

APPENDIX I

ACCOUNTANTS’ REPORT

[To insert the firm’s letterhead]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ZHEJIANG IPLUSMOBOT TECHNOLOGY CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of Zhejiang IPLUSMOBOT Technology Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-4 to [●], which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025, and the six months ended 30 June 2026 (the “Relevant Periods”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and 30 June 2026 and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-4 to [●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [REDACTED] (the “Document”) in connection with the [REDACTED] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors’ responsibility for the Historical Financial Information

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

Reporting accountants’ responsibility

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

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

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

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and 30 June 2026 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss, statements of comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 30 June 2025 and other explanatory information (the “Interim Comparative Financial Information”). The directors of the Company are responsible for the preparation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

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

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

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

[●]

Certified Public Accountants

Hong Kong

[●]

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I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

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

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

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

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(A) Consolidated statements of profit or loss

		Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(unaudited)				
		Notes				
REVENUE	5					
Cost of sales						
Gross profit						
Other income and gains	6					
Selling and distribution expenses						
Administrative expenses						
Research and development expenses						
Impairment losses on financial assets and contract assets						
Other expenses						
Finance costs	8					
Finance costs on redemption financial liabilities						
LOSS BEFORE TAX	7					
Income tax expense	11					
LOSS FOR THE YEAR/PERIOD						
Attributable to:						
Owners of the parent						
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic and diluted (RMB)	13					

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(B) Consolidated statements of comprehensive income

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
LOSS FOR THE YEAR/PERIOD . . .	(113,769)	(117,856)	(99,730)	(38,411)	(63,702)
OTHER COMPREHENSIVE INCOME					
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	—	(12)	(10)	18	10
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods.	—	(12)	(10)	18	10
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:					
Equity investments designated at fair value through other comprehensive income:					
Changes in fair value	—	19,878	36,377	8,122	363
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	—	19,878	36,377	8,122	363
OTHER COMPREHENSIVE INCOME FOR THE YEAR/PERIOD, NET OF TAX . . .	—	19,866	36,367	8,140	373
TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD	(113,769)	(97,990)	(63,363)	(30,271)	(63,329)
Attributable to:					
Owners of the parent	(113,769)	(97,990)	(63,363)	(30,271)	(63,329)

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(C) Consolidated statements of financial position

		As at 31 December			As at 30 June
	Notes	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and					
equipment	14	9,412	9,512	11,687	10,787
Right-of-use assets	15	4,012	11,400	7,622	8,956
Other intangible assets	16	843	642	441	340
Equity investments at fair					
value through other					
comprehensive income . .	17	–	39,878	38,128	38,491
Contract assets	21	346	2,912	4,488	5,182
Time deposits	25(c)	–	–	10,148	10,253
Prepayments, other					
receivables and other					
assets	18	–	–	–	2,002
Total non-current assets . . .		14,613	64,344	72,514	76,011
CURRENT ASSETS					
Inventories	18	179,188	256,707	209,640	174,614
Trade receivables	19	19,766	31,054	64,771	105,928
Bills receivable	20	3,069	9,673	3,314	5,656
Contract assets	21	5,163	7,828	24,171	35,330
Prepayments, other					
receivables and other					
assets	22	13,349	13,955	21,162	21,419
Debt investments at fair					
value through other					
comprehensive income . .	23	6,707	4,421	3,470	1,393
Financial assets at fair					
value through profit or					
loss	24	–	30,099	5,070	110,118
Restricted bank deposits . .	25(b)	2,293	7,674	11,953	22,689
Time deposits	25(c)	64,074	–	10,227	–
Cash and cash equivalents .	25(a)	29,249	130,092	336,355	217,870
Total current assets		322,858	491,503	690,133	695,017

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		As at 31 December			As at 30 June
		2023	2024	2025	2026
<i>Notes</i>		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
CURRENT LIABILITIES					
Trade and bills payables . .	26	30,043	76,130	93,881	127,453
Other payables and accruals	27	22,219	30,251	27,458	29,639
Interest-bearing bank and other borrowings	28	49,956	96,931	86,391	72,989
Lease liabilities	15	1,836	4,782	4,005	5,272
Contract liabilities	29	102,986	127,764	91,105	72,151
Redemption financial liabilities	30	503,007	665,694	1,011,239	1,074,331
Tax payable		—	—	22	2
Provision	31	193	200	3,751	5,961
Total current liabilities . . .		710,240	1,001,752	1,317,852	1,387,798
NET CURRENT LIABILITIES		(387,382)	(510,249)	(627,719)	(692,781)
TOTAL ASSETS LESS CURRENT LIABILITIES					
		(372,769)	(445,905)	(555,205)	(616,770)
NON-CURRENT LIABILITIES					
Lease liabilities	15	826	6,150	3,127	3,506
Other long-term payables . .	32	—	20,173	—	—
Total non-current liabilities		826	26,323	3,127	3,506
NET LIABILITIES		(373,595)	(472,228)	(558,332)	(620,276)
EQUITY					
Paid-in capital/Share capital	33	47,956	51,632	61,765	62,647
Reserves	34	(421,551)	(523,860)	(620,097)	(682,923)
Total deficit		(373,595)	(472,228)	(558,332)	(620,276)

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(D) Consolidated statements of changes in equity

Year ended 31 December 2023

	Attributable to owners of the parent							Total
	Paid-in capital	Capital reserve*	Other reserves*	Share-based payment reserve*	Exchange fluctuation reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Accumulated losses*	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(note 33)	(note 34)	(note 34)	(note 34)	(note 34)	(note 34)		
At 1 January 2023	47,956	314,619	(406,031)	10,853	–	–	(230,056)	(262,659)
Loss for the year	–	–	–	–	–	–	(113,769)	(113,769)
Total comprehensive loss for the year	–	–	–	–	–	–	(113,769)	(113,769)
Share-based payments	–	–	–	2,833	–	–	–	2,833
At 31 December 2023	<u>47,956</u>	<u>314,619</u>	<u>(406,031)</u>	<u>13,686</u>	<u>–</u>	<u>–</u>	<u>(343,825)</u>	<u>(373,595)</u>

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Year ended 31 December 2024

		Attributable to owners of the parent						
						Fair value reserve of financial assets at fair value through other comprehensive income*	Accumulated losses*	Total
	Note	Paid-in capital	Capital reserve*	Other reserves*	Share- based payment reserve*	Exchange fluctuation reserve*		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(note 33)	(note 34)	(note 34)	(note 34)	(note 34)	(note 34)	
At 1 January 2024		47,956	314,619	(406,031)	13,686	–	–	(343,825)
Loss for the year		–	–	–	–	–	–	(117,856)
Other comprehensive income for the year:								
Change in fair value of equity investments at fair value through other comprehensive income, net of tax		–	–	–	–	–	19,878	–
Exchange differences arising on translation of foreign operations		–	–	–	–	(12)	–	–
								(12)
Total comprehensive loss for the year		–	–	–	–	(12)	19,878	(117,856)
Capital contribution by shareholders		3,676	121,324	–	–	–	–	–
Share issue expenses		–	(2,376)	–	–	–	–	–
Share-based payments		–	–	–	1,733	–	–	–
Recognition of redemption financial liabilities	30	–	–	(125,000)	–	–	–	–
At 31 December 2024		51,632	433,567	(531,031)	15,419	(12)	19,878	(461,681)

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Year ended 31 December 2025

Attributable to owners of the parent								
						Fair value reserve of financial assets at fair value through other comprehensive income*	Accumulated losses*	Total
	Paid-in capital/Share capital	Capital reserve*	Other reserves*	Share- based payment reserve*	Exchange fluctuation reserve*			
Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 33)	(note 34)	(note 34)	(note 34)	(note 34)	(note 34)		
At 1 January 2025	51,632	433,567	(531,031)	15,419	(12)	19,878	(461,681)	(472,228)
Loss for the year	-	-	-	-	-	-	(99,730)	(99,730)
Other comprehensive income for the year:								
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	-	36,377	-	36,377
Exchange differences arising on translation of foreign operations	-	-	-	-	(10)	-	-	(10)
Total comprehensive loss for the year	-	-	-	-	(10)	36,377	(99,730)	(63,363)
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	-	-	-	-	-	(14,127)	14,127	-
Proceeds from issue of shares . .	10,133	266,912	-	-	-	-	-	277,045
Conversion into a joint-stock company	-	(285,655)	-	(10,013)	-	(28,000)	323,668	-
Share issue expenses	-	(2,179)	-	-	-	-	-	(2,179)
Share-based payments	-	-	-	762	-	-	-	762
Recognition of redemption financial liabilities	30	-	(298,369)	-	-	-	-	(298,369)
At 31 December 2025	61,765	412,645	(829,400)	6,168	(22)	14,128	(223,616)	(558,332)

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Six months ended 30 June 2025 (unaudited)

	Attributable to owners of the parent							
						Fair value reserve of financial assets at fair value through other comprehensive income	Accumulated losses	Total
	Paid-in capital	Capital reserve	Other reserves	Share-based payment reserve	Exchange fluctuation reserve			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 33)	(note 34)	(note 34)	(note 34)	(note 34)	(note 34)		
At 1 January 2025	51,632	433,567	(531,031)	15,419	(12)	19,878	(461,681)	(472,228)
Loss for the period (unaudited)	-	-	-	-	-	-	(38,411)	(38,411)
Other comprehensive income for the period:								
Change in fair value of equity investments at fair value through other comprehensive income, net of tax (unaudited) .	-	-	-	-	-	8,122	-	8,122
Exchange differences arising on translation of foreign operations (unaudited)	-	-	-	-	18	-	-	18
Total comprehensive loss for the period (unaudited)	-	-	-	-	18	8,122	(38,411)	(30,271)
Share-based payments (unaudited)	-	-	-	279	-	-	-	279
At 30 June 2025 (unaudited) . .	<u>51,632</u>	<u>433,567</u>	<u>(531,031)</u>	<u>15,698</u>	<u>6</u>	<u>28,000</u>	<u>(500,092)</u>	<u>(502,220)</u>

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Six months ended 30 June 2026

Attributable to owners of the parent								
Note	Share capital	Capital reserve*	Other reserves*	Share-based payment reserve*	Exchange fluctuation reserve*	Fair value reserve of financial assets at fair value through other comprehensive income*	Accumulated losses*	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 33)	(note 34)	(note 34)	(note 34)	(note 34)	(note 34)		
At 1 January 2026	61,765	412,645	(829,400)	6,168	(22)	14,128	(223,616)	(558,332)
Loss for the period	-	-	-	-	-	-	(63,702)	(63,702)
Other comprehensive income for the period:								
Change in fair value of equity investments at fair value through other comprehensive income, net of tax.	-	-	-	-	-	363	-	363
Exchange differences arising on translation of foreign operations.	-	-	-	-	10	-	-	10
Total comprehensive loss for the period.	-	-	-	-	10	363	(63,702)	(63,329)
Proceeds from issue of shares	882	29,118	-	-	-	-	-	30,000
Share-based payments	-	-	-	1,385	-	-	-	1,385
Recognition of redemption financial liabilities	30	-	(30,000)	-	-	-	-	(30,000)
At 30 June 2026	<u>62,647</u>	<u>441,763</u>	<u>(859,400)</u>	<u>7,553</u>	<u>(12)</u>	<u>14,491</u>	<u>(287,318)</u>	<u>(620,276)</u>

* The reserve accounts comprise the deficiency in equity of RMB421,551,000, RMB523,860,000, RMB620,097,000, and RMB682,923,000 in the consolidated statements of financial position as at 31 December 2023, 2024, 2025 and 30 June 2026, respectively.

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(E) Consolidated Statements of Cash Flows

		Year ended 31 December			Six months ended 30 June	
	Notes	2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(unaudited)	
CASH FLOWS USED IN						
OPERATING ACTIVITIES						
Loss before tax		(113,769)	(117,856)	(99,708)	(38,411)	(63,702)
Adjustments for:						
Finance costs	8	1,235	2,595	4,320	1,995	1,005
Depreciation of items of property, plant and equipment	14	3,689	3,794	3,104	1,542	1,854
Depreciation of right of use assets	15	4,356	4,377	5,522	2,849	2,943
Amortisation of other intangible assets	16	265	201	201	101	101
Impairment losses on financial assets and contract assets, net	7	4,524	5,675	3,951	1,623	3,931
Inventory provision	7	5,231	5,261	8,048	7,745	(2,855)
Foreign exchange differences		–	–	373	(240)	1,176
Fair value gain on financial assets at fair value through profit or loss	6	–	(99)	(70)	(77)	(48)
Gain on disposal of a subsidiary	6	(944)	–	–	–	–
Share-based payment expenses	7	2,833	1,733	762	279	1,385
Interest income		(2,724)	(1,312)	(377)	(108)	(180)
Gains on disposal of financial assets at fair value through profit or loss	6	(34)	(158)	(223)	(42)	(1,074)
Finance costs on redemption financial liabilities		32,483	37,687	47,176	20,950	33,092
		(62,855)	(58,102)	(26,921)	(1,794)	(22,372)

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	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
(Increase)/decrease in					
inventories	(54,386)	(82,780)	39,019	20,111	37,881
Increase in trade receivables . .	(8,279)	(14,542)	(35,619)	(31,057)	(43,655)
(Increase)/decrease in bills					
receivable	(1,239)	(6,600)	6,359	(5,099)	(2,342)
Increase in contract assets	(2,182)	(6,011)	(19,993)	(11,506)	(13,094)
(Increase)/decrease in debt					
investments at fair value					
through other comprehensive					
income	(6,141)	2,286	951	3,400	2,077
(Increase)/decrease in					
prepayments, other					
receivables and other assets .	(4,952)	(2,251)	(6,344)	(9,644)	731
Decrease/(increase) in restricted					
bank deposits	5,368	(5,381)	(4,279)	(8,157)	(10,736)
(Decrease)/increase in trade and					
bills payables	(12,394)	46,087	17,751	12,422	33,572
Increase/(decrease) in contract					
liabilities	60,869	24,778	(36,659)	(18,553)	(18,954)
Increase/(decrease) in other					
payables and accruals	10,659	8,032	(3,152)	3,186	2,058
(Decrease)/increase in					
provisions	(1,435)	7	3,551	46	2,210
Cash used in operations	(76,967)	(94,477)	(65,336)	(46,645)	(32,624)
Taxes paid	—	—	—	—	(20)
Net cash flows used in					
operating activities	(76,967)	(94,477)	(65,336)	(46,645)	(32,644)

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	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Proceeds from maturity of time deposits	10,000	60,441	–	–	10,000
Purchases of time deposits	–	–	(20,000)	(20,000)	–
Interest received	607	4,945	–	–	302
Disposal of financial assets at fair value through profit or loss	1,244	121,158	120,321	30,140	856,074
Purchases of financial assets at fair value through profit or loss	–	(151,000)	(95,000)	(15,000)	(960,000)
Disposal of a subsidiary	701	–	–	–	–
Disposal of items of property, plant and equipment.	3	–	–	–	–
Purchases of items of property, plant and equipment	(2,889)	(3,894)	(5,279)	(2,124)	(2,956)
Purchase of equity investments designated at fair value through other comprehensive income	–	(20,000)	–	–	–
Proceeds from disposal of equity investments designated at fair value through other comprehensive income	–	–	38,128	–	–
Net cash flows from/(used in) investing activities.	9,666	11,650	38,170	(6,984)	(96,580)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares	–	125,000	277,045	–	30,000
Direct financing expenses.	–	(2,376)	(2,179)	–	–
New bank and other borrowings	49,900	139,843	150,334	94,000	49,000
Other long-term payables	–	20,000	–	–	–
Repayment of bank and other borrowings	(1,000)	(92,900)	(160,843)	(69,000)	(62,388)
Repayment of other long-term payables	–	–	(20,000)	–	–
Interest paid	(843)	(2,187)	(4,190)	(1,450)	(884)
Payment of lease liabilities	(4,470)	(3,698)	(5,898)	(2,999)	(2,741)
Payment of [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net cash flows from financing activities.	43,587	183,682	233,788	20,551	11,934

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	<i>Note</i>	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
					<i>(unaudited)</i>	
NET						
(DECREASE)/INCREASE						
IN CASH AND						
CASH EQUIVALENTS		(23,714)	100,855	206,622	(33,078)	(117,290)
Cash and cash equivalents at						
beginning of year/period		52,963	29,249	130,092	130,092	336,355
Effect of foreign exchange rate						
changes, net.		—	(12)	(359)	258	(1,195)
CASH AND CASH						
EQUIVALENTS AT END OF						
YEAR/PERIOD	25	29,249	130,092	336,355	97,272	217,870
ANALYSIS OF BALANCES						
OF CASH AND CASH						
EQUIVALENTS						
Cash and bank balances		31,542	137,766	348,308	113,102	240,559
Less: Restricted bank deposits . .		2,293	7,674	11,953	15,830	22,689
Cash and cash equivalents as						
stated in the consolidated						
statements of financial						
position and the consolidated						
statements of cash flows	25	29,249	130,092	336,355	97,272	217,870

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(F) Statement of Financial Position of the Company

		As at 31 December			As at 30 June
	Notes	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	14	9,412	7,753	5,917	5,084
Right-of-use assets	15	4,012	3,220	2,412	5,233
Other intangible assets	16	843	642	441	340
Investments in subsidiaries	1	—	10,476	10,476	10,716
Equity investments at fair value through other comprehensive income . .	17	—	39,878	38,128	38,491
Contract assets	21	346	2,912	4,488	5,182
Time deposits	25(c)	—	—	10,148	10,253
Prepayments, other receivables and other assets	22	—	—	—	2,002
Total non-current assets . . .		14,613	64,881	72,010	77,301
CURRENT ASSETS					
Inventories	18	179,188	231,286	171,919	120,450
Trade receivables	19	19,766	76,967	113,134	138,419
Bills receivable	20	3,069	9,673	3,314	1,323
Contract assets	21	5,163	7,828	24,171	35,330
Prepayments, other receivables and other assets	22	13,349	6,348	44,342	38,949
Debt investments at fair value through other comprehensive income . .	23	6,707	4,421	3,470	1,393
Financial assets at fair value through profit or loss	24	—	30,099	5,070	110,118
Restricted bank deposits . .	25(b)	2,293	7,674	11,953	22,689
Time deposits	25(c)	64,074	—	10,227	—
Cash and cash equivalents .	25(a)	29,249	119,691	271,991	191,249
Total current assets		322,858	493,987	659,591	659,920

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		As at 31 December			As at 30 June
	Notes	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
CURRENT LIABILITIES					
Trade and bills payables . .	26	30,043	82,449	56,425	82,577
Other payables and accruals	27	22,219	27,835	22,688	36,084
Interest-bearing bank and other borrowings	28	49,956	96,931	86,391	72,989
Lease liabilities	15	1,836	1,902	1,819	2,381
Contract liabilities	29	102,986	127,764	91,048	71,073
Redemption financial liabilities	30	503,007	665,694	1,011,239	1,074,331
Provision	31	193	200	3,751	5,961
Total current liabilities . . .		710,240	1,002,775	1,273,361	1,345,396
NET CURRENT LIABILITIES					
		(387,382)	(508,788)	(613,770)	(685,476)
TOTAL ASSETS LESS CURRENT LIABILITIES					
		(372,769)	(443,907)	(541,760)	(608,175)
NON-CURRENT LIABILITIES					
Lease liabilities	15	826	1,091	320	2,311
Other long-term payables . .	32	–	20,173	–	–
Total non-current liabilities		826	21,264	320	2,311
NET LIABILITIES					
		(373,595)	(465,171)	(542,080)	(610,486)
EQUITY					
Paid-in capital/Share capital	33	47,956	51,632	61,765	62,647
Reserves	34	(421,551)	(516,803)	(603,845)	(673,133)
Total deficit		(373,595)	(465,171)	(542,080)	(610,486)

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

Zhejiang IPLUSMOBOT Technology Co., Ltd. (the “Company”) is a limited liability company incorporated in the People’s Republic of China (hereinafter referred to as the “PRC”). The registered office of the Company was located at Building 8, Jinsheng Industrial Park, No. 611, Dongguan Road, Binjiang District, Hangzhou, Zhejiang Province, PRC from establishment. On 11 May 2026, the registered office of the Company was changed to the West Side of Building I, No. 1261 Jinhai Avenue, Lupu Town, Yuhuan City, Taizhou City, Zhejiang Province, PRC.

During the Relevant Periods, the Group provided a comprehensive portfolio of mobile robotics products and application solutions.

The Company was converted into a joint stock company with limited liability on 26 November 2025.

As at 30 June 2026, the Company had direct and indirect interests in its subsidiaries as follows:

Name	Notes	Date and place of incorporation/ registration	Nominal value of registered share capital/issued ordinary shares	Percentage of equity interest attributable to the Company		Principal activities
				Direct	Indirect	
Iplumobot Technology Co., Ltd.	(a)	Japan 22 June 2023	JPY10,000,000	100%	–	Sales in Japan and other overseas regions
Quzhou Jiazhi Technology Co., Ltd.* (衢州迦智科技有限公司)	(b)	Chinese mainland 13 May 2024	RMB10,000,000	100%	–	Production and manufacturing
Iplumobot Technology Pte, Ltd.	(a)	Singapore 26 March 2025	USD100,000	100%	–	Sales in Singapore and other overseas regions
Iplumobot Technology Inc. . . .	(a)	United States 7 May 2025	USD1	–	100%	Sales in the United States and other overseas regions
Taizhou Jizhi Robotics Co., Ltd.* (台州瓊智機器人有限公司) . . .	(a)	Chinese mainland 23 January 2026	RMB3,000,000	100%	–	Production and manufacturing

(a) No audited financial statements have been prepared and issued for these entities as they are not subject to any statutory audit requirement under the relevant rules and regulations in their jurisdictions of incorporation.

(b) The statutory financial statements of the entity for the year ended 31 December 2024 and 2025, prepared in accordance with Accounting Standards for Business Enterprises and regulations in the Chinese mainland, have been audited by Zhejiang Zhengxin United Certified Public Accountants Firm.

* The English name of this PRC company represents management’s best efforts in translating the Chinese name of the company as no English name has been registered.

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2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (“IASB”). All IFRS accounting standards effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been consistently adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss (“FVTPL”), debt investments at fair value through other comprehensive income and equity investments at fair value through other comprehensive income which have been measured at fair value.

The Historical Financial Information has been prepared under the going concern basis notwithstanding the fact that, as at 30 June 2026, the Group and the Company recorded net current liabilities amounting to RMB692,781,000 and RMB685,476,000, respectively. And the Group and the Company had total deficits of RMB620,276,000 and RMB610,486,000 as at 30 June 2026, respectively, primarily due to the significant amount of the redemption financial liabilities of RMB1,074,331,000 arising from the financing with redemption rights from the investors before its initial submission of the [REDACTED] to the Stock Exchange for the purpose of the [REDACTED]. The directors of the Company are of the opinion that no payment is expected for the settlement of the redemption financial liabilities as the related redemption rights would be terminated and the redemption financial liabilities would be converted into equity upon the qualified [REDACTED] of the Company’s H shares on the Stock Exchange.

The directors of the Company have given consideration to the future liquidity and financial resources available to the Group, which mainly include cash on hand and financial facilities, in assessing whether the Group will have sufficient financial resources to continue as a going concern and will not have any going concern issue as a result of the shortage of working capital. The directors of the Company have reviewed the Group’s cash flow projection prepared by the management, which covered a period of not less than twelve months from 30 June 2026. In the opinion of the directors of the Company, taking into account (i) the Group’s financial resources on hand, and (ii) the anticipated [REDACTED] from the [REDACTED] of the shares of the Company, the Group will have sufficient working capital to meet its present obligations as and when they fall due in the next twelve months from 30 June 2026. Accordingly, the directors of the Company consider it is appropriate to prepare the Historical Financial Information on a going concern basis.

Basis of consolidation

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

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

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

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

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

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

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

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture¹</i>
IFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency⁴</i>
IFRS 20	<i>Regulatory Assets and Regulatory Liabilities³</i>
Amendments to IAS 28	<i>Amendments to the Fair Value Option for Investments in Associates and Joint Ventures⁴</i>

¹ No mandatory effective date yet determined but available for adoption

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

³ Effective for annual/reporting periods beginning on or after 1 January 2029

⁴ Effective when an entity first applies IFRS 18

The Group is in the process of making an assessment of the impact of these new and amended IFRS Accounting Standards upon initial application. So far, the Group considers that these new and amended IFRS Accounting Standards, except for IFRS 18, may result in changes in certain accounting policies but no significant impact on the Group’s financial performance and financial position. The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the statement of profit or loss and other comprehensive income and statement of cash flows and additional disclosure will be included in the financial statements.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures certain of its financial assets at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

- | | | |
|---------|---|---|
| Level 1 | – | based on quoted prices (unadjusted) in active markets for identical assets or liabilities |
| Level 2 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly |
| Level 3 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable |

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

Impairment of non-financial assets

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

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

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

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

Related parties

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

- (a) the party is a person or a close member of that person's family and that person

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

Property, plant and equipment and depreciation

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

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

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

Machinery	9.50%–31.67%
Office equipment	19.00%–31.67%
Electronic equipment	31.67%
Other equipment	19.00%–31.67%
Leasehold improvements	33.33%–50.00%

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

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

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

Other intangible assets (other than goodwill)

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

Patents	10%–20%
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Research and development expenses

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

Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

Buildings	2–3years
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If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

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(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

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

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

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

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

Investments and other financial assets

Initial recognition and measurement

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

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

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

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

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

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

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

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

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

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

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

Financial assets at fair value through profit or loss

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

Derecognition of financial assets

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

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

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When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

Impairment of financial assets

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

General approach

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

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

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

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

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

- | | | |
|---------|---|--|
| Stage 1 | – | Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs |
| Stage 2 | – | Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs |

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- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

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

Classification as equity and financial liabilities

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

The Group’s financial liabilities include trade and bills payables, financial liabilities included in other payables and accruals, interest-bearing bank and other borrowings, redemption financial liabilities and other long-term payables.

Subsequent measurement

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

Financial liabilities at amortised cost ((trade and other payables, borrowings, redemption financial liabilities and other long-term payables)

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

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

Derecognition of financial liabilities

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

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

Inventories

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

Cash and cash equivalents

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

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

Provisions

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

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

The Group provides for warranties in relation to the sale of certain products and the provision of services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate. The warranty-related cost is revised annually.

Income tax

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

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

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

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

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

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

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

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

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

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

Government grants

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

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

Revenue recognition

Revenue from contracts with customers

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

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

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

(a) Sales of robotic solutions

Robotic solutions involve the design, production, deployment and commissioning of customised robotic systems, which can complete required tasks in specified scenarios as indicated in the sales contract.

Revenue from the sale of robotic solutions is recognised at the point in time when control of the asset and service is transferred to the customers, generally on acceptance and delivery of the robotic solutions as agreed in the sales contracts. The installation and commissioning services significantly modify or customise the goods, therefore, the products and the services are highly interrelated and instead combined as one single performance obligation which is satisfied at a point in time.

(b) Sales of robotic products and others

Revenue from the sale of robots and others is recognised at the point in time when control of the product or service is transferred to the customers, generally on delivery and acceptance of the products or services as agreed in the sales contracts.

Other income

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

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Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

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

Contract costs

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

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

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

Share-based payments

Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“equity-settled transactions”). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a back-solve model and equity allocation based on the option pricing model (“OPM”), further details of which are given in note 36 to the Historical Financial Information.

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

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

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

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

Other employee benefits

Pension scheme

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

Borrowing costs

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

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue about conditions that existed at the end of each reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgements

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

Classification of financial assets

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

- (1) Management needs to make significant judgement when assessing its business model, including but is not limited to (a) how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity’s key management personnel; (b) the risks that affect the performance of the business model and the financial assets held within that business model and, in particular, the way in which those risks are managed; and (c) how managers of the business are compensated. In determining whether cash flows are going to be realised by collecting the financial assets’ contractual cash flows, management needs to consider the reasons for the sales, timing of sales, frequency and value in prior periods; and

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- (2) Management needs to make significant judgement on whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, such as whether contractual cash flows could be significantly different from the benchmark cash flows involves judgement when assessing a modified time value of a money element, and whether the fair value of prepayment features is insignificant also requires judgement when assessing the financial assets with prepayment features.

Deferred tax assets

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

The Group had tax losses at the end of each of the Relevant Periods approximately RMB284,207,000, RMB369,336,000, RMB424,042,000 and RMB482,141,000, respectively. These losses related to the Group that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Estimation uncertainty

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

Provision for expected credit losses on trade receivables, bills receivable and contract assets

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

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

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of a customer’s actual default in the future. The information about the ECLs on the Group’s trade receivables, bills receivable and contract assets is disclosed in note 19, note 20 and note 21 to the Historical Financial Information.

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Leases – Estimating the incremental borrowing rate

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

Warranties

Provisions for warranties granted by the Group are recognised based on sales volumes and past experiences of costs for repairs and replacement, among others. The estimate of unit warranty cost may not be equal to the actual warrant costs in the future. The Group reassesses the unit warranty cost at least annually and the unit warranty cost is revised when appropriate.

Fair value of financial instruments

The fair value of financial instruments, in the absence of an active market, is estimated by using appropriate valuation techniques. Such valuations were based on certain assumptions about credit risk and liquidity risks, etc, associated with the instruments, which are subject to uncertainty and might materially differ from the actual results. Further details are included in note 42 to the Historical Financial Information.

Impairment of non-financial assets (other than goodwill)

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

Share-based payments

The Group operates employee incentive schemes for the purpose of providing incentives to the Company’s directors and the Group’s employees. The grant date fair value of the shares of the employee incentive schemes is determined by an external valuer using a back-solve model and binary tree option pricing model, further details of which are given in note 36 to the Historical Financial Information.

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4. OPERATING SEGMENT INFORMATION

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

Geographical information

(a) Revenue from external customers

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
				<i>(unaudited)</i>	
Chinese mainland	64,883	104,149	234,036	123,837	157,761
Other countries/regions*	10,067	10,693	31,492	11,182	11,458
Total	74,950	114,842	265,528	135,019	169,219

* Primarily consists of Japan, South Korea, Southeast Asia and Australia.

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

(b) Non-current assets

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Chinese mainland	14,613	23,017	23,311	26,347
Other countries/regions	–	1,449	927	920
Total	14,613	24,466	24,238	27,267

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

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Information about a major customer

The revenue generated from sales to customers which individually contributed more than 10% of the Group’s total revenue during each of the Relevant Periods and the six months ended 30 June 2025 is set out below:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
				<i>(unaudited)</i>	
Customer A	*	18,951	70,397	36,596	27,677
Customer B	*	17,648	*	*	*
Customer C	*	*	33,186	33,186	*
Customer D	*	*	*	*	19,181
Customer E	*	*	*	*	17,655
Customer F	*	*	*	*	17,543

* The corresponding revenue from the customer is not disclosed as the revenue individually did not account for 10% or more of the Group’s revenue during the respective period.

5. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
				<i>(unaudited)</i>	
Revenue from contracts with customers	74,950	114,842	265,528	135,019	169,219

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Revenue from contracts with customers

(a) Disaggregated revenue information

Segment revenue

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Types of goods or services					
Sales of robotic solutions	52,845	97,468	219,654	116,044	147,726
Sales of robotic products	19,267	12,879	36,989	16,009	17,330
Sales of accessories and others	2,838	4,495	8,885	2,966	4,163
Total	74,950	114,842	265,528	135,019	169,219
Timing of revenue recognition					
Goods transferred at a point in time	74,950	114,842	265,528	135,019	169,219

The following table shows the amounts of revenue recognised in each of the Relevant Periods and the six months ended 30 June 2025 that were included in the contract liabilities at the beginning of each of the Relevant Periods and recognised from performance obligations satisfied in previous periods:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(unaudited)	
Revenue recognised that was included in contract liabilities at the beginning of the reporting period	19,875	41,298	124,400	80,015	78,954

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(b) *Performance obligations*

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

Sales of robotic solutions

Robotic solutions involve the design, production, deployment and commissioning of customised robotic systems, which can complete required tasks in specified scenarios as indicated in the sales contracts.

Revenue from the sale of robotic solutions is recognised at the point in time when control of the asset and service is transferred to the customers, generally on acceptance and delivery of the robotic solutions as agreed in the sales contracts. The installation and commissioning services significantly modify or customise the goods, therefore, the products and the services are highly interrelated and instead combined as one single performance obligation which is satisfied at a point in time.

Sales of robotic products and others

Revenue from the sale of robotic products and others is recognised at the point in time when control of the products or services is transferred to the customer, generally on delivery and acceptance of the product or service as agreed in the sales contracts.

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

6. OTHER INCOME AND GAINS

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
				(unaudited)	
Other income					
Bank interest income	3,688	2,214	1,453	614	690
Government grants	5,512	10,641	16,899	5,038	1,542
Other gains					
Gains on disposal of financial assets at fair value through profit or loss	34	158	223	42	1,074
Fair value gain from financial assets at fair value through profit or loss- mandatorily classified as such, including those held for trading	–	99	70	77	48
Gain on disposal of a subsidiary	944	–	–	–	–
Exchange gain	84	–	–	463	–
Others	93	209	693	73	–
Total other income and gains . .	10,355	13,321	19,338	6,307	3,354

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7. LOSS BEFORE TAX

The Group’s loss before tax is arrived at after charging/(crediting):

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
				(unaudited)	
Cost of sales	60,165	87,046	186,755	98,362	119,388
Depreciation of right-of-use assets					
(note 15)*	4,356	4,377	5,522	2,849	2,943
Depreciation of property, plant and equipment (note 14)* . . .	3,689	3,794	3,104	1,542	1,854
Amortisation of other intangible assets					
(note 16)*	265	201	201	101	101
Lease payments not included in the measurement of lease liabilities	152	107	161	40	276
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Employee benefit expense (including directors’ and chief executive’s remuneration)*:					
Wages, salaries and allowances	59,857	65,863	78,192	37,092	46,612
Pension scheme contributions and social welfare	11,939	12,218	15,548	7,488	9,844
Share-based payments	2,833	1,733	762	279	1,385
Impairment losses on financial assets and contract assets, net	4,524	5,675	3,951	1,623	3,931
Write-down of inventories to net realisable value**	5,231	5,261	8,048	7,745	(2,855)

* Cost of sales includes expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets and staff costs, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

** The write-down of inventories to net realisable value is included in “Cost of sales” in the statement of profit or loss.

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8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Interest on bank and other borrowings	899	2,219	3,220	1,434	870
Interest on other long-term payables	–	173	766	382	–
Interest on lease liabilities	336	203	334	179	135
Total	1,235	2,595	4,320	1,995	1,005

9. DIRECTORS’ REMUNERATION

Directors’ remuneration as recorded during the Relevant Periods and the six months ended 30 June 2025, is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Other emoluments:					
Salaries, allowances and benefits in kind	3,120	2,741	2,563	1,185	1,194
Performance related bonuses . . .	1,192	1,198	1,111	515	396
Share-based payment expenses . .	520	241	122	69	29
Pension scheme contributions . .	125	146	167	72	48
Total	4,957	4,326	3,963	1,841	1,667

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The remuneration of the directors of the Company is set out below:

Year ended 31 December 2023

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expenses	Pension scheme contributions	Total remuneration
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Executive directors:						
Mr. Chen Shouxian	–	724	293	–	38	1,055
Mr. Sun Yichao ^(xvi)	–	666	248	–	38	952
Ms. Xiong Rong	–	542	207	–	–	749
Sub-total	–	1,932	748	–	76	2,756
Non-executive directors:						
Ms. Shao Hong ⁽ⁱ⁾	–	272	116	147	11	546
Mr. Wang Yue ⁽ⁱⁱ⁾	–	422	130	–	–	552
Mr. Zhang Yifeng ⁽ⁱⁱⁱ⁾	–	40	–	–	–	40
Ms. Chen Qunying	–	454	198	373	38	1,063
Mr. Mao Ping ^(iv)	–	–	–	–	–	–
Mr. Li Fei ^(v)	–	–	–	–	–	–
Mr. Qiu Jianwei ^(vi)	–	–	–	–	–	–
Mr. Ye Shuaimin ^(vii)	–	–	–	–	–	–
Mr. Yang Lin ^(viii)	–	–	–	–	–	–
Sub-total	–	1,188	444	520	49	2,201
Total	–	3,120	1,192	520	125	4,957

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Year ended 31 December 2024

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expenses	Pension scheme contributions	Total remuneration
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Executive directors:						
Mr. Chen Shouxian	–	721	413	–	43	1,177
Mr. Sun Yichao ^(xvi)	–	660	404	–	43	1,107
Ms. Xiong Rong	–	540	–	–	–	540
Sub-total	–	1,921	817	–	86	2,824
Non-executive directors:						
Ms. Shao Hong ⁽ⁱ⁾	–	193	83	45	17	338
Mr. Wang Yue ⁽ⁱⁱ⁾	–	175	54	–	–	229
Ms. Chen Qunying	–	452	244	196	43	935
Mr. Mao Ping ^(iv)	–	–	–	–	–	–
Mr. Li Fei ^(v)	–	–	–	–	–	–
Mr. Qiu Jianwei ^(vi)	–	–	–	–	–	–
Mr. Ye Shuaimin ^(vii)	–	–	–	–	–	–
Mr. Yang Lin ^(viii)	–	–	–	–	–	–
Mr. Wang Kun ^(ix)	–	–	–	–	–	–
Mr. Shi Chenxing ^(x)	–	–	–	–	–	–
Sub-total	–	820	381	241	60	1,502
Total	–	2,741	1,198	241	146	4,326

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Year ended 31 December 2025

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expenses	Pension scheme contributions	Total remuneration
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:						
Mr. Chen Shouxian	–	720	325	–	49	1,094
Mr. Sun Yichao ^(xvi)	–	658	275	–	49	982
Ms. Xiong Rong	–	540	230	–	–	770
Sub-total	–	1,918	830	–	98	2,846
Non-executive directors:						
Ms. Shao Hong ⁽ⁱ⁾	–	193	83	24	20	320
Ms. Chen Qunying	–	452	198	98	49	797
Mr. Mao Ping ^(iv)	–	–	–	–	–	–
Mr. Li Fei ^(v)	–	–	–	–	–	–
Mr. Shi Chenxing ^(x)	–	–	–	–	–	–
Ms. Wang Mengqi ^(xi)	–	–	–	–	–	–
Ms. Zhao Dongmei ^(xii)	–	–	–	–	–	–
Sub-total	–	645	281	122	69	1,117
Total	–	2,563	1,111	122	167	3,963
Independent non-executive directors:						
Mr. Yu Li ^(xiii)	–	–	–	–	–	–
Mr. Zhang Li ^(xiv)	–	–	–	–	–	–
Mr. Chen Linrong ^(xv)	–	–	–	–	–	–
Total	–	–	–	–	–	–

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Six months ended 30 June 2025 (unaudited)

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expenses	Pension scheme contributions	Total remuneration
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Executive directors:						
Mr. Chen Shouxian	–	360	163	–	24	547
Mr. Sun Yichao ^(xvi)	–	329	138	–	24	491
Ms. Xiong Rong	–	270	115	–	–	385
Sub-total	–	959	416	–	48	1,423
Non-executive directors:						
Ms. Chen Qunying	–	226	99	69	24	418
Mr. Mao Ping ^(iv)	–	–	–	–	–	–
Mr. Li Fei ^(v)	–	–	–	–	–	–
Mr. Shi Chenxing ^(x)	–	–	–	–	–	–
Sub-total	–	226	99	69	24	418
Total	–	1,185	515	69	72	1,841

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Six months ended 30 June 2026

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based payment expenses	Pension scheme contributions	Total remuneration
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Executive directors:						
Mr. Chen Shouxian	–	425	171	–	24	620
Ms. Xiong Rong	–	270	121	–	–	391
Sub-total	–	695	292	–	24	1,011
Non-executive directors:						
Ms. Chen Qunying	–	265	104	29	24	422
Ms. Zhao Dongmei ^(xii)	–	–	–	–	–	–
Sub-total	–	265	104	29	24	422
Independent non-executive directors:						
Mr. Yu Li ^(xiii)	–	78	–	–	–	78
Mr. Zhang Li ^(xiv)	–	78	–	–	–	78
Mr. Chen Linrong ^(xv)	–	78	–	–	–	78
Sub-total	–	234	–	–	–	234
Total	–	1,194	396	29	48	1,667

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Notes:

- (i) On 12 June 2023, Ms. Shao Hong was appointed as a non-executive director, and on 15 May 2024 she resigned from her position as a non-executive director. On 21 August 2025, Ms. Shao Hong was re-appointed as a non-executive director, and on 25 December 2025 she resigned from her position as a non-executive director.
- (ii) On 15 May 2024, Mr. Wang Yue resigned from his position as a non-executive director.
- (iii) On 12 June 2023, Mr. Zhang Yifeng resigned from his position as a non-executive director.
- (iv) On 25 December 2025, Mr. Mao Ping resigned from his position as a non-executive director.
- (v) On 25 December 2025, Mr. Li Fei resigned from his position as a non-executive director.
- (vi) On 30 April 2024, Mr. Qiu Jianwei resigned from his position as a non-executive director.
- (vii) On 30 April 2024, Mr. Ye Shuaimin resigned from his position as a non-executive director.
- (viii) On 15 May 2024, Mr. Yang Lin resigned from his position as a non-executive director.
- (ix) On 30 April 2024, Mr. Wang Kun was appointed as a non-executive director, and on 15 May 2024, Mr. Wang Kun resigned from his position as a non-executive director.
- (x) On 30 April 2024, Mr. Shi Chenxing was appointed as a non-executive director, and on 25 December 2025, Mr. Shi Chenxing resigned from his position as a non-executive director.
- (xi) On 21 August 2025, Ms. Wang Mengqi was appointed as a non-executive director, and on 25 December 2025 Ms. Wang Mengqi resigned from his position as a non-executive director.
- (xii) On 25 December 2025, Ms. Zhao Dongmei was appointed as a non-executive director.
- (xiii) On 25 December 2025, Mr. Yu Li was appointed as an independent non-executive director.
- (xiv) On 25 December 2025, Mr. Zhang Li was appointed as an independent non-executive director.
- (xv) On 25 December 2025, Mr. Chen Linrong was appointed as an independent non-executive director.
- (xvi) On 1 September 2017, Mr. Sun Yichao was appointed as an executive director, and on 25 December 2025 Mr. Sun Yichao resigned from his position as an executive director.

During the Relevant Periods and the six months ended 30 June 2025, certain directors were granted share options and RSUs, in respect of their services to the Group, under the Employee Incentive Scheme of the Company, further details of which are set out in note 36 to the financial statements. The fair value of such options and RSUs, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors’ remuneration disclosures.

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10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 included 2 directors, 3 directors, 2 directors, 2 directors and 1 director respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration for the remaining 3, 2, 3, 3 and 4 highest paid employees who are neither a director nor chief executive of the Company during the Relevant Periods and the six months ended 30 June 2025 are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
				<i>(unaudited)</i>	
Salaries, allowances and benefits in kind	1,501	1,106	1,815	908	1,602
Performance related bonuses . . .	896	696	799	400	429
Share-based payment expenses . .	1,660	468	209	146	921
Pension scheme contributions . .	120	90	166	82	106
Total	4,177	2,360	2,989	1,536	3,058

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

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				<i>(unaudited)</i>	
Nil to HK\$1,000,000	–	–	–	3	3
HK\$1,000,001 to HK\$1,500,000 .	1	2	3	–	–
HK\$1,500,001 to HK\$2,000,000 .	2	–	–	–	1
Total	3	2	3	3	4

During the Relevant Periods and the six months ended 30 June 2025, certain employees were granted share options and RSUs, in respect of their services to the Group, under the Employee Incentive Scheme of the Company, further details of which are set out in note 36 to the financial statements. The fair value of such options and RSUs, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above five highest paid employees’ remuneration disclosures.

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11. INCOME TAX

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

Chinese mainland

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the estimated tax rate of the Group was 25% during the Relevant Periods and the six months ended 30 June 2025 on the taxable income except for those which are entitled to tax exemption set out below.

The Company obtained its “High and New Technology Enterprise” (“HNTE”) qualification since 2021 and renewed in 2024. The “HNTE” qualification was reviewed by the relevant tax authority in the PRC every three years, so it was entitled to the preferential tax rate of 15% during the Relevant Periods and the six months ended 30 June 2025.

Japan

Pursuant to the relevant tax laws of Japan, the subsidiary which operates in Japan was subject to corporate income tax at the rate of 23.2% on the taxable income during the Relevant Periods and the six months ended 30 June 2025.

United States

Pursuant to the relevant tax laws of the United States, the subsidiary which operates in the United States was subject to federal corporate income tax at a statutory rate of 21% on its taxable income during the Relevant Periods and the six months ended 30 June 2025.

Singapore

Pursuant to the relevant tax laws of Singapore, the subsidiary which operates in Singapore was subject to corporate income tax at the rate of 17% on the taxable income during the Relevant Periods and the six months ended 30 June 2025.

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
				<i>(unaudited)</i>	
Current – Charge for the year/period	–	–	22	–	–

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A reconciliation of the income tax expense applicable to loss before tax using the statutory income tax rate applicable in the Chinese mainland to the income tax expense at the Group’s effective income tax rate for the Relevant Periods and the six months ended 30 June 2025 is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
				<i>(unaudited)</i>	
Loss before tax	(113,769)	(117,856)	(99,708)	(38,411)	(63,702)
Tax at PRC statutory tax rate of 25%	(28,443)	(29,464)	(24,927)	(9,603)	(15,925)
Effect of preferential or different tax rates	11,399	11,135	9,414	3,642	7,245
Expenses not deductible for tax	405	1	157	147	120
Additional deductible allowance for research and development costs	(4,817)	(5,973)	(7,134)	(2,964)	(4,241)
Temporary differences and tax losses not recognised	21,456	24,301	22,512	8,778	12,801
Tax charge for the year/period at the Group’s effective rate	<u>–</u>	<u>–</u>	<u>22</u>	<u>–</u>	<u>–</u>

12. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods and the six months ended 30 June 2025.

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

The calculation of the basic earnings per share amounts is based on the loss for the year/period attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares outstanding during each of the Relevant Periods and the six months ended 30 June 2025 before the conversion into a joint stock company was determined by assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio of 1:1 as upon transformation into a joint stock company in November 2025.

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

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				<i>(unaudited)</i>	
Loss					
Loss attributable to ordinary equity holders of the parent					
<i>(RMB'000)</i>	(113,769)	(117,856)	(99,730)	(38,411)	(63,702)
Shares					
Weighted average number of ordinary shares in issue during the year/period (<i>'000</i>)	47,956	50,112	53,556	51,632	62,500

The calculation of diluted loss per share amounts during the Relevant Periods and the six months ended 30 June 2025 did not assume the redemption of the shares held by its equity interest holders since its inclusion would be anti-dilutive.

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14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery	Office equipment	Electronic equipment	Other equipment	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>
31 December 2023						
At 1 January 2023:						
Cost	4,528	1,365	3,295	605	7,552	17,345
Accumulated depreciation	(652)	(334)	(1,699)	(316)	(3,624)	(6,625)
Net carrying amount	<u>3,876</u>	<u>1,031</u>	<u>1,596</u>	<u>289</u>	<u>3,928</u>	<u>10,720</u>
At 1 January 2023,						
net of accumulated depreciation	3,876	1,031	1,596	289	3,928	10,720
Additions	211	170	793	1,715	–	2,889
Disposal	–	–	(3)	–	–	(3)
Disposal of a subsidiary	(488)	–	(17)	–	–	(505)
Depreciation provided during the year	<u>(436)</u>	<u>(299)</u>	<u>(911)</u>	<u>(232)</u>	<u>(1,811)</u>	<u>(3,689)</u>
At 31 December 2023,						
net of accumulated depreciation	<u>3,163</u>	<u>902</u>	<u>1,458</u>	<u>1,772</u>	<u>2,117</u>	<u>9,412</u>
At 31 December 2023:						
Cost	4,169	1,535	4,035	2,320	7,552	19,611
Accumulated depreciation	<u>(1,006)</u>	<u>(633)</u>	<u>(2,577)</u>	<u>(548)</u>	<u>(5,435)</u>	<u>(10,199)</u>
Net carrying amount	<u>3,163</u>	<u>902</u>	<u>1,458</u>	<u>1,772</u>	<u>2,117</u>	<u>9,412</u>

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	Machinery	Office equipment	Electronic equipment	Other equipment	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>
31 December 2024						
At 1 January 2024:						
Cost	4,169	1,535	4,035	2,320	7,552	19,611
Accumulated depreciation	(1,006)	(633)	(2,577)	(548)	(5,435)	(10,199)
Net carrying amount	<u>3,163</u>	<u>902</u>	<u>1,458</u>	<u>1,772</u>	<u>2,117</u>	<u>9,412</u>
At 1 January 2024,						
net of accumulated depreciation	3,163	902	1,458	1,772	2,117	9,412
Additions	564	76	221	1,072	1,961	3,894
Depreciation provided during the year	(420)	(314)	(721)	(509)	(1,830)	(3,794)
At 31 December 2024,						
net of accumulated depreciation	<u>3,307</u>	<u>664</u>	<u>958</u>	<u>2,335</u>	<u>2,248</u>	<u>9,512</u>
At 31 December 2024:						
Cost	4,733	1,611	4,256	3,392	9,513	23,505
Accumulated depreciation	(1,426)	(947)	(3,298)	(1,057)	(7,265)	(13,993)
Net carrying amount	<u>3,307</u>	<u>664</u>	<u>958</u>	<u>2,335</u>	<u>2,248</u>	<u>9,512</u>

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	Machinery	Office equipment	Electronic equipment	Other equipment	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>
31 December 2025						
At 1 January 2025:						
Cost	4,733	1,611	4,256	3,392	9,513	23,505
Accumulated depreciation	(1,426)	(947)	(3,298)	(1,057)	(7,265)	(13,993)
Net carrying amount	<u>3,307</u>	<u>664</u>	<u>958</u>	<u>2,335</u>	<u>2,248</u>	<u>9,512</u>
At 1 January 2025,						
net of accumulated depreciation	3,307	664	958	2,335	2,248	9,512
Additions	3,767	291	420	35	766	5,279
Depreciation provided during the year	<u>(442)</u>	<u>(195)</u>	<u>(572)</u>	<u>(712)</u>	<u>(1,183)</u>	<u>(3,104)</u>
At 31 December 2025,						
net of accumulated depreciation	<u>6,632</u>	<u>760</u>	<u>806</u>	<u>1,658</u>	<u>1,831</u>	<u>11,687</u>
At 31 December 2025:						
Cost	8,500	1,902	4,676	3,427	10,279	28,784
Accumulated depreciation	<u>(1,868)</u>	<u>(1,142)</u>	<u>(3,870)</u>	<u>(1,769)</u>	<u>(8,448)</u>	<u>(17,097)</u>
Net carrying amount	<u>6,632</u>	<u>760</u>	<u>806</u>	<u>1,658</u>	<u>1,831</u>	<u>11,687</u>

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	Machinery	Office equipment	Electronic equipment	Other equipment	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>
30 June 2026						
At 1 January 2026:						
Cost	8,500	1,902	4,676	3,427	10,279	28,784
Accumulated depreciation.	(1,868)	(1,142)	(3,870)	(1,769)	(8,448)	(17,097)
Net carrying amount	<u>6,632</u>	<u>760</u>	<u>806</u>	<u>1,658</u>	<u>1,831</u>	<u>11,687</u>
At 1 January 2026,						
net of accumulated depreciation	6,632	760	806	1,658	1,831	11,687
Additions	43	40	88	266	517	954
Depreciation provided during the period	(570)	(114)	(306)	(356)	(508)	(1,854)
At 30 June 2026,						
net of accumulated depreciation	<u>6,105</u>	<u>686</u>	<u>588</u>	<u>1,568</u>	<u>1,840</u>	<u>10,787</u>
At 30 June 2026:						
Cost	8,543	1,942	4,764	3,693	10,796	29,738
Accumulated depreciation.	(2,438)	(1,256)	(4,176)	(2,125)	(8,956)	(18,951)
Net carrying amount	<u>6,105</u>	<u>686</u>	<u>588</u>	<u>1,568</u>	<u>1,840</u>	<u>10,787</u>

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The Company

	Machinery	Office equipment	Electronic equipment	Other equipment	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023						
At 1 January 2023:						
Cost	3,963	1,365	3,251	605	7,552	16,736
Accumulated depreciation	(613)	(334)	(1,672)	(316)	(3,624)	(6,559)
Net carrying amount	3,350	1,031	1,579	289	3,928	10,177
At 1 January 2023,						
net of accumulated depreciation	3,350	1,031	1,579	289	3,928	10,177
Additions	206	170	793	1,715	–	2,884
Disposal	–	–	(3)	–	–	(3)
Depreciation provided during the year	(393)	(299)	(911)	(232)	(1,811)	(3,646)
At 31 December 2023,						
net of accumulated depreciation	3,163	902	1,458	1,772	2,117	9,412
At 31 December 2023:						
Cost	4,169	1,535	4,035	2,320	7,552	19,611
Accumulated depreciation	(1,006)	(633)	(2,577)	(548)	(5,435)	(10,199)
Net carrying amount	3,163	902	1,458	1,772	2,117	9,412
	Machinery	Office equipment	Electronic equipment	Other equipment	Leasehold improvements	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024						
At 1 January 2024:						
Cost	4,169	1,535	4,035	2,320	7,552	19,611
Accumulated depreciation	(1,006)	(633)	(2,577)	(548)	(5,435)	(10,199)
Net carrying amount	3,163	902	1,458	1,772	2,117	9,412
At 1 January 2024,						
net of accumulated depreciation	3,163	902	1,458	1,772	2,117	9,412
Additions	564	76	173	807	461	2,081
Depreciation provided during the year	(420)	(314)	(720)	(498)	(1,788)	(3,740)
At 31 December 2024,						
net of accumulated depreciation	3,307	664	911	2,081	790	7,753
At 31 December 2024:						
Cost	4,733	1,611	4,208	3,127	8,013	21,692
Accumulated depreciation	(1,426)	(947)	(3,297)	(1,046)	(7,223)	(13,939)
Net carrying amount	3,307	664	911	2,081	790	7,753

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	Machinery	Office equipment	Electronic equipment	Other equipment	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>
31 December 2025						
At 1 January 2025:						
Cost	4,733	1,611	4,208	3,127	8,013	21,692
Accumulated depreciation	(1,426)	(947)	(3,297)	(1,046)	(7,223)	(13,939)
Net carrying amount	<u>3,307</u>	<u>664</u>	<u>911</u>	<u>2,081</u>	<u>790</u>	<u>7,753</u>
At 1 January 2025,						
net of accumulated depreciation	3,307	664	911	2,081	790	7,753
Additions	3,758	287	403	10	160	4,618
Transfers	(4,037)	(128)	–	–	–	(4,165)
Depreciation provided during the year	<u>(413)</u>	<u>(180)</u>	<u>(558)</u>	<u>(562)</u>	<u>(576)</u>	<u>(2,289)</u>
At 31 December 2025,						
net of accumulated depreciation	<u>2,615</u>	<u>643</u>	<u>756</u>	<u>1,529</u>	<u>374</u>	<u>5,917</u>
At 31 December 2025:						
Cost	4,325	1,753	4,611	3,137	8,173	21,999
Accumulated depreciation	<u>(1,710)</u>	<u>(1,110)</u>	<u>(3,855)</u>	<u>(1,608)</u>	<u>(7,799)</u>	<u>(16,082)</u>
Net carrying amount	<u>2,615</u>	<u>643</u>	<u>756</u>	<u>1,529</u>	<u>374</u>	<u>5,917</u>

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	Machinery	Office equipment	Electronic equipment	Other equipment	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>
30 June 2026						
At 1 January 2026:						
Cost	4,325	1,753	4,611	3,137	8,173	21,999
Accumulated depreciation.	(1,710)	(1,110)	(3,855)	(1,608)	(7,799)	(16,082)
Net carrying amount	<u>2,615</u>	<u>643</u>	<u>756</u>	<u>1,529</u>	<u>374</u>	<u>5,917</u>
At 1 January 2026,						
net of accumulated depreciation	2,615	643	756	1,529	374	5,917
Additions	–	–	87	–	–	87
Depreciation provided during the period	(180)	(95)	(259)	(328)	(58)	(920)
At 30 June 2026,						
net of accumulated depreciation	<u>2,435</u>	<u>548</u>	<u>584</u>	<u>1,201</u>	<u>316</u>	<u>5,084</u>
At 30 June 2026:						
Cost	4,325	1,753	4,698	3,137	8,173	22,086
Accumulated depreciation.	(1,890)	(1,205)	(4,114)	(1,936)	(7,857)	(17,002)
Net carrying amount	<u>2,435</u>	<u>548</u>	<u>584</u>	<u>1,201</u>	<u>316</u>	<u>5,084</u>

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15. LEASES

The Group and the Company as the lessees

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

(a) *Right-of-use assets*

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

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Buildings				
At beginning of the year/period	8,368	4,012	11,400	7,622
Additions	–	11,765	1,765	4,278
Exchange realignment . . .	–	–	(21)	(1)
Depreciation charge	(4,356)	(4,377)	(5,522)	(2,943)
At end of the year/period . .	4,012	11,400	7,622	8,956

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Buildings				
At beginning of the year/period	8,368	4,012	3,220	2,412
Additions	–	2,960	1,765	4,278
Depreciation charge	(4,356)	(3,752)	(2,573)	(1,457)
At end of the year/period . .	4,012	3,220	2,412	5,233

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(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year/period are as follows:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the year/period	6,796	2,662	10,932	7,132
New leases	–	11,765	1,765	4,278
Accretion of interest recognised during the year/period	336	203	334	135
Payments	(4,470)	(3,698)	(5,898)	(2,741)
Exchange realignment	–	–	(1)	(26)
At end of the year/period	<u>2,662</u>	<u>10,932</u>	<u>7,132</u>	<u>8,778</u>
Analysed into:				
Current portion	1,836	4,782	4,005	5,272
Non-current portion	<u>826</u>	<u>6,150</u>	<u>3,127</u>	<u>3,506</u>

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the year/period	6,796	2,662	2,993	2,139
New leases	–	2,960	1,765	4,278
Accretion of interest recognised during the year/period	336	145	102	58
Payments	(4,470)	(2,774)	(2,721)	(1,783)
At end of the year/period	<u>2,662</u>	<u>2,993</u>	<u>2,139</u>	<u>4,692</u>
Analysed into:				
Current portion	1,836	1,902	1,819	2,381
Non-current portion	<u>826</u>	<u>1,091</u>	<u>320</u>	<u>2,311</u>

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

The Group

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Interest on lease liabilities . . .	336	203	334	179	135
Depreciation charge of					
right-of-use assets	4,356	4,377	5,522	2,849	2,943
Expense relating to short-term					
leases	152	107	161	40	276
Total	4,844	4,687	6,017	3,068	3,354

The Company

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Interest on lease liabilities . . .	336	145	102	50	58
Depreciation charge of					
right-of-use assets	4,356	3,752	2,573	1,309	1,457
Expense relating to short-term					
leases	152	102	150	22	31
Total	4,844	3,999	2,825	1,381	1,546

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16. OTHER INTANGIBLE ASSETS

The Group and the Company

	Patents
	<i>RMB’000</i>
31 December 2023	
At 1 January 2023:	
Cost	2,502
Accumulated amortisation	(639)
	<hr/>
Net carrying amount	1,863
	<hr/>
Cost at 1 January 2023, net of accumulated amortisation	1,863
Disposal of a subsidiary	(755)
Amortisation provided during the year	(265)
	<hr/>
At 31 December 2023	843
	<hr/>
At 31 December 2023:	
Cost	1,558
Accumulated amortisation	(715)
	<hr/>
Net carrying amount	843
	<hr/>
	Patents
	<i>RMB’000</i>
	<hr/>
31 December 2024	
At 1 January 2024:	
Cost	1,558
Accumulated amortisation	(715)
	<hr/>
Net carrying amount	843
	<hr/>
Cost at 1 January 2024, net of accumulated amortisation	843
Amortisation provided during the year	(201)
	<hr/>
At 31 December 2024	642
	<hr/>
At 31 December 2024:	
Cost	1,558
Accumulated amortisation	(916)
	<hr/>
Net carrying amount	642
	<hr/>

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	Patents
	<i>RMB’000</i>
31 December 2025	
At 1 January 2025:	
Cost	1,558
Accumulated amortisation	(916)
Net carrying amount	<u>642</u>
Cost at 1 January 2025, net of accumulated amortisation	642
Amortisation provided during the year	(201)
At 31 December 2025	<u>441</u>
At 31 December 2025:	
Cost	1,558
Accumulated amortisation	(1,117)
Net carrying amount	<u>441</u>
	Patents
	<i>RMB’000</i>
30 June 2026	
At 1 January 2026:	
Cost	1,558
Accumulated amortisation	(1,117)
Net carrying amount	<u>441</u>
Cost at 1 January 2026, net of accumulated amortisation	441
Amortisation provided during the period	(101)
At 30 June 2026	<u>340</u>
At 30 June 2026:	
Cost	1,558
Accumulated amortisation	(1,218)
Net carrying amount	<u>340</u>

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17. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group and the Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Unlisted equity investments, at fair value	—	39,878	38,128	38,491

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers the investments to be strategic in nature.

In December 2025, the Group sold 50% of its equity interest in Zhejiang Humanoid Robot Innovation Center Co., Ltd.. The fair value on the date of sale was RMB38,127,000 and the accumulated gain recognised in other comprehensive income of RMB14,127,000 was transferred to retained profits.

18. INVENTORIES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	24,434	29,714	42,324	36,925
Work in progress	7,196	10,311	5,281	21,473
Finished goods	2,719	3,997	3,224	12,206
Contract fulfillment costs	154,263	227,370	175,687	116,543
Impairment	(9,424)	(14,685)	(16,876)	(12,533)
Total	179,188	256,707	209,640	174,614

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	24,434	10,139	986	102
Work in progress	7,196	5,119	—	478
Finished goods	2,719	3,444	291	4,911
Contract fulfillment costs	154,263	222,413	178,838	121,774
Impairment	(9,424)	(9,829)	(8,196)	(6,815)
Total	179,188	231,286	171,919	120,450

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19. TRADE RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables – third parties . . .	24,778	32,864	73,802	112,499
Trade receivables – related parties . .	1,841	8,297	2,695	7,653
Impairment	(6,853)	(10,107)	(11,726)	(14,224)
Total	19,766	31,054	64,771	105,928

The normal trading terms of the Group are mainly on credit, the credit period is generally within 6 months, except for some creditworthy customers. The Group’s trade receivables are mainly due from the sale of robotic solutions and robots and others. The credit period depends on the specific payment terms in each contract. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	17,581	25,654	58,514	89,212
Over 1 but within 2 years	1,941	4,484	5,702	15,987
Over 2 but within 3 years	150	865	555	671
Over 3 years	94	51	–	58
Total	19,766	31,054	64,771	105,928

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

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of the year/period . . .	4,117	6,853	10,107	11,726
Impairment losses, net	3,161	3,254	1,901	2,504
Amount written off as uncollectible .	(425)	–	(274)	–
Foreign exchange realignment	–	–	(8)	(6)
At end of the year/period	6,853	10,107	11,726	14,224

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

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

As at 31 December 2023

	Individual basis	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total
Expected credit loss rate . .	100%	9%	24%	59%	91%	26%
Gross carrying amount (RMB’000)	3,456	19,232	2,560	364	1,007	26,619
Expected credit losses (RMB’000)	3,456	1,651	619	214	913	6,853

As at 31 December 2024

	Individual basis	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total
Expected credit loss rate . .	100%	7%	20%	47%	94%	25%
Gross carrying amount (RMB’000)	5,404	27,675	5,627	1,644	811	41,161
Expected credit losses (RMB’000)	5,404	2,021	1,143	779	760	10,107

As at 31 December 2025

	Individual basis	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total
Expected credit loss rate . .	100%	6%	18%	55%	100%	15%
Gross carrying amount (RMB’000)	4,002	62,434	6,961	1,233	1,867	76,497
Expected credit losses (RMB’000)	4,002	3,920	1,259	678	1,867	11,726

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As at 30 June 2026

	Individual basis	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total
Expected credit loss rate . .	100%	6%	14%	63%	96%	12%
Gross carrying amount (RMB’000)	2,925	95,208	18,638	1,800	1,581	120,152
Expected credit losses (RMB’000)	2,925	5,996	2,651	1,129	1,523	14,224

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Trade receivables – third parties . . .	24,778	32,459	71,768	112,468
Trade receivables – subsidiaries . . .	–	46,318	50,269	32,522
Trade receivables – other related parties	1,841	8,297	2,695	7,653
Impairment	(6,853)	(10,107)	(11,598)	(14,224)
Total	19,766	76,967	113,134	138,419

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

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Within 1 year	17,581	71,567	60,559	94,186
Over 1 year but within 2 years	1,941	4,484	52,020	43,504
Over 2 years but within 3 years	150	865	555	671
Over 3 years	94	51	–	58
Total	19,766	76,967	113,134	138,419

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

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of the year/period . . .	3,654	6,853	10,107	11,598
Impairment losses, net	3,273	3,254	1,765	2,626
Amount written off as uncollectible .	(74)	–	(274)	–
At end of the year/period	6,853	10,107	11,598	14,224

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

As at 31 December 2023

	Individual basis	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total
Expected credit loss rate . .	100%	9%	24%	59%	91%	26%
Gross carrying amount (<i>RMB'000</i>)	3,456	19,232	2,560	364	1,007	26,619
Expected credit losses (<i>RMB'000</i>)	3,456	1,651	619	214	913	6,853

As at 31 December 2024

	Individual basis	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total
Expected credit loss rate . .	100%	3%	20%	47%	94%	12%
Gross carrying amount (<i>RMB'000</i>)	5,404	73,588	5,627	1,644	811	87,074
Expected credit losses (<i>RMB'000</i>)	5,404	2,021	1,143	779	760	10,107

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As at 31 December 2025

	Individual basis	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total
Expected credit loss rate . .	100%	6%	2%	55%	100%	9%
Gross carrying amount (RMB’000)	4,002	64,352	53,278	1,233	1,867	124,732
Expected credit losses (RMB’000)	4,002	3,793	1,258	678	1,867	11,598

As at 30 June 2026

	Individual basis	Within 1 year	Over 1 year but within 2 years	Over 2 years but within 3 years	Over 3 years	Total
Expected credit loss rate . .	100%	6%	6%	63%	96%	9%
Gross carrying amount (RMB’000)	2,925	100,182	46,155	1,800	1,581	152,643
Expected credit losses (RMB’000)	2,925	5,996	2,651	1,129	1,523	14,224

20. BILLS RECEIVABLE

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Bank acceptance bills	3,011	9,673	3,314	5,656
Commercial acceptance bills	62	—	—	—
Less: Impairment allowance	(4)	—	—	—
Total	3,069	9,673	3,314	5,656

The bank acceptance bills held by the Group were mostly issued by reputable banks with short-term maturity. Accordingly, the identified impairment loss was assessed to be minimal as at each reporting date.

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The movements in the loss allowance for impairment of bills receivable are as follows:

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the year/period . . .	–	4	–	–
Impairment losses on financial assets, net	4	(4)	–	–
At end of the year/period	4	–	–	–

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Bank acceptance bills	3,011	9,673	3,314	1,323
Commercial acceptance bills	62	–	–	–
Less: Impairment allowance	(4)	–	–	–
Total	3,069	9,673	3,314	1,323

The bank acceptance bills held by the Group were mostly issued by reputable banks with short-term maturity. Accordingly, the identified impairment loss was assessed to be minimal as at each reporting date.

The movements in the loss allowance for impairment of bills receivable are as follows:

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the year/period . . .	–	4	–	–
Impairment losses on financial assets, net	4	(4)	–	–
At end of the year/period	4	–	–	–

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21. CONTRACT ASSETS

The Group and the Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contract assets arising from:				
Warranty retention receivables . . .	8,127	14,138	34,131	47,225
Less: Impairment of contract assets	(2,618)	(3,398)	(5,472)	(6,713)
Net carrying amount	<u>5,509</u>	<u>10,740</u>	<u>28,659</u>	<u>40,512</u>

Contract assets are initially recognised for the revenue earned from sales of products and the receipt of retention consideration is conditional on expiration of the warranty period. Upon expiration of the warranty period, the amounts recognised as contract assets are reclassified as trade receivables.

The expected timing of recovery or settlement for contract assets as at the end of each of the Relevant Periods is as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	5,163	7,828	24,171	35,330
Over 1 but within 2 years	346	1,898	4,479	4,401
Over 2 but within 3 years	–	1,014	9	781
Total.	<u>5,509</u>	<u>10,740</u>	<u>28,659</u>	<u>40,512</u>

The movements in the impairment of contract assets are as follows:

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of the year/period	1,577	2,618	3,398	5,472
Impairment losses, net.	<u>1,041</u>	<u>780</u>	<u>2,074</u>	<u>1,241</u>
At end of the year/period	<u>2,618</u>	<u>3,398</u>	<u>5,472</u>	<u>6,713</u>

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22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Prepayments	10,120	6,016	4,485	5,283
Other receivables	2,451	4,409	4,922	4,328
Deductible value-added tax	966	5,379	12,675	11,626
Prepaid expenses	119	103	169	283
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	13,656	15,907	23,090	23,533
Impairment allowance	(307)	(1,952)	(1,928)	(2,114)
Total-current	13,349	13,955	21,162	21,419
Non-current				
Prepayments for long-term assets	–	–	–	2,002
Total-non-current	–	–	–	2,002

The movements in the provision for impairment of other receivables are as follows:

	Year ended 31 December			Six months ended 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the year/period	–	307	1,952	1,928
Impairment losses, net	318	1,645	(24)	186
Amount written off as uncollectible	(11)	–	–	–
At end of the year/period	307	1,952	1,928	2,114

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The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Prepayments	10,120	4,366	38,293	34,883
Other receivables	2,451	3,014	4,268	3,717
Deductible value-added tax	966	716	2,701	111
Prepaid expenses	119	204	169	283
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	13,656	8,300	46,270	41,007
Impairment allowance	(307)	(1,952)	(1,928)	(2,058)
Total-current	13,349	6,348	44,342	38,949
Non-current				
Prepayments for long-term assets	—	—	—	2,002
Total-non-current	—	—	—	2,002

The movements in the provision for impairment of other receivables are as follows:

	Year ended 31 December			Six months ended
	2023	2024	2025	30 June
	RMB'000	RMB'000	RMB'000	2026
At beginning of the year/period	—	307	1,952	1,928
Impairment losses	318	1,645	—	130
Amount written off as uncollectible	(11)	—	(24)	—
At end of the year/period	307	1,952	1,928	2,058

Prepayments mainly represent advance payments to suppliers.

Other receivables mainly represent deposits with customers.

The Group has applied the general approach in calculating the expected credit loss for other receivables. The Group considers the historical loss rate and adjusts for forward-looking macroeconomic data in calculating the expected credit loss rate.

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23. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group and the Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Bills receivable	6,707	4,421	3,470	1,393

For bills receivable that were held both for collection of contractual cash flows and selling, where the contractual cash flows of these bills receivable represented solely payments of principal and interest on the principal amount outstanding, they were classified as debt investments at fair value through other comprehensive income.

Accordingly, the identified impairment loss was assessed to be minimal as at each reporting date.

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and the Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Wealth management products	–	30,099	5,070	110,118

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

25. CASH AND CASH EQUIVALENTS, RESTRICTED BANK DEPOSITS AND TIME DEPOSITS

The Group

(a) Cash and cash equivalents

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Cash and cash equivalents	29,249	130,092	336,355	217,870
Denominated in RMB	19,385	122,942	308,498	182,006
Denominated in JPY	–	2,165	4,262	6,972
Denominated in EUR	241	451	494	451
Denominated in USD	9,623	4,534	23,101	28,441
Total	29,249	130,092	336,355	217,870

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(b) *Restricted bank deposits*

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Restricted bank deposits	2,293	7,674	11,953	22,689
For bank guarantees	2,293	1,289	6,435	758
For bank acceptance bills	–	1,167	4,912	12,769
Others	–	5,218	606	9,162
Total	2,293	7,674	11,953	22,689

(c) *Time deposits*

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Time deposits	64,074	–	20,375	10,253
Short-term time deposits due over three months but within one year	64,074	–	10,227	–
Time deposits due over one year	–	–	10,148	10,253
Total	64,074	–	20,375	10,253

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

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

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The Company

(a) Cash and cash equivalents

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and equivalents	29,249	119,691	271,991	191,249
Denominated in RMB	19,385	113,857	245,392	159,721
Denominated in JPY	–	849	3,111	3,207
Denominated in EUR	241	451	494	451
Denominated in USD	9,623	4,534	22,994	27,870
Total	29,249	119,691	271,991	191,249

(b) Restricted bank deposits

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Restricted bank deposits	2,293	7,674	11,953	22,689
For bank guarantees	2,293	1,289	6,435	758
For bank acceptance bills	–	1,167	4,912	12,769
Others	–	5,218	606	9,162
Total	2,293	7,674	11,953	22,689

(c) Time deposits

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Time deposits	64,074	–	20,375	10,253
Short-term time deposits due over three months but within one year	64,074	–	10,227	–
Time deposits due over one year	–	–	10,148	10,253
Total	64,074	–	20,375	10,253

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26. TRADE AND BILLS PAYABLES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	24,711	71,832	69,066	77,119
Bills payable	5,332	4,298	24,815	50,334
Total	30,043	76,130	93,881	127,453

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

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	23,784	69,156	75,852	113,536
Over one year	6,259	6,974	18,029	13,917
Total	30,043	76,130	93,881	127,453

The trade payables are non-interest-bearing and are normally settled on of 30 to 90 days terms.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables – third parties	24,711	58,019	28,965	22,132
Trade payables – other related parties	–	839	3	147
Trade payables – subsidiaries	–	19,293	–	4,298
Subtotal	24,711	78,151	28,968	26,577
Bills payable	5,332	4,298	27,457	56,000
Total	30,043	82,449	56,425	82,577

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

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within one year	23,784	75,475	38,396	71,750
Over one year	6,259	6,974	18,029	10,827
Total	30,043	82,449	56,425	82,577

The trade payables are non-interest-bearing and are normally settled on of 30 to 90 days terms.

27. OTHER PAYABLES AND ACCRUALS

The Group

	Note	As at 31 December			As at 30 June
		2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
Employee benefit payables . . .		14,907	13,430	16,231	20,350
Value-added and other taxes payable		2,854	10,660	462	1,391
Other payables	(a)	4,458	6,161	7,147	2,884
[REDACTED] expense payables		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total		22,219	30,251	27,458	29,639

Note:

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

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The Company

	Note	As at 31 December			As at 30 June
		2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
Employee benefit payables . . .		14,907	12,882	14,788	18,619
Value-added and other taxes payable		2,854	10,545	159	1,042
Other payables	(b)	4,458	4,408	4,123	11,409
[REDACTED] expense payables		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total		22,219	27,835	22,688	36,084

Note:

(b) Other payables are non-interest-bearing with a non-fixed term.

28. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group and the Company

	31 December 2023			31 December 2024			31 December 2025		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current									
Bank loans – unsecured	2.8–4.0	2024	49,956	2.7–4.0	2025	82,908	1.4–2.8	2026	86,391
Other loans – secured	–	–	–	2.8	2025	14,023	–	–	–
Total			49,956			96,931			86,391

	30 June 2026		
	<u>Effective</u> <u>interest rate (%)</u>	<u>Maturity</u>	<u>RMB'000</u>
Current			
Bank loans – unsecured	2.2–2.5	2026–2027	<u>72,989</u>
Total			<u>72,989</u>

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	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Analysed into:				
Current portion:				
Within one year	49,956	96,931	86,391	72,989

Notes:

- (a) The Group’s and the Company’s interest-bearing bank and other borrowings are all denominated in RMB.
- (b) The Group’s other borrowings amounting to nil, RMB14,023,000, nil and nil as at 31 December 2023, 2024, 2025 and 30 June 2026, respectively, were secured by certain of the Group’s other intangible assets with aggregate net carrying amounts of approximately of nil, RMB642,000, nil and nil, respectively.

29. CONTRACT LIABILITIES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Advances received from customers .	102,986	127,764	91,105	72,151

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Advances received from customers .	102,986	127,764	91,048	71,073

30. REDEMPTION FINANCIAL LIABILITIES

The Group and the Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Redemption financial liabilities . . .	503,007	665,694	1,011,239	1,074,331

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The movements of the redemption financial liabilities during the Relevant Periods are set out below:

	Redemption financial liabilities
	<i>RMB’000</i>
At 1 January 2023	470,524
Accretion of interest recognised during the year	32,483
At 31 December 2023 and 1 January 2024	<u>503,007</u>
Addition	125,000
Accretion of interest recognised during the year	37,687
At 31 December 2024 and at 1 January 2025	<u>665,694</u>
Addition	298,369
Accretion of interest recognised during the year	47,176
At 31 December 2025 and 1 January 2026	<u>1,011,239</u>
Addition	30,000
Accretion of interest recognised during the period	33,092
At 30 June 2026	<u>1,074,331</u>

Presentation and classification

From 2016 to 2026, the Company conducted several series of financing by issuing registered capital to investors and certain investors were granted customary special rights, including but not limited to the redemption rights, liquidation preferences and anti-dilution rights. The redemption financial liabilities represented the redemption rights granted to certain investors of the Company. Shares with redemption rights shall be redeemable by the Company upon occurrence of specified triggering events, such as the resignation of the ultimate controlling shareholder and non-completion of a qualified [REDACTED] by 25 September 2027.

On 29 July 2025, the Company and all shareholders entered into a supplemental agreement to amend and temporarily terminate the special rights granted to the shareholders. The previously suspended redemption right will automatically revive with full retroactive effect if any of the following occurs: (i) the Company withdraws the [REDACTED], or the Company fails to renew the [REDACTED] within three months after the lapse of the [REDACTED], or the Company fails to re-submit materials within six months or other period as may be unanimously agreed by the parties after the [REDACTED] is returned by the competent authorities; (ii) the Stock Exchange, SFC or the CSRC rejects, declines to approve or register the [REDACTED]; (iii) the Company fails to consummate the [REDACTED] within 18 months after the filing of the [REDACTED]. Upon any triggering event, the redemption right would be fully reinstated as if it had never been terminated.

The redemption amount for each investor will be the investment amount paid by such investor plus annual simple interest at a rate of 8% for the period between the capital injection date and the redemption date. The redemption financial liabilities were initially recognised at the present value of the redemption amounts payable upon exercise of the redemption rights, with corresponding debits made to other reserves in equity, and subsequently measured at amortised cost with interests included in “Finance costs on redemption financial liabilities” in the statement of profit or loss.

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31. PROVISION

The Group and the Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of the year/period	1,628	193	200	3,751
Additional provision	8,077	13,767	22,539	9,485
Amounts utilised during the year/period	(9,512)	(13,760)	(18,988)	(7,275)
At end of the year/period	<u>193</u>	<u>200</u>	<u>3,751</u>	<u>5,961</u>

32. OTHER LONG-TERM PAYABLES

The Group and the Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Other long-term payables	<u>–</u>	<u>20,173</u>	<u>–</u>	<u>–</u>

Note:

- (a) Other long-term payables represent a loan borrowed from Ningbo Yunyi Enterprise Management Partnership (Limited Partnership) with a nominal amount of RMB20,000,000 from 10 October 2024 to 9 October 2026, with an interest rate of 3.8%. According to the loan agreement, the Group shall repay the entire principal amount and the corresponding interest upon maturity on 9 October 2026. If the loan is not fully repaid with both the principal and interest upon maturity date, the Group shall transfer the equity of Zhejiang Humanoid Robot Innovation Center Co., Ltd. it holds, in proportion to the corresponding portion of the unpaid loan principal relative to the original capital contribution, to Ningbo Yunyi Enterprise Management Partnership (Limited Partnership). On 30 December 2025, the Group repaid the loan borrowed from Ningbo Yunyi Enterprise Management Partnership (Limited Partnership).

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33. PAID-IN CAPITAL/SHARE CAPITAL

The Group and the Company

A summary of movements in the Company’s paid-in capital/share capital is as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Issued and fully paid:				
Paid-in capital/Share capital	47,956	51,632	61,765	62,647

The ordinary shares of the Company do not have a par value.

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

	Numbers of ordinary shares	Paid-in capital/Share capital RMB’000
At 1 January 2023, 31 December 2023 and 1 January 2024	N/A	47,956
Issue of new shares	N/A	3,676
At 31 December 2024	N/A	51,632
Issue of new shares before conversion into a joint stock (i)	N/A	5,721
Conversion into a joint stock (ii)	57,352,941	–
Issue of new shares after conversion into a joint stock. (iii)	4,411,766	4,412
At 31 December 2025 and 1 January 2026 . . .	61,764,707	61,765
Issue of new shares (iv)	882,353	882
At 30 June 2026	62,647,060	62,647

- (i) In August 2025, the Company received capital contributions of RMB90,000 in cash from Ningbo Meishan Bonded Port Jiabo Investment Management Partnership Enterprise (Limited Partnership) (寧波梅山保稅港區迦博投資管理合夥企業(有限合夥)), RMB1,000,000 in cash from Hangzhou Jiarui Investment Management Partnership Enterprise (Limited Partnership) (杭州迦睿投資管理合夥企業(有限合夥)), RMB954,040 in cash from Ms. Xiong Rong, RMB75,000,000 in cash from Quzhou High Quality Development Equity Investment Partnership (Limited Partnership) (衢州高質量發展股權投資合夥企業(有限合夥)), RMB50,000,000 in cash from Zhejiang SUPCON Information Technology Co., Ltd. (浙江中控信息產業股份有限公司), respectively. As a result, RMB5,721,000 and RMB121,324,000 were credited to the Company’s paid-in capital and capital reserves respectively.

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- (ii) Pursuant to the shareholders’ resolutions dated 30 August 2025, all promoters (being all the then Shareholders) agreed to convert the Company from a limited liability company into a joint stock limited company. Upon completion of the conversion, the share capital was RMB57,352,941 divided into 57,352,941 shares with a nominal value of RMB1.00 each, which were subscribed by all the then shareholders in proportion to their respective equity interests in the Company before the conversion. The conversion was completed on 26 November 2025.
- (iii) In December 2025, the Company received capital contributions of RMB30,000,000 in cash from Taizhou Caitong Future Intelligent Venture Capital Partnership (Limited Partnership) (台州財通未來智能創業投資合夥企業(有限合夥)), RMB120,000,000 in cash from Yuhuan City Caitong Yufu Equity Investment Partnership (Limited Partnership) (玉環市財通玉富股權投資合夥企業(有限合夥)), RMB28 in cash from Ms. Xiong Rong, respectively. As a result, approximately RMB4,412,000 and RMB145,588,000 were credited to the Company’s share capital and capital reserves respectively.
- (iv) In January 2026, the Company received a capital contribution of RMB30,000,000 in cash from Yuhuan Yongxi Talent Venture Capital Partnership (Limited Partnership) (玉環市永禧人才創業投資合夥企業(有限合夥)). As a result, approximately RMB882,000 and RMB29,118,000 were credited to the Company’s share capital and capital reserves respectively.

34. RESERVES

The Group

The amounts of the Group’s reserves and the movements therein for the Relevant Periods and the six months ended 30 June 2025 are presented in the consolidated statements of changes in equity.

(a) *Capital reserve*

The capital reserve of the Group represents the difference between the par value of the shares issued and the consideration received.

(b) *Share-based payment reserve*

The share-based payment reserve represents the equity-settled share awards which have been granted to the employees of the Group.

(c) *Other reserves*

Other reserves of the Group represent the amounts of the equity shares with redemption features as set out in note 30.

(d) *Exchange fluctuation reserve*

The exchange fluctuation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group’s presentation currency.

(e) *Fair value reserve of financial assets at fair value through other comprehensive income*

The fair value reserve of financial assets at fair value through other comprehensive income represents the fair value change of the financial assets of equity investments designated at fair value through other comprehensive income as set out in note 17.

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The Company

Year ended 31 December 2023

	Capital reserve	Other reserves	Share-based payment reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Accumulated losses	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>
At 1 January 2023	314,619	(406,031)	10,853	–	(229,769)	(310,328)
Loss for the year	–	–	–	–	(114,056)	(114,056)
Share-based payments	–	–	2,833	–	–	2,833
At 31 December 2023	<u>314,619</u>	<u>(406,031)</u>	<u>13,686</u>	<u>–</u>	<u>(343,825)</u>	<u>(421,551)</u>

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Year ended 31 December 2024

	Capital reserve	Other reserves	Share-based payment reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Accumulated losses	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>
At 1 January 2024	314,619	(406,031)	13,686	–	(343,825)	(421,551)
Loss for the year	–	–	–	–	(110,811)	(110,811)
Other comprehensive income for the year:						
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	19,878	–	19,878
Total comprehensive loss for the year	–	–	–	19,878	(110,811)	(90,933)
Share-based payments . . .	–	–	1,733	–	–	1,733
Recognition of redemption financial liabilities	–	(125,000)	–	–	–	(125,000)
Proceeds from issue of shares	121,324	–	–	–	–	121,324
Share issue expenses	(2,376)	–	–	–	–	(2,376)
At 31 December 2024 . . .	433,567	(531,031)	15,419	19,878	(454,636)	(516,803)

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Year ended 31 December 2025

	Capital reserve	Other reserves	Share-based payment reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Accumulated losses	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>
At 1 January 2025	433,567	(531,031)	15,419	19,878	(454,636)	(516,803)
Loss for the year	–	–	–	–	(90,545)	(90,545)
Other comprehensive income for the year:						
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	36,377	–	36,377
Total comprehensive loss for the year	–	–	–	36,377	(90,545)	(54,168)
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income . . .	–	–	–	(14,127)	14,127	–
Conversion into a joint-stock company . . .	(285,655)	–	(10,013)	(28,000)	323,668	–
Share-based payments . . .	–	–	762	–	–	762
Recognition of redemption financial liabilities	–	(298,369)	–	–	–	(298,369)
Proceeds from issue of shares	266,912	–	–	–	–	266,912
Share issue expenses	(2,179)	–	–	–	–	(2,179)
At 31 December 2025 . . .	412,645	(829,400)	6,168	14,128	(207,386)	(603,845)

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Six months ended 30 June 2025 (unaudited)

	Capital reserve	Other reserves	Share-based payment reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Accumulated losses	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>
At 1 January 2025	433,567	(531,031)	15,419	19,878	(454,636)	(516,803)
Loss for the period (unaudited).	–	–	–	–	(38,406)	(38,406)
Other comprehensive income for the period:						
Change in fair value of equity investments at fair value through other comprehensive income, net of tax (unaudited)	–	–	–	8,122	–	8,122
Total comprehensive loss for the period (unaudited)	–	–	–	8,122	(38,406)	(30,284)
Share-based payments (unaudited).	–	–	279	–	–	279
At 30 June 2025 (unaudited).	<u>433,567</u>	<u>(531,031)</u>	<u>15,698</u>	<u>28,000</u>	<u>(493,042)</u>	<u>(546,808)</u>

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ACCOUNTANTS’ REPORT

Six months ended 30 June 2026

	Capital reserve	Other reserves	Share-based payment reserve	Fair value reserve of financial assets at fair value through other comprehensive income	Accumulated losses	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>
At 1 January 2026	412,645	(829,400)	6,168	14,128	(207,386)	(603,845)
Loss for the period	–	–	–	–	(70,154)	(70,154)
Other comprehensive income for the period:						
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	–	–	–	363	–	363
Total comprehensive loss for the period	–	–	–	363	(70,154)	(69,791)
Share-based payments.	–	–	1,385	–	–	1,385
Recognition of redemption financial liabilities	–	(30,000)	–	–	–	(30,000)
Proceeds from issue of shares	29,118	–	–	–	–	29,118
At 30 June 2026	441,763	(859,400)	7,553	14,491	(277,540)	(673,133)

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35. DISPOSAL OF A SUBSIDIARY

On 20 April 2023, the Group entered into an agreement with an independent third party to dispose of the 100% equity interests in Tianjin Jiazi Robot Technology Co., Ltd. for a cash consideration of RMB5,000,000.

	30 April 2023
	<i>RMB’000</i>
Net assets disposed of:	
Property, plant and equipment	505
Other intangible assets	755
Inventories	3,363
Prepayments, deposits and other receivables	1,163
Contract assets	836
Trade receivables	3,183
Cash and cash equivalents	4,299
Interest-bearing bank and other borrowings	(3,000)
Trade and bills payables	(173)
Other payables and accruals	(3,660)
Contract liabilities	(3,215)
	4,056
Gain on disposal of a subsidiary	944
Total consideration	5,000
Satisfied by:	
Cash	5,000

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	31 December 2023
	<i>RMB’000</i>
Cash consideration	5,000
Cash and bank balances disposed of	(4,299)
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	701

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36. SHARE-BASED PAYMENTS

The Group operates share-based incentive schemes (the “Employee Incentive Scheme”) under which the share options and restricted stock units (“RSUs”) of the Company will be granted as share incentives to qualified employees through an employee shareholding platform Hangzhou Jiarui Investment Management Partnership (Limited Partnership) (“Hangzhou Jiarui”, “杭州迦睿投資管理合夥企業(有限合夥)”), which was established in 2016 and directly holds a total of 9.94% equity in the Company. Ms. Xiong Rong is the general partner of the employee shareholding platform.

(1) Equity-settled share options

On 1 September 2020, the Group adopted an employee incentive scheme. The Group issued 228,000 shares to the employee shareholding platform at a total consideration of RMB638,400 to hold the underlying shares for share options with an exercise price of RMB2.80 per share. Share options granted to directors and employees are subject to a service condition requiring continuous service for four years from the grant date. The Group accounts for the scheme as an equity-settled plan.

The share options granted and outstanding during the Relevant Periods and the six months ended 30 June 2025 are as follows:

	Year ended 31 December	
	2023	2024
	'000	'000
At the beginning of year	104	50
Vested during the year	(52)	(50)
Forfeited during the year	(2)	–
At the end of the year	50	–

The fair values of the share options granted were estimated as at the grant date by an external valuer by using the binary tree option pricing model. The following table lists the key inputs to the fair value model used:

	At grant date
Expected volatility	49.50%
Risk-free interest rate %	3.15%
Expected life of options (year)	7.07
Weighted average share price (RMB per share)	2.80

(2) Equity-settled RSUs

On 30 June 2022, the Group adopted an employee incentive scheme. During the year ended 31 December 2022, 1,047,707 shares of RSUs of the Company were granted to eligible participants of the scheme at a subscription price of RMB3.00 per share. The fair value of the shares of the scheme on the grant date was RMB8.12 per share. RSUs granted to directors and employees are subject to a performance condition and a service condition requiring continuous service for four years from the grant date. The Group accounts for the scheme as an equity-settled plan.

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On 1 December 2025, the Group adopted an employee incentive scheme. During the year ended 31 December 2025, 312,000 shares of RSUs of the Company were granted to eligible participants of the Scheme at subscription price of RMB3.30 per share. The fair value of the shares of the Scheme on the grant date was RMB18.26 per share. RSUs granted to directors and employees are subject to a performance condition and a service condition requiring continuous service for four years from the grant date. The Group accounts for the scheme as an equity-settled plan.

The fair value of services received in return for a share award granted is measured by reference to the fair value of the share award granted less the consideration received by the Group.

Movements in RSUs granted to the Group’s employees are as follows:

	Number of RSUs				
	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	'000	'000	'000	'000	'000
				<i>(unaudited)</i>	
At the beginning of year/period	1,048	786	524	524	574
Granted during the year/period	–	–	312	–	–
Forfeited during the year/period	–	–	–	–	(9)
Vested during the year/period	(262)	(262)	(262)	(262)	(253)
At the end of the year/period	786	524	574	262	312

The fair value is determined by an external valuer by using the back-solve method and equity allocation based on the option pricing model (“OPM”).

	At grant dates
Expected volatility	42.26%~54.23%
Risk-free interest rate %	1.42%~2.68%

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, the Group recognised share-based payment expenses of RMB2,833,000, RMB1,733,000, RMB762,000, RMB279,000 (unaudited) and RMB1,385,000, respectively.

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods, the Group had non-cash additions to right-of-use assets of nil, RMB11,765,000, RMB1,765,000 and RMB4,278,000, and lease liabilities of nil, RMB11,765,000, RMB1,765,000 and RMB4,278,000 respectively, in respect of lease arrangements for buildings.

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(b) Changes in liabilities arising from financing activities

31 December 2023

	Lease liabilities	Interest- bearing bank and other borrowings	Redemption financial liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	6,796	1,000	470,524	478,320
Changes from financing				
cash flows	(4,470)	48,057	–	43,587
Interest expense	336	899	32,483	33,718
At 31 December 2023	<u>2,662</u>	<u>49,956</u>	<u>503,007</u>	<u>555,625</u>

31 December 2024

	Lease liabilities	Interest- bearing bank and other borrowings	Other long-term payables	Redemption financial liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024	2,662	49,956	–	503,007	555,625
Changes from financing					
cash flows	(3,698)	44,756	20,000	125,000	186,058
New leases	11,765	–	–	–	11,765
Interest expense	203	2,219	173	37,687	40,282
At 31 December 2024	<u>10,932</u>	<u>96,931</u>	<u>20,173</u>	<u>665,694</u>	<u>793,730</u>

31 December 2025

	Lease liabilities	Interest- bearing bank and other borrowings	Other long-term payables	Redemption financial liabilities	[REDACTED] expense payable	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>
At 1 January 2025	10,932	96,931	20,173	665,694	[REDACTED]	793,730
Changes from financing						
cash flows	(5,898)	(13,760)	(20,939)	298,369	[REDACTED]	257,291
New leases	1,765	–	–	–	[REDACTED]	1,765
Interest expense	334	3,220	766	47,176	[REDACTED]	51,496
[REDACTED] expense	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Exchange realignment	(1)	–	–	–	[REDACTED]	–
At 31 December 2025	<u>7,132</u>	<u>86,391</u>	<u>–</u>	<u>1,011,239</u>	<u>[REDACTED]</u>	<u>1,105,121</u>

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30 June 2026

	Lease liabilities	Interest- bearing bank and other borrowings	Redemption financial liabilities	[REDACTED] expense payable	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2026	7,132	86,391	1,011,239	[REDACTED]	1,105,121
Changes from financing					
cash flows	(2,741)	(14,272)	30,000	[REDACTED]	11,934
New leases	4,278	–	–	[REDACTED]	4,278
Interest expense	135	870	33,092	[REDACTED]	34,097
[REDACTED] expense . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Exchange realignment	(26)	–	–	[REDACTED]	(24)
At 30 June 2026	8,778	72,989	1,074,331	[REDACTED]	1,156,580

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

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Within operating activities . . .	152	107	161	40	276
Within financing activities . . .	4,470	3,698	5,898	2,999	2,741

38. COMMITMENTS

(a) The Group had the following contractual commitments as at each reporting end:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Property, plant and equipment	–	–	–	2,338

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39. RELATED PARTY TRANSACTIONS

(a) Names of related parties and relationships with the Group

Name of related parties	Relationship with the Group
SUPCON Technology Co., Ltd.	The shareholder, Chu Jian, has significant influence over the company
SUPCON Technology (Fuyang) Co., Ltd. . . .	The shareholder, Chu Jian, has significant influence over the company
SUPCON Quanshi Technology (Ningbo) Co., Ltd.	The shareholder, Chu Jian, has significant influence over the company
SUPCON Sensing Technology (Zhejiang) Co., Ltd.	The shareholder, Chu Jian, has significant influence over the company
SUPCON Technology (Singapore) Pte. Ltd . .	The shareholder, Chu Jian, has significant influence over the company
Zhejiang Plantmate Internet Co., Ltd.	The shareholder, Chu Jian, has significant influence over the company
Zhejiang Humanoid Robot Innovation Center Co., Ltd.	The shareholder, Xiong Rong, is a member of the key management personnel of the entity
Ningbo Yunyi Enterprise Management Partnership (Limited Partnership)	The shareholder, Chu Jian, directly holds 99% of the company’s equity
VisionNav Robotics (Shenzhen) Co., Ltd. . . .	The shareholder, Li Fei, is a member of the key management personnel of the entity

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- (b) The Group had the following transactions with related parties during the Relevant Periods and the six months ended 30 June 2025:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(unaudited)</i>	
Sales					
VisionNav Robotics (Shenzhen) Co., Ltd.	–	–	2,059	2,042	–
Zhejiang Humanoid Robot Innovation Center Co., Ltd. .	–	183	1,555	325	8,778
Zhejiang Plantmate Internet Co., Ltd.	–	1,157	377	198	362
SUPCON Technology (Fuyang) Co., Ltd.	–	–	332	–	175
SUPCON Technology Co., Ltd.	670	16,249	175	–	2,359
SUPCON Technology (Singapore) Pte. Ltd..	715	–	–	–	8
SUPCON Quanshi Technology (Ningbo) Co., Ltd.	–	242	–	–	–
SUPCON Sensing Technology (Zhejiang) Co., Ltd.	2	–	–	–	–
Total	<u>1,387</u>	<u>17,831</u>	<u>4,498</u>	<u>2,565</u>	<u>11,682</u>
Purchase					
Zhejiang Plantmate Internet Co., Ltd.	–	1,002	59	–	130
SUPCON Technology (Fuyang) Co., Ltd.	–	6	–	–	–
Total	<u>–</u>	<u>1,008</u>	<u>59</u>	<u>–</u>	<u>130</u>
Borrowings – cost					
Ningbo Yunyi Enterprise Management Partnership (Limited Partnership)	<u>–</u>	<u>20,000</u>	<u>–</u>	<u>–</u>	<u>–</u>
Repayment of borrowings					
Ningbo Yunyi Enterprise Management Partnership (Limited Partnership) (a)	<u>–</u>	<u>–</u>	<u>(20,000)</u>	<u>–</u>	<u>–</u>
Borrowings – interest					
Ningbo Yunyi Enterprise Management Partnership (Limited Partnership)	<u>–</u>	<u>173</u>	<u>766</u>	<u>382</u>	<u>–</u>

Note:

- (a) In December 2025, the Group repaid the loan borrowed from Ningbo Yunyi Enterprise Management Partnership (Limited Partnership).

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(c) **Outstanding balances with related parties:**

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade related:				
Trade receivables				
VisionNav Robotics (Shenzhen)				
Co., Ltd.	1,251	1,251	1,782	1,782
SUPCON Technology Co., Ltd.	370	6,763	98	1,165
Zhejiang Humanoid Robot Innovation				
Center Co., Ltd.	–	126	394	4,256
SUPCON Technology (Fuyang)				
Co., Ltd.	–	–	224	119
SUPCON Quanshi Technology				
(Ningbo) Co., Ltd.	–	82	82	82
SUPCON Technology (Singapore)				
Pte. Ltd	75	75	75	–
Zhejiang Plantmate Internet Co., Ltd. . .	145	–	40	249
Total	1,841	8,297	2,695	7,653
Contract assets				
VisionNav Robotics (Shenzhen)				
Co., Ltd..	337	337	569	569
SUPCON Technology Co., Ltd.	226	1,224	1,186	1,126
SUPCON Technology (Fuyang)				
Co., Ltd..	–	–	38	20
Zhejiang Plantmate Internet Co., Ltd . . .	–	–	20	58
Total	563	1,561	1,813	1,773
Trade and bills payables				
Zhejiang Plantmate Internet Co., Ltd.. . .	–	839	3	147
Contract liabilities				
SUPCON Technology Co., Ltd.	3,341	708	3,833	3,540
VisionNav Robotics (Shenzhen)				
Co., Ltd..	1,207	1,384	–	–
SUPCON Quanshi Technology (Ningbo)				
Co., Ltd.	169	–	–	–
Zhejiang Plantmate Internet Co., Ltd. . .	–	–	28,115	27,962
Total	4,717	2,092	31,948	31,502
Non-trade related:				
Other long-term payables				
Ningbo Yunyi Enterprise Management				
Partnership (Limited Partnership) . . .	–	20,173	–	–

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- (i) The directors consider that the sales and purchases were undertaken on commercial terms similar to those offered to/by unrelated customers/suppliers in the ordinary course of business of the relevant companies.
- (ii) Trade related: The amounts due from related parties are unsecured, interest-free and repayable on demand. And the amounts due to related parties are unsecured, interest-free and have no fixed terms of repayment.
- (iii) Non-trade related: Other long-term payables represent a loan borrowed from Ningbo Yunyi Enterprise Management Partnership (Limited Partnership) with a nominal amount of RMB20,000,000 from 10 October 2024 to 9 October 2026, with an interest rate of 3.8%. On 30 December 2025, the Group repaid the loan borrowed from Ningbo Yunyi Enterprise Management Partnership (Limited Partnership).

40. FINANCIAL INSTRUMENTS BY CATEGORY

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

As at 31 December 2023

Financial assets

	Financial assets at fair value through other comprehensive income		
	Debt investments	Financial assets at amortised cost	Total
	RMB'000	RMB'000	RMB'000
Trade receivables	–	19,766	19,766
Bills receivable	–	3,069	3,069
Debt investments at fair value through other comprehensive income	6,707	–	6,707
Financial assets included in prepayments, other receivables and other assets	–	2,144	2,144
Restricted bank deposits	–	2,293	2,293
Time deposits	–	64,074	64,074
Cash and cash equivalents	–	29,249	29,249
Total	6,707	120,595	127,302

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Financial liabilities

	Financial liabilities at amortised cost
	RMB’000
Trade and bills payables	30,043
Financial liabilities included in other payables and accruals (<i>note 27</i>)	4,458
Interest-bearing bank and other borrowings	49,956
Redemption financial liabilities	503,007
Total	587,464

As at 31 December 2024

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Financial assets at amortised cost	Total
	Mandatorily designated as such	Equity investments	Debt investments		
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Trade receivables	–	–	–	31,054	31,054
Bills receivable	–	–	–	9,673	9,673
Debt investments at fair value through other comprehensive income	–	–	4,421	–	4,421
Financial assets included in prepayments, other receivables and other assets	–	–	–	2,457	2,457
Financial assets at fair value through profit or loss	30,099	–	–	–	30,099
Equity investments at fair value through other comprehensive income	–	39,878	–	–	39,878
Restricted bank deposits	–	–	–	7,674	7,674
Cash and cash equivalents	–	–	–	130,092	130,092
Total	30,099	39,878	4,421	180,950	255,348

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Financial liabilities

	Financial liabilities at amortised cost
	<i>RMB’000</i>
Trade and bills payables	76,130
Financial liabilities included in other payables and accruals (<i>note 27</i>)	6,161
Interest-bearing bank and other borrowings	96,931
Redemption financial liabilities	665,694
Other long-term payables (<i>note 32</i>)	20,173
Total	865,089

As at 31 December 2025

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Financial assets at amortised cost	Total
	Mandatorily designated as such	Equity investments	Debt investments	Financial assets at amortised cost	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade receivables	–	–	–	64,771	64,771
Bills receivable	–	–	–	3,314	3,314
Debt investments at fair value through other comprehensive income	–	–	3,470	–	3,470
Financial assets included in prepayments, other receivables and other assets	–	–	–	2,994	2,994
Financial assets at fair value through profit or loss	5,070	–	–	–	5,070
Equity investments at fair value through other comprehensive income	–	38,128	–	–	38,128
Restricted bank deposits	–	–	–	11,953	11,953
Time deposits	–	–	–	20,375	20,375
Cash and cash equivalents	–	–	–	336,355	336,355
Total	5,070	38,128	3,470	439,762	486,430

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Financial liabilities

	Financial assets at amortised cost
	<i>RMB’000</i>
Trade and bills payables	93,881
Financial liabilities included in other payables and accruals (<i>note 27</i>)	10,765
Interest-bearing bank and other borrowings	86,391
Redemption financial liabilities	1,011,239
Total	1,202,276

As at 30 June 2026

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Financial assets at amortised cost	Total
	Mandatorily designated as such	Equity investments	Debt investments		
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade receivables	–	–	–	105,928	105,928
Bills receivable	–	–	–	5,656	5,656
Debt investments at fair value through other comprehensive income	–	–	1,393	–	1,393
Financial assets included in prepayments, other receivables and other assets	–	–	–	2,214	2,214
Financial assets at fair value through profit or loss	110,118	–	–	–	110,118
Equity investments at fair value through other comprehensive income	–	38,491	–	–	38,491
Restricted bank deposits	–	–	–	22,689	22,689
Time deposits	–	–	–	10,253	10,253
Cash and cash equivalents	–	–	–	217,870	217,870
Total	110,118	38,491	1,393	364,610	514,612

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Financial liabilities

	Financial assets at amortised cost
	RMB’000
Trade and bills payables	127,453
Financial liabilities included in other payables and accruals (<i>note 27</i>)	7,898
Interest-bearing bank and other borrowings	72,989
Redemption financial liabilities	1,074,331
Total	1,282,671

41. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

The Group endorsed certain bills receivable included in bills receivable, which were all accepted by banks in the Chinese mainland (the “Endorsed Bills”) to certain suppliers in order to settle the trade payables due to such suppliers (the “Endorsement”). The aggregate amounts of the Endorsed Bills that were not due were RMB1,564,000, RMB8,609,000, RMB1,789,200 and RMB5,084,620 as at 31 December 2023, 2024, 2025, and 30 June 2026, respectively. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. In addition, the Group discounted certain bills receivable not yet due as of year/period end accepted by banks in Chinese mainland (the “Discounted Notes”) with a carrying amount in aggregate of nil, nil, RMB2,888,000 and nil as at 31 December 2023, 2024, 2025, and 30 June 2026, respectively. (the “Discount”). In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Endorsed Notes and the Discounted Notes have the right of recourse against the Group if the Chinese mainland banks default (the “Continuing Involvement”).

Transferred financial assets that are derecognised in their entirety

The Group endorsed certain bills receivable included in debt investments at fair value through other comprehensive income, which were accepted by banks in the Chinese mainland (the “Derecognised Bills”) to certain suppliers in order to settle the trade and other payables due to such suppliers. The aggregate amounts of the Derecognised Bills that were not due were RMB1,515,000, RMB7,419,000, RMB30,634,000 and RMB12,954,000 at 31 December 2023, 2024, 2025, and 30 June 2026, respectively. In addition, the Group discounted certain bills receivable not yet due as of year/period end accepted by banks in Chinese mainland (the “Discounted Notes”) with a carrying amount in aggregate of RMB nil, RMB nil, RMB nil and RMB20,000,000 as at 31 December 2023, 2024, 2025, and 30 June 2026, respectively. (the “Discount”). The derecognised bills had a maturity of 1 to 6 months at the end of the Relevant Periods. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the “Continuing Involvement”). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

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During the Relevant Periods, the Group has not recognised any gain or loss on the date of transfer of the Endorsed Bills. No gains or losses were recognised from the Continuing Involvement, both during the reporting period and cumulatively. The endorsement has been made evenly throughout the year/period.

42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group’s financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts				Fair values			
	As at 31 December			As at 30 June	As at 31 December			As at 30 June
	2023	2024	2025	2026	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets								
Time deposits – non-current portion	–	–	10,148	10,253	–	–	10,148	10,253
Financial assets at fair value through profit or loss	–	30,099	5,070	110,118	–	30,099	5,070	110,118
Debt investments at fair value through other comprehensive income	6,707	4,421	3,470	1,393	6,707	4,421	3,470	1,393
Equity investments at fair value through other comprehensive income	–	39,878	38,128	38,491	–	39,878	38,128	38,491
Total	6,707	74,398	56,816	160,255	6,707	74,398	56,816	160,255
Financial liabilities								
Other long-term payables	–	20,173	–	–	–	20,143	–	–

Management has assessed that the fair values of cash and cash equivalents, restricted bank deposits, the current portion of time deposits, trade and bills receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, the current portion of interest-bearing bank and other borrowings and redemption financial liabilities, approximate to their carrying amounts largely due to the short term maturities of these instruments.

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

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

The fair values of the bills receivable classified as financial assets at fair value through other comprehensive income have been calculated by discounting the expected future cash flows. In addition, the bills receivable will mature within one year, and thus their fair values approximate to their carrying values.

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

For the fair value of the unlisted equity investments at fair value through other comprehensive income, management applies valuation techniques mainly comprising recent transaction price to determine fair value.

The fair values of the non-current portion of time deposits and other long-term payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group’s own non-performance risk for the non-current portion of time deposits and other long-term payables as at 30 June 2026 were assessed to be insignificant.

For the fair value of the unlisted equity investments at fair value through other comprehensive income, management has estimated the potential effect of using reasonably possible alternatives as inputs to the valuation model.

For equity investments at fair value through other comprehensive income, the Group adopts the valuation techniques to determine the fair value. Valuation techniques include the market comparison approach, etc. The fair value measurement of these financial instruments may involve unobservable inputs such as credit spread, liquidity discount, etc. Fair value change resulting from changes in the unobservable inputs was not significant. The Group periodically reviews all significant unobservable inputs and valuation adjustments used to measure the fair values of financial assets in Level 3.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2023, 2024 ,2025 and 30 June 2026:

	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Range</u>	<u>Sensitivity of fair value to the input</u>
Equity investments at fair value through other comprehensive income	Recent transaction price	Recent transaction price	N/A	N/A

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Fair value hierarchy

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

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Debt investments at fair value through other comprehensive income	–	6,707	–	6,707

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Debt investments at fair value through other comprehensive income . .	–	4,421	–	4,421
Equity investments at fair value through other comprehensive income . .	–	–	39,878	39,878
Financial assets at fair value through profit or loss	–	30,099	–	30,099
Total	–	34,520	39,878	74,398

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As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Debt investments at fair value through other comprehensive income . .	–	3,470	–	3,470
Equity investments at fair value through other comprehensive income . .	–	–	38,128	38,128
Financial assets at fair value through profit or loss	–	5,070	–	5,070
Total	–	8,540	38,128	46,668

As at 30 June 2026

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Debt investments at fair value through other comprehensive income . .	–	1,393	–	1,393
Equity investments at fair value through other comprehensive income . .	–	–	38,491	38,491
Financial assets at fair value through profit or loss	–	110,118	–	110,118
Total	–	111,511	38,491	150,002

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

The Group did not have any financial liabilities measured at fair value as at 31 December 2023, 2024, 2025 and 30 June 2026.

Assets for which fair values are disclosed:

The Group did not have any financial assets for which fair values are disclosed as at 31 December 2023 and 2024.

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As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Time deposits – non-current portion	–	10,148	–	10,148

As at 30 June 2026

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Time deposits – non-current portion	–	10,253	–	10,253

Liabilities for which fair values are disclosed:

As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Other long-term payables	–	20,143	–	20,143

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments comprise interest-bearing bank and other borrowings and cash and time deposits. The main purpose of these financial instruments is to raise finance for the Group’s operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

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

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(a) Foreign currency risk

The Group principally conducted business in RMB and is exposed to foreign currency risk with respect to transactions denominated in currencies other than RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in currencies that are not the functional currencies of the relevant group entities.

	Increase/ (decrease) in USD/RMB rate	Increase/ (decrease) in loss before tax	Increase/ (decrease) in equity
	%	RMB’000	RMB’000
31 December 2023			
If the USD weakens against the RMB	(5)	(481)	(481)
If the USD strengthens against the RMB	5	481	481
31 December 2024			
If the USD weakens against the RMB	(5)	(280)	(280)
If the USD strengthens against the RMB	5	280	280
31 December 2025			
If the USD weakens against the RMB	(5)	(1,391)	(1,391)
If the USD strengthens against the RMB	5	1,391	1,391
30 June 2026			
If the USD weakens against the RMB	(5)	(1,518)	(1,518)
If the USD strengthens against the RMB	5	1,518	1,518

(b) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by analysis by customer/counterparty, by geographical region and by industry sector. As at the end of each of the Relevant Periods and 30 June 2026, the Group had certain concentrations of credit risk as 8.90%, 16.81%, 30.37% and 29.47% of the Group’s trade receivables were due from the Group’s largest customer, respectively, and 34.28%, 41.68%, 48.48% and 50.63% of the Group’s trade receivables were due from the Group’s five largest customers, respectively.

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

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31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables* . .	–	–	–	26,619	26,619
Bills receivable*	–	–	–	3,073	3,073
Contract assets*	–	–	–	8,127	8,127
Financial assets at fair value through other comprehensive income	–	–	–	6,707	6,707
Financial assets included in prepayments, other receivables and other assets** .	2,451	–	–	–	2,451
Restricted bank deposits	2,293	–	–	–	2,293
Time deposits	64,074	–	–	–	64,074
Cash and cash equivalents	29,249	–	–	–	29,249
Total	98,067	–	–	44,526	142,593

31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables* . .	–	–	–	41,161	41,161
Bills receivable*	–	–	–	9,673	9,673
Contract assets*	–	–	–	14,138	14,138
Financial assets at fair value through other comprehensive income	–	–	–	4,421	4,421
Financial assets included in prepayments, other receivables and other assets** .	2,750	–	1,659	–	4,409
Restricted bank deposits	7,674	–	–	–	7,674
Cash and cash equivalents	130,092	–	–	–	130,092
Total	140,516	–	1,659	69,393	211,568

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31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables* . . .	–	–	–	76,497	76,497
Bills receivable*	–	–	–	3,314	3,314
Contract assets*	–	–	–	34,131	34,131
Financial assets at fair value through other comprehensive income	–	–	–	3,470	3,470
Financial assets included in prepayments, other receivables and other assets**	3,263	–	1,659	–	4,922
Restricted bank deposits	11,953	–	–	–	11,953
Time deposits	20,375	–	–	–	20,375
Cash and cash equivalents	336,355	–	–	–	336,355
Total	371,946	–	1,659	117,412	491,017

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30 June 2026

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables* . . .	–	–	–	120,152	120,152
Bills receivable*	–	–	–	5,656	5,656
Contract assets*	–	–	–	47,225	47,225
Financial assets at fair value through other comprehensive income	–	–	–	1,393	1,393
Financial assets included in prepayments, other receivables and other assets**	2,669	–	1,659	–	4,328
Restricted bank deposits	22,689	–	–	–	22,689
Time deposits	10,253	–	–	–	10,253
Cash and cash equivalents	217,870	–	–	–	217,870
Total	253,481	–	1,659	174,426	429,566

* For trade receivables, bills receivable and contract assets to which the Group applies the simplified approach for impairment, information based on the expected credit loss rate is disclosed in note 19, note 20 and note 21 to the Historical Financial Information.

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

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(c) Liquidity risk

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other cash flows are closely monitored on an ongoing basis.

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

Group

31 December 2023							
	Within 1 year or on demand	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bills payables	30,043	–	–	–	–	–	30,043
Financial liabilities included in other payables and accruals	4,458	–	–	–	–	–	4,458
Interest-bearing bank and other borrowings . . .	50,730	–	–	–	–	–	50,730
Lease liabilities . .	1,911	853	–	–	–	–	2,764
Redemption financial liabilities	503,007	–	–	–	–	–	503,007
Total	590,149	853	–	–	–	–	591,002

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Group

31 December 2024							
	Within 1 year or on demand	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and bills							
payables	76,130	–	–	–	–	–	76,130
Financial liabilities							
included in other							
payables and							
accruals	6,161	–	–	–	–	–	6,161
Interest-bearing							
bank and other							
borrowings . . .	98,363	–	–	–	–	–	98,363
Lease liabilities . .	5,075	3,977	2,378	–	–	–	11,430
Redemption							
financial							
liabilities	665,694	–	–	–	–	–	665,694
Other long-term							
payables	–	21,520	–	–	–	–	21,520
Total	851,423	25,497	2,378	–	–	–	879,298

Group

	31 December 2025					
	Within 1 year or on demand	1 to 2 years	2 to 3 years	3 to 4 years	Over 5 years	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and bills payables	93,881	–	–	–	–	93,881
Financial liabilities included in other payables and accruals . .	10,765	–	–	–	–	10,765
Interest-bearing bank and other borrowings	87,360	–	–	–	–	87,360
Lease liabilities	5,062	3,230	–	–	–	8,292
Redemption financial liabilities . .	1,011,239	–	–	–	–	1,011,239
Total	1,208,307	3,230	–	–	–	1,211,537

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Group

30 June 2026						
	Within 1 year or on demand	1 to 2 years	2 to 3 years	3 to 4 years	Over 5 years	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade and bills payables	127,453	–	–	–	–	127,453
Financial liabilities included in other payables and accruals . .	7,898	–	–	–	–	7,898
Interest-bearing bank and other borrowings	73,834	–	–	–	–	73,834
Lease liabilities	5,456	2,288	1,440	–	–	9,184
Redemption financial liabilities . .	1,074,331	–	–	–	–	1,074,331
Total	1,288,972	2,288	1,440	–	–	1,292,700

Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

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44. EVENTS AFTER 30 JUNE 2026

There are no significant subsequent events undertaken by the Company or by the Group after 30 June 2026.

45. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 30 June 2026.