—	—	221,149
Payment of financing service fees		—	—	(1,509)	—	—	(1,509)
Equity settled share-based transactions	27	—	—	—	11,500	—	11,500
Conversion into a joint stock company with limited liability		(4,086)	4,086	(24,498)	—	24,498	—

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		Paid-in capital	Share capital	Capital reserve	Share-based payments reserve	Accumulated losses	Total
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Capital reserve transfer to share capital		—	18,919	(18,919)	—	—	—
Recognition of redemption liabilities	24	—	—	(415,677)	—	—	(415,677)
As at December 31, 2025		—	24,380	(621,813)	58,850	(766,783)	(1,305,366)

(b) Paid-in capital/share capital

For the purpose of the Historical Financial Information, the paid-in capital of the Group represents the paid-in capital of the Company before it was converted into a joint stock company with limited liability.

(i) Paid-in capital

	Paid-in capital
	RMB'000
As at January 1, 2023	2,808
Capital contribution by investors	137
As at December 31, 2023 and January 1, 2024	2,945
Capital contribution by investors	157
As at December 31, 2024 and January 1, 2025	3,102
Capital contribution by investors	984
Conversion into a joint stock company	(4,086)
As at December 31, 2025	—

Note: On September 10, 2025, the Company was converted into a joint stock company with limited liability and issued 4,086,000 shares with a nominal value of RMB1.00 each.

(ii) Issued share capital

	Number of shares	Share capital
	'000	RMB'000
Issued and fully paid:		
As at January 1, 2025	—	—
Conversion into a joint stock company	4,086	4,086
Capital reserve transfer to share capital	18,919	18,919
Issuance of new shares	1,375	1,375
As at December 31, 2025	24,380	24,380

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Note: On September 19, 2025, the shareholders passed resolutions approving, among other things, the conversion of capital reserves of the Company into share capital by issuing 4.63 new shares for every one existing share to all shareholders, resulting in the issuance of a total of 18,919,000 new shares. Upon such conversion, the Company’s issued share capital increased from RMB4,086,000 to RMB23,005,000, and the total number of shares increased from 4,086,000 to 23,005,000 shares.

During the period from September 19 to December 31, 2025, the Company received capital contributions of RMB149,500,000. The capital contributions increased the share capital and capital reserve by RMB1,375,000 and RMB148,125,000, respectively.

The Company expect to conduct the share subdivision immediately prior to the [REDACTED] of the Company in the Main Board of the Stock Exchange, pursuant to which each of share with par value of RMB1.00 will be subdivided into ten shares with par value of RMB0.1 each.

(c) Nature and purpose of reserves

(i) Capital reserve

The capital reserve mainly comprises the following: (i) the excess of total consideration contributed by the shareholders of the Company over paid-in capital/share capital; (ii) the amounts in relation to the recognition of the redemption liabilities as set out in Note 24.

(ii) Share-based payment reserve

The share-based payment reserve comprises the Company’s equity settled share-based payments (see Note 27).

(d) Dividends

No dividends were paid by the companies comprising the Group during the Track Record Period.

(e) Capital management

The Group’s primary objectives when managing capital are to safeguard the Group’s ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position and makes adjustments to the capital structure in light of changes in economic conditions.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

29 Financial risk management and fair values of financial instruments

Exposure to credit risk, liquidity risk, interest rate risk, currency risk and fair value measurement arises in the normal course of the Group’s business.

The Group’s exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group’s credit risk is primarily attributable to trade receivables. The Group’s exposure to credit risk arising from cash and cash equivalents, restricted cash, bills receivable, and financial assets at fair value through other comprehensive income is limited because the counterparties are banks and financial institutions with high credit standing, for which the Group considers to represent low credit risk.

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As at December 31, 2023, 2024 and 2025, the management of the Group has assessed that contract assets, deposits and other receivables have not had a significant increase in credit risk since initial recognition and risk of default is insignificant, and therefore, the expected credit loss rate is insignificant.

Trade receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer’s past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group’s historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group’s different customer bases.

The Group has no significant concentration of credit risk in industries or countries in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at December 31, 2023, 2024 and 2025, 24.70%, 27.94% and 21.08% of the total trade receivables was due from the Group’s top five largest customers, respectively.

The following table provides information about the Group’s exposure to credit risk and ECLs for trade receivables:

As at December 31, 2023			
	Amount	Expected loss rate	Impairment
	RMB'000	%	RMB'000
Within 1 year	30,267	2.61	790
1 to 2 years	16,343	8.96	1,465
Over 2 years	6,623	33.17	2,197
	<u>53,233</u>		<u>4,452</u>
As at December 31, 2024			
	Amount	Expected loss rate	Impairment
	RMB'000	%	RMB'000
Within 1 year	126,920	4.28	5,426
1 to 2 years	21,249	11.89	2,526
Over 2 years	10,139	42.53	4,312
	<u>158,308</u>		<u>12,264</u>
As at December 31, 2025			
	Amount	Expected loss rate	Impairment
	RMB'000	%	RMB'000
Within 1 year	185,575	4.85	8,993
1 to 2 years	67,839	12.60	8,547
Over 2 years	11,946	49.99	5,972
	<u>265,360</u>		<u>23,512</u>

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Expected loss rates are based on actual loss experience during the Track Record Period. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group’s view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables during the Track Record Period is as follows:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At the beginning of the year	609	4,452	12,264
Provision of loss allowance on trade receivables	4,553	7,444	10,614
Transfer from contract assets	207	368	634
Write-off	(917)	—	—
At the end of the year	4,452	12,264	23,512

(b) Liquidity risk

The Group’s policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities as at the end of the reporting periods of the Group’s financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates on, if floating, based on rates current at the end of the reporting periods) and the earliest date the Group can be required to pay.

	As at December 31, 2023				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Bank loans	32,762	—	—	32,762	32,039
Trade and bills payables	75,155	—	—	75,155	75,155
Financial liabilities included in other payables and accruals	4,933	—	—	4,933	4,933
Redemption liabilities	1,227,221	—	—	1,227,221	1,227,221
Lease liabilities	7,843	6,865	2,531	17,239	16,270
	1,347,914	6,865	2,531	1,357,310	1,355,618

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As at December 31, 2024

Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans	107,128	—	—	107,128	104,326
Trade and bills payables	135,322	—	—	135,322	135,322
Financial liabilities included in other payables and accruals	12,727	—	—	12,727	12,727
Redemption liabilities	1,456,061	—	—	1,456,061	1,456,061
Lease liabilities	8,298	3,850	3,297	15,445	14,666
	<u>1,719,536</u>	<u>3,850</u>	<u>3,297</u>	<u>1,726,683</u>	<u>1,723,102</u>

As at December 31, 2025

Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Bank loans	192,477	10,237	—	202,714	200,103
Trade and bills payables	189,238	—	—	189,238	189,238
Financial liabilities included in other payables and accruals	21,972	—	—	21,972	21,972
Redemption liabilities	2,121,122	—	—	2,121,122	2,121,122
Lease liabilities	4,426	1,895	2,376	8,697	8,327
	<u>2,529,235</u>	<u>12,132</u>	<u>2,376</u>	<u>2,543,743</u>	<u>2,540,762</u>

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s interest rate risk arises primarily from the Group’s bank loans, lease liabilities, restricted cash and cash at banks. The Group does not use financial derivatives to hedge against the interest rate risk. However, if interest rate fluctuates significantly, appropriate measures would be taken to manage interest risk exposure. The Group’s interest rate profile as monitored by management is set out in (i) below.

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(i) Interest rate profile

The following table details the interest rate profile of the Group at the end of the reporting periods.

	As at December 31,					
	2023		2024		2025	
	Effective interest rate %	RMB'000	Effective interest rate %	RMB'000	Effective interest rate %	RMB'000
Fixed rate instruments						
Lease liabilities	4.55%–5.35%	16,270	3.85%–5.35%	14,666	3.5%–5.35%	8,327
Bank loans	3.85%–4.4%	32,039	1.91%–4.4%	104,326	1.84%–3.2%	200,103
Restricted cash	0.2%–1.2%	12,658	0.1%–1.1%	13,544	0.05%–1.45%	26,200
		60,967		132,536		234,630
Variable rate instruments						
Cash and cash equivalents	0.05%–0.35%	75,832	0.05%–0.35%	131,331	0.05%–0.45%	243,422
		136,799		263,867		478,052

(ii) Sensitivity analysis

As at December 31, 2023, 2024 and 2025, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would have decrease/increase the Group’s loss and accumulated losses by approximately RMB321,000, RMB555,000 and RMB514,000 respectively.

In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group’s loss for the year (and accumulated losses) is estimated as an annualised (pro-rata as required) impact on interest expense or income of such a change in interest rates.

(d) Currency risk

The Group is not exposed to significant foreign currency risk since financial assets and liabilities denominated in currencies other than the functional currencies of the Company and its subsidiaries are not significant.

As the Group’s principal activities are carried out in the PRC, the Group’s transactions are mainly dominated in Renminbi, which is not freely convertible into foreign currencies. All foreign exchange transactions involving Renminbi must take place through the People’s Bank of China or other institutions authorised to buy and sell foreign exchange. The exchange rates adopted for the foreign exchange transactions are the rates of exchange quoted by the People’s Bank of China that are determined largely by supply and demand.

As at December 31, 2023, 2024 and 2025, cash and cash equivalents situated in Chinese Mainland amounted to RMB75,832,000, RMB129,336,000 and RMB237,830,000. Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

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(e) Fair value measurement

(i) Financial assets measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group’s financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3 valuations: Fair value measured using significant unobservable inputs.

		Fair value measurements as at December 31, 2025 categorised into		
	Fair value at December 31, 2025	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income	13,197	—	13,197	—
		Fair value measurements as at December 31, 2024 categorised into		
	Fair value at December 31, 2024	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income	1,109	—	1,109	—

During the Track Record Period, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

Valuation techniques and inputs used for fair value measurement at the Level 2:

The fair value of financial assets at fair value through other comprehensive income are measured by discounted cash flow method using the expected return based on observable market inputs.

(ii) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group’s financial instruments carried at cost or amortized cost are not materially different from their fair values at December 31, 2023, 2024 and 2025.

30 Commitments

The Group did not have any capital commitments as at December 31, 2023, 2024 and 2025.

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31 Material related party transactions

The material related party transactions entered into by the Group during the Track Record Period and the balances with related parties at the end of each reporting period are set out below.

(a) Key management personnel remuneration

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the Company’s directors and supervisors.

Remuneration for key management personnel of the Group, including amounts paid to the Company’s directors and supervisors as disclosed in Note 8, is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Salaries, allowances and benefits in kind	4,803	5,052	6,228
Discretionary bonuses	701	1,757	—
Share-based payments	1,423	1,499	1,498
Retirement scheme contributions	244	268	290
	<u>7,171</u>	<u>8,576</u>	<u>8,016</u>

Total above remuneration to key management personnel is included in “staff costs” (Note 6(b)).

(b) Names and relationships of the related parties that had material transactions and / or material balances with the Group for the Track record period

Names of related parties	Nature of relationship
Beijing Shengji Power Technology Co., Ltd.	A joint venture of the Group
Pinggao Xinsong Electric Power Intelligent Equipment (Henan) Co., Ltd.	An associate of the Group
Mr. Zhang Zhaohui	The chairman of the Board, an executive Director, and one of the controlling shareholders
Ms. Ti Jian	The close family member of Mr. Zhang Zhaohui

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(c) Significant transactions with related parties

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Sales of goods and rendering of services:			
Beijing Shengji Power Technology Co., Ltd.	4,190	8,912	534
Pinggao Xinsong Electric Power Intelligent Equipment (Henan) Co., Ltd.	2,325	221	2,664
	<u>6,515</u>	<u>9,133</u>	<u>3,198</u>
Purchase of goods and services:			
Pinggao Xinsong Electric Power Intelligent Equipment (Henan) Co., Ltd.	—	3,284	—
Rental expense:			
Beijing Shengji Power Technology Co., Ltd.	—	198	50

(d) Balances with related parties

Trade in nature:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables, net of loss allowance			
Beijing Shengji Power Technology Co., Ltd.	3,670	11,591	10,168
Pinggao Xinsong Electric Power Intelligent Equipment (Henan) Co., Ltd.	219	413	897
Others	—	18	—
	<u>3,889</u>	<u>12,022</u>	<u>11,065</u>
Prepayments, other receivables and other assets			
Beijing Shengji Power Technology Co., Ltd.	—	—	—
Pinggao Xinsong Electric Power Intelligent Equipment (Henan) Co., Ltd.	369	—	—
	<u>369</u>	<u>—</u>	<u>—</u>
Trade payables			
Beijing Shengji Power Technology Co., Ltd.	—	54	—
Pinggao Xinsong Electric Power Intelligent Equipment (Henan) Co., Ltd.	—	3,341	1,488
	<u>—</u>	<u>3,395</u>	<u>1,488</u>

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	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
<i>Contract assets</i>			
Beijing Shengji Power Technology Co., Ltd.	447	956	57
Pinggao Xinsong Electric Power Intelligent Equipment (Henan) Co., Ltd.	250	202	270
	<u>697</u>	<u>1,158</u>	<u>327</u>
<i>Contract liabilities</i>			
Beijing Shengji Power Technology Co., Ltd.	303	—	—
Pinggao Xinsong Electric Power Intelligent Equipment (Henan) Co., Ltd.	—	63	—
	<u>303</u>	<u>63</u>	<u>—</u>

(e) Guarantees provided by related parties

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Banking facilities granted to the Group with guarantees by related parties	32,039	86,275	200,103

Certain facilities granted to the Group were guaranteed by the chairman of the Board and his close family member. The directors of the Company confirm that all of the guarantees by related parties will either be replaced by a corporate guarantee of the Company or be fully released prior to or upon the [REDACTED] of the Company in the Main Board of the Stock Exchange.

32 Possible impact of amendments, new standards and interpretations issued but not yet effective for the accounting period beginning on January 1, 2025

Up to the date of issue of this report, the IASB has issued a number of new or amended standards, which are not yet effective for the Track Record Period and which have not been adopted in Historical Financial Information. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IFRS 9, Financial instruments and IFRS 7, Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7, Contracts Referencing Nature-dependent Electricity	January 1, 2026
Annual improvements to IFRS Accounting Standards — Volume 11	January 1, 2026
IFRS 18, Presentation and disclosure in financial statements	January 1, 2027
IFRS 19, Subsidiaries without public accountability: disclosures	January 1, 2027

APPENDIX I

ACCOUNTANTS’ REPORT

	Effective for accounting periods beginning on or after
Amendments to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Historical Financial Information except for the following:

IFRS 18, Presentation and disclosure in financial statements

IFRS 18 will replace IAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity’s financial statements. IFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt IFRS 18 and IFRS 18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

33 Significant non-adjusting events after the reporting period

Subsequent to December 31, 2025 and up to the date of this report, there is no material subsequent event.

SUBSEQUENT FINANCIAL STATEMENTS

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