



2025

Annual Report

廣東華沿機器人股份有限公司
Guangdong Huayan Robotics Co., Ltd.



(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code : 1021



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Corporate Information

Directors

Executive Directors

Mr. Wang Guangneng (*Chairman of the Board and General Manager*)

Mr. Zhang Guoping (*Chief Technology Officer*)

Mr. Zhang Yingtao (*Chief Financial Officer and Secretary to the Board*)

Non-executive Director

Dr. Fang Bin

Independent Non-executive Directors

Dr. Wang Yihua

Dr. Huang Kai

Ms. Gao Li

Audit Committee

Dr. Wang Yihua (*Chairman*)

Dr. Huang Kai

Ms. Gao Li

Remuneration Committee

Dr. Wang Yihua (*Chairman*)

Mr. Wang Guangneng

Ms. Gao Li

Nomination Committee

Dr. Wang Yihua (*Chairman*)

Mr. Wang Guangneng

Ms. Gao Li

Authorized Representatives

Mr. Zhang Yingtao

Ms. Chan Pui Ching

Joint Company Secretaries

Mr. Zhang Yingtao

Ms. Chan Pui Ching

Head Office and Principal Place of Business in the PRC

Room 1101, Building 9

Haichuang Dazuo Robot Intelligent

Manufacturing Center

No. 3, Erzhi Industrial Avenue

Xihai Village, Beijiao Town

Shunde District, Foshan City

Guangdong, PRC

Principal Place of Business in Hong Kong

Room 1919, 19/F

Lee Garden One

33 Hysan Avenue

Causeway Bay

Hong Kong

Hong Kong Share Registrar

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

Principal Bank(s)

Industrial and Commercial Bank of China

Shenzhen Hi-Tech Park Central Branch

Southeast Corner, 1-2/F

Han's Technology Center

No. 9988 Shennan Avenue

Nanshan District, Shenzhen

Guangdong Province, PRC

China Merchants Bank

Shenzhen Branch, Shajing Sub-branch

G/F, Xinghe Building

No. 100 Shajing Central Road

Bao'an District, Shenzhen

Guangdong Province, PRC

Corporate Information

Auditor

Ernst & Young

Certified Public Accountants

Registered Public Interest Entity Auditors

27/F, One Taikoo Place

979 King's Road, Quarry Bay

Hong Kong

Compliance Adviser

Gram Capital Limited

Room 1209

12/F, Nan Fung Tower

88 Connaught Road Central/

173 Des Voeux Road Central

Central

Hong Kong

Hong Kong Legal Advisers

Clifford Chance

27/F, Jardine House

One Connaught Place

Central

Hong Kong

PRC Legal Advisers

King & Wood Mallesons

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2666 Keyuan South Road, Nanshan District

Shenzhen, Guangdong 518052

PRC

Company Website

<https://www.huayan-robotics.com/>

Stock Code

1021

Definitions

In this report, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acting in Concert Agreement”	the concert party agreement dated April 30, 2025 entered into by and amongst Mr. Wang Guangneng and Mr. Zhang Guoping
“affiliate”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“Articles of Association” or “Articles”	the articles of association of our Company adopted on May 29, 2025 as amended, which shall become effective on the Listing Date as amended, supplemented or otherwise modified from time to time
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of our Company
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this annual report, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Company”, “our Company” or “the Company”	Guangdong Huayan Robotics Co., Ltd. (廣東華沿機器人股份有限公司) (previously known as Guangdong Huayan Robotics Co., Ltd. (廣東華沿機器人有限公司) and Shenzhen Dazu Robot Co., Ltd. (深圳市大族機器人有限公司)), a limited liability company incorporated in the PRC on September 7, 2017 and converted into a joint stock limited liability company on May 22, 2025, the H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1021)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Wang Guangneng, Mr. Zhang Guoping, Zhirentuan Tech, Zhirentuan, Zhirenxing, Xianzhikong, Zhirenying, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun, which are regarded as a group of Controlling Shareholders

Definitions

“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules as amended, supplemented or otherwise modified from time to time
“Director(s)” or “our Director(s)”	the director(s) of our Company
“Employee Incentive Platform(s)”	Zhirenxing, Zhirenle, Zhirenju, Zhirenxue, and/or Zhirenyun, as the context may require
“Founders”	the founders of the Company, namely Mr. Wang Guangneng and Mr. Zhang Guoping
“Global Offering”	has the meaning ascribed to it in the Prospectus
“Group”, “our Group”, “we” or “us”	our Company and our subsidiaries
“Guide for New Listing Applicants” or “Guide”	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
“H Share(s)”	Ordinary share(s) in the share capital of our Company with a nominal value of RMB0.2 each, which is/are to be subscribed for and traded in HK dollars and were listed on the Hong Kong Stock Exchange on March 30, 2026
“Han’s Laser”	Han’s Laser Technology Industry Group Co., Ltd. (大族激光科技產業集團股份有限公司), a company established under the laws of the PRC and listed on the Shenzhen Stock Exchange (stock code: 002008), one of our Pre-IPO Investors and substantial shareholders
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars,” “HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Offer Shares”	the 4,039,400 H Shares offered by us for subscription at the Offer Price pursuant to the Hong Kong Public Offering (subject to reallocation as described in the section headed “Structure of the Global Offering” in the Prospectus)
“Hong Kong Public Offering”	the offering of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price on and subject to the terms and conditions in the Prospectus

Definitions

“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Huayan Robotics Technology”	Shenzhen Huayan Robotics Technology Co., Ltd (深圳市華沿機器人科技有限公司), a limited liability company established under the laws of the PRC on June 9, 2021, one of our subsidiaries
“IFRS”	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by IASB and the International Accounting Standards (IAS) and interpretations issued by the International Accounting Standards Committee (IASC)
“Jiutian Power Technology”	Guangdong Jiutian Power Technology Co., Ltd. (廣東九天動力科技有限公司), a limited liability company established under the laws of the PRC on September 24, 2020 and one of our subsidiaries
“Latest Practicable Date”	27 April, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this annual report prior to its publication
“Listing”	listing of the H Shares on the Main Board of the Hong Kong Stock Exchange
“Listing Date”	March 30, 2026, on which our H Shares are listed and from which dealings therein are permitted to take place on the Hong Kong Stock Exchange
“Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with Growth Enterprise Market of the Hong Kong Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules, as amended, supplemented or otherwise modified from time to time
“Nomination Committee”	the nomination committee of the Board
“Pathfinder SII(s)”	has the meaning ascribed thereto under the Guide
“Prospectus”	the prospectus of the Company's Hong Kong public offering dated March 20, 2026
“Remuneration Committee”	the remuneration committee of the Board

Definitions

“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB0.2 each, comprising Unlisted Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“treasury share(s)”	has the meaning ascribed thereto under the Listing Rules
“Unlisted Share(s)”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB0.2 each, which are not listed on any stock exchange
“Xianzhikong”	Shenzhen Xianzhikong Enterprise Management Partnership (Limited Partnership) (深圳市獻智控企業管理合夥企業(有限合夥)), a limited liability partnership established in PRC on September 4, 2020, one of our Shareholders ultimately controlled by Mr. Wang Guangneng
“Zhirenju”	Shenzhen Zhirenju Enterprise Management Partnership (Limited Partnership) (深圳市智人聚企業管理合夥企業(有限合夥)), a limited liability partnership established in PRC on May 16, 2025, one of our Employee Incentive Platforms
“Zhirenle”	Shenzhen Zhirenle Enterprise Management Partnership (Limited Partnership) (深圳市智人樂企業管理合夥企業(有限合夥)), a limited liability partnership established in PRC on May 7, 2025, one of our Employee Incentive Platforms
“Zhirentuan”	Sichuan Zhirentuan Enterprise Management Partnership (Limited Partnership) (四川智人團企業管理合夥企業(有限合夥)), a limited liability partnership established in PRC on April 29, 2020, one of our Shareholders ultimately controlled by Mr. Wang Guangneng

Definitions

“Zhirentuan Tech”	Shenzhen Zhirentuan Technology Co., Ltd. (深圳市智人團技術有限公司), a limited liability company established in the PRC on June 19, 2020, one of our Controlling Shareholders
“Zhirenxing”	Shenzhen Zhirenxing Enterprise Management Partnership (Limited Partnership) (深圳市智人行企業管理合夥企業(有限合夥)), a limited liability partnership established in PRC on March 25, 2021, one of our Employee Incentive Platforms
“Zhirenxue”	Shenzhen Zhirenxue Enterprise Management Partnership (Limited Partnership) (深圳市智人學企業管理合夥企業(有限合夥)), a limited liability partnership established in PRC on May 9, 2025, one of our Employee Incentive Platforms
“Zhirenying”	Foshan Zhirenying Enterprise Management Partnership (Limited Partnership) (佛山市智人營企業管理有限合夥(有限合夥)), a limited liability partnership established in PRC on April 18, 2025, one of our Shareholders ultimately controlled by Mr. Wang Guangneng
“Zhirenyun”	Shenzhen Zhirenyun Enterprise Management Partnership (Limited Partnership) (深圳市智人雲企業管理合夥(有限合夥)), a limited liability partnership established in PRC on May 20, 2025, one of our Employee Incentive Platforms
“%”	percent

Financial Highlight

A summary of the results, assets and liabilities of the Group for the last four financial years* is as follows:

	For the year ended 31 December			
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	109,442	175,380	310,441	386,867
Gross profit	15,006	50,230	106,433	145,469
Gross profit margin	13.7%	28.6%	34.3%	37.6%
Profit before tax	(84,867)	(39,547)	16,709	(36,450)
Profit for the year	(83,366)	1,895	17,869	(29,917)
Adjusted net profit	(70,535)	71,468	17,869	25,725

	For the year ended 31 December			
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Total non-current assets	31,057	67,094	130,872	200,559
Total current assets	460,362	517,121	485,691	467,767
Total current liabilities	79,410	100,571	117,552	131,901
Total non-current liabilities	7,016	5,579	2,752	12,285
Total equity	404,993	478,065	496,259	524,140

* The Company was listed on the Stock Exchange on March 30, 2026, and therefore no financial information for the year ended December 31, 2021 has been published.

Management Discussion and Analysis

I. BUSINESS REVIEW

In 2025, the Group achieved total revenue of RMB386.9 million, representing a year-on-year increase of 24.6%, and adjusted net profit of RMB25.7 million, representing a year-on-year increase of 44.0%. The Group's cobots and core motion components have been widely applied in an increasing number of application scenarios and regions, with continuous improvement in financial performance and constant enhancement in profitability.

Leveraging our capabilities spanning cobot hardware and hardware-native HRC Embodied Intelligence Control Platform, the Group's cobots deliver high stability, precision and motion control. Our product architecture further enables customers and system integrators to conduct secondary development and tailor functionality to specific use cases, therefore our cobots are adopted across a broad range of industry sectors, including 3C electronics, automotive, semiconductors, healthcare, metal processing and logistics. The Group has continuously expanded its core motion component product portfolio, covering the core demand for high-precision and high-reliability motion components in fields including humanoid robots, semiconductors, and precision testing.

Furthermore, our full-stack capabilities, coupled with an integrated hardware-software product design, further facilitate product integration with AI technologies. Proprietary HRC Embodied Intelligence Control Platform of the Group integrates the FlexMind training system and the scenario – rich SkillBank process library, collectively underpinning an intelligent platform equipped with embodied intelligent perception, decision-making vertical scenario-specific process algorithms and cobot development.

Anchored in technological innovation and a scenario-centric go-to-market strategy, the Group has cultivated a customer base across key international markets, spanning leading companies in high-end manufacturing, semiconductors, new energy and medical testing, as well as robotics companies. The Group's major customers include numerous leading suppliers of semiconductor automation equipment, logistics automation equipment, CNC machine tool manufacturers, gene sequencing equipment suppliers, welding equipment manufacturers, humanoid robot companies, among others.

(1) Full-stack hardware and software capabilities deliver industry-leading product performance

Leveraging our integrated hardware-software product design, the Group has developed a comprehensive product portfolio encompassing cobots and core motion components. The Group's offerings address diverse industrial automation needs across sectors, as well as the demand for precision motion components in humanoid robotics, embodied intelligence systems and cobot applications.

Management Discussion and Analysis

Cobots

The Group's cobots combine high precision, high flexibility, and high safety, and can be seamlessly integrated into dynamic industrial environments. In 2025, the Group's sales revenue from cobots was RMB286.8 million (2024: RMB235.5 million), representing an increase of 21.8% as compared to last year.

Our cobot portfolio comprises two primary product lines — the E Series and the S Series — both integrated with our proprietary HRC Embodied Intelligence Control Platform.

1) E Series

The E Series cobots primarily include the Elfin-Basic, Elfin-Pro and Elfin-Ex series, which are specifically designed for high-precision tasks. They adopt a self-developed dual-joint module design to provide greater flexibility and operating range, while simultaneously enhancing system rigidity and improving precision. The E Series is equipped with self-developed high-performance motors. When paired with self-developed servo drives, the joint control frequency can reach up to 2kHz. It also combines proprietary technologies for identifying and compensating for kinematic errors and high-order dynamic flexibility.

In 2025, the Group launched the high-speed version of the E Series, which is tailored for rhythm-driven production lines with stringent manufacturing requirements, further expanding the E Series' industry coverage and application scenarios. The Group also rolled out the second-generation Elfin-Pro model, built with an internal gigabit Ethernet architecture. It greatly boosts the transmission efficiency of high-resolution sensor data and strengthens the system's real-time perception and control capabilities in complex operating environments. More importantly, this model minimizes external wiring for a streamlined, cleaner structure and easier deployment. It fully meets the stringent environmental standards required by high-end scenarios such as semiconductors and medical equipment, boasting broad market prospects.

2) S Series

The S Series comprises both light-duty and heavy-duty cobots. In 2025, the Group launched the S60 model under the S Series, featuring a maximum payload of 60 kg and equipped with self-developed high-performance frameless torque motors. Combined with an optimized reducer design, it maintains joint temperatures within a normal range even under full-load operation.

The S Series of the Group delivers outstanding high-payload capabilities. It provides superior rigidity, stability and efficiency for high-load and high-throughput industrial scenarios, including palletizing, machine tool loading and unloading, material handling and logistics automation.

Management Discussion and Analysis

Core Motion Components

The Group develops and manufactures a suite of effective core motion components, including frameless torque motors, servo drives, joint modules and precision motion platforms. The Group is the only cobot provider among top players in China that offers our core motion components for external sales. In 2025, the Group's sales revenue from core motion components was RMB99.0 million (2024: RMB72.7 million), representing an increase of 36.2% as compared to last year.

1) Frameless torque motors

Frameless torque motors are designed to deliver high torque at low speeds and are widely used in cobots to enhance accuracy and repeatability. The Group's frameless torque motors (i) enhanced torque through optimized pole-slot and magnetic circuit design, achieving up to 72 Nm and 18.7 Nm/kg — about 20% above international peers, (ii) superior heat dissipation enabled by high-conductivity epoxy and advanced vacuum potting for cooler, more reliable operation, (iii) low loss and high efficiency with slot geometry and winding processes, reducing resistance and boosting torque output, and (iv) high product consistency achieved through automated precision manufacturing.

In 2025, the Group developed a modular drive motor for humanoid robots featuring high power density, ultra-low vibration and jitter characteristics, specifically designed for scenarios in the industrial field where humanoid robots require high performance and high stability.

2) Servo drives

Leveraging over two decades of development experience, the Group has integrated FPGA based control architecture with the EtherCAT communication protocol to support high frequency, low latency multi axis coordination, enhancing performance in robotic motion control systems include (i) safety, achieved through advanced control architectures that ensure reliable operation; (ii) precision, enabled by high order trajectory planning and feedforward control that minimise tracking errors; (iii) vibration and jitter suppression, delivered through mechanical resonance suppression and iterative learning algorithms; and (iv) encoder protocol compatibility for flexible system integration.

3) Joint module

Joint modules are integrated assemblies that combine core motion components into a single unit to enable precise and efficient robotic joint movement. The Group offers two types of joint modules: cobot joint modules and humanoid joint modules.

The Group's cobot joint modules are designed to enhance flexibility, precision and ease of maintenance for cobot applications, and their key features include (i) a dual joint modular design that integrates two joints into one module to enhance flexibility and reduce maintenance complexity; (ii) high integration of core components with self-developed torque motors, high response servos, precision encoders and torque sensors for integrated drive-control-sensing achieves repeat positioning accuracy up to ± 0.015 mm and absolute positioning accuracy of ± 0.15 mm with power off memory; and (iii) high protection and reliability, featuring an IP68 rating for dust and water resistance and EtherCAT control for fast, stable communication.

Management Discussion and Analysis

The humanoid joint module of the Group features (i) an integrated modular design that compactly combines dual encoders, a torque sensor, brake, reducer, torque motor, drive system and temperature sensors with strong disturbance resistance; (ii) a lightweight and compact structure; (iii) precise control and high dynamic response enabled by dual absolute encoders, advanced force control algorithms, low jitter and high repeatability; (iv) a 2 kHz control frequency that ensures smooth, agile movement in high intensity tasks; and (v) versatile compatibility for arm, leg, neck and waist joints. At present, the Group's humanoid joint module products have entered small-batch testing or mass production stages at numerous leading humanoid robot enterprises.

4) Precision motion platform

Precision motion platforms are advanced mechanical systems designed to deliver ultra fine, stable and accurate multi axis motion for applications where precise positioning is critical, such as gene sequencing, optical communications and semiconductor manufacturing. Our offerings include XY(T) precision motion platforms, which are designed for high speed, high stability planar motion and are well suited for applications such as line scan imaging and inspection requiring smooth and continuous horizontal movement, and Z precision motion platforms, which focus on high precision vertical positioning with fast response and are suitable for short stroke, high frequency applications such as micro alignment, focusing and precision lifting in industrial and scientific environments.

The Group's precision motion platforms have been mass-adopted by leading equipment manufacturers in industrial measurement, inspection and semiconductor testing sectors. This fully demonstrates the Group's strong technological edge and robust long-term growth potential.

HRC Embodied Intelligence Control Platform

The Group's HRC embodied intelligence control platform is an all-in-one control system capable of multi-modal perception, autonomous decision-making and precise execution to enable intelligent human-machine collaboration. Serving as the scenario-based, scalable foundational layer within the Group's cobot product portfolio, the HRC platform empowers customers to develop cobot applications that support dynamic, real-time interaction between cobots and complex industrial environments.

The modular architecture of the HRC embodied intelligence control platform, which separates the perception, decision-making and execution layers, allows for independent updates and customized expansion of each core module, thereby achieving rapid algorithm upgrades, task-specific software deployment and edge execution, enabling customized adaptation for predefined application scenarios without the need to change the underlying cobot system. The platform also features an architecture that supports rapid integration and customization. Through open APIs and compatibility with mainstream communication protocols (such as EtherCAT and ProfileNet, namely an Ethernet-based industrial fieldbus standard developed by PROFIBUS & PROFINET International for real-time industrial automation), as well as support for mainstream robot operating systems such as ROS, the HRC platform enables customers to interface with third-party vision systems, force sensors and upper-level manufacturing execution systems ("MES"), thereby achieving broader ecosystem collaboration, simplifying workflow integration and accelerating the deployment of specific scenario applications.

Management Discussion and Analysis

The Group's HRC platform delivers full-chain intelligent support, spanning multi-modal environmental perception, rule-based decision-making and high-precision motion execution, thereby greatly enhancing cobots' adaptability and intelligent interaction capabilities in predefined application scenarios.

(2) Continuously invest in research and development projects to maintain a leading position in technological innovation

The Group continued to increase its investment in research and development, with R&D investment of RMB73.9 million in 2025, representing a year-on-year increase of 56.2%. It focused on tackling key problems in four core directions: robot control algorithms, force control technology, vision integration and intelligent applications. These include the development of new force-controlled joint modules that enhance the advanced force feedback capabilities of cobots, Elfin-Pro integrating internal wiring and artificial intelligence vision technology, iterative updates of the HRC platform, and the development of humanoid robot joints and robotic arms. During the year, it successfully launched new products such as the force-controlled versions of the S20 and S30, the second-generation Elfin-Pro vision control system, the FlexMind training platform, the heavy-load S50 and S60, and humanoid joint modules. As at December 31, 2025, the Group had 231 patents in various jurisdictions, including 90 invention patents in Chinese Mainland.

(3) Solid relationships with leading industry players

The Group has strengthened its cooperation with system integrators, end users, and strategic partners to expand its customer ecosystem, thereby promoting the broader deployment and application of the Group's products across a wider range of industries and application scenarios. In 2025, the Group's sales revenue from Chinese Mainland was RMB244.5 million, representing a significant year-on-year increase of 58.3%.

The Group has also further consolidated its influence in overseas markets, continuously optimized its international sales system, strengthened cooperation with overseas strategic customers, and increased investment in international exhibitions, marketing and sales, and brand promotion, so as to enhance the Group's global brand awareness and secure more international customers. In 2025, the Group's products were sold to more than 50 countries and regions, with in-depth partnerships established with leading industrial enterprises across Europe and North America, reflecting the recognition of leading international customers. According to MIR DATABANK statistics, the Group ranked first in terms of export sales volume of cobots in China in 2025.

Management Discussion and Analysis

II. Financial Review

Revenue

Revenue by product

The following table sets out the details of sales by product of the Group for the two years ended December 31, 2025 and December 31, 2024 respectively:

	For the year ended 31 December			
	2024		2025	
	Amount (RMB'000)	%	Amount (RMB'000)	%
Sale of products	308,202	99.3	385,771	99.7
– Cobots	235,509	75.9	286,765	74.1
– Core motion components	72,693	23.4	99,006	25.6
Cobot services	2,239	0.7	1,096	0.3
Total	310,441	100.0	386,867	100.0

Revenue from sales of cobots

In 2025, the Group's sales revenue from cobots was RMB286.8 million (2024: RMB235.5 million), an increase of approximately 21.8% from the previous year. This was driven by strong demand for equipment in domestic industries such as semiconductors, machine tool management, healthcare, and logistics, which in turn boosted the growth of the Group's domestic business. In 2025, the Group's domestic sales revenue from cobot was RMB178.3 million, a year-on-year increase of 70.0%.

Sales revenue from core motion components

In 2025, the Group's sales revenue from core motion components was RMB99.0 million (2024: RMB72.7 million), an increase of 36.2% compared to last year. This was attributable to the high-speed growth in revenue from precision motion platforms in the medical and genetic testing fields. In addition to the medical and genetic testing fields, precision motion platforms have also successfully expanded into sectors such as semiconductors, optical communications, and embodied AI, providing sufficient future growth momentum and a reliable guarantee for the growth rate. In addition, the demand for joint modules from core key customers has increased significantly.

Management Discussion and Analysis

Sales revenue from cobot services

In 2025, the Group's sales revenue from cobot services was RMB1.1 million (2024: RMB2.2 million), representing a decrease of 50.0% as compared with the previous year. This was mainly due to the decrease in service fee income from core customers.

The following table sets forth the breakdown of sales volume and average selling price related to our E Series and S Series cobot products:

	For the year ended 31 December			
	2024		2025	
	Sales volume	Average selling price (RMB)	Sales volume	Average selling price (RMB)
E Series	2,854	64,829	3,651	54,841
S Series	310	79,378	1,110	55,831

The average selling price of E Series cobot products decreased from RMB64,829 in 2024 to RMB54,841 in 2025, while the gross profit margin of our E Series cobot products increased from 34.3% in 2024 to 37.8% for the same period in 2025. Relying on the advantages of full-stack self-research and scale effects, the product costs of the Company decreased significantly, and the gross profit margin achieved a steady increase.

The average selling price of S Series cobot products decreased from RMB79,378 in 2024 to RMB55,831 in 2025, primarily due to the significant increase in the sales volume of S Series cobots to domestic customers for deployment in consumer scenarios with relatively lower requirements for performance and payload capacity. Compared to the high-payload S Series cobots, the products we provided to this customer required lower torque, allowing for the use of lower-cost components such as motors and reducers, thereby reducing the overall unit cost and leading to a corresponding decrease in the selling price.

Taking into account factors such as the optimization of future overseas revenue structure and the adjustment of product series sales structure, the Group believes that future product selling prices will remain relatively stable overall.

Management Discussion and Analysis

Revenue by geographical region

The following table sets forth a breakdown of our revenue by geographical region:

	For the year ended 31 December			
	2024		2025	
	Amount (RMB'000)	%	Amount (RMB'000)	%
Chinese Mainland	154,542	49.8	244,541	63.2
Europe	124,328	40.1	114,241	29.5
– Germany	116,489	37.5	96,666	25.0
Americas	24,025	7.7	14,728	3.8
– United States	16,781	5.4	8,702	2.2
Others	7,546	2.4	13,357	3.5
Total	310,441	100.0	386,867	100.0

Sales revenue from the Chinese Mainland market

In 2025, the Group's sales revenue from the Mainland China market was RMB244.5 million, representing a significant year-on-year increase of 58.3% from RMB154.5 million in 2024. This was attributable to the Group's continuous expansion of its standardized equipment manufacturer customer base, coupled with customers who had completed verification in the earlier phase gradually entering the mass replication stage. The Group's market share in sectors such as welding, machine tool management, logistics and palletizing, and semiconductors continued to rise.

Sales revenue from the European market

In 2025, the Group's sales revenue from the European market was RMB114.2 million, representing a slight year-on-year decrease of 8.1% from RMB124.3 million in 2024. This was primarily because the Group's largest customer in Europe experienced relatively stable short-term business in 2025, affected by the pace of its own product R&D and market expansion.

Sales revenue from the Americas market

In 2025, the Group's sales revenue from the Americas market was RMB14.7 million, representing a year-on-year decrease of 38.8% compared to RMB24.0 million in 2024. Among these, the U.S. market, as the core region of the Americas, achieved sales revenue of RMB8.7 million in 2025, representing a year-on-year decrease of 48.2% compared to RMB16.8 million in 2024. This was mainly due to short-term disruptions from changes in the China-US tariff policy environment, which had a temporary impact on the pace of relevant business development.

Management Discussion and Analysis

Revenue by sales channel

The table below sets forth a breakdown of our revenue by sales channel:

	For the year ended 31 December			
	2024		2025	
	Amount (RMB'000)	%	Amount (RMB'000)	%
Direct sales				
– System integrators				
– Standardized equipment manufacturers	230,246	74.2	281,126	72.7
– Non-standardized equipment manufacturers	36,751	11.8	69,438	17.9
– Subtotal for system integrators	266,997	86.0	350,564	90.6
– End customers	24,218	7.8	19,798	5.1
Subtotal of direct sales	291,215	93.8	370,362	95.7
Distributors	19,226	6.2	16,505	4.3
Total	310,441	100.0	386,867	100.0

Sales revenue from standardized equipment manufacturers

In 2025, the Group's sales revenue from standardized equipment manufacturers was RMB281.1 million, representing a year-on-year increase of 22.1% from RMB230.2 million in 2024. This was attributable to the successful product validation with standardized equipment manufacturer customers acquired in the early stage and continuous market expansion, fully validating the Company's business model centered on standardized equipment manufacturers. The above customers have successively entered a high-growth stage.

Sales revenue from non-standardized equipment manufacturers

In 2025, the Group's sales revenue from non-standardized equipment manufacturers was RMB69.4 million, representing a year-on-year increase of 88.6% compared to RMB36.8 million in 2024. This was due to robust demand in downstream industries such as genetic testing, construction machinery, education and automotive, where the Group's cobots and core motion component products can adapt to multi-scenario customized requirements, driving a significant increase in order volume from leading integrator customers.

Management Discussion and Analysis

Revenue from sales to end customers

In 2025, the Group's sales revenue from end customers was RMB 19.8 million (RMB 24.2 million for the year 2024). The Group proactively optimized its channel resources and shifted its focus towards system integrator customers, resulting in a year-on-year decline in revenue from end customers.

Sales Revenue from Distributors

In 2025, the Group's sales revenue from distributors was RMB16.5 million (RMB 19.2 million in 2024) as the Group positions the distributor model as a supplement to its business model expansion rather than a core business model.

Gross profit and gross profit margin

In 2025, the gross profit of the Group was RMB145.5 million, representing an increase of 36.7% as compared with RMB106.4 million in 2024. The gross profit margin of the Group for 2025 was 37.6%, representing an increase of 3.3 percentage points from 34.3% in 2024. Excluding the impact of inventory impairment included in cost of sales, the adjusted gross profit margin for 2025 was 38.6%, representing an increase of 2.9 percentage points from 35.7% in 2024. This was mainly due to the Group's adoption of cost reduction and efficiency enhancement strategies in 2025.

Cost of Sales

In 2025, the cost of sales of the Group was RMB241.4 million, representing an increase of approximately 18.3% as compared to RMB204.0 million in 2024, which was mainly due to the increase in the sales volume of our cobot products.

Inventories

The Group's inventories primarily consist of raw materials, work-in-progress, finished goods and goods-in-transit. Our inventories decreased from RMB128.0 million as at December 31, 2024 to RMB103.6 million as at December 31, 2025, representing a decrease of approximately 19.1% compared to 2024. This was primarily due to the Group's implementation of a special inventory optimization project in 2025, which achieved a reduction in inventory scale and a simultaneous improvement in turnover efficiency through strict control of procurement scale based on production determined by sales and the systematic clearing of long-aged and slow-moving materials. Inventory turnover days decreased from 213.5 days in 2024 to 175.1 days in 2025.

Management Discussion and Analysis

Other Income and Gains

Other income decreased by 26.6% from RMB15.4 million in 2024 to RMB11.3 million in 2025, primarily because the Group's headquarters was relocated from Shenzhen, Guangdong Province to Foshan, and as a result, the Group no longer meets the eligibility criteria for certain local subsidy policies in Shenzhen, resulting in a corresponding decrease in the relevant subsidy income.

Selling and Distribution Expenses

Our selling and distribution expenses increased from RMB41.9 million in 2024 to RMB58.6 million in 2025, primarily due to (i) an increase in the number of sales personnel and a corresponding increase in staff costs, which was in line with the growth in revenue, and (ii) the recognition of share-based payment expenses of RMB4.2 million under the Share Incentive Scheme.

Administrative Expenses

Our administrative expenses increased from RMB12.5 million in 2024 to RMB58.7 million in 2025, primarily due to (i) the recognition of share-based payment expenses of RMB17.5 million under the Share Incentive Scheme; and (ii) listing expenses of RMB20.5 million.

Research and Development Expenses

Our research and development expenses increased from RMB47.3 million in 2024 to RMB73.9 million in 2025, primarily due to (i) an increase in the number of research and development personnel and a corresponding increase in staff costs; (ii) an increase in material costs; and (iii) the recognition of share-based payment expenses of RMB11.8 million under the Share Incentive Scheme.

Income Tax Credit

Our income tax credit increased significantly from RMB1.2 million in 2024 to RMB6.5 million in 2025, mainly due to the combined impact of the increase in expenses and the application of the super deduction policy for research and development expenditure.

Loss for the year

For the reasons above, our profit for the year in 2024 was RMB17.9 million and our loss for the year in 2025 was RMB29.9 million.

Management Discussion and Analysis

Non-IFRS Financial Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRSs, we also use adjusted net (loss)/profit (a non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRSs. We believe that this non-IFRS measure facilitates comparisons of operating performance from period to period and from company to company by eliminating the potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as our management. However, our presentation of this non-IFRS financial measure may not be directly comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure should not be considered as a substitute for an analysis of our results of operations or financial condition as reported under IFRSs.

We define adjusted net (loss)/profit (a non-IFRS measure) as (loss)/profit for the year adjusted by adding back share-based payment expenses and listing expenses. The following table sets forth the reconciliation of our adjusted net (loss)/profit (a non-IFRS measure) to (loss)/profit for the year, which is the most directly comparable IFRS measure:

	For the year ended 31 December	
	2024	2025
	Amount (RMB'000)	Amount (RMB'000)
(Loss)/profit for the year	17,869	(29,917)
Add:		
– Share-based payments ⁽¹⁾	–	35,165
– Listing expenses ⁽²⁾	–	20,477
Adjusted net profit (non-IFRS measure)	17,869	25,725

Notes:

(1) Share-based payment expenses are non-cash in nature and refer to arrangements under which we receive services from employees as consideration for our equity instruments. Share-based payment expenses are not expected to result in future cash payments.

(2) Listing expenses represent professional fees, underwriting commissions and other fees incurred in connection with the Global Offering and the Listing.

Management Discussion and Analysis

Liquidity and Capital Resources

In the past, we have primarily met our cash requirements through proceeds from operating activities and capital contributions from our shareholders. Our future funding requirements will be met by cash generated from operating activities and the net proceeds from the Global Offering.

For the use of the net proceeds from the Global Offering, please refer to “Use of Net Proceeds from the Global Offering” in this annual report. The Group has sufficient liquidity to meet its daily liquidity management and capital expenditure requirements.

Capital Expenditure

Our capital expenditure primarily consists of (i) purchases of items of property, plant and equipment; and (ii) purchases of intangible assets. The following table sets forth our capital expenditures for the years indicated:

	For the year ended 31 December	
	2024 Amount (RMB'000)	2025 Amount (RMB'000)
Purchases of property, plant and equipment	9,960	7,104
Purchases of intangible assets	325	3,910
Total	10,285	11,014

Capital Commitments

As at December 31, 2025, the Group did not have any material commitments.

Contingent Liabilities

As at December 31, 2025, the Group did not have any material contingent liabilities.

Gearing Ratio

The Group monitors its capital using a gearing ratio (total liabilities divided by total assets). The gearing ratio of the Group increased from 20% as at December 31, 2024 to 22% as at December 31, 2025, primarily due to an increase in lease liabilities and listing expenses payable.

Management Discussion and Analysis

Pledge of Assets

As of December 31, 2025, we did not pledge any of our assets.

Significant Investments, Acquisitions And Disposals

During the Reporting Period, the Company made no material acquisitions and/or disposals of subsidiaries, associates or joint ventures.

As at the end of the Reporting Period, the Group did not have any significant investments that are required to be disclosed in accordance with paragraph 32(4A) of Appendix D2 to the Listing Rules.

Future Plans for Material Investments and Investments in Capital Assets

As of the Latest Practicable Date, save as disclosed in this annual report and in the section headed “Future Plans and Use of Proceeds” in the Prospectus, the Group did not have any plans for material investments or capital assets.

Risk Factors

Product research and development risks: The ability to develop new technologies, design new products and improve existing products is crucial to maintaining our market position. Therefore, we have invested and intend to continue to invest significant capital in research and development, which may have an impact on our short-term cash flow and liquidity.

Intellectual property risks: Applying for, prosecuting and maintaining patents on a global scale can be expensive and time-consuming. We may also encounter difficulties in protecting and maintaining such rights in overseas jurisdictions. Accordingly, we may be unable to prevent third parties from using our technology in jurisdictions where we have not obtained patent protection.

Supply chain and manufacturing risks: The raw materials we use are subject to price fluctuations caused by external factors, such as supply chain disruptions, commodity price volatility, changes in supply and demand, logistics and processing costs, our bargaining power with suppliers, inflation and government regulations and policies. As a result, we may not be able to obtain stable, high-quality raw materials at reasonable prices at all times.

Foreign exchange risk: Most of the Company’s revenue and expenses are denominated in RMB. However, the Company holds a certain amount of cash in foreign currencies and is exposed to exchange rate fluctuation risk. The Company does not hedge foreign exchange risk. The Company will manage exchange rate fluctuation risk by closely monitoring changes in foreign currency exchange rates and will take prudent measures to minimize this risk.

Management Discussion and Analysis

Events After The Reporting Period

Save as disclosed in this annual report, there are no significant events after the Reporting Period that require disclosure.

III. Future Prospects

Technology advancement: The Group will continue to advance core R&D in cobots and integrate AI capabilities to drive the intelligent upgrade of its HRC platform. By leveraging its core strengths in software-hardware collaboration, the Group will enhance robotic product performance, with the goal of building a globally leading brand and reinforcing its industry position.

Application expansion: The Group will further build a scenario-centric application ecosystem, continuously refining application-specific process packages and performance enhancements. In close collaboration with leading equipment manufacturers worldwide, the Group will unlock exponential growth in demand across a broad range of scenarios.

Strategic blueprint: The Group will seize the historic development opportunity in core motion components by ramping up strategic deployment in humanoid robotics, the low-altitude economy, and semiconductors. This will enable the Group to steadily increase market share and cement its role as a key industry player and technology driver.

Globalization: The Group will stay firmly committed to its global development strategy, and will increase resource allocation and channel infrastructure in overseas markets to strengthen its international brand competitiveness and accelerate the large-scale expansion of its overseas business.

Biographical Details of Directors and Senior Management

DIRECTORS

Executive Directors

Mr. Wang Guangneng (王光能), aged 51, is our founder, executive Director, chairperson of the Board and general manager. Mr. Wang also holds directorships in various subsidiaries of our Company, including Huayan Robotics Technology and Jiutian Power Technology.

Mr. Wang has over 25 years of experience in motors, servos and motion control. Prior to founding our Group in 2017, Mr. Wang worked as an electronic engineer at ASM Technology Singapore Pte Ltd (currently known as ASMPT Singapore Pte. Ltd.), a subsidiary of ASMPT Limited, which is listed on the Main Board of the Stock Exchange (stock code: 00522), from May 2001 to December 2004. Afterwards, from June 2005 to August 2017, Mr. Wang served as the deputy general manager, being responsible for leading product research and development, at Shenzhen Han's Motor Technology Co., Ltd. (深圳市大族電機科技有限公司), a wholly-owned subsidiary of Han's Laser, one of our substantial Shareholders. Mr. Wang was also appointed as (i) an industry professor of the Department of Electronic and Electrical Engineering, Southern University of Science and Technology (南方科技大學電子與電氣工程系) for a period from November 2023 to October 2026; and (ii) an expert in the strategic experts database of the Guangdong Provincial Development and Reform Commission (廣東省發展和改革委員會) for a period from April 2023 to April 2028.

Mr. Wang obtained his bachelor's degree in electrical technology from Beihang University (北京航空航天大學) in the PRC in July 1998 and his master's degree in power electronics and power transmission from Beihang University in March 2001. In November 2011, Mr. Wang was recognized as an Electrical Engineering Senior Engineer (電氣工程高級工程師) by the Shenzhen Human Resources and Social Security Bureau (深圳市人力資源和社會保障局). Mr. Wang was awarded the First Prize of Guangdong Science and Technology Award (廣東省科學技術獎勵一等獎) by the People's Government of Guangdong Province (廣東省人民政府) in February 2017 and the Second Prize of the 2019 National Technological Invention Award (2019 年度國家技術發明二等獎) by the Ministry of Science and Technology (科技部) of the PRC in January 2020.

Mr. Zhang Guoping (張國平), aged 47, is our founder, executive Director and Chief Technology Officer. Mr. Zhang has served as our chief technology officer since our incorporation in 2017 and was appointed as a Director in November 2020.

Mr. Zhang has over 20 years of experience in motors, servos and motion control. Prior to founding our Group in 2017, Mr. Zhang worked as a R&D engineer at ASM Assembly Automation Limited (先進自動器材有限公司) from May 2005 and as a R&D director at Shenzhen Han's Motor Technology Co., Ltd. (深圳市大族電機科技有限公司) from September 2008 to September 2017.

Mr. Zhang obtained his bachelor's degree in electronic engineering and automation from Beihang University in July 2002 and his master's degree in power electronics and power transmission from Beihang University in March 2005. In February 2013, Mr. Zhang was awarded the Second Prize of the Guangdong Science and Technology Award (廣東省科學技術獎勵二等獎) by the People's Government of Guangdong Province. In 2017, Mr. Zhang was recognized as a Shenzhen High-level Professional Talent (深圳市高層次專業人才) by the Shenzhen Human Resources and Social Security Bureau.

Biographical Details of Directors and Senior Management

Mr. Zhang Yingtao (張應濤), aged 40, is our executive Director, Chief Financial Officer and Board secretary. Mr. Zhang Yingtao joined our Group in November 2020 and has since served as our strategy development director being responsible for among others, the investor relations, financing and financial management of the Group. He was appointed as an executive Director, chief financial officer and Board secretary in May 2025.

Mr. Zhang Yingtao is experienced in financing, investment management and financial management. His previous working experience includes, (i) to our best knowledge, working as an operations management trainee at S.F. Express Co., Ltd. (順豐速運有限公司), a wholly-owned subsidiary of S.F. Holding Co., Ltd. (順豐控股股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002352) and on the Main Board of the Stock Exchange (stock code: 06936), from October 2014 to June 2015; (ii) serving as an industry researcher at Shenzhen Qianhai Ningzhi Private Equity Securities Fund Management Co., Ltd. (深圳前海寧致私募證券基金管理有限公司) from August 2015 to February 2017, being responsible for, among others, evaluating investment targets from perspectives including financial status, business and prospects; (iii) serving as an investment manager at Shenzhen Xinjingjie Investment Management Co., Ltd. (深圳新境界投資管理有限公司) from March 2017 to July 2019, being responsible for, among others, evaluating investment targets from perspectives including financial status, business and prospects; and (iv) serving as an investment director at Shenzhen Zijing Huifu Investment Management Partnership (Limited Partnership) (深圳市紫荊匯富投資管理合夥企業(有限合夥)) from August 2019 to October 2020, being responsible for, among others, evaluating investment targets from perspectives including financial status, business and prospects.

Mr. Zhang Yingtao obtained his bachelor's degree in management from Shenzhen University (深圳大學) in the PRC in June 2011 and his master's degree in economics from Shenzhen University in June 2014.

Non-executive Director

Dr. Fang Bin (房斌), aged 41, is our non-executive Director. Dr. Fang joined our Group and was appointed as a Director in July 2021.

Dr. Fang has served as a senior management personnel in Youshan Venture Capital Fund Management (Shenzhen) Co., Ltd. (優山創業投資基金管理(深圳)有限公司) since June 2019. Prior to that, Dr. Fang worked at Rongyuan Guangda (Tianjin) Equity Investment Management Partnership (Limited Partnership) (融源廣達(天津)股權投資管理合夥企業(有限合夥)) with his final position as an investment manager from July 2011 to March 2015, and as an investment director at Chuangjin Hecheng Investment Management (Beijing) Co., Ltd. (創金合成投資管理(北京)有限公司) from March 2015 to May 2019.

Dr. Fang obtained his bachelor's degree in management science from the University of Science and Technology of China (中國科學技術大學) in the PRC in July 2006 and his doctorate degree in management science in July 2011 from the Chinese Academy of Sciences (中國科學院).

Biographical Details of Directors and Senior Management

Independent non-executive Directors

Dr. Wang Yihua (王義華), aged 54, is our independent non-executive Director. Dr. Wang was appointed as our independent non-executive Director in May 2025.

Dr. Wang has been recognised as an associate professor of accounting by the Personnel Department of Guangdong Province (廣東省人事廳) (currently known as the Human Resources and Social Security Department of Guangdong Province (廣東省人力資源和社會保障廳)) since December 2006.

Since March 2026, Dr. Wang has served as an independent director of ZKTeco Co., Ltd. (熵基科技股份有限公司) a company listed on the Shenzhen Stock Exchange (stock code: 301330). Dr. Wang has served as an independent director at Shenzhen Kiwi Instruments Co., Ltd. (深圳市必易微電子股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 688045) since December 2020. From December 2018 to December 2024, Dr. Wang served as an independent director at Silkroad Visual Technology Co., Ltd. (絲路視覺科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300556). From November 2019 to November 2025, Dr. Wang served as an independent director at Anfu CE Link Ltd. (安福縣海能實業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300787). From December 2019 to January 2024, Dr. Wang served as an independent director at Shenzhen Xinhao Photoelectricity Technology Co., Ltd. (深圳市信濠光電科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 301051). Dr. Wang also served as an independent director at Tubatu Group Co., Ltd. (土巴兔集團股份有限公司) from December 2020 to August 2022.

Dr. Wang graduated from Dongbei University of Finance and Economics (東北財經大學) in the PRC in July 1995 majoring in management information system, and then obtained the master's degree and doctoral degree in accounting from Dongbei University of Finance and Economics in April 1998 and December 2007, respectively. Dr. Wang was admitted as a member of the Chinese Institute of Certified Public Accountants (CICPA), and as a non-practicing member of the Shenzhen Institute of Certified Public Accountants (深圳市註冊會計師協會) in December 2009. Dr. Wang possesses appropriate professional accounting or related financial management expertise required under Rule 3.10(2) of the Listing Rules.

Dr. Huang Kai (黃凱), aged 48, is our independent non-executive Director. Dr. Huang was appointed as our independent non-executive Director in May 2025.

Dr. Huang has served as a professor at Sun Yat-sen University (中山大學) since September 2015. Prior to that, Dr. Huang served as (i) a researcher in fortiss GmbH from August 2011 to July 2012, and (ii) a researcher in Technical University of Munich from July 2012 to June 2015.

Dr. Huang obtained his bachelor's degree in computer software from Fudan University (復旦大學) in the PRC in July 1999, his master's degree in computer science from Leiden University in Netherlands in August 2005, and his doctoral degree in sciences from the Federal Institute of Technology Zurich in Switzerland in January 2011.

Biographical Details of Directors and Senior Management

Ms. Gao Li (高麗), aged 50, is our independent non-executive Director. Ms. Gao was appointed as our independent non-executive Director in May 2025.

Ms. Gao (i) served at Credit Suisse, first in the New York office and then in the Hong Kong office, from July 2007 to September 2016, with her final position in the Hong Kong office as a director at the APAC investment banking and capital markets department; (ii) served as an executive director at the global investment banking department of J.P. Morgan Securities (Asia Pacific) Limited from September 2016 to November 2019; (iii) served as a vice president of finance at Wal-Mart (China) Investment Co., Ltd. from January 2020 to June 2021, and (iv) served as a managing director at the investment banking department of Nomura International (Hong Kong) Limited from June 2021 to January 2024.

Ms. Gao obtained (i) her bachelor's degree in economics from Nanjing University (南京大學) in the PRC in July 1997, (ii) her master's degree in science from Nanjing University in the PRC in June 1999, (iii) her master of science degree from North Carolina State University in the U.S. in May 2001, and (iv) her master of business administration degree from Massachusetts Institute of Technology in the U.S. in June 2007.

SENIOR MANAGEMENT

The senior management is responsible for the day-to-day management and operation of the Group. For biographical details of Mr. Wang Guangneng, Mr. Zhang Guoping and Mr. Zhang Yingtao, please refer to “—Executive Directors” above.

JOINT COMPANY SECRETARIES

Mr. Zhang Yingtao (張應濤), is our joint company secretary. See “—Executive Directors” in this section for the biographical details of Mr. Zhang Yingtao.

Ms. Chan Pui Ching (陳佩貞), is our joint company secretary. Ms. Chan is a senior manager of company secretarial services of Tricor Services Limited, a member of Vistra Group. Ms. Chan has over 17 years of experience in the corporate secretarial field. She has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

Ms. Chan is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Chan obtained a bachelor of social sciences degree from The University of Hong Kong in 2003.

Report of the Directors

The Board hereby presents the annual report for the year ended December 31, 2025, together with the consolidated financial statements of the Group for the year ended December 31, 2025.

Principal Activities

The Company is primarily engaged in the research and development, production and sales of cobots and core motion components. The business operations and prospects of our Company and the risks that our Company may face in its business activities are set out in “Management Discussion and Analysis — Business Review” and “Management Discussion and Analysis — Risk Factors” of this report, respectively. Details of the business of the Company’s principal subsidiaries are set out in note 1 to the financial statements.

Results

The results of the Group for the year ended December 31, 2025 and the financial position of the Group as at December 31, 2025 are set out in the audited consolidated financial statements in this report.

Business Review

A review of the Group’s business during the Reporting Period and a discussion on future business development are set out in the “Management Discussion and Analysis — Future Prospects” in this report, while a description of the principal risks and uncertainties that the Group may face, as well as the Group’s response policies and potential opportunities, are set out in “Management Discussion and Analysis — Risk Factors” in this report. The significant events of the Group after the Reporting Period and a performance analysis of the Group during the year based on key financial performance indicators are set out in the “Management Discussion and Analysis” of this report.

Information regarding the Group’s investor relations is set out in the “Corporate Governance Report” in this report. Further details regarding the description of the relationships between the Group and its employees, customers, suppliers and persons who have a significant influence on the Company are set out in the “Environmental, Social and Governance Report”.

Dividend Policy

During the year ended December 31, 2025 and up to the date of this annual report, we did not declare or pay any dividends, nor did we have any dividend policy in place. According to relevant PRC laws, any future net profit that we make will first have to be applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory reserve fund until such fund has reached more than 50% of our registered capital. Accordingly, we will only declare dividends after the following conditions are met: (i) all of our historical accumulated losses have been fully offset; and (ii) we have allocated sufficient net profit to the statutory reserve fund in the manner described above.

Report of the Directors

Final Dividend

The Board does not recommend the payment of a final dividend for the year ended December 31, 2025.

Compliance with Laws and Regulations

During the year ended December 31, 2025, as far as the Board is aware, the Group has, in all material respects, complied with the relevant laws and regulations that have a significant impact on the Group.

Financial Summary

A summary of the results and the assets and liabilities of the Group for the last four financial years is set out on page 9 of this annual report. This summary does not form part of the audited consolidated financial statements.

Public Float

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, as at the Latest Practicable Date, approximately 53.39% of the total issued share capital of the Company was held by the public, which is higher than the requirement under Rule 19A.13A(1) of the Listing Rules that 16.23% of the total issued share capital of the Company (excluding treasury shares) must be held by the public. Accordingly, the Board confirms that the Company has complied with the requirements of Rule 19A.28B of the Listing Rules since the Listing Date.

Disclosure of Interests

Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and Its Associated Corporations

As the Company was not listed on the Main Board of the Stock Exchange as at December 31, 2025, Divisions 7 and 8 of Part XV and section 352 of the SFO were not applicable to the Directors and chief executive of our Company as at December 31, 2025.

Report of the Directors

As at the Latest Practicable Date, the interests and short positions of the following Directors or chief executive in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name	Nature of Interest	Class of Shares	Number of Shares	Approximate percentage of shareholding in the relevant class of Shares (Note 1)	Approximate percentage of total shareholding in the Company (Note 1)
Mr. Wang Guangneng (Note 2)	Beneficial owner	H Shares	14,218,750	2.71%	2.62%
	Interest in a controlled corporation	H Shares	143,492,800	27.30%	26.40%
	Interest of parties acting in concert	H Shares	2,031,250	0.39%	0.37%
	Interest in a controlled corporation	Unlisted Shares	18,027,800	100.00%	3.32%
Mr. Zhang Guoping (Note 2)	Beneficial owner	H Shares	2,031,250	0.39%	0.37%
	Interest of parties acting in concert	H Shares	157,711,550	30.01%	29.01%
	Interest of parties acting in concert	Unlisted Shares	18,027,800	100.00%	3.32%
Mr. Zhang Yingtao (Note 3)	Interest in a controlled corporation	H Shares	3,746,896	0.71%	0.69%
	Interest in a controlled corporation	Unlisted Shares	900,000	4.99%	0.17%
Mr. Fang Bin (Note 4)	Interest in a controlled corporation	H Shares	1,658,163	0.32%	0.31%

Report of the Directors

Notes:

1. As at the date of this report, the total number of issued Shares of the Company was 543,597,580, comprising 18,027,800 Unlisted Shares and 525,569,780 H Shares.
2. Pursuant to the Acting in Concert Agreement, Mr. Wang Guangneng and Mr. Zhang Guoping confirmed that they and entities controlled by them had been acting in concert since he became a Director or Shareholder and will continue to act in concert to align their votes at the Board meetings and the general meetings of the Company (as the case may be). Each of Zhirenxing, Zhirentuan, Xianzhikong, Zhirenying, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun is controlled and managed by Zhirentuan Tech as its general partner. Zhirentuan Tech is owned as to 99% and 1% by Mr. Wang Guangneng and Mr. Zhang Guoping, respectively. Therefore, under the SFO, each of Mr. Wang Guangneng, Mr. Zhang Guoping, Zhirentuan Tech, Zhirenxing, Zhirentuan, Xianzhikong, Zhirenying, Zhirenju, Zhirenxue, Zhirenle and Zhirenyun is deemed to be interested in the Shares held by each other.
3. Mr. Zhang Yingtao holds 19.77% and 10.44% of the partnership interests in Zhirenxing and Zhirenxue, respectively.
4. The general partner of Shenzhen Zhongshen Xinchuang Equity Investment Partnership (Limited Partnership) (深圳中深新創股權投資合夥企業(有限合夥)) ("**Zhongshen Xinchuang**") is Shenzhen Youyue Consulting Partnership Enterprise (Limited Partnership) (深圳優岳諮詢合夥企業(有限合夥)) ("**Shenzhen Youyue**"), whose general partner is Youshan Venture Capital Fund Management (Shenzhen) Co., Ltd. (優山創業投資基金管理(深圳)有限公司) ("**Youshan Fund Management**"), which is in turn owned by Mr. Fang Bin as to 5%.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Report of the Directors

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at the Latest Practicable Date, to the best of the Company's knowledge after making reasonable enquiries, the following persons (other than the Directors or chief executive of the Company as disclosed above) had interests or short positions in the Shares or underlying Shares of the Company that are required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Nature of Interest	Class of Shares	Number of Shares held	Approximate percentage of shareholding in the relevant class of Shares (Note 1)	Approximate percentage of total shareholding in the Company (Note 1)
Ms. Zhang Miao (Note 2)	Interest of spouse	H Shares	159,742,800	30.39%	29.39%
	Interest of spouse	Unlisted Shares	18,027,800	100.00%	3.32%
Ms. Shan Yanhua (Note 3)	Interest of spouse	H Shares	159,742,800	30.39%	29.39%
	Interest of spouse	Unlisted Shares	18,027,800	100.00%	3.32%
Han's Laser	Beneficial owner	H Shares	75,586,735	14.38%	13.90%
Zhongshen Xinchuang (Note 4)	Beneficial owner	H Shares	33,163,265	6.31%	6.10%

Notes:

- As at the date of this report, the total number of issued Shares of the Company was 543,597,580, comprising 18,027,800 Unlisted Shares and 525,569,780 H Shares.
- Ms. Zhang Miao is the spouse of Mr. Wang Guangneng. By virtue of the SFO, she is deemed to be interested in the Shares held by Mr. Wang Guangneng.
- Ms. Shan Yanhua is the spouse of Mr. Zhang Guoping. By virtue of the SFO, she is deemed to be interested in the Shares held by Mr. Zhang Guoping.
- The general partner of Zhongshen Xinchuang is Shenzhen Youyue, whose general partner is Youshan Fund Management, which is 95% owned by Mr. Chen Yingjiu. Accordingly, each of Shenzhen Youyue, Youshan Fund Management and Mr. Chen Yingjiu is deemed to be interested in the Shares held by Zhongshen Xinchuang.

Report of the Directors

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any person (other than a Director or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which was required, pursuant to Section 336 of the SFO, to be recorded in the register referred to in that section.

Directors' Rights to Acquire Shares or Debentures

Save as disclosed above, at no time during the year or at the end of the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Lock-up Period

Based on the information publicly available to the Company or other information to the knowledge of the Directors, as at the Latest Practicable Date, the following Shares are subject to lock-up requirements pursuant to Rule 18C.14 of the Listing Rules:

Name	Capacity	Total number of Shares held	Approximate percentage of shareholding in the total issued share capital of our Company (%)	Lock-up Period
Key Persons and Their Close Associates				
Mr. Wang Guangneng	Founder, Executive Director, Chairman of the Board, General Manager and Core R&D Member	14,218,750	2.62	Commencing on the date of the Prospectus and ending on the expiry of 12 months after the Listing Date ⁽¹⁰⁾
Mr. Zhang Guoping	Founder, Executive Director, Chief Technology Officer and Core R&D Member	2,031,250	0.37	
Zhirentuan ⁽¹⁾	Entity ultimately controlled and managed by Mr. Wang	113,107,850	20.81	
Zhirenxing ^{(2) (5)}		18,950,440	3.49	
Xianzhikong ⁽³⁾		7,774,540	1.43	
Zhirenying ⁽⁴⁾		3,659,970	0.67	
Zhirenxue ^{(2) (6)}		8,617,800	1.59	
Zhirenju ^{(2) (7)}		2,500,000	0.46	
Zhirenle ^{(2) (8)}		5,000,000	0.92	
Zhirenyun ^{(2) (9)}		1,910,000	0.35	

Report of the Directors

		Approximate percentage of shareholding in the total issued share capital of our		
Name	Capacity	Total number of Shares held	Company (%)	Lock-up Period
Pathfinder Sophisticated Independent Investors				
Han’s Laser	Pathfinder SII	75,586,735	13.90	Commencing from the date of the Prospectus and ending on the date which is 6 months after the Listing Date
Zhongshen Xinchuang	Pathfinder SII	33,163,265	6.10	
CMG Investors ⁽¹¹⁾	Pathfinder SII	22,108,840	4.07	

Notes:

- (1) As the co-founders, Mr. Wang Guangneng and Mr. Zhang Guoping, intend to hold the majority of their interests in the Company through a partnership (namely, Zhirentuan), in which they both participate as partners, so as to consolidate and stabilize the voting rights of the founders, thereby enhancing the consistency of corporate governance. Mr. Wang Guangneng and Mr. Zhang Guoping, as limited partners, hold approximately 81.14% and 11.73% of the partnership interests, respectively.
- (2) In view of the requirements of PRC laws and regulations on the number of partners in a partnership, Zhirenxing, Zhirenle, Zhirenju, Zhirenxue and Zhirenyun were established as employee incentive platforms, with Zhirentuan Technology (controlled by Mr. Wang) as the general partner. In addition, Mr. Wang Guangneng and Mr. Zhang Guoping, being Directors and core R&D members who lead and contribute to the development of the Company, were granted multiple batches of incentives under the Employee Incentive Platforms.
- (3) In order to further consolidate Mr. Wang Guangneng's control over the Company, so as to further improve the decision-making efficiency at the general meetings of the Company and ensure the effective implementation of the Group's strategies, Mr. Wang Xianli and Mr. Wang Guangneng agreed that Zhirentuan Technology shall serve as the general partner of Xianzhikong. Mr. Wang Guangneng and Mr. Wang Xianli, as limited partners, hold approximately 0.78% and 76.91% of the partnership interests, respectively.
- (4) Zhirenying was established as an employee shareholding platform to provide employees with opportunities to invest in the Company, and is managed by Zhirentuan Technology as the general partner, thereby further consolidating the control of Mr. Wang Guangneng. Mr. Du Weimin (as one of our core R&D members), as a limited partner, holds approximately 1.07% of the partnership interest.
- (5) Among the limited partners, Mr. Zhang Yingtao (an executive Director), Mr. Hao Yu (one of our core R&D members), Mr. Gao Yuebo (one of our core R&D members), Mr. Zhang Peng (one of our core R&D members), Mr. Wang Xianli (our connected person) and Mr. Zhao Yi (our connected person) hold approximately 19.77%, 3.6%, 3.28%, 2.44%, 12.59% and 12.53% of the partnership interests, respectively.

Report of the Directors

- (6) Among the limited partners, Mr. Wang Guangneng (one of the founders and controlling shareholders, an executive Director, Chairman of the Board and General Manager of the Company), Mr. Zhang Yingtao (an executive Director), Mr. Hao Yu (one of our core R&D members), Mr. Gao Yuebo (one of our core R&D members), Mr. Zhang Peng (one of our core R&D members) and Mr. Zhao Yi (our connected person) hold approximately 1.54%, 10.44%, 2.90%, 3.48%, 3.83% and 4.64% of the partnership interests, respectively.
- (7) Among the limited partners, Mr. Wang Guangneng (one of the founders and controlling shareholders of the Company, an Executive Director, the Chairman of the Board and the General Manager) holds approximately 19.00% of the partnership interests.
- (8) Among the limited partners, Mr. Wang Guangneng (one of the founders and controlling shareholders, an executive Director, Chairman of the Board and General Manager of the Company), Mr. Zhang Guoping (one of the founders and controlling shareholders, an executive Director and Chief Technology Officer of the Company) and Mr. Du Weimin (one of our core R&D members) hold approximately 4.20%, 10.00% and 5.00% of the partnership interests, respectively.
- (9) Among the limited partners, Mr. Wang Guangneng (one of the founders and controlling shareholders, an executive Director, the Chairman of the Board and the General Manager of the Company) holds approximately 42.30% of the partnership interests.
- (10) Each of these Core R&D Members and/or Directors of the Company undertakes that the partnership interests held by him/her in these partnerships shall be subject to a lock-up period of 12 months after the Listing Date (the **"Partnership Lock-up Period"**) in accordance with Rule 18C.14 of the Listing Rules. Pursuant to the partnership agreements of these partnerships, the transfer/sale of partnership interests by a partner shall be subject to the approval of the general partner of the relevant partnership (i.e. Zhirentuan Technology). Zhirentuan Technology has confirmed that it will not approve any transfer/sale of such partnership interests by the core R&D members and/or Directors of the Company during the Partnership Lock-up Period.
- (11) Zhaoying (Zhucheng) Venture Capital Partnership (Limited Partnership) (招盈(諸城)創業投資合夥企業(有限合夥)) and Foshan Zhaoke Innovation Intelligent Industry Investment Fund Partnership (Limited Partnership) (佛山市招科創新智能產業投資基金合夥企業(有限合夥)) (the **"CMG Investors"**) are limited partnerships established under the laws of the PRC, managed by their respective general partners, Shenzhen China Merchants Yingkui Equity Investment Fund Management Co., Ltd. (深圳市招商盈葵股權投資基金管理有限公司) and Shenzhen Merchants Zhaoke Capital Management Co., Ltd. (深圳市招商招科資本管理有限責任公司), both of which are indirect wholly-owned subsidiaries of China Merchants Capital Investment Co., Ltd. (招商局資本投資有限責任公司) (**"China Merchants Capital"**). In accordance with the relevant provisions of the Guidance Letter for New Listing Applicants, the CMG Investors shall be viewed on a combined basis as a single Pathfinder Sophisticated Independent Investor.

Report of the Directors

Global Offering

On March 30, 2026, the H Shares of the Company were listed on the Main Board of the Stock Exchange. The number of Shares offered under the Global Offering was 92,902,600 H Shares, comprising 16,157,000 H Shares under the Hong Kong Public Offering and 76,745,600 H Shares under the International Offering (as adjusted in the Company's allotment results announcement dated March 27, 2026). The H Shares were issued and subscribed for by Hong Kong and overseas investors at an Offer Price of HKD17.00 per H Share (excluding 1.0% brokerage, 0.0027% SFC transaction levy, 0.00565% Stock Exchange trading fee and 0.00015% FRC transaction levy) by way of an initial public offering.

On April 24, 2026, the Over-allotment Option described in the Prospectus has been partially exercised by the Overall Coordinators in respect of an aggregate of 13,469,000 H Shares (the **"Over-allotment Shares"**), representing approximately 14.50% of the total number of Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option. The Over-allotment Shares will be issued and allotted by the Company pursuant to the partial exercise of the Over-allotment Option at HKD17.00 per H Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%), being the Offer Price per H Share under the Global Offering. The Over-allotment Shares will be used to facilitate the delivery of part of H Shares to the placees who have agreed to the delayed delivery of the relevant H Shares subscribed by them under the Global Offering. The portion of the Over-allotment Option which has not been exercised by the Overall Coordinators (for themselves and on behalf of the International Underwriters) lapsed on April 24, 2026. Listing of and dealings in the Over-allotment Shares are expected to commence on the Main Board of the Stock Exchange on April 29, 2026.

For details of the Global Offering and partial exercise of the over-allotment option, please refer to the Prospectus and the allotment results announcement dated March 27, 2026 and announcement on partial exercise of the over-allotment option dated April 24, 2026 of the Company.

Report of the Directors

Use of Net Proceeds from the Global Offering

The net proceeds from the Global Offering (after deducting underwriting fees and commissions and estimated expenses payable by us in connection with the Listing) were approximately HKD1,478.18 million. There has been no change in the proposed use of the net proceeds as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus. The net proceeds from the Global Offering (adjusted on a pro rata basis based on the actual net proceeds) will be utilized in the manner set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

The following table sets forth a summary of the intended use of the net proceeds from the Global Offering and the expected timeline for their full utilization. As the Shares of the Company were listed on the Main Board of the Stock Exchange on March 30, 2026, there are no details regarding the use of net proceeds from the Global Offering during the Reporting Period.

	Approximate percentage of net proceeds	Net proceeds available for use (HKD million)	Utilized net proceeds from the Listing Date up to the Latest Practicable Date (HKD million)	Unutilised net proceeds as at the Latest Practicable Date (HKD million)	Expected timeline for full utilization of the net proceeds
Enhancing our R&D capabilities	55.0%	813	0	813	Before March 31, 2031
(i) R&D and investment in AI technology	15.0%	221.7	0	221.7	Before March 31, 2031
(ii) Further adapting our products to specific downstream application scenarios and expanding our market to specific downstream application scenarios	13.0%	192.2	0	192.2	Before March 31, 2031
(iii) Development and upgrade of our proprietary key components for cobots, such as M-series high-performance motors, new-generation servo drives and algorithms, sensors and air-bearing platforms	10.0%	147.8	0	147.8	Before March 31, 2031
(iv) Development of core motion components for humanoid robots	10.0%	147.8	0	147.8	Before March 31, 2031
(v) Continuous development of a new generation of high-performance cobots	7.0%	103.5	0	103.5	Before March 31, 2031

Report of the Directors

	Approximate percentage of net proceeds	Net proceeds available for use (HKD million)	Utilized net proceeds from the Listing Date up to the Latest Practicable Date (HKD million)	Unutilised net proceeds as at the Latest Practicable Date (HKD million)	Expected timeline for full utilization of the net proceeds
Overseas business development	20.0%	295.6	0	295.6	Before March 31, 2031
Upgrading and expanding our production capacity	15.0%	221.7	0	221.7	Before March 31, 2031
(i) Expanding our production bases	10.0%	147.8	0	147.8	Before March 31, 2031
(ii) (a) Acquiring advanced manufacturing equipment; (b) upgrading our production lines; and (c) further enhancing our digitalised production systems	5.0%	73.9	0	73.9	Before March 31, 2031
Working capital and general corporate purposes	10%	147.88	0	147.88	Before March 31, 2031
Total	100%	1,478.18	0	1,478.18	

As at the Latest Practicable Date, the unutilised net proceeds from the Global Offering have been deposited into short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions (as defined in the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions).

For further details, please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus.

Report of the Directors

Major customers and suppliers

For the year ended December 31, 2025, the transaction amount of the Group's five largest customers accounted for 51.3% (2024: 60.6%) of the Group's total revenue, while the transaction amount of the single largest customer accounted for 25.5% (2024: 37.4%) of the Group's total revenue.

For the year ended December 31, 2025, the transaction amount of the Group's five largest suppliers accounted for 22.8% (2024: 32.3%) of the Group's total cost of sales, while the transaction amount of the single largest supplier accounted for 6.1% (2024: 12.2%) of the Group's total cost of sales.

During the Reporting Period, none of the Directors, any of their close associates or any Shareholders who, to the knowledge of the Directors, owned more than 5% of the number of issued shares of the Company (excluding treasury shares (if any)), had an interest in the top five customers or top five suppliers of the Group.

Property, plant and equipment

Details of the movements in the property, plant and equipment of the Company and the Group during the Reporting Period are set out in Note 13 to the financial statements in this annual report.

Reserve

Details of movements in the reserves of the Company and the Group during the Reporting Period are set out on page 105 of the consolidated statement of changes in equity of this annual report.

Distributable Reserves

As at December 31, 2025, the Company had no distributable reserves (December 31, 2024: nil).

Taxation

For the year ended December 31, 2025, the tax position of the Company is set out in Note 10 to the financial statements in this annual report.

Bank and other borrowings

As at December 31, 2025, the Company and the Group had no bank loans or other borrowings.

Report of the Directors

Directors

The Directors from the Listing Date up to the date of this annual report are:

Executive Directors

Mr. Wang Guangneng (*Chairman of the Board and General Manager*)
Mr. Zhang Guoping (*Chief Technology Officer*)
Mr. Zhang Yingtao (*Chief Financial Officer and Secretary to the Board*)

Non-executive Director

Dr. Fang Bin

Independent Non-executive Directors

Dr. Wang Yihua
Dr. Huang Kai
Ms. Gao Li

General information and biographies of the Directors of the Company are set out in the section headed “Biographical Details of Directors and Senior Management” in this report.

Each of the Directors of the Company obtained the legal advice referred to in Rule 3.09D of the Listing Rules on May 24, 2025 and has confirmed that they are aware of their obligations as Directors of the Company under the Listing Rules.

After specific enquiry by the Company and confirmation by the Directors, save as disclosed in this report, there is no change to any information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Listing Date and up to the Latest Practicable Date.

Directors’ Interests in Transactions, Arrangements or Contracts of Significance

During the Reporting Period, no Director or any entity connected with such Director had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, any of its subsidiaries or fellow subsidiaries was a party.

Management Contracts

As at December 31, 2025, other than contracts of service with Directors or any persons engaged in the full-time employment of the Company, the Company did not enter into or have any management and administration contracts in respect of the whole or any substantial part of the business of the Company.

Report of the Directors

Material Contracts and Relationships with Controlling Shareholders

No contract of significance was entered into between the Company or any of its subsidiaries and the Controlling Shareholders, and no contract of significance for the provision of services to the Company or any of its subsidiaries by the Controlling Shareholders or any of their subsidiaries was entered into during the year ended December 31, 2025.

Remuneration Policy for Directors and Senior Management

Directors' remuneration includes directors' fees, salaries, emoluments, pensions, discretionary bonuses, equity-settled share-based payments and other benefits in kind.

Details of the emoluments of the Directors and senior management and the five highest-paid individuals of the Group are set out in Note 8 and 9 to the financial statements in this annual report.

During the Reporting Period, no emoluments were paid by the Group to any Directors or senior management as an inducement to join or upon joining the Group, or as compensation for loss of office. During the Reporting Period, none of the Directors or senior management waived any remuneration.

Employees and Remuneration

As at December 31, 2025, the total number of employees of the Group was 548. During the Reporting Period, the total employee costs incurred by the Group amounted to RMB 114.2 million, which included basic salaries, bonuses, allowances, social security contributions and provident fund contributions.

The Group's success depends on its ability to attract, retain and motivate outstanding talent, and we believe that a high-quality talent pool is one of the core strengths of the Company. During the recruitment process, the Group adheres to high standards and strict requirements to ensure the quality of new talent, and adopts diversified recruitment channels, including campus recruitment, online recruitment, internal referrals, headhunting firms and recruitment agencies, to meet our needs for various types of talent. The Company provides training programs covering corporate culture, strategy, policies, internal controls, internal systems and business skills for all employees (from junior employees to management). In addition, we have established structured talent programs to provide professional training on a regular basis, while supporting R&D personnel in attending industry summits to keep pace with technological advancements.

As required by PRC laws and regulations, the Group contributes to several employee social security plans for our employees that are administered by local governments, including a housing provident fund, pension insurance, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance. Employee remuneration generally comprises a basic salary and a bonus. Employees generally enjoy benefits including, among others, paid leave, transportation and subsistence allowances. The Group has maintained and expects to maintain good relationships with its employees in the future. During the Reporting Period, there were no material strikes that had an adverse effect on the Group's business, and there were no material disputes between the Group and our employees.

Report of the Directors

Pension Schemes

Details of the retirement schemes of the Group are set out in note 2.4 to the financial statements in this annual report.

Share Incentive Schemes

In order to further enhance our corporate governance structure, attract and retain management talents and employees, incentivize our employees to promote our sustainable development and maximize value for the Company and the Shareholders, we adopted employee incentive schemes (the “**Employee Incentive Schemes**”) in December 2021 and May 2025 to award the partnership interests in our employee incentive platforms to the scheme participants (the “**Participant**”). The Employee Incentive Schemes are not subject to the provisions of Chapter 17 of the Listing Rules.

(a) Employee Incentive Platforms

Zhirenxing, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun were established in March 25, 2021, May 9, 2025, May 7, 2025, May 16, 2025 and May 20, 2025 to serve as our employee incentive platforms.

Set out below is the holding structure of our employee incentive platforms as of the Latest Practicable Date:

- **Zhirenxing:** The general partner of Zhirenxing is Zhirentuan Tech, holding 1% partnership interests therein. The remaining 99% partnership interests in Zhirenxing are held by 37 limited partners who are current/former employees or adviser of our Group, among whom, Mr. Zhang Yingtao, our executive Director, Mr. Wang Xianli, our connected person, and Mr. Zhao Yi (resigned as a director of the Company in May 2025), our connected person, holds approximately 19.77%, 12.59%, and 12.53% partnership interests therein, respectively. None of the other limited partners of Zhirenxing hold more than 15% partnership interests therein.
- **Zhirenxue:** The general partner of Zhirenxue is Zhirentuan Tech, holding 0.06% partnership interests therein. The remaining 99.94% partnership interests in Zhirenxue are held by 45 limited partners who are employees or adviser of our Group, among whom, Mr. Zhang Yingtao, our executive Director, Mr. Zhao Yi, our connected person, and Mr. Wang Guangneng, our executive Director and one of the Controlling Shareholders, holds approximately 10.44%, 4.64% and 1.54% partnership interests therein, respectively. None of the other limited partners of Zhirenxue hold more than 15% partnership interests therein.
- **Zhirenle:** The general partner of Zhirenle is Zhirentuan Tech, holding 0.1% partnership interests therein. The remaining 99.9% partnership interests in Zhirenle are held by 45 limited partners who are employees of our Group, among whom Mr. Zhang Guoping, Mr. Wang Guangneng, our executive Directors and Controlling Shareholders, holds 10% and 4.2% partnership interests therein, respectively. None of the other limited partners of Zhirenle hold more than 10% partnership interests therein.

Report of the Directors

- **Zhirenju:** The general partner of Zhirenju is Zhirentuan Tech, holding 0.2% partnership interests therein. The remaining 99.8% partnership interests in Zhirenju are held by 45 limited partners who are employees of our Group, among whom, Mr. Wang Guangneng, our executive Director, one of the Controlling Shareholders, holds 19% partnership interests therein. None of the other limited partners of Zhirenju hold more than 5% partnership interests therein.
- **Zhirenyun:** The general partner of Zhirenyun is Zhirentuan Tech, holding approximately 0.1% partnership interests therein. The remaining approximately 99.9% partnership interests in Zhirenyun are held by 43 limited partners who are employees of our Group, among whom, Mr. Wang Guangneng, our executive Director, one of the Controlling Shareholders, holds approximately 42.3% partnership interests therein. None of the other limited partners of Zhirenyun hold more than 5% partnership interests therein.

(b) Administration

The Employee Incentive Schemes shall be reviewed and revised by the Board and approved by the Shareholders. Subject to the authorisation from the Shareholders, the Board shall be responsible for the implementation of the Employee Incentive Schemes.

(c) Participants

The participants (“**Participants**”) of the Employee Incentive Schemes shall be an employee of our Group including senior management, middle management, core technicians, core business personnel and other important employees as deemed by the Board and subject to the adjustment by the general partner of the Employee Incentive Platform.

(d) Term

The Employee Incentive Schemes are valid and effective from their respective adoption dates and subject to termination by the Shareholders in accordance with the terms of the Employee Incentive Schemes.

(e) Shares under the Employee Incentive Schemes

As of December 31, 2025 and the Latest Practicable Date, a total of 36,978,240 Shares were held by Zhirenxing, Zhirenxue, Zhirenle, Zhirenju and Zhirenyun. We do not expect to grant additional partnership interest or Shares as incentive under the Employee Incentive Schemes.

Report of the Directors

(f) Transferability

The Shares held by the Employee Incentive Platforms are subject to the statutory lock-up period as provided under relevant laws and regulations. Subject to fulfillment of the performance targets, the partnership interests held by the Participants shall be unlocked (i) within two years; or (ii) in four installments, namely 25% for each of the four years ending December 31, 2025, 2026, 2027 and 2028. Whether during such lock-up period or otherwise, without the prior written consent of the general partners of the Employee Incentive Platforms Participants shall not dispose the interest in the Shares granted under the Employee Incentive Schemes held by him/her by way of transfer, pledge or debt repayment to any person other than the employees of the Company.

During the above lock-up period, Participants shall not in any way transfer the partnership interests held by him/her without the prior consent of the general partners of the Employee Incentive Platforms. During the above lock-up period, the general partners of the Employee Incentive Platforms may repurchase or designate a third party who is qualified to be a Participant to purchase part or all of the partnership interests granted to a Participant in the events, including (i) voluntary resignation of the Participant during the employment contract period due to his/her own reasons; (ii) non-renewal of the employment contract between the Participant and our Company after its expiration; (iii) loss of the Participant's ability to work; (iv) the retirement of the Participant; (v) the death of the Participant or (vi) any other situation as determined by the Board.

Equity-linked Agreements

No equity-linked agreements that would or might result in the Company issuing Shares, or that would require the Company to enter into any agreements that would or might result in the Company issuing Shares, were entered into by the Company during the year or subsisted at the end of the year.

Directors' Interests in Competing Businesses

As at the Latest Practicable Date, the Directors have confirmed that none of them had any interest in any business which competes or is likely to compete, directly or indirectly, with our business, and which requires disclosure under Rule 8.10 of the Listing Rules.

Share Capital

As at the Latest Practicable Date, the total share capital of the Company was RMB108,719,516, divided into 543,597,580 Shares of par value RMB0.2 each, comprising 525,569,780 H Shares and 18,027,800 domestic unlisted Shares.

Details of movements in the share capital of the Company during the Reporting Period are set out in note 28 to the financial statements in this annual report.

Report of the Directors

Purchase, Redemption or Sale of Listed Securities by the Company

During the Reporting Period and up to the Latest Practicable Date, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities (including the sale of treasury shares). As at the Latest Practicable Date, the Company did not hold any treasury shares.

Pre-emptive Rights

The Company had no arrangements in respect of pre-emptive rights according to the provisions of PRC laws and the Articles of Association.

Non-exempt Continuing Connected Transactions

As the Company was not a listed company for the year ended December 31, 2025, the annual review and reporting requirements under Chapter 14A of the Listing Rules are not applicable to the Company for the year ended December 31, 2025.

The Company entered into a procurement framework agreement (the "**Procurement Framework Agreement**") with Han's Laser on March 20, 2026, pursuant to which the Group shall procure from Han's Laser various (i) auxiliary equipment and tools, such as laser welding machines and vision equipment; and (ii) customized special model motors. The initial term of the Procurement Framework Agreement shall commence on the Listing Date and end on December 31, 2028. Relevant subsidiaries of both parties will enter into separate underlying agreements and/or orders, which will set out the specific terms and conditions in accordance with the principles stipulated in the Procurement Framework Agreement.

The Company also entered into a sales framework agreement (the "**Sales Framework Agreement**") with Han's Laser on March 20, 2026, pursuant to which the Group will provide cobot and servo drives and related supporting after-sales services and other technical services to Han's Laser. The initial term of the Sales Framework Agreement shall commence on the Listing Date and end on December 31, 2028. Relevant subsidiaries of both parties will enter into separate underlying agreements and/or orders, which will set out the specific terms and conditions in accordance with the principles stipulated in the Sales Framework Agreement.

For details of the aforesaid continuing connected transactions, please refer to the Prospectus.

The Directors (including the independent non-executive Directors) are of the view that the above continuing connected transactions have been entered into in the ordinary and usual course of business of the Group on normal commercial terms or better that are fair and reasonable and in the interests of the Company and its Shareholders as a whole; and the proposed annual caps for these continuing connected transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Report of the Directors

Related-party Transactions

Details of the related party transactions entered into by the Group during the Reporting Period are disclosed in note 33 to the financial statements. They include the connected transactions under the Listing Rules referred to above. As the Company was listed on the Main Board of the Stock Exchange in March 2026, for the year ended December 31, 2025, such related-party transactions did not constitute connected transactions or continuing connected transactions under the Listing Rules. The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules, which are disclosed in this annual report.

Donations

During the Reporting Period, the Group made no charitable and other donations.

Material Legal Proceedings

The Company was not involved in any material legal proceedings or arbitration during the Reporting Period. To the best of the Directors' knowledge, there are no material legal proceedings or claims pending or threatened against the Company.

Permitted Indemnity Provisions

The Company has maintained directors' liability insurance to protect the Directors of the Company against any potential losses arising from their actual or alleged misconduct.

Tax Relief

Individual Investors

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the "IIT Law"), which was latest amended on August 31, 2018 and its implementation rules, for individual income including interest, dividend and bonus, individual income tax with applicable proportional tax rate of 20% shall be paid. Unless otherwise provided by the competent financial and taxation authorities under the State Council, all the interest, dividend and bonus are deemed as derived from the PRC whether the payment place is in the PRC. According to the Circular on Certain Issues Concerning the Policies of Individual Income Tax (《關於個人所得稅若干政策問題的通知》) promulgated on May 13, 1994, overseas individuals are exempted from the individual income tax for dividends or bonuses received from foreign-invested enterprises.

Report of the Directors

Enterprise Investors

The principal laws, rules and regulations governing dividend distributions by foreign invested enterprises in the PRC are the Company Law and the Foreign Investment Law and its Implementing Regulations. Under these requirements, foreign-invested enterprises may pay dividends only out of their accumulated profit, if any, as determined in accordance with PRC accounting standards and regulations. A PRC company must allocate 10% of its current-year after-tax profits to a statutory reserve fund until the reserve reaches 50% of its registered capital. If prior-year losses exist, current profits must first be used to make up such losses before making the statutory allocation. After setting aside the statutory reserve, the company may, subject to shareholder approval, allocate additional funds to a discretionary reserve. Remaining after-tax profits may then be distributed to shareholders in proportion to their shareholding, unless otherwise provided in the articles of association. The company may not distribute profits on shares it holds itself.

In accordance with the EIT Law and its implementation rules, a uniform enterprise income tax rate of 25% is imposed on all resident enterprises in China, including foreign invested enterprises; a non-PRC resident enterprise is generally subject to enterprise income tax at a rate of 10% on PRC-sourced income (including dividends received from a PRC resident enterprise that issues shares in Hong Kong), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-PRC resident enterprises is deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due.

The Circular on Issues relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares 《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》, which was issued by the SAT on November 6, 2008, further clarifies that a PRC resident enterprise must withhold enterprise income tax at a rate of 10% on the dividends distributed to overseas non-PRC resident enterprise shareholders of H Shares in 2008 and any subsequent year. In addition, the Response to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-PRC Resident Enterprise from Holding Stock such as B Shares 《國家稅務總局關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》, which was issued by the SAT on July 24, 2009, further provides that any PRC resident enterprise whose shares are listed on overseas stock exchanges must withhold and remit enterprise income tax at a rate of 10% on dividends distributed to overseas non-PRC resident enterprise shareholders of H Shares in 2008 and any subsequent year. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has entered into with a relevant country or area, where applicable.

Report of the Directors

Pursuant to the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), which was signed on August 21, 2006, the PRC regulatory authorities may levy taxes on the dividends paid by a PRC resident company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of the total dividends payable by the Chinese company. If a Hong Kong resident directly holds 25% or more of the equity interest in a Chinese company, then such tax shall not exceed 5% of the total dividends payable by the PRC resident company. The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》第五議定書), which came into effect on December 6, 2019, added a criterion for the qualification of entitlement to enjoy treaty benefits. Under this protocol, treaty benefits will not be granted if, after considering all relevant circumstances, it is reasonable to conclude that one of the principal purposes of an arrangement or transaction is to obtain such benefits, unless granting the benefits is consistent with the Arrangement's objectives and purposes. The application of the dividend clause of tax agreements is subject to the statutory requirements of PRC tax law documents, such as the Notice of the SAT on the Issues Concerning the Enforcement of the Dividend Clauses of Tax Treaties (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》).

The Company did not declare or pay any dividend for the year ended December 31, 2025. Accordingly, the Shareholders (including the holders of H Shares) are not subject to income tax on dividend distribution. If any of the H Shareholders is unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the H Shares, he/she is advised to consult an expert.

Environmental Policies and Performance

The Group recognizes the importance of environmental protection and has adopted strict environmental protection measures to ensure compliance with existing environmental laws and regulations, and is committed to becoming a responsible enterprise by incorporating ESG factors into its corporate strategy and daily operations. As advised by our PRC legal advisers, our Directors confirm that, during the Reporting Period, we did not have any non-compliance with applicable health, work safety and environmental laws and regulations that would, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations.

For details of the Group's environmental, social and governance policies and performance, please refer to the "Environmental, Social and Governance Report".

Events After the Reporting Period

For more details regarding material events subsequent to December 31, 2025 and up to the Latest Practicable Date, please refer to the paragraph headed "Management Discussion and Analysis — Events after the Reporting Period" in this annual report.

Report of the Directors

Audit Committee

The Audit Committee has, together with the Board and the external auditor of the Company, reviewed the accounting principles and practices adopted by the Group, as well as the audited consolidated financial statements of the Group for the year ended December 31, 2025.

Corporate Governance

The Company is committed to maintaining high standards of corporate governance practices. Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 51 to 68 of this annual report.

Auditor

Ernst & Young was appointed as the auditor of the Company for the year ended December 31, 2025. Ernst & Young has audited the accompanying financial statements, which were prepared in accordance with International Financial Reporting Standards.

Ernst & Young shall retire at the annual general meeting and, being eligible, will offer itself for re-appointment at the annual general meeting. A resolution for the re-appointment of Ernst & Young as auditor will be proposed at the annual general meeting.

There has been no change in the Company's auditor since the Listing Date and up to the Latest Practicable Date.

On behalf of the Board

Mr. Wang Guangneng

Executive Director, Chairman of the Board and General Manager

Guangdong, China

April 27, 2026

Corporate Governance Report

Corporate Governance Practices

The Company is committed to achieving high standards of corporate governance, which are crucial to the development of the Company and safeguarding the interests of shareholders. The Company has adopted the corporate governance requirements in the Corporate Governance Code and the Corporate Governance Report.

As the H Shares of the Company had not yet been listed on the Stock Exchange during the Reporting Period, the Corporate Governance Code was not applicable to the Company during the Reporting Period. During the period from the Listing Date to the Latest Practicable Date, the Company has complied with all relevant principles and applicable code provisions under the Corporate Governance Code, save for the deviation disclosed in this annual report.

The Board will review the corporate governance policies and compliance with the Corporate Governance Code and other applicable legal and regulatory requirements at least annually in order to maintain a high standard of corporate governance for the Company and will make appropriate changes if considered necessary.

Model Code for Securities Transactions

Since the Listing Date, the Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules. As the H Shares of the Company had not yet been listed on the Stock Exchange during the Reporting Period, the Model Code was not applicable to the Company during the Reporting Period. Having made specific enquiry with all the Directors, the Company confirms that all Directors have strictly complied with the required standards set out in the Model Code and its code of conduct regarding directors' securities transactions during the period from the Listing Date to the Latest Practicable Date.

Corporate Culture

The Board firmly believes that corporate culture is the cornerstone for the Group to achieve sustainable growth and to fulfill its duties as a responsible corporate citizen. All Directors lead by example, instilling and committing to the promotion of the corporate culture throughout the enterprise.

Our vision: To become a global leader in the era of intelligent robots.

Our mission: To serve humanity with robotics.

Our values: Leading, Service, Integrity, Win-win.

Corporate Governance Report

The Board of Directors

Duties of the Board

The Company is led by an effective Board of Directors, which bears ultimate responsibility for leading, controlling, and guiding the Company towards success through strategic direction and oversight. All Board decisions are made objectively and in the best interests of the Company as a priority.

The composition of the Board reflects a balance of skills, experience and diversity of perspectives to meet our business needs. The Board includes executive Directors and non-executive Directors (including independent non-executive Directors), ensuring a strong independent element capable of exercising objective judgment. The Board regularly reviews the contribution expected from each Director and the time required to be committed by them to perform their responsibilities effectively.

The Company maintains a clear separation of responsibilities between the Board and senior management. The Board of Directors is responsible for supervising the management and operations of the Company. Its duties include determining the business plans and investment proposals of the Company; implementing resolutions of the shareholders' general meetings; and, within the scope of authority granted by the shareholders' general meeting, determining matters such as the Company's external investments, acquisitions and disposals of assets, asset pledges, external guarantees, entrusted wealth management, connected transactions and external donations, as well as determining the establishment of the Company's internal management structure and formulating the basic management systems of the Company. The Board has also appropriately delegated authority to the senior management and maintains effective supervision, thereby clearly distinguishing the governance functions of the Board from the executive functions.

Board Composition

As at the Listing Date and up to the Latest Practicable Date, the Board of Directors of the Company was made up of seven Directors, comprising three executive Directors, one non-executive Director and three independent non-executive Directors.

To the best of the Company's knowledge, there is no financial, business, family or material/relevant relationship among the members of the Board, and there is no material relationship between the Directors and senior management that is required to be disclosed.

Corporate Governance Report

Independent Non-executive Directors

Since the Listing Date and up to the Latest Practicable Date, the Board has met at all times the requirements under Rule 3.10(1) and Rule 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors, with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise. In addition, the Company has also complied with Rule 3.10A of the Listing Rules, which requires that independent non-executive Directors must represent at least one-third of the Board.

Each of the independent non-executive Directors has confirmed his/her independence pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

Board Independence

The Board has a balanced composition of executive Directors, non-executive Director and independent non-executive Directors, which ensures the independence of the Board in making decisions affecting the Company. Specifically, (i) the independent non-executive Directors have no relationship with any controlling shareholder or their respective close associates; (ii) the independent non-executive Directors represent more than one-third of the Board; and (iii) the independent non-executive Directors collectively possess the necessary knowledge, professional skills and experience to make their opinions influential, and are able to provide impartial and reasonable judgment for the Board's decision-making process and protect the overall interests of the Company and its Shareholders.

In addition, each of the Directors is aware of his or her fiduciary duties as a director, which require, among other things, that he or she must act for or in the best interests of the Company and must not allow any conflict between his or her duties as a director and his or her personal interests. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between the Group and the Directors or their respective associates, any interested Director will abstain from voting at the relevant meeting of the Board of the Company in respect of such transaction and shall not be counted in the quorum.

The implementation and effectiveness of the relevant framework have been reviewed by our Board and will continue to be reviewed annually.

Corporate Governance Report

Chairman of the Board and General Manager

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may also choose to deviate from, the requirement that the roles of chairman of the board and chief executive officer should be separate and should not be performed by the same individual. The roles of the chairman of the Board and the chief executive officer of the Company are not separate, and currently Mr. Wang Guangneng concurrently serves as the Chairman of the Board and the General Manager of the Company. Mr. Wang Guangneng is the founder of the Company and has played an important leadership role in the development of the Company. The Board believes that vesting the roles of Chairman of the Board and General Manager in the same person is beneficial for ensuring consistency of leadership within the Group and enables the Group to carry out overall strategic planning more effectively and efficiently. In addition, since there are three independent non-executive Directors among the seven Directors on the Board, a sufficient balance of power has been formed, and it is guaranteed that there will be sufficient independent voices on the Board to protect the interests of the Company and its Shareholders as a whole. Therefore, the Board considers that the balance of power and authority under the current arrangement will not be impaired, and this structure will enable the Company to make and implement decisions promptly and effectively.

The Board will continue to review and monitor the Company's corporate governance practices with the aim of maintaining a high standard of corporate governance.

Board Diversity Policy

To enhance the effectiveness of our Board and to maintain a high standard of corporate governance, the Board has adopted a board diversity policy (the "**Board Diversity Policy**"). The Board Diversity Policy sets out the criteria in selecting candidates for Board members, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on the merits of the selected candidates and the contribution they can bring to the Board.

Currently, the Board of Directors of the Company consists of five male members and two female members, comprising three executive Directors, one non-executive Director and three independent non-executive Directors, with an age range between 40 and 54. We believe that the Board of Directors of the Company has achieved a balance in terms of skill sets, experience, expertise and diversity (including gender diversity), thereby enhancing the Board's decision-making capabilities and overall effectiveness in achieving sustainable business operations and enhancing shareholder value, and therefore no measurable objectives have been set for the implementation of the Board Diversity Policy.

The Nomination Committee is responsible for reviewing the structure and diversity of the Board, and selecting candidates nominated for directorship. The Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness, and will make any revisions that may be required when necessary, and submit such proposed revisions to the Board for consideration and approval.

Corporate Governance Report

Potential Board candidates are identified and selected based on their merits and potential contributions, with due consideration given to the Board Diversity Policy and the specific operational needs of the Company at the time. To enhance the effectiveness of corporate governance and increase the proportion of female members over time, the Company is actively committed to promoting gender diversity. This includes actively identifying and selecting female individuals with diverse skills, experience and knowledge, maintaining a list of such potential candidates for Board appointments to be reviewed by the Nomination Committee on a regular basis, and ensuring gender diversity in the recruitment of mid-to-senior level staff, so that we will have a pipeline of female senior management and potential successors to the Board in the future.

The Board will also conduct an annual review of the implementation and effectiveness of the Board Diversity Policy. We will also disclose the implementation of our Board Diversity Policy in our corporate governance report on an annual basis.

Employee Diversity

As at December 31, 2025, the total number of employees of the Group (including senior management) was 548, of whom male employees accounted for 21.9% and female employees accounted for 78.1%. The Group implements the principle of equal employment, respects and treats employees of different genders fairly, and provides equal opportunities for employees in terms of recruitment, training and development, job promotion, remuneration and benefits. The Company is of the view that gender diversity among its employees has been achieved. The Company has not identified any factors or circumstances that would make achieving gender diversity across the entire workforce (including senior management) more challenging or less relevant.

Continuous Professional Development for Directors

Every newly appointed Director has received a formal and comprehensive induction on the first occasion of his/her appointment to ensure an appropriate understanding of the business and operations of the Company and full awareness of a Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

During the year ended December 31, 2025 and prior to the Listing Date, all Directors participated in continuous professional development by attending training courses or external seminars to develop and refresh their knowledge and skills in relation to their contribution to the Board. Relevant reading materials (such as legal and regulatory updates) have also been provided to the Directors for their reference. In view of the Company's listing on the Main Board of the Stock Exchange in March 2026, the Directors will subsequently further complete the induction training for first-time directors and continuous professional development training in accordance with the requirements of the Listing Rules.

Corporate Governance Report

Appointment and Re-Election of Directors

Code provision B.2.2 of the Corporate Governance Code stipulates that every director (including those appointed for a specific term) should be subject to retirement by rotation at least once every three years. Pursuant to Article 100 of the Articles of Association, Directors shall be elected or replaced by the shareholders' general meeting, and may be removed from their office by an ordinary resolution of the shareholders' general meeting before the expiration of their term of office, with the removal taking effect on the date the resolution of the shareholders' general meeting is made. The Directors shall serve a term of 3 years and may serve consecutive terms if re-elected upon the expiration of their terms. The term of office of a Director shall be calculated from the date on which he/she takes up office until the expiration of the term of office of the current Board of Directors. Where re-election is not carried out promptly after a Director's term of office expires, the original Director shall continue to perform the duties of a Director in accordance with laws, administrative regulations, departmental rules and the Articles of Association, before a new Director is elected to take up the office.

The term of office of the current session of the Board of Directors is three years, commencing from May 14, 2025, and its members are eligible for re-election upon the expiry of their term of office.

Each of the Directors has entered into a service contract or letter of appointment with the Company. The principal particulars of such service contracts and letters of appointment include (i) the term of office and (ii) the termination provisions according to their respective terms. The service contracts and letters of appointment may be renewed in accordance with the Articles of Association and applicable laws, rules and regulations.

Save as disclosed above, none of the Directors has or is proposed to have a service contract with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

Board Meetings and General Meetings

The Board holds meetings regularly to discuss and formulate the Group's overall strategies and operational and financial performance. According to Article 117 of the Articles of Association, the Board shall hold at least 4 meetings each year, which shall be convened by the Chairman. A written notice of a regular meeting shall be given to all Directors at least 14 days prior to the meeting.

General meetings consist of annual general meetings and extraordinary general meetings. An AGM shall be convened once a year and shall be held within 6 months following the end of the preceding financial year. Pursuant to Article 60 of the Articles of Association, the convener shall notify each Shareholder 21 days prior to an annual general meeting and 15 days prior to an extraordinary general meeting.

Corporate Governance Report

Since the Listing Date, the Company has not held any general meeting, and therefore no Director has attended any general meeting. In addition, as the H Shares of the Company were not yet listed on the Stock Exchange during the reporting period, the requirement under the Corporate Governance Code that the chairman should hold meetings with the non-executive directors (including independent non-executive directors) without the presence of executive directors at least annually is not applicable. Similarly, the records of attendance of the Directors at Board meetings and general meetings during the relevant reporting period will be disclosed in the subsequent annual reports of the Company in accordance with the Listing Rules.

During the period from the Listing Date to the date of this report, the Board held two Board meetings to approve, among other things, the incorporation of a subsidiary of the Company in Suzhou; this report; the Environmental, Social and Governance Report; the re-appointment of the external auditor for the year 2026; and other matters. The attendance records for the Board meetings are set out below:

Name of Director	Number of meetings attended/held
<i>Executive Directors:</i>	
Mr. Wang Guangneng	2/2
Mr. Zhang Guoping	2/2
Mr. Zhang Yingtao	2/2
<i>Non-executive Director:</i>	
Dr. Fang Bin	2/2
<i>Independent Non-executive Directors:</i>	
Dr. Wang Yihua	2/2
Dr. Huang Kai	2/2
Ms. Gao Li	2/2

Corporate Governance Functions

The Board is responsible for performing the functions set out in code provision A.2.1 of the Corporate Governance Code. From the Listing Date up to the Latest Practicable Date, the Board confirms that it has:

- (a) to develop and review the corporate governance policies and practices of the Company and make recommendations to the Board;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

Corporate Governance Report

- (d) to develop, review and monitor the code of conduct and compliance manual applicable to the employees and Directors of the Group; and
- (e) to review the Company's compliance with the Corporate Governance Code and the disclosure in the Corporate Governance Report.

Board Committees

Our Company has established three Board committees in accordance with the relevant PRC laws and regulations, the Articles of Association and the corporate governance practices under the Listing Rules, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. All Board committees have specific terms of reference, which clearly set out their duties and authorities. The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are available on the Company's website and the Stock Exchange's website.

Audit Committee

The Audit Committee consists of three members, all of whom are independent non-executive Directors, namely Dr. Wang Yihua, Ms. Gao Li and Dr. Huang Kai. Dr. Wang Yihua serves as the chairman of the Audit Committee.

The principal duties of the Audit Committee are to review and supervise the financial reporting procedure of the Company, which include:

- (a) to make recommendations to the Board on the appointment, re-appointment and removal of the external auditor, to approve the remuneration and terms of engagement of the external auditor, and to handle any questions of its resignation or dismissal;
- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee shall discuss with the external auditor the nature and scope of the audit and reporting obligations before the audit commences;
- (c) to develop and implement a policy on engaging external auditors to supply non-audit services;
- (d) to monitor the internal audit system of the Company and ensure the implementation of such system;
- (e) to facilitate communication between the internal audit department and the external auditors;
- (f) to review the financial information and relevant disclosures of our Company; and
- (g) to monitor the Company in respect of its financial reporting system, risk management and internal control systems.

Corporate Governance Report

During the period from the Listing Date to the date of this annual report, the Audit Committee held one meeting to review (among other things) this annual report and the re-appointment of the external auditor for the 2026 financial year. The Audit Committee has also reviewed and discussed the risk management and internal control measures and systems of the Company, and the effectiveness of the internal audit function of the Company.

During the period from the Listing Date up to the date of this annual report, the attendance records for the Audit Committee meeting are set out below:

Name of Directors	Number of meetings attended/held
Dr. Wang Yihua	1/1
Dr. Huang Kai	1/1
Ms. Gao Li	1/1

Remuneration Committee

The Remuneration Committee consists of three members, including one executive Director, namely Mr. Wang Guangneng, and two independent non-executive Directors, namely Dr. Wang Yihua and Ms. Gao Li. Dr. Wang Yihua is the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee include the following:

- (a) to make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) to review and approve the remuneration proposals for senior management with reference to the corporate goals and objectives of the Board;
- (c) to make recommendations to the Board on the remuneration packages of executive Directors and senior management, or where authorized, to determine the remuneration packages of individual executive Directors and senior management. Remuneration packages include benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of office or appointment);
- (d) to make recommendations to the Board on the remuneration of non-executive Directors;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;

Corporate Governance Report

- (f) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair, reasonable and not excessive;
- (g) to review and approve compensation arrangements relating to the dismissal or removal of Directors for misconduct to ensure that such compensation is consistent with contractual terms and is otherwise fair, reasonable and not excessive;
- (h) to ensure that no Director or any of his associates is involved in deciding his own remuneration; and
- (i) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

During the period from the Listing Date to the date of this annual report, no meeting of the Remuneration Committee was held. The Board will disclose details of the relevant meeting(s) in the next annual report as required by the Corporate Governance Code.

Remuneration of the Directors and Senior Management

The remuneration payable to members of senior management by band for the Reporting Period is set out below:

Remuneration Band	Number of individuals
Nil to RMB1 million (inclusive of RMB1 million)	0
RMB1 million to RMB2 million (inclusive of RMB2 million)	0
RMB2 million to RMB3 million (inclusive of RMB3 million)	1
RMB3 million to RMB4 million (inclusive of RMB4 million)	1
RMB13 million to RMB14 million (inclusive of RMB14 million)	1

Further details of the remuneration of the Directors and the five highest-paid individuals required to be disclosed under Appendix D2 to the Listing Rules are set out in Note 8 and 9 to the financial statements in this annual report.

Corporate Governance Report

NOMINATION COMMITTEE

The Nomination Committee consists of three members, including one executive Director, namely Mr. Wang Guangneng, and two independent non-executive Directors, namely Dr. Wang Yihua and Ms. Gao Li. Dr. Wang Yihua is the chairman of the Nomination Committee.

The primary responsibilities of the Nomination Committee include:

- (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, to assist the Board in preparing a board skills matrix, and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) to identify individuals suitably qualified to become Board members and to select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (c) to review and assess the implementation of the board diversity policy to ensure its continued effectiveness, revise or recommend revisions to the board diversity policy to the Board where necessary, and disclose the relevant diversity policy or a summary of the policy in the Corporate Governance Report in the annual report each year;
- (d) to assess the independence of independent non-executive Directors;
- (e) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors (in particular the chairman of the Board and the chief executive officer);
- (f) to assess each Director's time commitment and contribution to the Board, as well as the Director's ability to discharge his or her responsibilities effectively, taking into account the Director's professional qualifications and work experience, existing directorships of listed companies and time commitment involved in other significant external offices, and other factors or circumstances relevant to the Director's character, integrity, independence and experience; and
- (g) to assist the Company in the regular evaluation of the Board's performance.

The Nomination Committee is responsible for ensuring the diversity of Board members and compliance with relevant requirements regarding board diversity under the Corporate Governance Code. The Nomination Committee will review the Board Diversity Policy (including gender ratio) and the progress in achieving relevant targets from time to time to ensure its continued effectiveness. Details of the Board Diversity Policy are set out in the sub-section headed "Board Diversity Policy" in this Corporate Governance Report.

Corporate Governance Report

The Company has also adopted specific procedures for the nomination and election of Directors to provide the Board with guidance on the nomination and appointment of Directors. The nomination of candidates for election as Directors shall be in accordance with the following method and procedures: The Nomination Committee is responsible for identifying suitably qualified candidates for Directors and making nominations to the Board of Directors. In assessing suitable candidates, the Nomination Committee will consider the established selection criteria, including factors such as cultural or educational background and work experience, as well as how the candidates complement the structure, size and composition of the Board (including skills, knowledge and experience). The Nomination Committee shall make recommendations to the Board of Directors on candidates for directorship for consideration and approval. After the Nomination Committee has made its recommendations, the Board of Directors is responsible for approving such nominations before they are submitted to the shareholders' meeting for election.

During the period from the Listing Date to the date of this annual report, no meeting of the Nomination Committee was held. The Board will disclose details of the relevant meetings in the next annual report in accordance with the requirements of the Corporate Governance Code.

Directors' Responsibilities for Financial Reporting in respect of the Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements of the Group for each year, which give a true and fair view of the financial position of the Group, and for presenting a balanced, clear and comprehensive assessment of the Group's performance and prospects.

The Directors consider that the consolidated financial statements of the Company for the year ended December 31, 2025 have been prepared in accordance with all statutory requirements, and that the applicable accounting standards have been consistently applied and prepared on a going concern basis. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

The statement of the external auditor of the Company about its reporting responsibilities for the financial statements is set out in the section headed "Independent Auditor's Report" in this annual report.

Risk Management and Internal Control

The Company has established a set of risk management measures and internal control policies and procedures that are commensurate with its business operations, and we are committed to continuously optimizing the relevant policies.

The Board is responsible for conducting an independent review of the adequacy and effectiveness of the Company's risk management and internal control systems, continuously supervising and reviewing the effectiveness of their operation at least once annually, covering major financial, operational and compliance controls as well as risk management functions. The Company's risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and the Board can only provide reasonable, not absolute, assurance against material misstatement or loss.

Corporate Governance Report

Organizational Structure and Major Features of the Risk Management and Internal Control System

The Company has established a sound organizational system for risk management and internal control, in which: the Board is responsible for establishing and updating the internal control system, while the senior management supervises the daily implementation of internal control procedures and measures by the various subsidiaries and functional departments. The Audit Committee assists the Board in performing its duties regarding the risk management and internal control systems, and continuously oversees the Company's risk management and internal control systems. The internal legal personnels and the external legal counsel are engaged by the Company to supervise and manage the legal and compliance matters of the Company. This includes supervising daily business operations, providing legal guidance to subsidiaries, and reviewing the legality of contracts.

In addition, the Company has engaged an independent third-party consultant (the **"Internal Control Consultant"**) to perform a review over selected areas of our internal controls (the **"Internal Control Review"**). The scope of the internal control review performed by the Internal Control Consultant was agreed between us and the Internal Control Consultant. The selected areas of internal control reviewed by the Internal Control Consultant include entity-level controls and business process-level controls, including sales, accounts receivable and collection; procurement, accounts payable and payment; inventory management (including logistics); production and costing; human resources and payroll; fixed asset and intangible asset management; cash and treasury management; insurance management; financial reporting and information disclosure controls; tax management; general controls of information systems; and the research and development process. After reviewing the report prepared by the Internal Control Consultant, the Directors confirm that all major recommendations proposed by the Internal Control Consultant have been implemented and corresponding corrective measures have been taken. The Directors are of the view that our enhanced internal control measures are adequate and effective to ensure future compliance with the relevant laws and regulations.

Identifying, Evaluating and Managing Material Risks

At the beginning of each year, the Company organizes its management, the supervisory departments of its headquarters, business departments and subsidiaries to accurately identify major risks for the year based on the latest changes in the external environment and their own business development, and analyzes each major risk and formulates countermeasures. Meanwhile, it dynamically monitors major risks, tracks the implementation of preventive and control measures, regularly reports to the management on the changing trends of major risks in the ordinary course of production and operation, and puts forward management suggestions in a timely manner. In response to the identified material risks, the Company has formulated practical and feasible response plans based on its current development status and strategic planning.

Corporate Governance Report

Internal Audit Function

Our Company's internal audit function regularly monitors key controls and procedures to provide assurance to the management and the Board that the internal control system is operating effectively. The Audit Committee oversees the internal audit function. Based on an audit plan approved by the Audit Committee, internal audits review the Group's significant operational, financial, compliance, and risk management controls. Through these audits, the internal audit team identifies control deficiencies and weaknesses and proposes recommendations for improvement. Findings and deficiencies are communicated to management, who is responsible for ensuring timely rectification, and reported to the Audit Committee. The internal audit team subsequently performs follow-up reviews to verify that remedial actions have been implemented.

During the year ended December 31, 2025 and up to the Latest Practicable Date, the Board has reviewed the effectiveness of the risk management and internal control systems of the Group. After discussion with the management and evaluation by the Audit Committee, the Board of Directors considers that such systems are effective and adequate, have achieved the objectives of the Company's internal controls, and have no known material deficiencies.

Inside Information Disclosure Policy

The Company has formulated a disclosure policy, which provides general guidance for Directors, senior management and relevant employees on handling confidential information, supervising information disclosure and responding to enquiries. Control procedures have been implemented by the Company to ensure that unauthorized access and use of inside information are strictly prohibited. The Company takes the Guidelines on Disclosure of Inside Information issued by the Securities and Futures Commission of Hong Kong as the basis for its identification of inside information, to ensure the timely reporting of inside information to the executive Directors and to maintain communication with the Board. Meanwhile, the Company handles and disseminates inside information according to the relevant policies of the Company to ensure that inside information is kept confidential before being approved, and to ensure the effective and consistent dissemination of such information.

During the period from the Listing Date to the Latest Practicable Date, our Company has strictly complied with the requirements of applicable laws and regulations, the Listing Rules, the Articles of Association and the information disclosure management policy of our Company without any false statements, misleading statements or material omissions, to ensure that investors will be able to receive the disclosed information fairly, in a timely manner and effectively.

Corporate Governance Report

Auditor's Remuneration

The remuneration of the Company's external auditor in respect of audit and non-audit services for the year ended December 31, 2025 is as follows:

Services provided	Fees paid/payable (RMB'000)
Audit Services	5,540
– Audit services on the financial statements of our Group for the Reporting Period	1,840
– Audit services related to the Listing of the Shares on the Main Board of the Stock Exchange	3,700
Non-audit services in connection with the Listing	662

Non-audit services related to the Listing include: (1) internal control review services related to the Listing; (2) financial due diligence services related to the Listing; (3) tax advisory services related to the Listing.

JOINT COMPANY SECRETARIES

Mr. Zhang Yingtao has been responsible for the Group's financing, investor relations, financial management, legal and compliance, and business development since November 2020, and was appointed as the Chief Financial Officer, Secretary to the Board and an Executive Director on May 14, 2025. Mr. Zhang Yingtao therefore has a thorough understanding of the Company's management and business operations.

To maintain good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company has engaged Ms. Chan Pui Ching to assist Mr. Zhang Yingtao as a joint company secretary. Ms. Chan Pui Ching is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Mr. Zhang Yingtao is the primary contact person for Ms. Chan Pui Ching within the Company and will cooperate and communicate with Ms. Chan Pui Ching on the corporate governance, secretarial and administrative affairs of the Company. Biographical details of Mr. Zhang Yingtao and Ms. Chan Pui Ching are set out in the section headed "Biographical Details of Directors and Senior Management" in this report.

Corporate Governance Report

Mr. Zhang Yingtao and Ms. Chan Pui Ching were appointed as joint company secretaries on March 13, 2026, and they will complete at least 15 hours of relevant professional training in accordance with Rule 3.29 of the Listing Rules by December 31, 2026.

Communication with Shareholders and Investor Relations

The Company considers that effective communication with its Shareholders is essential for enhancing investor relations and their understanding of the Company's business, performance and strategies. We are committed to the timely disclosure of information to enable Shareholders and potential investors to make informed decisions. To this end, the Company adheres to its Shareholders' Communication Policy, which aims to establish constructive two-way communication.

Various communication channels are in place to keep Shareholders informed. These include the regular publication of interim and annual reports, announcements, and circulars. The annual general meetings and other general meetings as required also serve as important forums for direct interaction between Shareholders and the Board of Directors. The chairman of the Company and the chairmen of each Board committee will attend the annual general meeting to respond to enquiries from Shareholders. In addition, the Company ensures that its external auditor attends the annual general meeting. Meanwhile, the Company's website (www.huayan-robotics.com) serves as an important information hub, posting the latest information regarding the Company's operations, financial results, corporate governance practices and other relevant developments. The effectiveness of these communication channels is regularly reviewed by the Board and management. Through the above communication channels, the Board considers that the Shareholders' Communication Policy of the Company has been effective during the period from the Listing Date up to the Latest Practicable Date.

Shareholders and investors may submit enquiries through Investor Relations on the Company's website; the contact details are available on the Company's website.

Shareholders' Rights

The shareholders' general meeting of the Company is composed of all Shareholders. The general meeting is the organ of authority of the Company, through which Shareholders may exercise their powers. Pursuant to the Listing Rules, all resolutions put forward at a general meeting will be taken by poll. After each general meeting, the poll results will be uploaded to the websites of the Company and the Stock Exchange.

Corporate Governance Report

Convening of Extraordinary General Meeting and Putting forward Proposals

Pursuant to Article 54 of the Articles of Association, Shareholders holding more than 10% of the Company's shares, either individually or jointly, who request the Board of Directors to convene an extraordinary general meeting and add proposals to the meeting agenda, shall make such request to the Board of Directors in writing. The Board shall, in accordance with the requirements of laws, administrative regulations and the Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the request.

Where the Board of Directors agrees to convene an extraordinary general meeting, it shall send out the notice of the general meeting within 5 days after the passing of the relevant Board resolution. Any changes to the original request made in the notice shall be approved by the Shareholders concerned.

If the Board of Directors does not agree to convene an extraordinary general meeting, or fails to give a response within 10 days after receipt of the request, Shareholders individually or jointly holding more than 10% of the Company's shares shall have the right to propose to the Audit Committee in writing to convene an extraordinary general meeting.

If the Audit Committee agrees to hold an extraordinary general meeting, it shall issue a notice calling the general meeting within 5 days after receiving the request. Any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the Audit Committee fails to issue a notice of the general meeting within the prescribed time limit, it shall be deemed that the Audit Committee has failed to convene and preside over the general meeting, and Shareholders individually or in aggregate holding 10% or more of the Company's shares for 90 consecutive days or more may convene and preside over the meeting on their own.

Pursuant to Article 59 of the Articles of Association, Shareholders who individually or collectively hold more than 1% of the shares of the Company may put forward a provisional proposal and submit it in writing to the convener 10 days prior to the convening of the shareholders' general meeting. The provisional proposal shall have a clear topic and specific matters for resolution. The convener shall issue a supplemental notice of the general meeting within 2 days after receiving the proposal, announce the content of the provisional proposal, and submit such provisional proposal to the general meeting for consideration.

Corporate Governance Report

Enquiries to the Board

For enquiries about shareholdings, share registration and related matters, Shareholders shall direct their enquiries to the H Share Registrar, whose contact details are set out below:

Tricor Investor Services Limited

Address: 17/F, Far East Finance Center, 16 Harcourt Road, Hong Kong

Tel: (852) 2980 1333

For any other enquiries to be brought to the attention of the Board, Shareholders shall send their written enquiries to the Company either by mail to the Company's principal place of business in Hong Kong or by email, for the attention of the joint company secretaries. The contact details of the Company are as follows:

Headquarters and principal place of business in China:	Room 1101, Building 9, Haichuang Dazu's Robot Intelligent Manufacturing Center, No. 3 Erzhi Industrial Avenue, Xihai Village, Beijiao Town, Shunde District, Foshan City, Guangdong Province, China
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Principal Place of Business in Hong Kong:	Room 1919, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong
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For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Address: 6/F, Building 3, Han's Laser Global Intelligent Manufacturing Industrial Base, Bao'an District, Shenzhen City

Email: ir@huayan-robotics.com

Amendment to the Articles of Association

The Company adopted the Articles of Association on May 29, 2025, which became effective on the Listing Date. No changes have been made to the Articles of Association since the Listing Date and up to the Latest Practicable Date.

The latest version of the Articles of Association is also available on the Company's website and the Stock Exchange's website.

Environmental, Social and Governance Report

Reporting Scope

Guangdong Huayan Robotics Co., Ltd. (the “Company”, together with its subsidiaries, collectively the “Group” or “we”) is pleased to present its Environmental, Social and Governance (“ESG”) Report. This report aims to provide an overview of the Group’s performance in terms of environmental protection, social engagement, stakeholder communication, and sustainable development. This report covers the major facilities and offices of the Group. Relevant data was recorded and collected from January 1, 2025 to December 31, 2025 (the “Reporting Period”) from all major operating facilities and offices of the Group within and outside the People’s Republic of China.

Basis of Preparation

The Group prepared this report in accordance with the relevant provisions and requirements of the Environmental, Social and Governance Reporting Code set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The management of the Group strictly complies with the relevant regulations of the Stock Exchange, actively implements the concepts of environmental and social governance, and continuously collects relevant data during the daily operation and management process to ensure that the information is true, accurate and complete. Where necessary, the Group performs its reporting obligations in a timely manner in accordance with relevant regulations.

Source of Information and Statement of Reliability

The information disclosed in this report is primarily derived from the Group’s internal documents, statistical reports and relevant public information. The Group has established corresponding data collection and internal audit mechanisms to ensure the truthfulness, accuracy and completeness of the information disclosed. The Group undertakes that this report contains no false records, misleading statements or material omissions, and assumes legal liability for its authenticity, accuracy and completeness.

Board Statement

As a responsible corporate citizen, the Group is well aware that prudent ESG management is crucial to the Company’s long-term value creation and sustainable development. This ESG Report outlines the Group’s governance structure, strategic objectives, key practices and future vision regarding ESG-related matters, and communicates the Group’s firm commitment to sustainable development.

We believe that deeply integrating ESG concepts into our business strategy, daily operations and comprehensive risk management system is the essential path to achieving the transformation of the Company’s business model and enhancing its core competitiveness and long-term resilience. To effectively handle ESG matters, we will continue to strengthen communication and interaction with employees, customers, suppliers, investors, the community and other stakeholders, actively respond to their concerns, and jointly promote the achievement of sustainable development goals.

Environmental, Social and Governance Report

The board of directors of the Group (the “Board”) assumes ultimate responsibility for ESG matters and is committed to:

1. Incorporating ESG into the Group’s overall strategy and governance framework to ensure the deep integration of ESG with business development.
2. Supervising the establishment and operation of the ESG risk management system, identifying and responding to key ESG risks such as climate change, supply chain security and data privacy, and strengthening internal control and compliance management.
3. Ensuring the truthfulness, accuracy and timeliness of ESG information disclosure, complying with relevant regulatory requirements and international standards, and proactively accepting the supervision of stakeholders.
4. Continuously enhancing the ESG professional capabilities of the Board and management, and promoting the cultivation and inheritance of an ESG culture within the Group.

ESG Governance Framework

To ensure the effective advancement of Environmental, Social and Governance (ESG) work, the Group has established a hierarchical and collaborative ESG management system.

Decision-making Level

Comprising the CEO, independent Directors and core executive Directors, it comprehensively leads the formulation of ESG strategies, the advancement of targets, and the management and control of key risks.

Management Level

Plans corporate sustainability visions, strategies and management systems, identifies priority issues and stakeholder needs, and dynamically assesses industry trends and potential risks and opportunities.

Execution Level

Comprising the heads of various functional departments and business backbones, it is responsible for coordinating the resources of business departments, promoting the implementation and execution of strategies, and reporting ESG progress to the Committee on a regular basis.

The Group has engaged an external ESG consultant to continuously develop and improve the Group’s ESG system and capabilities. To ensure the normalized and standardized operation of ESG work, the Group has formulated and issued a series of programmatic and executive documents, forming a “1+N” ESG management system. The “Huayan Robot Risk Management System” incorporates ESG-related risks into the Company’s overall risk management system, achieving the coordinated management of ESG risks and business risks.

Environmental, Social and Governance Report

Communication with Stakeholders

The Group attaches great importance to communication and interaction with various stakeholders, and understands their concerns and expectations through diversified channels. Based on the five dimensions of responsibility, influence, proximity, dependency and representativeness, the Group has identified its core stakeholders and established a normalized communication mechanism.

Adhering to the values of “Leadership, Service, Sincerity and Win-win”, the Group has formulated a clear stakeholder engagement policy. Based on respect for the legitimate rights, interests and cultural backgrounds of all parties, the Group continuously pursues more advanced technologies, more refined products and more excellent services, and is committed to building an open, shared, win-win and sustainable industrial ecological landscape. The Group has established diversified and transparent communication channels, enabling the timely and accurate delivery of the Company’s development dynamics and performance of its responsibilities to all parties. The Group will conduct serious research and analysis on the core demands raised by stakeholders and transform them into specific directions for the Company’s technological innovation, management improvement and ESG actions.

For different stakeholder groups, we have established a communication mechanism that combines regular and thematic approaches to ensure that their demands can be effectively conveyed. Details are set out below:

Stakeholders	Core Demands and Key Content	Subjects of Communication	Main Communication		
			Channels and Methods	Communication Frequency	Means of Response of the Group
Shareholders and Investors	Corporate governance transparency, risk management, long-term value	Existing shareholders, potential investment institutions	General meetings, investor roadshows and reverse roadshows	Quarterly/Annually/Ad hoc	Optimize governance structure; strictly comply with the information disclosure system; explore new paths for the integration of industry and finance.
Customers and Ecosystem Partners	Product innovation and reliability, solution adaptability, technical support and after- sales service, win-win cooperation	Integrators, agents, end users, ecosystem partners, etc.	Global partner conference, strategic signing ceremony, joint exhibitions, technical seminars, routine visits	Annual/Quarterly/Monthly/ Daily	Continuously increase research and development investment and launch more new products; deepen ecosystem cooperation and jointly develop a new generation of testing systems.

Environmental, Social and Governance Report

Stakeholders	Core Demands and Key Content	Subjects of Communication	Main Communication		Means of Response of the Group
			Channels and Methods	Communication Frequency	
Employees	Occupational health and safety, remuneration and benefits, career development paths, work atmosphere, protection of rights and interests	All employees	Internal communication meetings (all-staff/ departmental), employee satisfaction surveys, corporate culture activities, online internal communication platforms	Regular/Daily	Improve remuneration, incentive and promotion mechanisms; provide diversified training courses; organize team building and cultural and sports activities; establish a feedback mailbox to protect employees' rights to appeal; organize meetings and exchange sessions between new employees and the CEO.
Government and Regulatory Authorities	Compliant operations, tax payment in accordance with the law, promotion of local employment, driving effect of industrial upgrading	National and local governments at all levels, industry regulatory authorities	Work reporting and data submission, policy interpretation sessions, reception for government research and surveys	Regular/Ad hoc	Strict compliance with the bottom line of laws and regulations
Suppliers	Collaborative innovation, stable procurement, fair cooperation, joint technical research	Component suppliers	High-level mutual visits, technical exchange days, purchase order and contract fulfillment	Regular/Daily	Improve the supplier admission review mechanism and strengthen cooperation and communication.
Universities and Research Institutions	Industry-university-research cooperation, key technological breakthroughs, academic exchanges	Renowned universities and research institutes	Joint research on technical projects, construction of internship bases	Ad hoc	Collaborate with universities to conduct research in frontier fields such as embodied AI algorithms and human-robot collaboration, and accelerate the transformation of technological achievements.

Environmental, Social and Governance Report

Stakeholders	Core Demands and Key Content	Subjects of Communication	Main Communication		Means of Response of the Group
			Channels and Methods	Communication Frequency	
Industry Organizations	Information sharing, ecosystem co-construction	Robotics associations, machinery industry federations, etc.	Industry forums and summits	Ad hoc	Deliver keynote speeches and share industry experience; promote the establishment of an order of fair competition.
Community and the Public	Safety in production, environmental protection, science popularization education	The public, media, NGOs	Media coverage, publication of ESG reports	Ad hoc	Continuously promote technical improvements in the manufacturing process to enhance material utilization; popularize robotics technology to the public through the media, and serve humanity with robotics technology.

Materiality Assessment

The Group identifies and assesses ESG issues with reference to the disclosure requirements of the Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong, combined with industry characteristics, the regulatory environment and daily operation and management practices. Our issue identification process is a dynamic, cyclical and annually optimized process, which generally comprises four core stages: identification, assessment, management review and confirmation.

During the identification stage, based on research into the United Nations Sustainable Development Goals, GRI Standards, peer best practices and the ESG Reporting Guide, and in combination with the industry in which the Group operates, its core business and its strategic development direction, we identified sustainability-related risks and opportunities involving the Group, and preliminarily screened and organized an issue pool covering the three dimensions of environment, society and governance. During the assessment stage, we timely understood the material concerns of various stakeholders through various communication methods such as symposiums, written correspondence, telephone calls and general meetings of shareholders. In combination with the regulatory requirements of the locations where we operate and peer management events, we identified various ESG topics. At the same time, we assessed the actual or potential impacts of external ESG trends on the Group's finances and operations, and plotted a materiality matrix based on the double materiality scores, classifying all topics into three levels: highly material, moderately material and generally material. During the management review and confirmation stage, the initially screened highly material issues and the matrix are submitted to the Group's management and the Board of Directors for deliberation, followed by final calibration in conjunction with the business strategy, and formal confirmation upon approval by the Board of Directors.

Environmental, Social and Governance Report

Upon assessment, the highly material topics of the Group for 2025 include:

- Governance Dimension: Business Ethics, Intellectual Property Protection and Innovation Management, Product Safety and Quality Assurance, Data Security and Privacy Protection
- Social Dimension: Employee Rights and Benefits, Employee Health and Safety, Talent Attraction and Retention, Diversity and Inclusivity
- Environmental Dimension: Addressing Climate Change and Greenhouse Gas Emissions, Green Product Design, Waste Management and Circular Economy

Through this rigorous identification process, the Group ensures that its ESG efforts accurately respond to the authentic voices from stakeholders and the business front line, truly serving the long-term, steady development of the Group.

ESG Strategy

Major Impacts of the Group's Business on Society and the Environment

(I) Positive Impacts on and Potential Risks to Society

Impact Dimension	Positive Impact (Value Creation)	Potential Risks (Risk Control)
Economy and Industrial Upgrading	Facilitating the automated and intelligent transformation of the manufacturing industry through high-performance cobots, and enhancing customers' production efficiency and product quality.	Some small and medium-sized enterprise customers may be unable to fully benefit due to technical barriers or cost pressures.
Workforce and Employment	- Replacing hazardous, heavy and repetitive positions through human-machine collaboration to improve the working environment for laborers and reduce the risk of industrial injuries. - As a high-tech enterprise, it continues to create high-quality employment positions in research and development, engineering and management, attracting high-end talent.	- It may trigger the structural replacement of certain low-skilled positions, necessitating assistance to society in upgrading labor skills. - Competition for talent within the industry is intense; failure to prioritize employee development may lead to a loss of talent.
Technological Innovation and Ethics	Adhering to independent innovation, possessing multiple patents and core technologies, and contributing to the country's technological self-reliance and self-improvement.	The misuse of AI and robotics technology may bring about ethical challenges, such as data privacy.

Environmental, Social and Governance Report

(II) Impact on the Environment

Impact Dimension	Positive Impact (Environmental Benefits)	Potential Risks (Environmental Footprint)
Products and Solutions	Cobots inherently possess a high energy efficiency ratio and are more energy-efficient compared to traditional industrial robots.	If products are improperly recycled or disposed of after their end-of-life, electronic waste may be generated.
Operations and Manufacturing	Implement green factories and green offices, issue relevant management measures, and carry out energy conservation and environmental protection.	The production and manufacturing process consumes electricity and generates a certain amount of noise, waste and a minimal amount of exhaust gas.
Supply Chain	Priority is given to the procurement of components and materials that meet environmental protection requirements, and suppliers are encouraged to improve their environmental management standards.	The mining of certain raw materials (such as rare earths and precious metals) may cause ecological and environmental damage.

ESG Development Vision, Strategy and Goals

The Group is committed to being a responsible corporate citizen, complying with applicable laws and regulations as well as market practice principles, and promoting social well-being. The management attaches great importance to matters such as environmental sustainability, social responsibility and governance.

We have constructed the “GREEN – Huayan Robot ESG Strategic Model”, covering four major strategic pillars:

- G – Green Innovation: Integrate environment-friendly concepts throughout the entire product life cycle, from design, procurement, and manufacturing to recycling, continuously reducing environmental impact and assisting customers in carbon reduction.
- R – Responsible Partnership: Joining hands with the supply chain, customers and ecosystem partners to jointly fulfill social responsibilities and create a transparent, sustainable and resilient value chain.
- E – Empowered People: Creating a safe, equal, inclusive and growth-oriented workplace environment for employees, stimulating innovation and vitality, and actively contributing to community development.
- E – Ethical Governance: Adhering to the highest standards of business ethics and compliant operations, strengthening risk management and control to ensure the long-term stable development of the Group.
- N – Net Positive Impact: Pursuing a net positive contribution to society and the environment, and promoting broader sustainable development through technology popularization and industry empowerment.

Environmental, Social and Governance Report

In terms of product strategy, product development continues to advance towards the technical directions of “green and intelligent” and “safe and collaborative”. Taking the recently launched S50 heavy-load robot as an example, the R&D team has reduced the temperature rise of core components by 35% and decreased overall energy consumption by 60%, achieving an average full-load power consumption as low as 700W through the integrated design of motors and robot joints as well as system thermal management technology. Meanwhile, the 48V safe low-voltage power supply, which eliminates the risk of electric shock during dragging, has become one of the core selling points we promote to customers. In terms of supply chain strategy, we are committed to building a sustainable and resilient ecosystem, incorporating certain ESG performance indicators into our supplier admission and annual performance appraisal systems, and plan to further improve ESG-related work within the next five years. In terms of talent strategy, we build a “people-oriented” innovation hub, conduct annual employee satisfaction surveys and continuously optimize based on the results, consistently enhance the inclusivity of employee diversity, regularly organize various cultural and sports activities, establish multiple internal interest clubs, and attach great importance to the occupational health and safety of our employees. Addressing the industry pain point of high turnover rates among high-tech talent, we have issued and implemented internal systems such as the “Mentor Management System” and the “Scheme on the Pilot Implementation of the ‘Module Owner Responsibility System’” to improve employee growth and promotion channels, while implementing various talent incentive methods such as performance bonuses and equity incentives for the core backbones of various departments.

Environment

Environmental Compliance

The Group strictly complies with the laws and regulations relating to environmental protection in the jurisdictions where it operates, including but not limited to the Environmental Protection Law of the People’s Republic of China, the Energy Conservation Law of the People’s Republic of China and relevant local environmental protection management regulations. The Group has obtained ISO 14001:2015 environmental management system certification and has deeply integrated its decarbonisation targets with its compliant operations. During the Reporting Period, the Group was not subject to any material administrative penalties for violations of environmental protection laws and regulations.

Environmental, Social and Governance Report

Our key ESG indicators during the Reporting Period are summarized as follows:

	For the year ended 31 December		
	2025	2024	2023
Total GHG Emissions	1,308.4	1,097.9	1,045.9
Scope 1 — Direct GHG Emissions (tons CO ₂ e)	2.5	2.5	2.5
Scope 2 — Indirect GHG Emissions (tons CO ₂ e)	1,306.0	1,095.4	1,043.4
Total GHG emission intensity (tons CO ₂ e per person)	2.34	2.36	2.46
Air emissions			
Carbon monoxide (kg)	3.7	3.7	3.7
Nitrogen oxides (kg)	0.1	0.1	0.1
Sulfur dioxide (kg)	0.1	0.1	0.1
Waste			
Total Hazardous Waste (kg)	47.0	50.0	45.0
Hazardous waste intensity (kg per person)	0.084	0.107	0.106
Total non-hazardous waste (kg)	3,450.0	1,070.0	1,060.0
Non-hazardous waste intensity (kg per person)	6.2	2.3	2.5
Energy Consumption			
Total Energy Consumption (MWh)	2,057.6	1,725.7	1,642.5
– Total direct energy consumption (MWh)	1.9	1.9	1.9
– Total indirect energy consumption (MWh)	2,055.7	1,723.8	1,640.6
Energy consumption intensity (MWh per person)	3.67	3.70	3.86
Water consumption			
Total water consumption (cubic meters)	7,685.3	6,290.6	6,757.7
Water consumption intensity (cubic meters per person)	13.7	13.5	15.9

Use of Resources

Huayan Robot adheres to the resource management policy of “efficient utilization, recycling priority and emission reduction”, strictly follows the requirements of ISO 14001:2015 environmental management system certification and the Chinese environmental regulatory system, and has established a standardized environmental management mechanism covering the entire operational process.

We will establish a resource management system, set quantitative targets, and periodically monitor, evaluate and continuously optimize resource use efficiency, covering stages from product design, raw material procurement and manufacturing to product use and disposal, systematically considering resource consumption and environmental impact. We enhance the awareness of resource conservation among all employees through training and publicity, and integrate green behaviors into daily work.

Environmental, Social and Governance Report

In terms of energy management, we continuously improve energy efficiency through technical energy conservation, management-based energy conservation and structural optimization. We define the responsibilities of each department and implement whole-process control over energy procurement, measurement, usage and analysis. We issued the “Energy Conservation and Consumption Reduction Initiative” to advocate for electricity saving, ensuring that air conditioning temperatures in summer are not lower than 26°C and that lights and equipment are turned off when not in use. At the same time, we issued the “Notice on Advocating Electronic and Paperless Office” to promote paperless office practices and reduce unnecessary energy consumption. In terms of water resources management, although the Group’s production and operations do not belong to a high water-consuming industry, we still adhere to the philosophy of water conservation and protection of water resources, strengthening water-saving publicity among employees, posting water-saving signs and eliminating waste.

Energy Use Efficiency

The Group has incorporated energy efficiency targets into its overall ESG target system, setting an intensity target to reduce energy consumption per unit of output value by 5% by 2030 compared to 2024, while continuously advancing the establishment of environmental protection systems and management, with the goal of obtaining ISO 50001 energy management system certification in the medium to long term.

To achieve this goal, we have scientifically formulated an environmental management plan framework covering multiple scenarios and implemented a series of energy-saving solutions including equipment energy efficiency upgrades, while simultaneously creating a resource-intensive office environment ecology to promote the comprehensive implementation of a low-carbon office model.

Water Use Efficiency

Although the Group’s business does not belong to a high water-consuming industry, the Group consistently adheres to the principle of water conservation, regards water resources as precious public resources and minimizes consumption and waste through refined management.

In terms of water resources use management, the Group strictly complies with the Water Law of the People’s Republic of China in its production, operations and daily office work, and has established a daily inspection system whereby property or workshop personnel regularly check water supply facilities to eliminate running, emitting, dripping and leaking. Any water leakage discovered is promptly repaired and a maintenance ledger is maintained. At the same time, water-saving signs are posted in water-use areas such as restrooms and pantries to cultivate water-saving awareness among employees.

Based on the actual business operations and the current status of water resources management of the Group, the Group has set pragmatic and measurable water efficiency targets. With 2024 as the baseline, the goal is to reduce water consumption intensity per unit of revenue by 5% by 2030. To achieve these goals, we will improve and strengthen the Group’s relevant institutional systems, promote the formation of environmental awareness and habits among employees in the form of rules and regulations, and establish a dedicated energy team to supervise employees in implementing energy-saving behaviors.

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Green Operations

In terms of green production, the Group implements a lean production model to optimize production processes and technical parameters, reducing raw material waste, rework of defective products and waiting time between processes. We strictly implement the classified collection of metal scraps, waste packaging materials, waste electronic components, etc. generated during the production process.

In terms of green office practices, the Group has issued the “Energy Conservation and Consumption Reduction Initiative” and the “Notice on Advocating Electronic and Paperless Office” to fully implement the OA system, WeCom and electronic approval processes, thereby reducing the circulation of paper documents. When printing is necessary, double-sided printing and black-and-white printing are the default; and printing permissions and quota management are established. An office supplies requisition system has been established to allow for requisitioning based on actual needs, so as to avoid stockpiling and waste. We give priority to the procurement of office supplies made from renewable materials (such as recycled paper notebooks and biodegradable rubbish bags). We strictly implement air-conditioning temperature standards, with temperatures no lower than 26°C in summer and no higher than 20°C in winter, and turn off air-conditioning half an hour before the end of office hours.

In terms of green logistics, the Group has optimized product packaging design to reduce the use of packaging materials and utilize recyclable and biodegradable materials, provided that protective performance is ensured. We use reusable crates for internal logistics and short-haul transportation. We integrate logistics resources, improve vehicle loading rates, and reduce empty runs and redundant transportation.

In terms of vehicle use management, the Group clarifies the processes for vehicle use application, dispatch and maintenance, and advocates for consolidated vehicle dispatching to reduce the frequency of single-vehicle trips. Employees are encouraged to commute by public transport, carpooling, cycling, or walking.

There is no end point for green operations. Next, the Group plans to establish an energy and environmental data management platform to achieve online collection and analysis of data such as energy consumption, waste and vehicles, thereby improving the level of refined management; and to carry out “Green Golden Ideas” rationalization suggestion activities, encouraging employees to offer suggestions for green operations and providing rewards for excellent suggestions.

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Social

Employment, Protection of Labor Rights and Labor Standards

The Group strictly complies with the laws and regulations relating to employment and labor protection in China and Hong Kong. In respect of Chinese Mainland, the Group complies with the Labor Contract Law of the People's Republic of China, the Labor Law of the People's Republic of China, the Social Insurance Law and the relevant regulations of the State Council regarding the working hours of employees; in respect of Hong Kong, the Group complies with relevant laws and regulations such as the Employment Ordinance, the Employees' Compensation Ordinance and the Minimum Wage Ordinance. The Group regards compliant employment and the protection of employee rights and interests as an important foundation for corporate sustainable development, and continuously improves its human resources management system to ensure that its various employment arrangements comply with legal and regulatory requirements.

Total Number and Composition of Employees

As at December 31, 2025, the Group had a total of 548 employees. An analysis of our employees by gender and age group is as follows:

	As at 31 December 2025
Total number of employees	548
By gender	
Female	428
Male	120
By age group	
Aged 20-29	266
Aged 30-39	184
Aged 40-49	77
Aged 50 and above	21
By region	
Headquarters employees	518
Branch employees	30

Environmental, Social and Governance Report

Employee turnover rate

Details of the average annual employee turnover rate as a percentage of the total number of employees as at December 31, 2025 are as follows:

		As at 31 December 2025
By gender		
	Female	4.9%
	Male	19%
By age group		
	Aged 20-29	8.4%
	Aged 30-39	13.9%
	Aged 40-49	1.5%
	Aged 50 and above	0.2%
By region		
	Headquarters employees	23.2%
	Branch employees	0.8%

Employee Recruitment

The Group has formulated and strictly implemented the “Recruitment Management Measures”, taking “fair employment, equal opportunity and diversity and inclusion” as the core philosophy of its recruitment work. Throughout the recruitment process, we do not discriminate based on an applicant’s race, color, religion, gender, age, nationality, disability, marital status, sexual orientation, political affiliation or other characteristics unrelated to the job requirements. We adhere to job competency as the core assessment criterion, focusing on the alignment of candidates’ knowledge, skills, potential and values with the corporate culture. We provide equal employment opportunities for all types of talent, including fresh graduates, experienced professionals, veterans and persons with disabilities, creating an open and inclusive employment environment.

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To achieve the objectives of fair and diverse recruitment, the Group has adopted targeted measures in areas such as recruitment channels, job postings, resume screening and interview assessments.

Recruitment stage	Equality and diversity initiatives	Implementation
Expansion of recruitment channels	- Established cooperative relationships with various domestic and overseas universities, covering institutions across different regions and levels to expand the diversity of talent sources. - Adopted multiple channels simultaneously, including internal referrals, social recruitment, campus recruitment and overseas recruitment, to break the homogeneity that may arise from a single channel.	The 2026 global campus recruitment has been fully launched for domestic and overseas universities, with work locations covering Shenzhen, Foshan, Wuxi, Tianjin, Chengdu, Shanghai and various overseas locations.
Job posting	- Recruitment advertisements adopt inclusive language and avoid expressions with implicit biases regarding gender, age, etc. (e.g. not using terms such as “male only” or “under the age of XX”). - Job requirements focus on competencies (educational background, profession, skills and experience), and no restrictive conditions unrelated to the position are set.	The job descriptions on the Group’s official website and major recruitment platforms all follow the principle of inclusivity.
Resume screening	The screening criteria are unified and quantified, and are jointly formulated by HR and the hiring department to avoid subjective arbitrariness.	This has been gradually promoted, and the screening process has been continuously optimized.

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Recruitment stage		Equality and diversity initiatives	Implementation
Interview evaluation	•	Structured interviews are adopted, whereby all candidates are evaluated based on the same dimensions (such as professional competence, communication and collaboration and learning potential) and scoring criteria.	Continuously optimizing processes
	•	The interview panel usually consists of HR and the hiring manager to conduct a comprehensive evaluation from multiple perspectives and reduce the impact of individual bias.	
	•	We avoid asking personal privacy questions unrelated to the position (such as marriage and childbearing plans, family circumstances, etc.).	
Hiring decision	•	Hiring decisions are based on comprehensive information such as interview evaluations, professional tests and background checks, with “person-job fit” as the sole basis.	Continuously optimizing hiring policies

Protection of Employee Rights and Interests

The Group has established a remuneration and benefits system centered on “position value, individual capability and performance contribution” to ensure the external competitiveness and internal fairness of remuneration. The remuneration structure adopts a model of basic salary plus performance bonus plus year-end bonus, which comprehensively considers position value, individual capability, individual contribution, departmental performance and the overall performance of the Group, and is subject to regular adjustments based on market benchmarking.

The Group pays five social insurances and one housing fund (pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund) for all employees in accordance with the law, and also purchases accident insurance for all employees and critical illness insurance for certain employees. We regularly implement transportation subsidies or free shuttle busses, lunch subsidies, communication subsidies, business travel subsidies, high-temperature subsidies, etc., while also providing festival benefits, birthday benefits, etc. We organize annual health examinations for all employees, equip office areas with first-aid kits, and organize health lectures to focus on the physical and mental health of employees.

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In terms of career development, the Group has designed a dual-channel development system for employees where management and professional tracks run in parallel, allowing employees to choose a suitable development direction based on their own strengths and interests. We have established a full-cycle training and development system covering new employees, core business personnel and management to continuously empower employee growth. With respect to the integration stage for new employees, the Group has established the “Huayan Newcomer Training Camp”, forming a one-on-one mentorship system with induction guides (mentors), and conducts comprehensive training for new employees covering corporate culture, systems and processes, and product technology, to help new employees quickly integrate into the team. To address the needs of employees for professional competence enhancement in their work, the Group organizes activities such as technical lectures, thematic seminars and sharing of frontier practices by internal technical experts from time to time, and also selects and dispatches employees to participate in industry summits and external professional training, and supports employees in obtaining professional certifications.

Employee Communication and Grievance

The Group has established a formal and confidential employee grievance mechanism, which follows five core principles: confidentiality, impartiality, timeliness, non-retaliation and due process. The entire grievance process is strictly confidential, and relevant information is restricted to personnel with a need to know; the handling of grievances maintains objectivity and neutrality, free from any improper interference by any individual or department; a rapid response is provided to grievance matters, with investigations and feedback completed within the prescribed time limits; any form of retaliation against the grievant is strictly prohibited, and once verified, will be dealt with seriously; the rights of the grievant to state facts and provide evidence are protected, ensuring the transparency of the handling process and the traceability of results.

The Group provides various formal, real-name or confidential grievance channels, including communicating with direct supervisors or department heads, providing feedback to any employee of the Human Resources Department, and submitting grievances through a dedicated email address, among others.

The Group has designated personnel responsible for receiving and following up on employee grievances, while continuously improving the grievance handling process to ensure that every grievance matter receives a standardized and timely response. Upon receipt, the specialist conducts a preliminary classification of the grievance matters (such as labor rights and interests, interpersonal relationships, workplace injustice, discrimination and harassment, etc.). The manager of the Human Resources Department conducts a preliminary assessment and triage of the reported matters, evaluates the nature and severity of the matters, matches them with different subsequent workflows, and designates personnel or organizes an investigation team to conduct an investigation and evidence collection, and finally performs analysis, determination and processing feedback, and archives the matters.

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Workplace Harassment and Bullying Management

The Group has, based on the “System for Eliminating Sexual Harassment in the Workplace (Reference Text)” jointly issued by six departments including the Ministry of Human Resources and Social Security and the Supreme People’s Procuratorate, and in combination with the Group’s actual circumstances, formulated and promulgated the “Huayan Robotics Anti-Discrimination and Harassment Policy” as a specialized system for handling such issues, which clarifies the definition standards, reporting channels, investigation procedures and handling measures for unfair behaviors such as workplace sexual harassment and workplace bullying.

Health and Safety

Employee Health and Safety System

The Group attaches great importance to the occupational health and safety of its employees, strictly complies with relevant laws and regulations such as the Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases and the Provisions on the Supervision and Administration of Occupational Health in the Workplace, and has established a systematic and scientific occupational health and safety management system. The Group has obtained ISO 45001 occupational health and safety management system certification.

In accordance with the ISO 45001 standard, the Group has formulated various systems including the “Workshop Safety Management System”, the “Safety Management System for Dangerous Operations”, the “Accident Reporting, Investigation and Handling System”, the “Fire Safety Management System”, the “Safety Production Investment Management System” and the “Hidden Danger Inspection and Rectification System”, forming a management closed loop of “prevention first, combination of prevention and control, and continuous improvement”.

In terms of management system and organizational assurance, the Group has established an Occupational Health and Safety Management Committee, with the CEO serving as the chairman and heads of various departments as members, clarifying the principle that “production management must include safety management”. We have established an “Occupational Health and Safety Responsibility System” covering all positions, and have decomposed safety targets to various departments, teams and positions. Priority is given to ensuring safety investment, and occupational health and safety funds are included in the annual budget for the maintenance of protective facilities, procurement of personal protective equipment, testing and evaluation, training and education, etc.

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In terms of occupational disease hazard risk management and control, the Group has established and operated a dual prevention mechanism to implement whole-process management and control over occupational disease hazards. We regularly organize comprehensive identification of occupational disease hazard factors at production sites, covering categories such as chemical poisons, noise, high temperature and radiation, and have established a “List of Occupational Disease Hazard Factors” with dynamic updates. We classify post risks based on indicators such as the nature of occupational disease hazard factors, exposure levels and the number of persons exposed; adopt differentiated control measures for different risk levels; and implement key monitoring for high-risk posts. We have established a hidden danger investigation and rectification system, specifying the frequency, standards and responsible persons for investigations; we implement “registration-rectification-review-closure” closed-loop management for identified hidden dangers; and we implement leadership supervision for the rectification of major hidden dangers.

In terms of operational environment and protective facilities, the workplace complies with the requirements of the Provisions on the Supervision and Administration of Occupational Health in the Workplace, with hazardous operations separated from non-hazardous operations, the workplace separated from living areas, and changing rooms provided. In places where acute occupational injuries may occur, alarm devices and first-aid supplies are installed. We have established a ledger for occupational disease prevention and control facilities, formulated maintenance and overhaul plans, and conduct regular testing of performance and effectiveness to ensure normal operation. Based on the occupational disease hazard factors of the positions, we provide laborers with protective equipment that meets national occupational health standards free of charge, and supervise and guide employees to wear and use them correctly.

Indicator	2025
Number of work-related fatalities	0
Percentage of work-related fatalities	0%
Number of lost days due to work injury	0

Measures for Guaranteeing Employee Health and Safety

The Group strictly implements the requirements of the Law on the Prevention and Control of Occupational Diseases and has established a health examination system covering all employees throughout their professional careers. For new employees (especially those in positions exposed to occupational disease hazards), an assessment is conducted to determine whether the employees are suitable for the proposed positions, and an initial health baseline is established. The organization arranges an annual medical examination for employees, covering items such as internal medicine, surgery, blood routine tests, electrocardiograms (ECG) and B-mode ultrasounds. For employees found to have abnormal indicators during physical examinations, the Human Resources Department conducts follow-up reminders and, where necessary, arranges for re-examinations or suggests seeking medical treatment.

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The Group regularly organizes various health lectures and training sessions to help employees understand health knowledge and master protection skills, including occupational disease prevention and control topics (post operating procedures and safety precautions), health science lectures (mental health and stress management), etc. The Group shares relevant materials on the home page of its internal OA system to facilitate online learning for its employees.

To protect the health of its employees at the source, the Group continues to invest in improving the working environment and is equipped with comprehensive protective facilities. We equip various positions with protective equipment that complies with national standards, establish individual collection ledgers, and periodically replace ineffective or damaged protective equipment.

First-aid kits are provided in areas such as production workshops and office buildings and are equipped with commonly used first-aid medicines and equipment. We organize at least one occupational health and safety emergency drill every year, such as fire escape and other scenarios, to test the feasibility of contingency plans and the emergency response capabilities of our employees. We regularly push mental health knowledge and popularize stress management and emotional regulation techniques through channels such as the internal network, publicity boards and emails. We have established employee care specialists to proactively show care and offer condolences to employees encountering significant difficulties, and to provide necessary assistance. The Group advocates a positive and healthy lifestyle by organizing interest groups such as football, badminton, basketball and table tennis.

Development and Training

The Group provides its employees with a systematic training and development system, following the “80/20 Learning Rule”, where 80% comes from practice and 20% from mentorship. We have established the “Love Learning, Love Sports, Love Work” Triple-Love employee values.

In terms of organizational assurance, the Human Resources and Administration Department has assigned a training and development specialist to be responsible for training needs research, curriculum development, lecturer management, effectiveness evaluation, etc., and has arranged for the product department and the R&D department to serve as the interfaces. In terms of institutional assurance, the “Employee Training Management System” has been formulated to clarify the processes for training planning, implementation and evaluation, ensuring that training work is standardized and normalized. In terms of resource assurance, the annual training budget is separately listed to guarantee training investment; an internal instructor team has been established to develop high-quality courses; and an online learning platform has been built to store a large amount of course resources.

For new employees, the Group regularly arranges employee training, including corporate culture, development history, rules and regulations, product and technology overview, safety and quality awareness, etc., to help new employees quickly understand the Group and identify with its culture. We organize CEO meetings once every two months, where senior management engages in face-to-face communication with new employees to answer questions, resolve doubts and convey expectations. We have formulated the “Huayan Robotics Mentorship Management Measures”, designated a senior employee as an induction guide (mentor) for each new employee, and formulated personalized training plans to conduct job skill coaching and work guidance.

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The Group regularly organizes various types of training, such as product training and sales skills training for sales personnel, and technical seminars for R&D personnel to share cutting-edge technologies, R&D experience, etc. Employees are encouraged to share project experiences and learning insights to form an internal knowledge base and promote the externalization of tacit knowledge. In terms of management capacity training, the Group has formulated reserve cadre cultivation plans and selected high-potential talent to cultivate future managers and technical leaders through centralized training, job rotation experience, project research and mentoring by senior management. For mid-to-senior management, the COO conducts “Leadership Training” program on a quarterly basis.

The Group regularly organizes team-building activities to enhance team cohesion, the spirit of collaboration and employees’ sense of belonging, including annual meetings, family days, training camps for fresh graduates and departmental team-building activities. We have established an internal online learning platform to provide employees with flexible and convenient learning channels. The Group actively establishes industry-university-research cooperation relationships with universities and scientific research institutions, leveraging external intellectual resources to jointly cultivate talent.

Details of training held during the Reporting Period are as follows:

	As at 31 December 2025
Average training hours per employee (hours)	8
Percentage of employees trained (%)	100
By gender	
Training coverage rate for male employees (%)	73
Average training hours for male employees (hours)	8
Training coverage rate for female employees (%)	28
Average training hours for female employees (hours)	8
By employee category	
Training coverage rate for senior management	3
Average training hours for senior management (hours)	8
Training coverage rate for middle management	10
Average training hours for middle management (hours)	8
Training coverage rate for junior employees	88
Average training hours per junior employee (hours)	8

The Group formulates an annual training plan every year and makes dynamic adjustments based on business strategies, employee development needs, and training evaluation results. Future key directions include: improving the construction of the training center, completing and putting it into use as soon as possible to enhance practical training capabilities; deepening cooperation with colleges and universities, expanding the number of high-level partners, and jointly developing courses and cultivating talent; strengthening the internal instructor system, training more business backbones to become internal instructors, developing high-quality courses, and forming a curriculum system with Huayan’s characteristics.

Environmental, Social and Governance Report

Labor Standards

The Group does not, in any form, employ minors under the age of 16. All candidates must provide true and valid identification documents prior to employment and pass verification through the public security system to ensure that their age meets the statutory requirements. The Group respects the right of employees to freely choose their profession and strictly prohibits any form of forced, bonded, indentured or involuntary labor.

The Group strictly observes relevant laws and regulations such as the Labor Law of the PRC, the Labor Contract Law of the PRC and the Provisions on the Prohibition of Using Child Labor, and has established a sound employment screening mechanism. If any non-compliance is discovered, the Group will immediately initiate internal investigation procedures and take corrective measures in accordance with the law, including but not limited to terminating the employment relationship, making back-payments of remuneration, and adjusting working hour arrangements, and will handle the relevant responsible personnel according to the system, forming a management closed loop of “discovery – verification – rectification – prevention”.

Product Responsibility

The Group regards product quality and safety as the lifeline of its corporate development. We have established a quality management system covering the entire process of product design, procurement, production, inspection and delivery. All products undergo rigorous testing before being placed on the market to ensure compliance with relevant safety and quality standards. The products have obtained CE certification and North American safety certification and have entered the supply chain systems of international manufacturing enterprises.

Indicator	2025
Total products sold or shipped (units)	19,501
Percentage of total products sold or shipped subject to recalls for safety and health reasons (%)	0

Intellectual Property Protection

The Group attaches great importance to the protection of intellectual property rights and has completed patent and trademark registrations for key technologies and trademarks related to its business. We have established corresponding internal management and monitoring mechanisms to coordinate the management of the application, maintenance and protection of intellectual property rights. As at the end of the Reporting Period, the Group possessed a number of invention patents, design patents and utility model patents.

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Supply Chain Management

The Group has established a standardized supplier admission and evaluation mechanism to conduct qualification audits, sample confirmation and necessary on-site factory inspections for potential suppliers. During the supplier evaluation process, a comprehensive assessment is conducted on corporate reputation, quality management systems, after-sales service capabilities and production management standards. The Group incorporates ESG performance into its supplier admission and annual performance appraisal systems, prioritizes the procurement of components and materials that meet environmental protection requirements, and encourages suppliers to improve their environmental management standards.

As at December 31, 2025, the Group maintained cooperative relationships with its audited and approved suppliers. Our suppliers are primarily located in China, which matches the Group's production and operational layout.

Anti-Corruption

The Group adheres to the operating principles of integrity, honesty and fairness, and maintains a zero-tolerance policy towards any form of corruption, bribery, fraud, deception or improper transfer of benefits. We have formulated the "Anti-Bribery and Anti-Corruption Management Standards" and signed "Integrity Clauses" with our suppliers and partners. We have established whistleblowing and investigation mechanisms to encourage employees and third parties to report suspicious behavior through channels such as dedicated email inboxes.

During the Reporting Period, the Group conducted one anti-corruption-related training session for its Directors, with a training coverage of 100% for the Directors and an average training duration of 2 hours. The percentage of employees trained was 100%, with an average training duration of 1 hour. During the Reporting Period, the Group had no confirmed material corruption or fraud cases.

Community Investment

Adhering to the development philosophy of giving back to society and promoting joint construction and sharing, the Group integrates community contribution into its corporate sustainable development strategy. We actively establish industry-university-research cooperation relationships with universities and scientific research institutions, and have established in-depth cooperation relationships with more than 20 first-class universities and scientific research institutes at home and abroad. Through the popularization of technology and industry empowerment, we promote the application of robotics technology in fields such as education and healthcare, fulfilling the corporate mission of "serving humanity with robotics technology".

Environmental, Social and Governance Report

HKEX ESG Reporting Guide Content Index

Aspect	DESCRIPTION	Section
A. Environment		
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental Compliance
KPI A1.1	The types of emissions and respective emissions data.	Emissions Air Pollutants
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GHG Emissions
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Hazardous Waste Management
KPI A1.4	Total non-hazardous waste produced (in tons) and (where applicable) intensity (e.g. per unit of production volume, per facility).	Non-hazardous Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Energy Use Efficiency
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Operations
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (in '000s kWh) and intensity (e.g. per unit of production volume, per facility).	Energy Use Efficiency
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Use Efficiency
KPI A2.4	Description of any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Use Efficiency

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Aspect	DESCRIPTION	Section
Aspect A3 The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Environmental Compliance, Use of Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	ESG Strategy
Aspect A4 Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	ESG Strategy
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	ESG Strategy
B. Social		
B1 Employment		
General Disclosure	Information welfare: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and	Employment, Protection of Labor Rights and Labor Standards
KPI B1.1	Total number of employees by gender, employment type (such as full-time or part-time), age group and geographical region.	Employment, Protection of Labor Rights and Labor Standards
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment, Protection of Labor Rights and Labor Standards

Environmental, Social and Governance Report

Aspect	DESCRIPTION	Section
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
B4 Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Labor Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	Labor Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labor Standards

Environmental, Social and Governance Report

Aspect	DESCRIPTION	Section
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, the number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Protection
KPI B6.4	Description of quality assurance processes and recall procedures.	Quality Assurance of Products and Services

Environmental, Social and Governance Report

Aspect	DESCRIPTION	Section
B7 Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-Corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-Corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Community Investment

Independent Auditor's Report



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To the shareholders of Guangdong Huayan Robotics Co., Ltd.

(Incorporated in the People's Republic of China with limited liability)

Opinion

We have audited the consolidated financial statements of GUANGDONG HUAYAN ROBOTICS CO., LTD. (the "Company") and its subsidiaries (the "Group") set out on pages 102 to 188, which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Independent Auditor's Report

Key audit matters (continued)

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
<i>Revenue recognition from contracts with customers</i>	
During the year ended December 31, 2025, the Group recorded a revenue of RMB386.9 million in the consolidated financial statements, which was mainly derived from the sales of cobots and core accessories. The revenue is generated from sales of products to a large number of customers, in many different locations including overseas, in addition, the revenue is a key performance indicator of the Group. Therefore, revenue recognition was identified as a key audit matter. Relevant disclosures are included in note 2.4 and note 5, to the financial statements.	Our audit procedures to address this matter included but not limited to: – Understood the revenue recognition process, assessed and tested the design and the operating effectiveness of the key internal controls in relation to revenue recognition; – Obtained key sales contracts, inspected the contractual terms and assessed whether the accounting policies on revenue recognition were in accordance with the requirements of the prevailing accounting standards; – Performed test of details on revenue on sample basis by checking to the supporting documents such as sales orders, delivery orders, logistics documents, customer acceptance documents, bank statements, export declarations and sales invoices; – Sent confirmations to major customers to confirm on the sales amounts during the financial year and checked the subsequent settlements; – Conducted analytical review procedures by comparing revenues and gross profit margins with prior years and assessed the reasonableness of the fluctuations; – Tested sales transactions recorded before and after the balance sheet date to assess whether relevant revenue had been recognised in correct reporting periods; – Examined sales return policies and assessed the reasonableness of management's estimation for sales returns at the financial year end by considering the Group's historical data and sales returns in subsequent period; – Checked and assessed the adequacy of the disclosures of revenue.

Independent Auditor's Report

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<i>Inventory provision</i>	
As at December 31, 2025, the Group's balance of gross inventories was RMB116.3 million, against which a provision of RMB12.7 million was made. The inventories were stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal. The estimation of the net realisable value involves significant management's judgment based on the consideration of key factors such as future sales prices and the physical condition of inventories. Given the magnitude of inventories balances and significant management judgements involved in estimating the net realisable value, inventory provision was identified as a key audit matter. Relevant disclosures are included in note 2.4, note 3 and note 17, to the financial statements.	Our audit procedures to address this matter included the following: – Understood, assessed and tested the design and the operating effectiveness of the controls in relation to the processes of impairment provision for inventories; – Performed stocktaking for selected inventories, and observed the condition of inventories in stock-take to identify obsolete and damaged inventories; – Obtained the inventory provision calculation workings, assessed the key estimations used in determining the net realizable value, such as the estimated selling prices, costs to complete production or selling, and re-calculated the amount of the provision for inventories. – Tested the ageing analysis of inventories as it's a key identifier for slow-moving items, on a sample basis, by checking the supporting documents. – Checked and assessed the adequacy of the disclosures of inventory provision.

Independent Auditor's Report

Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Independent Auditor's Report

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Man Lok Chau (practising certificate number: P05662).

Ernst & Young
Certified Public Accountants
Hong Kong

April 27, 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
REVENUE	5	386,867	310,441
Cost of sales		(241,398)	(204,008)
Gross profit		145,469	106,433
Other income and gains	5	11,297	15,372
Selling and distribution expenses		(58,573)	(41,941)
Administrative expenses		(58,748)	(12,543)
Research and development expenses		(73,931)	(47,283)
Provision for impairment losses on financial assets		(898)	(72)
Other expenses		(688)	(3,043)
Finance costs	7	(378)	(214)
(LOSS)/PROFIT BEFORE TAX	6	(36,450)	16,709
Income tax credit	10	6,533	1,160
(LOSS)/PROFIT FOR THE YEAR		(29,917)	17,869
Attributable to:			
Owners of the parent		(29,917)	17,869
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12		
Basic and diluted		(0.07)	0.04
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(340)	325
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		(30,257)	18,194
Attributable to:			
Owners of the parent		(30,257)	18,194

Consolidated Statement of Financial Position

31 December 2025

		31 December 2025 RMB'000	31 December 2024 RMB'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	13	19,081	14,332
Right-of-use assets	15	15,280	4,206
Other intangible assets	14	4,341	1,452
Deferred tax assets	16	53,599	47,066
Prepayments, deposits and other receivables – non-current	19	411	1,964
Time deposits with original maturity of over three months	22	107,847	61,852
Total non-current assets		200,559	130,872
CURRENT ASSETS			
Inventories	17	103,590	127,978
Trade and bills receivables	18	157,570	111,646
Prepayments, deposits and other receivables	19	27,705	38,506
Financial assets at fair value through profit or loss	20	71,513	31,047
Financial assets at fair value through other comprehensive income	21	916	1,334
Time deposits with original maturity of over three months	22	32,144	54,624
Restricted bank deposits	22	–	36
Cash and cash equivalents	22	74,329	120,520
Total current assets		467,767	485,691
CURRENT LIABILITIES			
Trade payables	23	72,005	70,803
Other payables and accruals	25	49,333	36,640
Lease liabilities	15	4,202	2,121
Contract liabilities	24	5,322	6,894
Provision	27	1,039	1,094
Total current liabilities		131,901	117,552
NET CURRENT ASSETS		335,866	368,139
TOTAL ASSETS LESS CURRENT LIABILITIES		536,425	499,011

Consolidated Statement of Financial Position

31 December 2025

		31 December 2025 RMB'000	31 December 2024 RMB'000
	Notes		
NON-CURRENT LIABILITIES			
Deferred income	26	123	427
Lease liabilities	15	12,162	2,325
Total non-current liabilities		12,285	2,752
Net assets		524,140	496,259
EQUITY			
Equity attributable to owners of the parent			
Share capital	28	90,139	–
Paid-in capital	28	–	86,533
Reserves		434,001	409,726
		524,140	496,259
Total equity		524,140	496,259

Wang Guangneng
Director

Zhang Guoping
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Attributable to owners of the parent						
	Share capital <i>RMB'000</i> <i>(note 28)</i>	Paid-in capital <i>RMB'000</i> <i>(note 28)</i>	Capital reserve <i>RMB'000</i> <i>(note 30)</i>	Share-based	Accumulated losses <i>RMB'000</i>	Exchange	Total equity <i>RMB'000</i>
				payment		fluctuation	
				reserve		reserve	
	<i>RMB'000</i> <i>(note 28)</i>	<i>RMB'000</i> <i>(note 28)</i>	<i>RMB'000</i> <i>(note 30)</i>	<i>RMB'000</i> <i>(note 29)</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(note 30)</i>	
As at January 1, 2025	–	86,533	568,827	249,479	(409,097)	517	496,259
Loss for the year	–	–	–	–	(29,917)	–	(29,917)
Exchange differences on translation of foreign operations	–	–	–	–	–	(340)	(340)
Total comprehensive loss for the year	–	–	–	–	(29,917)	(340)	(30,257)
Conversion into a joint stock company	86,533	(86,533)	–	–	–	–	–
Issue of shares	3,606	–	19,367	–	–	–	22,973
Equity-settled share award expense <i>(note 29)</i>	–	–	–	35,165	–	–	35,165
As at December 31, 2025	90,139	–	588,194*	284,644*	(439,014)*	177*	524,140

* These reserve accounts comprise the consolidated reserves of RMB434,001,000 (2024: RMB409,726,000) in the consolidated statement of financial position.

Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Attributable to owners of the parent					Total equity <i>RMB'000</i>
	Paid-in capital <i>RMB'000</i> <i>(note 28)</i>	Capital reserve <i>RMB'000</i> <i>(note 30)</i>	Share-based		Exchange fluctuation reserve <i>RMB'000</i> <i>(note 30)</i>	
			payment reserve <i>RMB'000</i> <i>(note 29)</i>	Accumulated losses <i>RMB'000</i>		
As at January 1, 2024	86,533	568,827	249,479	(426,966)	192	478,065
Profit for the year	–	–	–	17,869	–	17,869
Exchange differences on translation of foreign operations	–	–	–	–	325	325
Total comprehensive income for the year	–	–	–	17,869	325	18,194
As at December 31, 2024	86,533	568,827*	249,479*	(409,097)*	517*	496,259

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax:		(36,450)	16,709
Adjustments for:			
Finance costs	7	378	214
Interest income	5	(1,233)	(1,987)
Loss on disposal of items of property, plant and equipment	6	35	–
Gain on early termination of a lease	5	(30)	–
Depreciation of property, plant and equipment	6	6,689	5,306
Depreciation of right-of-use assets	6	3,684	2,081
Amortisation of intangible assets	6	1,021	739
Impairment/(reversal of impairment) of trade receivables	6	1,652	(184)
Impairment/(reversal of impairment) of other receivables	6	(753)	257
Write-down of inventories to net realisable value		3,757	4,251
Investment income from wealth management products and structured deposits	6	(747)	(1,932)
Investment income from time deposits	5	(3,639)	(3,371)
Fair value gains on financial assets at fair value through profit or loss	5	(466)	(47)
Foreign exchange losses/(gains), net		226	(582)
Equity-settled share-based payments	29	35,165	–
		9,289	21,454
Decrease/(increase) in inventories		19,300	(21,513)
Decrease/(increase) in restricted bank deposits		36	(36)
Increase in trade and bills receivables		(89,854)	(66,379)
(Increase)/decrease in prepayments, deposits and other receivables		(5,753)	32,595
Increase in trade payables		38,925	48,344
Increase/(decrease) in other payables and accruals		10,616	(369)
Increase/(decrease) in contract liabilities		(1,572)	(3,752)
(Increase)/decrease in financial assets at fair value through other comprehensive income		418	(558)
Increase/(decrease) in provision for product warranties		(55)	326
Cash generated from/(used in) operations		(18,650)	10,112
Interest received		1,233	1,805
Net cash flows from operating activities		(17,417)	11,917

Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(7,104)	(9,960)
Purchase of intangible assets		(3,910)	(325)
Proceeds from disposal of property, plant and equipment		335	286
(Decrease)/increase in deferred income		(304)	259
Purchase of financial assets at fair value through profit or loss		(340,750)	(336,305)
Disposal of subsidiaries		6,555	95
Purchase of time deposits		(37,099)	(113,105)
Proceeds from disposal of time deposits		17,223	80,024
Proceeds from disposal of financial assets at fair value through profit or loss		301,497	382,498
Repayment of loans from Neura Robotics GmbH		19,194	–
Net cash flows from/(used in) investing activities		(44,363)	3,467
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	28	22,973	–
Payment for listing expenses		(3,630)	–
Payments of lease liabilities		(3,188)	(3,247)
Net cash flows from/(used in) financing activities		16,155	(3,247)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		120,520	107,476
Effect of foreign exchange rate changes, net		(566)	907
CASH AND CASH EQUIVALENTS AT END OF YEAR		74,329	120,520
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	22	74,329	120,520
Cash and cash equivalents as stated in the consolidated statements of financial position	22	74,329	120,520

Notes to Financial Statements

31 December 2025

1. CORPORATE AND GROUP INFORMATION

The Company is a joint stock company with limited liability incorporated in Shenzhen, People's Republic of China (the "PRC"). The registered office address of the Company is 1101, Building 9, Haichuang Dazu Robot Intelligent Manufacturing Center, No. 3 Erzhi Industrial Avenue, Xihai Village, Beijiao Town, Shunde District, Foshan City, Guangdong Province, the PRC.

During the year, the Group was principally engaged in the research and development, manufacturing and commercialization of intelligent robots.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place and date of registration and place of operations	Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Guangdong Jiutian Power Technology Co., Ltd. 廣東九天動力科技有限公司*(note (a))	Chinese Mainland September 24, 2020	RMB 10,000,000	100%		– Research and development, manufacture and sale of robots
Shenzhen Huayan Robotics Technology Co., Ltd. 深圳市華沿機器人科技有限公司*(note (a))	Chinese Mainland June 9, 2021	RMB 150,000,000	100%		– Sale of products
Huayan Robotics (Tianjin) Co., Ltd. 華沿機器人(天津)有限公司*(note (a))	Chinese Mainland December 14, 2020	RMB 1,000,000	100%		– Sale of products
Huayan Robotics (Jiangsu) Co., Ltd. 華沿機器人(江蘇)有限公司*(note (a))	Chinese Mainland April 27, 2022	RMB 50,000,000	100%		– Sale of products
Huayan Robotics (Foshan) Co., Ltd. 華沿機器人(佛山)有限公司*(note (a))	Chinese Mainland November 1, 2022	RMB 1,000,000	100%		– Sale of products

* The English names of these companies registered in the PRC represent the best effort made by the directors of the Company to translate the Chinese names as these companies have not been registered with any official English names.

Notes to Financial Statements

31 December 2025

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Notes:

- (a) As at the date of this report, no audited financial statements have been prepared for these entities for the year ended December 31, 2025 as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in the jurisdictions of incorporation or newly incorporated.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) as issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for certain financial instruments and wealth management products which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended December 31, 2025. A subsidiary is an entity (including a structured 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.

Notes to Financial Statements

31 December 2025

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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

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

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

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 Lack of Exchangeability for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

Notes to Financial Statements

31 December 2025

2.3 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 these financial statements. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments¹</i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity¹</i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency²</i>
Annual Improvements to IFRS Accounting Standards – Volume 11	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7¹</i>

¹ Effective for annual periods beginning on or after January 1, 2026

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

³ No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

Notes to Financial Statements

31 December 2025

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (continued)

IFRS 18 replaces IAS 1 Presentation of Financial Statements. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 Statement of Cash Flows, IAS 33 Earnings per Share and IAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after January 1, 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 Consolidated Financial Statements, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards or IFRS Accounting Standards. IFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from IFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to IFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of IFRS 19 and its amendments in their specified financial statements.

Notes to Financial Statements

31 December 2025

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (continued)

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to IFRS 9 and IFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Notes to Financial Statements

31 December 2025

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS (continued)

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 Financial Instruments: Disclosures: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- IFRS 9 Financial Instruments: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- IFRS 10 Consolidated Financial Statements: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- IAS 7 Statement of Cash Flows: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

Notes to Financial Statements

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2.4 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures its certain financial instruments 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.

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.

Notes to Financial Statements

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

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

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

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

Notes to Financial Statements

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Related parties

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

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

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) 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.

Notes to Financial Statements

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

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

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

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

Leasehold improvements	The shorter of estimated useful lives and remaining lease terms
Machinery and equipment	9.5% to 19.2%
Furniture and fixtures	6.1% to 19.4%
Motor vehicles	14.3% to 19.0%
Electronic equipment	4.9% to 32.0%

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 end of each reporting period.

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 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.

Notes to Financial Statements

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized 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 end of each reporting period.

Intangible assets are amortized on the straight-line basis over the following useful economic lives:

Software	3 to 5 years
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Research and development costs

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

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

Leases

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

Group as a lessee

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

Notes to Financial Statements

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

(a) Right-of-use assets

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

Buildings

2 to 6 years

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

(b) Lease liabilities

Lease liabilities are recognized 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 recognized 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.

Notes to Financial Statements

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

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

Investments and other financial assets

Initial recognition and measurement

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

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

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

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

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

Notes to Financial Statements

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

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 profit or loss when the asset is derecognised, modified or impaired.

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

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in 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 profit or loss.

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 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.

Notes to Financial Statements

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Derecognition of financial assets (continued)

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 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 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.

Notes to Financial Statements

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach (continued)

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 and contract assets which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

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

Stage 3 – Financial assets that are credit-impaired at the 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 receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at 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.

Notes to Financial Statements

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (continued)

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 financial liabilities at fair value through profit or loss, 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 payables, other payables and accruals, interest-bearing bank and other borrowings.

Subsequent measurement

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

Financial liabilities at amortised cost (trade and other payables and lease liabilities)

After initial recognition, trade payables, other payables and accruals, 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 profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Notes to Financial Statements

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Financial liabilities at amortised cost (trade and other payables and lease liabilities) (continued)

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 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 profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on 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, which are repayable on demand and form an integral part of the Group's cash management.

Notes to Financial Statements

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (continued)

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 profit or loss.

The Group provides for warranties in relation to the sale of products 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. 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 each reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each 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 and a joint venture, 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.

Notes to Financial Statements

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

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 each 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.

Notes to Financial Statements

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Government grants

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

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

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.

(a) Sale of products

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

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

Rights of return

For contracts which provide a customer with a right to return the products within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Notes to Financial Statements

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(b) Provision of maintenance services

Revenue from maintenance services is recognised at a point in time when the service is completed and is determined based on the fees as agreed in the agreement.

(c) Provision of advisory services

Revenue from the provision of advisory services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Other income

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

Contract liabilities

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

Right-of-return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the goods to be returned, less any expected costs to recover the goods and any potential decreases in the value of the returned goods. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned goods.

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Notes to Financial Statements

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Share-based payments

The Group operates share award schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration 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. Further details are included in note 29 to the financial statements.

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 and/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 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 and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/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 and/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. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Notes to Financial Statements

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Other employee benefits

Pension scheme

The employees of the Company and the Company's subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. Other than the monthly contributions, the Group has no further payment obligations once the contributions have been paid.

Housing fund and other social insurances — Chinese Mainland

The Company and the Company's subsidiaries which operate in Chinese Mainland has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Company and the Company's subsidiaries which operate in Chinese Mainland makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The liability of the Company and the Company's subsidiaries which operate in Chinese Mainland in respect of these funds is limited to the contributions payable in each reporting period.

Borrowing costs

All 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 the 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.

Notes to Financial Statements

31 December 2025

2.4 MATERIAL ACCOUNTING POLICIES (continued)

Foreign currencies

The financial statements is 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 each reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

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 and a joint venture 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 each 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 recognized in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests.

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 or the year.

Notes to Financial Statements

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENT 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 asset

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets. In determining the business model, the Group considers how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel, the risks that affect the performance of the business model (and the financial assets held within) and, in particular, the way those risks are managed. In determining whether cash flows are going to be realised by collecting the financial assets' contractual cash flows, it is necessary for the Group to consider the reason, timing, frequency, and value of sales prior to maturity date.

Recognition of income taxes and deferred tax assets

Determining income tax provision involves judgement on the future tax treatment of certain transactions and when certain matters relating to the income taxes have not been confirmed by the local tax bureau. Management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of such transactions are reconsidered periodically to take into account all changes in tax legislation.

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. Further details on deferred taxes are disclosed in note 16 to the financial statements.

Notes to Financial Statements

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each 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 against obsolete and slow-moving inventories

The Group reviews the condition of its inventories at the end of each reporting period and makes provisions against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use based on sales forecasts. Such sales forecasts are prepared based on agreements or orders on hand and estimated sales in the foreseeable future based on historical experiences with its customers and current market conditions of robots' industry. Management estimates the net realizable value for those obsolete and slow-moving inventories based primarily on the latest invoice prices and current market conditions. The estimation is reassessed at the end of each reporting period.

The provision against obsolete and slow-moving inventories requires the use of judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such difference will impact on the carrying value of inventories and the write-down of inventories recognized in the periods in which such estimates have been changed. The carrying amounts of inventories at the end of each reporting period are disclosed in note 17 to the financial statements.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on aging of trade receivable for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating).

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., global GDP, global default rate) 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 each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 18 to the financial statements.

Notes to Financial Statements

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Provision for warranties

The Group provides one-year warranties to its customers on certain of its products for general repairs of defects occurring during the warranty period. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis annually and revised where appropriate. The details was disclosed in note 27 to the financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and only has one reportable operating segment.

The information reported to the directors, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

(a) Revenue from external customers

	2025 RMB'000	2024 RMB'000
Chinese Mainland	244,541	154,542
European	114,241	124,328
Americas	14,728	24,025
Others	13,357	7,546
	386,867	310,441

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

(b) Non-current assets

The Group's non-current assets are all located in Chinese Mainland. Thus, no geographic information is presented.

Notes to Financial Statements

31 December 2025

4. OPERATING SEGMENT INFORMATION (continued)

Information about major customers

Revenue from a major customer which accounted for 10% or more of the Group's revenue during the reporting period are set out below:

	2025 RMB'000	2024 RMB'000
Customer 1	98,683	116,083

Revenue of approximately RMB98,693,000 (2024: RMB116,083,000) was derived from sales to a single customer, including sales to a group of entities which are known to be under common control with that customer.

5. REVENUE AND OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers	386,867	310,441

Notes to Financial Statements

31 December 2025

5. REVENUE AND OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers

(a) Disaggregated revenue information

	2025 RMB'000	2024 RMB'000
Types of goods or services		
Sale of products	385,771	308,202
Services	1,096	2,239
	386,867	310,441
Geographical markets		
Chinese mainland	244,541	154,542
European	114,241	124,328
Americas	14,728	24,025
Others	13,357	7,546
	386,867	310,441
Timing of revenue recognition		
Goods transferred at a point in time	385,771	308,202
Maintenance services transferred at a point in time	938	1,455
Advisory services transferred over time	158	784
	386,867	310,441
Total revenue from contracts with customer	386,867	310,441

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

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of products	6,894	9,844

Notes to Financial Statements

31 December 2025

5. REVENUE AND OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers (continued)

(b) Performance obligations

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

Sale of products

The performance obligation is satisfied upon acceptance of products for domestic sales and delivery of products for export and payment is generally due within 3 months from control of the products is transferred to the customers, where payment in advance is normally required for some customers. These contracts provide customers with a right of return, which gives rise to variable consideration subject to constraint.

Provision of related supporting services

The performance obligation is satisfied at point in time when services are completed and payment is generally due upon completion of services and customer acceptance.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2025 RMB'000	2024 RMB'000
Amounts expected to be recognised as revenue:		
Within one year	4,921	6,375
After one year	401	519
Total	5,322	6,894

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to sale of products, of which the performance obligations are to be satisfied within two years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

Notes to Financial Statements

31 December 2025

5. REVENUE AND OTHER INCOME AND GAINS (continued)

Other income and gains

	2025 RMB'000	2024 RMB'000
Other income		
Interest income	1,233	1,987
Investment income from wealth management products and structured deposits	747	1,932
Investment income from time deposits	3,639	3,371
Government grants*	392	7,669
Others	443	366
Total other income	6,454	15,325
Gains		
Fair value gains from financial assets at fair value through profit or loss	466	47
Gain on early termination of a lease	30	—
Foreign exchange gains, net	4,347	—
Total gains	4,843	47
Total other income and gains	11,297	15,372

* The Group has received certain government grants related to assets and income. Certain of the grants related to assets and income have future related costs expected to be incurred. The grants related to assets were recognised in profit or loss over the useful lives of the relevant assets. The grants related to income have been received to compensate for the Group's research and development costs and are recognised in profit or loss on a systematic basis over the periods that the costs, for which they are intended to compensate, are expensed.

Other government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. There are no unfulfilled conditions or contingencies relating to these grants.

Notes to Financial Statements

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6. (LOSS)/PROFIT BEFORE TAX

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

	Notes	2025 RMB'000	2024 RMB'000
Cost of inventories sold*		240,878	203,016
Cost of services provided		520	992
Research and development costs		73,931	47,283
Depreciation of property, plant and equipment**	13	6,689	5,306
Depreciation of right-of-use assets**	15(a)	3,684	2,081
Amortisation of intangible assets**	14	1,021	739
Interest income***	5	(1,233)	(1,987)
Investment income from wealth management products and structured deposit***	5	(747)	(1,932)
Investment income from time deposits***	5	(3,639)	(3,371)
Government grants***	5	(392)	(7,669)
Gain on early termination of a lease***	5	(30)	–
Fair value gains on financial assets at fair value through profit or loss***	5	(466)	(47)
Loss on disposal of property, plant and equipment***		35	–
Foreign exchange differences, net***		(4,347)	2,003
Lease payments in respect of short-term leases and low-value assets leases		1,554	1,721
Impairment/(reversal of impairment) of trade receivables	18	1,652	(183)
(Reversal of impairment)/impairment of other receivables	19	(753)	257
Write-down of inventories to net realisable value****		3,757	4,251
Product warranty provision		441	1,259
Auditor's remuneration		1,840	252
Listing expenses		20,477	–
Employee benefit expense (excluding directors' and chief executive's remuneration (note 8)):			
– Wages and salaries		90,069	58,826
– Performance related bonus		15,364	8,774
– Pension scheme contributions		5,625	3,666
– Share-based payments expenses		19,068	–
Total		130,126	71,266

Notes to Financial Statements

31 December 2025

6. (LOSS)/PROFIT BEFORE TAX (Continued)

* The amounts disclosed for cost of inventories sold included write-down of inventories to net realisable value.

** The depreciation of property, plant and equipment and right-of-use assets, amortisation of intangible assets are included in "Cost of sales", "Selling and distribution expenses", "Administrative expenses", and "Research and development expenses" in profit or loss, respectively.

*** The amounts are included in "other income and gains" and "other expenses" in profit or loss.

**** The amounts are included in "cost of inventories sold" in profit or loss.

7. FINANCE COSTS

An analysis of finance costs from operations is as follows:

	2025 RMB'000	2024 RMB'000
Interest on lease liabilities	378	214

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

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

	2025 RMB'000	2024 RMB'000
Fees	–	–
Other emoluments:		
Salaries, allowances and benefits in kind	1,956	1,795
Performance related bonuses	1,093	954
Pension scheme contributions	110	102
Share-based payment expenses	16,097	–
Total	19,256	2,851

Notes to Financial Statements

31 December 2025

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(a) Independent non-executive directors

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

	2025 RMB'000	2024 RMB'000
Ms. Gao Li	—	—
Mr. Wang Yihua	—	—
Mr. Huang Kai	—	—
Total	—	—

The independent non-executive directors of the Company were appointed in May 2025. There were no other emoluments payable to the independent non-executive directors during the year.

Notes to Financial Statements

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors and non-executive directors

	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Share-based payment expenses RMB'000	Total RMB'000
2025					
Executive directors:					
Mr. Wang Guangneng (note (i))	476	420	30	12,566	13,492
Mr. Zhang Guoping (note (ii))	588	310	34	2,138	3,069
Mr. Zhang Yingtao (note (ii))	584	303	25	1,175	2,088
Mr. Zhao Yi (note (ii))	135	60	12	218	424
Mr. Wang Xianli (note (iii))	173	–	10	–	183
Subtotal	1,956	1,093	110	16,097	19,256
Non-executive director:					
Mr. Fang Bin (note (iii))	–	–	–	–	–
Total	1,956	1,093	110	16,097	19,256
2024					
Executive directors and a supervisor:					
Mr. Wang Guangneng (note (i))	474	420	27	–	921
Mr. Zhang Guoping (note (ii))	583	290	27	–	900
Mr. Wang Xianli (note (iii))	416	100	21	–	537
Mr. Zhao Yi (note (ii))	322	144	27	–	493
Mr. Ye Zhaohong (note (iv))	–	–	–	–	–
Subtotal	1,795	954	102	–	2,851
Non-executive director:					
Mr. Fang Bin	–	–	–	–	–
Total	1,795	954	102	–	2,851

Notes to Financial Statements

31 December 2025

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors and non-executive directors (continued)

Notes:

- (i) *Mr. Wang Guangneng was appointed as a director and the chief executive officer of the Company and the chairman of the Board with effect from September 2017.*
- (ii) *Mr. Zhang Guoping was appointed as a director of the Company with effect from November 2020. Mr. Wang Xianli was appointed as a director of the Company with effect from November 2020 to May 2025. Mr. Zhao Yi was appointed as a director of the Company with effect from January 2021 to May 2025. Mr. Zhang Yingtao was appointed as a director with effect from May 2025.*
- (iii) *Mr. Fang Bin was appointed as a non-executive director of the Company with effect from July 2021 and no emoluments payable to him during the year ended December 31, 2024 and 2025.*
- (iv) *Mr. Ye Zhaohong was appointed as a supervisor of the Company with effect from January 2021 to May 2025. The emoluments of the Mr. Ye Zhaohong relation to his services rendered for the Company since his appointment were borne by the Company's shareholder. His emoluments were not allocated to the Company as the management of the Company considers there is no reasonable basis of allocation.*

During the year, restricted share units were granted to certain directors through share incentive platforms, further details of which are included in the disclosures in note 29 to the financial statements. The fair value of such awarded restricted share units, which has been recognised in profit or loss, was determined as at the date of grant and the amount included in the financial statement for the year is included in the above directors' remuneration disclosures.

Save for the supervisor, there was no arrangement under which a director or the chief executive agreed to waive any remuneration during the reporting period.

Notes to Financial Statements

31 December 2025

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors (2024: two directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining two (2024: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	926	1,621
Performance related bonuses	366	386
Share-based payment expenses	2,586	–
Pension scheme contributions	28	58
Total	3,906	2,065

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

	Number of employees	
	2025	2024
Nil to HK\$1,000,000	–	3
HK\$1,000,001 to HK\$1,500,000	–	–
HK\$1,500,001 to HK\$2,000,000	2	–
Total	2	3

During the year, restricted share units were granted to a non-director and non-chief executive highest paid employee in respect of his services to the Group, further details of which are included in the disclosures in note 29 to the financial statements. The fair value of such units, 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 non-director and non-chief executive highest paid employees' remuneration disclosures.

Notes to Financial Statements

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10. INCOME TAX

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

Chinese Mainland

The provision for corporate income tax in Chinese Mainland is based on the statutory rate of 25% of the taxable profits determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on January 1, 2008. The Company, Guangdong Huayan Robotics Co., Ltd., and its subsidiary, Guangdong Jiutian Dongli Technology Co., Ltd. are qualified high and new technology enterprises and were subject to income tax at a preferential tax rate of 15% (2024:15%) during the year. This qualification is subject to review by the relevant tax authority in the PRC for every three years, with the Company's and the subsidiary's next review scheduled for year ended December 31, 2026.

Overseas subsidiaries

No income tax on the overseas subsidiaries has been provided as there were no assessable profit arising in such overseas tax jurisdictions during the reporting period.

The income tax profit of the Group during the reporting period is analysed as follows:

	2025 RMB'000	2024 RMB'000
Current income tax	–	–
Deferred income tax (<i>note 16</i>)	(6,533)	(1,160)
Total tax credit for the year	(6,533)	(1,160)

A reconciliation of the tax expense applicable to (loss)/profit before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates to the effective tax rates are as follows:

Notes to Financial Statements

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10. INCOME TAX (continued)

	2025 RMB'000	2024 RMB'000
(Loss)/profit before tax	(36,450)	16,709
Tax at the statutory tax rate of 25% (2024: 25%)	(9,113)	4,177
Entities subject to lower statutory income tax rate	5,828	(928)
Additional deductible allowance for qualified research and development expenses*	(7,850)	(5,610)
Temporary differences and tax losses not recognised	406	275
Expenses not deductible for tax	4,196	1,050
Tax losses utilised from previous periods	–	(124)
Tax charge/(credit) at the Group's effective rate	(6,533)	(1,160)

* Based on Public Notice 2023 No. 7 issued by the State Tax Bureau of the PRC on March 26, 2023, the enterprises eligible for 100% deduction of eligible research and development expenses from January 1, 2023. The Company has claimed such additional super deduction during the reporting period.

11. DIVIDENDS

No dividend was paid or declared by the Company during the year (2024: Nil).

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12. (LOSSES)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic (losses)/earnings per share amounts is based on the (loss)/profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 443,335,686 (2024: 432,667,180) outstanding during the year, as adjusted to reflect the conversion into a joint stock company with limited liability on May 13, 2025 (note 28).

No adjustment has been made to the basic (losses)/earnings per share amounts presented for the years ended December 31, 2025 and 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the years ended December 31, 2025 and 2024.

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

	2025 RMB'000	2024 RMB'000
(Losses)/earnings		
(Loss)/profit attributable to ordinary equity holders of the parent, used in the basic (losses)/earnings per share calculation:	(29,917)	17,869
Shares		
Weighted average number of ordinary shares in issue during the year, used in the basic (losses)/earnings per share calculation:	443,335,686	432,667,180

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13. PROPERTY, PLANT AND EQUIPMENT

	Machinery and Equipment <i>RMB'000</i>	Furniture and fixtures <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Electronic equipment <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Total <i>RMB'000</i>
December 31, 2025						
At January 1, 2025:						
Cost	14,263	99	114	4,998	11,118	30,592
Accumulated depreciation	(5,056)	(42)	(38)	(3,965)	(7,159)	(16,260)
Net carrying amount	9,207	57	76	1,033	3,959	14,332
At January 1, 2025, net of accumulated depreciation and impairment	9,207	57	76	1,033	3,959	14,332
Additions	5,842	123	–	995	3,517	10,477
Transfer from inventory	1,331	–	–	–	–	1,331
Disposals	(131)	(4)	–	(13)	(222)	(370)
Depreciation provided during the year (<i>note 6</i>)	(2,992)	(28)	(22)	(579)	(3,068)	(6,689)
At December 31, 2025, net of accumulated depreciation	13,257	148	54	1,436	4,186	19,081
At December 31, 2025:						
Cost	21,266	216	114	5,852	13,652	41,100
Accumulated depreciation	(8,009)	(68)	(60)	(4,416)	(9,466)	(22,019)
Net carrying amount	13,257	148	54	1,436	4,186	19,081

Notes to Financial Statements

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13. PROPERTY, PLANT AND EQUIPMENT (continued)

	Machinery and Equipment <i>RMB'000</i>	Furniture and fixtures <i>RMB'000</i>	Motor vehicles <i>RMB'000</i>	Electronic equipment <i>RMB'000</i>	Leasehold improvements <i>RMB'000</i>	Total <i>RMB'000</i>
December 31, 2024						
At January 1, 2024:						
Cost	10,175	99	114	4,580	8,358	23,326
Accumulated depreciation	(3,041)	(23)	(16)	(3,283)	(4,358)	(10,721)
Net carrying amount	7,134	76	98	1,297	4,000	12,605
At January 1, 2024, net of accumulated depreciation and impairment	7,134	76	98	1,297	4,000	12,605
Additions	4,327	–	–	465	2,527	7,319
Disposals	(239)	–	–	(47)	–	(286)
Depreciation provided during the year (note 6)	(2,015)	(19)	(22)	(682)	(2,568)	(5,306)
At December 31, 2024, net of accumulated depreciation	9,207	57	76	1,033	3,959	14,332
At December 31, 2024:						
Cost	14,263	99	114	4,998	11,118	30,592
Accumulated depreciation	(5,056)	(42)	(38)	(3,965)	(7,159)	(16,260)
Net carrying amount	9,207	57	76	1,033	3,959	14,332

Notes to Financial Statements

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14. OTHER INTANGIBLE ASSETS

Software	2025 RMB'000	2024 RMB'000
Cost at 1 January, net of accumulated amortisation	1,452	1,866
Additions	3,910	325
Amortisation provided during the year (note 6)	(1,021)	(739)
Carrying amount at 31 December	4,341	1,452
At 31 December:		
Cost	8,050	4,140
Accumulated amortisation	(3,709)	(2,688)
Net carrying amount	4,341	1,452

Notes to Financial Statements

31 December 2025

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings used in its operations. Leases of buildings generally have lease terms between 2 and 10 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There are several lease contracts that include extension options and variable lease payments, which are further discussed below.

(a) Right-of-use assets

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

	Buildings RMB'000
As at January 1, 2024	6,287
Depreciation charge	(2,081)
As at December 31, 2024 and January 1, 2025	4,206
Additions	15,256
Termination	(498)
Depreciation charge	(3,684)
As at December 31, 2025	15,280

Notes to Financial Statements

31 December 2025

15. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities

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

Lease liabilities	2025 RMB'000	2024 RMB'000
Carrying amount at 1 January	4,446	7,479
Additions	15,256	–
Accretion of interest recognised during the year	378	214
Early termination	(528)	–
Lease payment	(3,188)	(3,247)
Carrying amount at 31 December	16,364	4,446
Analysed into:		
Current portion	4,202	2,121
Non-current portion	12,162	2,325
Carrying amount at 31 December	16,364	4,446

(c) The amounts recognized in profit in relation to leases are as follows:

	2025 RMB'000	2024 RMB'000
Lease payments in respect of short-term leases and low-value assets leases	1,554	1,721
Interest on lease liabilities	378	214
Depreciation charge of right-of-use assets	3,684	2,081
Total amount recognised in profit or loss	5,616	4,016

(d) The total cash outflow for leases is disclosed in note 31 to the financial statements.

Notes to Financial Statements

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16. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

	Impairment provision for financial assets <i>RMB'000</i>	Write-down of inventories to net realisable value <i>RMB'000</i>	Deductible losses <i>RMB'000</i>	Provision <i>RMB'000</i>	Deferred income <i>RMB'000</i>	Leases liabilities <i>RMB'000</i>	Total <i>RMB'000</i>
At January 1, 2024	366	2,597	42,502	718	25	1,122	47,330
Deferred tax credited/(charged) to profit or loss during the year (<i>note 10</i>)	(10)	587	656	75	39	(455)	892
Gross deferred tax assets at December 31, 2024	356	3,184	43,158	793	64	667	48,222
At January 1, 2025	356	3,184	43,158	793	64	667	48,222
Deferred tax credited/(charged) to profit or loss during the year (<i>note 10</i>)	104	(1,341)	8,377	(268)	(46)	1,556	8,382
Gross deferred tax assets at December 31, 2025	460	1,843	51,535	525	18	2,223	56,604

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16. DEFERRED TAX (continued)

Deferred tax liabilities

	Right-of-use Assets <i>RMB'000</i>	Fair value adjustments <i>RMB'000</i>	Right-of-return assets <i>RMB'000</i>	Total <i>RMB'000</i>
At January 2024	944	225	255	1,424
Deferred tax charged/(credited) to profit or loss during the year (<i>note 10</i>)	(313)	(98)	143	(268)
Gross deferred tax liabilities at December 31, 2024	631	127	398	1,156
At January 1, 2025	631	127	398	1,156
Deferred tax (credited)/charged to profit or loss during the year (<i>note 10</i>)	1,431	576	(158)	1,849
Gross deferred tax liabilities at December 31, 2025	2,062	703	240	3,005

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Net deferred tax assets recognised in the statement of financial position	53,599	47,066

Notes to Financial Statements

31 December 2025

16. DEFERRED TAX (continued)

Deferred tax liabilities (continued)

Deferred tax assets have not been recognised in respect of the following items:

	2025 RMB'000	2024 RMB'000
Tax losses	93,625	52,692
Deductible temporary differences	930	543
	94,555	53,235

The Group has unrecognised accumulated tax losses in Chinese Mainland of RMB91,522,000 in aggregate as at December 31, 2025 (2024: RMB52,689,000), which will expire in one to ten years to offset against future taxable profits of the companies in which losses were incurred. The Group has also unrecognised accumulated tax losses in Hong Kong of RMB1,549,000 in aggregate as at December 31, 2025, as well as that in the United States of RMB554,000 as at December 31, 2025 (2024: RMB3,000), that can be carried forward indefinitely to offset against future taxable profits of the companies in which losses were incurred.

Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that enough taxable profits will be available against which the tax losses can be utilised.

17. INVENTORIES

	2025 RMB'000	2024 RMB'000
Raw materials	33,412	52,192
Work in progress	51,294	58,937
Finished goods	17,827	13,716
Goods in transit	1,057	3,133
Total	103,590	127,978

The inventories of the Group are net of a write-down of approximately RMB12,720,000 as at December 31, 2025 (2024: RMB21,544,000).

Notes to Financial Statements

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18. TRADE AND BILLS RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables	152,204	109,920
Less: impairment of trade receivables	(3,366)	(1,787)
Trade receivables, net	148,838	108,133
Bills receivables*	8,732	3,513
Net Carrying amount	157,570	111,646

* Bills receivable is subject to impairment under the general approach and the impairment is considered to be minimal.

The Group's trade terms with its certain customers are on credit, and the credit period is generally 90 days. 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 reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	139,796	97,410
1 to 2 years	5,747	5,000
2 to 3 years	3,295	5,723
Total	148,838	108,133

Notes to Financial Statements

31 December 2025

18. TRADE AND BILLS RECEIVABLES (continued)

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

	2025 RMB'000	2024 RMB'000
At beginning of year	1,787	2,044
impairment losses, net	1,652	(183)
Amount written off as uncollectible	(73)	(74)
At end of year	3,366	1,787

Trade receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trade receivables are grouped and collectively assessed for impairment allowance and an impairment analysis is performed at the end of each reporting period using a provision matrix to measure expected credit losses. The provision rates are based on the aging of the trade receivables 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 is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Notes to Financial Statements

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18. TRADE AND BILLS RECEIVABLES (continued)

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

	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate	Expected credit loss <i>RMB'000</i>
December 31, 2025			
On a collective basis			
Within 1 year	141,133	0.95%	1,338
1 to 2 years	5,998	4.17%	250
2 to 3 years	3,527	6.58%	232
Over 3 years	194	100.00%	194
At the end of the year	150,852	1.34%	2,014
On an individual basis	1,352	100.00%	1,352
Total	152,204	2.21%	3,366

	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate	Expected credit loss <i>RMB'000</i>
December 31, 2024			
On a collective basis			
Within 1 year	98,432	1.04%	1,023
1 to 2 years	5,195	3.73%	194
2 to 3 years	6,106	6.27%	383
Over 3 years	187	100.00%	187
At the end of the year	109,920	1.63%	1,787

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19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 RMB'000	2024 RMB'000
Current		
Value-added tax recoverable	8,970	4,813
Deferred listing expenses	4,513	–
Right-of-return assets	1,600	2,636
Prepayments	10,854	3,833
Tax recoverable	302	977
Loans from Neura Robotics*	–	18,822
Deposits	771	139
Other receivables	709	8,053
Less: Impairment of other receivables and deposit	14	767
	27,705	38,506
Non-Current		
Prepayments for property, plant and equipment	411	1,964
	28,116	40,470

* Loans from Neura Robotics were non-trade and were unsecured with the fixed interest rate of 1.0% per annum and had been settled in February 2025.

The Group has applied the general approach to provide for expected credit losses for financial assets included in prepayments, other receivables and other assets if 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, they were measured based on lifetime expected credit losses. 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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20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 RMB'000	2024 RMB'000
Wealth management products	41,464	11,047
Structured deposits	30,049	20,000
Total	71,513	31,047

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

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 RMB'000	2024 RMB'000
Bills receivables*	916	1,334

Bills receivables at fair value through other comprehensive income was mainly bank acceptance bills discounted and endorsed for the purpose of daily treasury management and were qualified for derecognition.

* Bills receivable is subject to impairment under the general approach and the impairment is considered to be minimal.

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22. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	2025 RMB'000	2024 RMB'000
Cash and bank balances	74,329	96,906
Time deposits	130,991	140,090
Restricted bank deposits	–	36
Subtotal	214,320	237,032
Less:		
Time deposits with original maturity of over three months:		
– current	32,144	54,624
– non-current	107,847	61,852
Restricted bank deposits	–	36
Cash and cash equivalents	74,329	120,520
Denominated in:		
– RMB	49,014	95,787
– USD	19,426	249
– EUR	2,880	22
– HKD	3,009	24,462
	74,329	120,520

The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, 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. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates. The bank balances and restricted bank balances are deposited with creditworthy banks with no recent history of default.

As at December 31, 2024, the restricted bank deposits are all guarantee deposits, with an amount of RMB36,100. As at December 31, 2025, the guarantee deposit had been fully recovered.

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23. TRADE PAYABLES

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

	2025 RMB'000	2024 RMB'000
Within 1 year	70,490	67,489
Over 1 year	1,515	3,314
Total	72,005	70,803

The trade payables are non-interest-bearing and are normally settled on terms on 1-3 months.

24. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Advances from customers		
Sale of goods	5,322	6,894
Analysed for reporting purposes as:		
Contract liabilities	5,322	6,894

Contract liabilities represented the obligations to transfer goods to customers for which the Group has received consideration.

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25. OTHER PAYABLES AND ACCRUALS

	2025 RMB'000	2024 RMB'000
Payroll payable	25,088	18,295
Other tax payables	4,049	1,304
Refund liabilities	2,621	4,204
R&D support grant payables	8,302	9,510
Listing expenses payables	3,855	–
Other payables	5,418	3,327
Total	49,333	36,640

Other payables are non-interest-bearing and repayable on demand.

26. DEFERRED INCOME

	2025 RMB'000	2024 RMB'000
Government grant*	123	427
At beginning of year	427	168
Addition during the year	–	5,900
Released to profit or loss during the year	(304)	(5,641)
At end of year	123	427

* The Group's deferred government grants represented government grants received for projects and are credited to profit or loss on a straight-line basis over the expected lives of the related assets or recognised as income on a systematic basis over the periods that the costs, which they are intended to compensate, are expensed.

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27. PROVISION

Warranties	
<i>RMB'000</i>	
At January 1, 2024	768
Additions	1,259
Amounts utilised during the year	(933)
At December 31, 2024	1,094
At January 1, 2025	1,094
Additions	441
Amounts utilised during the year	(496)
At December 31, 2025	1,039

The Group generally provides 12 months warranties to its customers on certain of its products for general repairs of defects occurring during the warranty period. The estimation basis is reviewed on an ongoing basis and revised annually.

28. SHARE CAPITAL

Share Capital

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

	Number of shares in issue (in thousand)	Share capital <i>RMB'000</i>
As at January 1, 2025	–	–
Issue of ordinary shares upon conversion into a joint stock company of RMB0.20 each*	432,667	86,533
Issue of shares**	18,028	3,606
As at December 31, 2025	450,695	90,139

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28. SHARE CAPITAL (continued)

Paid-in capital

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

	RMB'000
As at January 1, 2025 and December 31, 2024	86,533
Conversion into a joint stock company*	(86,533)
As at December 31, 2025	–

* In May 2025, the Company converted into a joint stock company with limited liability under the Company Law of the PRC. The paid-in capital of the Company as of the conversion base date amounting to RMB86,533,000 were converted into 432,667,000 ordinary shares of RMB0.20 each.

** In May 2025, the Group implemented the Share Award Scheme by the way of issuing 18,027,800 shares with total consideration of RMB22,973,000, which increased the share capital and capital reserve by RMB3,606,000 and RMB19,367,000, respectively (note 29).

29. SHARE AWARD SCHEME

(a) 2025 Shares Transferred to Director

Pursuant to share transfer agreements entered into between Sichuan Zhirentuan Enterprise Management Partnership (Limited Partnership) ("Zhirentuan"), which controlled by Mr. Wang Guangneng and Mr. Zhang Guoping, and an investor shareholder of the Company, Zhirentuan acquired 1.80% of the then total registered share capital of the Company (equal to 7,774,540 shares after conversion into a joint stock company), at a total consideration of approximately RMB26,953,000. The transaction was duly completed in February 2025.

The difference between the fair value and the consideration paid was recognised immediately as share-based payment expenses with total amount of RMB11,863,000 in 2025 as there are no vesting conditions required. The fair value of the shares at the transaction date was determined by reference to the recent valuation report of independent external valuer.

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29. SHARE AWARD SCHEME (continued)

(b) 2025 Share Award Scheme

In May 2025, the Group approved and implemented a new share award scheme (the “2025 Share Award Scheme”) to motivate key personnel and drive long-term business growth. In order to implement this scheme, Shenzhen Zhirenle Enterprise Management Partnership (Limited Partnership), Shenzhen Zhirenju Enterprise Management Partnership (Limited Partnership), Shenzhen Zhirenxue Enterprise Management Partnership (Limited Partnership) and Shenzhen Zhirenyun Enterprise Management Partnership (Limited Partnership) (collectively as “Employee Share Platforms”) were established and designated as the share incentive platform to grant the awards to the eligible participants. The Group has no control over these share incentive platforms.

Employee Share Platforms subscribed for 18,027,800 shares of the Company at a subscription price of RMB1.2743 per share. On May 30, 2025, the Group granted 3,605,600 units of the Employee Share Platforms, which are equivalent to a total of 18,028,000 shares. Specifically, 18,010,800 shares were granted to 175 eligible employees with an exercise price of RMB1.2743 per share, which will be vested in instalments over the next four years. And the remaining 17,000 shares were granted to Shenzhen Zhiren Tuan Technology Co., Ltd. According to the Company’s performance appraisal and individual performance appraisal, the granted shares will be vested at a rate of 25% as of the year ended December 31, 2025, 2026, 2027 and 2028, respectively. The fair value of granted shares under the 2025 Share Award Scheme was determined based on the valuation report of independent external valuer.

The Group recognised a share award expense of RMB35,165,000 for the year ended December 31, 2025 (2024: Nil).

30. RESERVES

The amounts of the Group’s reserves and the movements therein for the current year and prior year are presented in the consolidated statement of changes in equity on pages 105 to 106 of the Annual Report.

(a) Capital reserve

Capital reserve of the Group represents the difference between the value of the paid-up capital and the consideration received.

(b) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all relevant exchange differences arising from the translation of the financial statements of foreign operations.

(c) Share-based payment reserve

The share-based payment reserve comprises the fair value of the restricted shares granted as further explained in note 29 to the financial statements.

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31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

	2025 RMB'000	2024 RMB'000
Trade payables settled by endorsement of bills receivable which were qualified for derecognition	37,723	26,514
Addition of right-of-use assets	15,256	-
Total	52,979	26,514

(b) Changes in liabilities arising from financing activities

2025

	Lease liabilities RMB'000
At January 1, 2025	4,446
Changes from financing cash flow	(3,188)
Changes from lease additions and early termination	14,728
Accretion of interest	378
At December 31, 2025	16,364

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31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

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

2024

	Lease liabilities RMB'000
At January 1, 2024	7,479
Changes from financing cash flow	(3,247)
Accretion of interest	214
At December 31, 2024	4,446

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

	2025 RMB'000	2024 RMB'000
Within operating activities	1,554	1,721
Within financing activities	3,188	3,247
Total	4,742	4,968

Notes to Financial Statements

31 December 2025

32. COMMITMENTS

The Group did not have any significant commitments as at December 31, 2025.

33. RELATED PARTY TRANSACTIONS

(a) Name and relationships of the related parties

Name	Relationship
Han's Laser Technology Industry Group Co., Ltd.(Han's Laser) ("大族激光科技產業集團股份有限公司")	Has significant influence over the Company
Shenzhen Han's Motor S&T Co., Ltd. ("深圳市大族電機科技有限公司")	Subsidiary of Han's Laser
Shenzhen Han's Lithium Battery Intelligent Equipment Co., Ltd. ("深圳市大族鋰電智能裝備股份有限公司")	Subsidiary of Han's Laser
Shenzhen Han's Beijin Equipment Co., Ltd. ("深圳市大族貝金裝備有限公司")	Subsidiary of Han's Laser
Han's Photoelectric Equipment Co., Ltd. ("深圳市大族封測科技股份有限公司")	Subsidiary of Han's Laser
Shenzhen Han's Semiconductor Equipment Technology Co., Ltd. ("深圳市大族半導體裝備科技有限公司")	Subsidiary of Han's Laser
Shenzhen Han's CNC Technology Co., Ltd. ("深圳市大族數控科技股份有限公司")	Subsidiary of Han's Laser
Jiangsu Dazhu Intelligent Welding Equipment Group Co., Ltd. ("江蘇大族智能焊接裝備集團有限公司")	Subsidiary of Han's Laser
Hans Laser Smart Equipment Group Co., Ltd. ("大族激光智能裝備集團有限公司")	Subsidiary of Han's Laser
Shenzhen Hans Vision Technology Co., Ltd. ("深圳市大族視覺技術有限公司")	Subsidiary of Han's Laser
GD Han's Yueming Laser Group Co., Ltd. ("廣東大族粵銘激光集團股份有限公司")	Subsidiary of Han's Laser

Notes to Financial Statements

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33. RELATED PARTY TRANSACTIONS (continued)

(a) Name and relationships of the related parties (continued)

Name	Relationship
Shenzhen Hans YC Technology Co., Ltd. ("深圳市大族雲成科技有限公司")	Subsidiary of Han's Laser
Shanghai Han's Industrial Co., Ltd. ("上海大族實業有限公司")	Subsidiary of Han's Laser
Laser Smart Equipment Group Co., Ltd. ("大族激光智能裝備集團有限公司")	Subsidiary of Han's Laser
Shanghai Fortrend Technology Co., Ltd. ("上海大族富創得科技有限公司")	Subsidiary of Han's Laser
Dongguan Hanchuan Technology Co., Ltd. Shenzhen Branch ("東莞市漢傳科技有限公司深圳分公司")	Subsidiary of Han's Laser
Han's Laser Corp.	Subsidiary of Han's Laser
HAN'S LASER KOREA CO., LTD	Subsidiary of Han's Laser
Han's Laser Science & Technology (Thailand) Co., Ltd.	Subsidiary of Han's Laser
Han's Laser Intelligent Technology (Jinan) Co., Ltd. ("大族激光智能科技(濟南)有限公司")	Subsidiary of Han's Laser
GD Han's Yueming Laser Group Co., Ltd. ("廣東大族粵銘智能裝備股份有限公司")	Subsidiary of Han's Laser
Shenzhen Dazhu Machine Tool Technology Co., Ltd. ("深圳市大族機床科技有限公司")	Subsidiary of Han's Laser
Shenzhen Han Nationality Intelligent Welding Equipment Co., Ltd. ("深圳市大族智能焊接裝備有限公司")	Subsidiary of Han's Laser
Wuhan Hans Goldensky Laser SYSTEM Co., Ltd. ("武漢大族金石凱激光系統有限公司")	Subsidiary of Han's Laser

Notes to Financial Statements

31 December 2025

33. RELATED PARTY TRANSACTIONS (continued)

(a) Name and relationships of the related parties (continued)

Name	Relationship
Shenzhen Dazu Properties Management Co., Ltd. ("深圳市大族物業管理有限公司")	Subsidiary of Han's Laser
Han's Laser Semiconductor Equipment Technology Co., Ltd. ("廣東大族半導體裝備科技有限公司")	Subsidiary of Han's Laser
Shenzhen Mason Electronics Co., Ltd. ("深圳麥遜電子有限公司")	Subsidiary of Han's Laser
Dazu Lithium Battery (Changzhou) Intelligent Equipment Co., Ltd. ("大族鋰電(常州)智能裝備有限公司")	Subsidiary of Han's Laser

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the year:

Sales of products to related parties:

	Note	2025 RMB'000	2024 RMB'000
Han's Laser Technology Industry Group Co., Ltd. and its subsidiaries	(i)	13,407	16,072

Note:

- (i) The sales prices offered to Han's Laser Technology Industry Group Co., Ltd. and its subsidiaries were made according to the published prices. As the Group listed on the Main Board of The Stock Exchange of Hong Kong Limited on March 30, 2026, from the listing date onwards, the related party transaction also constitutes connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

Notes to Financial Statements

31 December 2025

33. RELATED PARTY TRANSACTIONS (continued)

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the year (continued):

Purchases of products and other assets:

	2025 RMB'000	2024 RMB'000
Han's Laser Technology Industry Group Co., Ltd. and its subsidiaries	740	729

Lease:

	2025 RMB'000	2024 RMB'000
Han's Laser Technology Industry Group Co., Ltd. and its subsidiaries		
Lease payments in respect of short-term leases and low-value assets leases	66	168
Interest on lease liabilities	329	214
Addition of right-of-use assets	10,613	–
	11,008	382

Utilities paid and purchase of property services:

	2025 RMB'000	2024 RMB'000
Han's Laser Technology Industry Group Co., Ltd. and its subsidiaries	1,802	1,143

Notes to Financial Statements

31 December 2025

33. RELATED PARTY TRANSACTIONS (continued)

(c) Outstanding balances with related parties

	Note	2025 RMB'000	2024 RMB'000
Outstanding balances with related parties:			
Due from related parties – trade in nature:	(i)		
Han's Laser Technology Industry Group Co., Ltd. and its subsidiaries*		32	125
Han's Laser Technology Industry Group Co., Ltd. and its subsidiaries**		7,342	9,187
		7,374	9,312
Due to related parties – trade in nature:			
Han's Laser Technology Industry Group Co., Ltd. and its subsidiaries***		696	176
Han's Laser Technology Industry Group Co., Ltd. and its subsidiaries****		361	577
		1,057	753
Lease liabilities – trade in nature:			
Han's Laser Technology Industry Group Co., Ltd. and its subsidiaries		14,054	4,446

* Included in "Prepayments, deposits and other receivables" in the consolidated statement of financial position

** Included in "Trade and bills receivables" in the consolidated statement of financial position

*** Included in "Other payables and accruals" in the consolidated statement of financial position

**** Included in "Trade payable" in the consolidated statement of financial position. The Group's trade receivables are amounts due from related parties are repayable on credit terms similar to those offered to the major customers of the Group

Note:

(i) The balance of amounts due from related party are unsecured, interest-free and repayable on demand, and it is trade in nature.

Notes to Financial Statements

31 December 2025

33. RELATED PARTY TRANSACTIONS (continued)

(d) Compensation of key management personnel of the Group:

	2025 RMB'000	2024 RMB'000
Salaries, allowances and benefits in kind	1,648	2,308
Performance related bonus	1,033	1,098
Pension scheme contributions	89	121
Equity-settled share-based payment expenses	16,097	–
Total	18,867	3,527

Further details of executive directors' and supervisors' emoluments are included in note 8 to the financial statements.

34. FINANCIAL INSTRUMENTS BY CATEGORY

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

Financial assets at amortised cost

	2025 RMB'000	2024 RMB'000
Trade and bills receivables	157,570	111,646
Financial assets included in other receivables and other assets	1,768	27,224
Restricted bank deposits	–	36
Cash and cash equivalents	74,329	120,520
Time deposits with original maturity of over three months	139,991	116,476
Total	373,658	375,902

Notes to Financial Statements

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34. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial assets at Fair value through profit or loss

	2025 RMB'000	2024 RMB'000
Wealth management products and structured deposits	71,513	31,047

Financial assets at fair value through other comprehensive income

	2025 RMB'000	2024 RMB'000
Bills receivables	916	1,334

Financial liabilities at amortised cost

	2025 RMB'000	2024 RMB'000
Financial liabilities		
Financial liabilities at amortised cost:		
Trade payables	72,005	70,803
Financial liabilities included in other payables and accruals	17,575	12,837
Total	89,580	83,640

TRANSFERRED FINANCIAL ASSETS THAT ARE NOT DERECOGNIZED IN THEIR ENTIRELY

As part of its normal business, the Group endorsed certain bills receivable accepted by banks in Chinese Mainland to certain of its suppliers in order to settle the trade payables due to such suppliers. As at December 31, 2025, the bills receivable with a carrying amount of RMB7,830,000 (2024: RMB1,887,000), were endorsed to its supplier. The Group considers that it has retained substantially all the risks and rewards, including default risks relating to such endorsed bills. Accordingly, it continued to recognise the full carrying amounts of the endorsed bills and associated trade payables. Subsequent to the endorsement, the Group did not retain any rights on the use of the endorsed bills including the right of sale, transfer or pledge of the bills to any other third parties.

Notes to Financial Statements

31 December 2025

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

All the carrying amounts of the Group's financial instruments approximate to their fair values due to the short-term maturities of these instruments.

The Group's finance department is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the reporting period, the finance department analysed the movements in the values of financial instruments and determined the major inputs applied in the valuation. The valuation is reviewed and approved by the finance manager. The valuation process and results are discussed with the directors of the Company once a year for annual financial reporting.

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

Notes to Financial Statements

31 December 2025

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

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 December 31, 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1) <i>RMB'000</i>	Significant observable inputs (Level 2) <i>RMB'000</i>	Significant unobservable inputs (Level 3) <i>RMB'000</i>	Total <i>RMB'000</i>
Financial assets at fair value through profit or loss	–	71,513	–	71,513
Financial assets at fair value through other comprehensive income	–	916	–	916
	–	72,429	–	72,429

As at December 31, 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1) <i>RMB'000</i>	Significant observable inputs (Level 2) <i>RMB'000</i>	Significant unobservable inputs (Level 3) <i>RMB'000</i>	Total <i>RMB'000</i>
Financial assets at fair value through profit or loss	–	31,047	–	31,047
Financial assets at fair value through other comprehensive income	–	1,334	–	1,334
	–	32,381	–	32,381

Notes to Financial Statements

31 December 2025

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank and other borrowings, financial assets at fair value through profit or loss and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

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

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations.

The following table demonstrates the sensitivity at the end of each reporting period to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's profit/(loss) before tax (due to changes in the fair value of monetary assets and liabilities).

	Increase/(decrease) in exchange rate (%)	Increase/(decrease) in profit/(loss) before tax and equity RMB'000
2025		
If RMB weakens against USD	5	(599)
If RMB strengthens against USD	5	599
If RMB weakens against EUR	5	(2,237)
If RMB strengthens against EUR	5	2,237
2024		
If RMB weakens against USD	5	(36)
If RMB strengthens against USD	5	36
If RMB weakens against EUR	5	(3,375)
If RMB strengthens against EUR	5	3,375

Notes to Financial Statements

31 December 2025

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

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

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and financial assets included in prepayments, deposits and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. For other receivables, management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The Directors believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

Maximum exposure and year-end staging

The tables below show 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 as at the end of each reporting period.

The amounts presented are gross carrying amounts for financial assets.

As at December 31, 2025

	12-month ECLs		Lifetime ECLs		Total
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade and bills receivables*	8,732	–	–	152,204	160,936
Financial assets included in deposits and other receivables	1,782	–	–	–	1,782
Cash and cash equivalents	74,329	–	–	–	74,329
Time deposits	139,991	–	–	–	139,991
Financial assets at fair value through other comprehensive income	916	–	–	–	916
Total	225,750	–	–	152,204	377,954

Notes to Financial Statements

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Maximum exposure and year-end staging (continued)

As at December 31, 2024

	12-month ECLs		Lifetime ECLs		Total
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade and bills receivables*	3,513	–	–	109,920	113,433
Financial assets included in deposits and other receivables	27,991	–	–	–	27,991
Restricted bank balances	36	–	–	–	36
Cash and cash equivalents	120,520	–	–	–	120,520
Time deposits	116,476	–	–	–	116,476
Financial assets at fair value through other comprehensive income	1,334	–	–	–	1,334
Total	269,870	–	–	109,920	379,790

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 18 to the financial statements. Bills receivable is subject to impairment under the general approach and the impairment is considered to be minimal.

The credit quality of the financial assets included in prepayments, other receivables and other assets, and amounts due from related parties 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”.

At the end of the reporting period, the Group had certain concentrations of credit risk as 25% (2024: 41%) and 54% (2024: 66%) of the Group’s trade and bills receivables were due from the Group’s largest customer and five largest customers, respectively.

Notes to Financial Statements

31 December 2025

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations. The maturity profile of the Group's financial liabilities as at the end of each reporting period, based on the contractual undiscounted payments, is as follows:

As at December 31, 2025

	Less than 12 months or on demand RMB'000	1 to 5 years RMB'000	Total RMB'000
Trade and bill payables	72,005	–	72,005
Financial liabilities included in other payables and accruals	17,575	–	17,575
Lease liabilities	4,519	12,749	17,268
	94,099	12,749	106,848

As at December 31, 2024

	Less than 12 months or on demand RMB'000	1 to 5 years RMB'000	Total RMB'000
Trade and bill payables	70,803	–	70,803
Financial liabilities included in other payables and accruals	12,837	–	12,837
Lease liabilities	2,252	2,373	4,625
	85,892	2,373	88,265

Notes to Financial Statements

31 December 2025

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

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

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

The asset-liability ratios as at the end of each reporting period are as follows:

	December 31, 2025	December 31, 2024
	RMB'000	RMB'000
Total assets	668,326	616,563
Total liabilities	144,186	120,304
Asset-liability ratio	22%	20%

37. EVENTS AFTER THE REPORTING PERIOD

The Group had no significant subsequent events after December 31, 2025 which are required to be disclosed as at the date of the financial statement.

Notes to Financial Statements

31 December 2025

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of reporting period is as follows:

	2025 RMB'000	2024 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	17,700	12,186
Right-of-use assets	12,977	4,206
Other intangible assets	4,341	1,452
Deferred tax assets	53,599	47,066
Investments in subsidiaries	269,534	233,853
Time deposits with original maturity of over three months	107,847	61,852
Prepayment, deposits and other receivables	411	1,963
Total non-current assets	466,409	362,578
CURRENT ASSETS		
Inventories	102,759	126,474
Trade and bills receivables	150,278	115,075
Prepayments, deposits and other receivables	40,096	52,415
Financial assets at fair value through profit or loss	71,513	31,047
Financial assets at fair value through other comprehensive income	916	1,334
Time deposits with original maturity of over three months	32,144	54,624
Restricted bank deposits	–	36
Cash and cash equivalents	59,596	91,522
Total current assets	457,302	472,527

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38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

	2025 RMB'000	2024 RMB'000
CURRENT LIABILITIES		
Trade payables	71,777	70,310
Other payables and accruals	217,656	207,553
Interest-bearing loans and borrowings	–	–
Lease liabilities	3,003	2,121
Contract liabilities	5,292	6,560
Provision	939	1,048
Total current liabilities	298,667	287,592
NET CURRENT ASSET	158,635	184,935
TOTAL ASSETS LESS CURRENT LIABILITIES	625,044	547,513
NON-CURRENT LIABILITIES		
Deferred income	123	427
Lease liabilities	11,050	2,325
Total non-current liabilities	11,173	2,752
NET ASSETS	613,871	544,761
EQUITY		
Share capital	90,139	–
Paid-in capital	–	86,533
Reserves	523,732	458,228
Total equity	613,871	544,761

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38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

A summary of the Company's reserves is as follows:

	Capital reserve <i>RMB'000</i>	Share-based payment reserve <i>RMB'000</i>	Accumulated losses <i>RMB'000</i>	Total <i>RMB'000</i>
At January 1, 2024	568,827	249,479	(383,905)	434,401
Profit for the year	–	–	23,827	23,827
Total comprehensive income for the year	–	–	23,827	23,827
At December 31, 2024 and January 1, 2025	568,827	249,479	(360,078)	458,228
Profit for the year	–	–	10,972	10,972
Total comprehensive income for the year	–	–	10,972	10,972
Issue of shares (<i>note 29</i>)	19,367	–	–	19,367
Equity-settled share award expense	–	35,165	–	35,165
At December 31, 2025	588,194	284,644	(349,106)	523,732

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on April 27, 2026.