

The following is the text of a report, prepared for the purpose of incorporation in this document, received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong.



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ONEROBOTICS (SHENZHEN) CO., LTD. GUOTAI JUNAN CAPITAL LIMITED AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

INTRODUCTION

We report on the historical financial information of OneRobotics (Shenzhen) Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-93, which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2022, 2023, 2024 and 30 June 2025 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-93 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 18 December 2025 (the "Prospectus") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

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

REPORTING ACCOUNTANTS' RESPONSIBILITY

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

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

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

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2022, 2023, 2024 and 30 June 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Review of interim comparative financial information

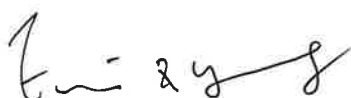
We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months ended 30 June 2024 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Interim Comparative Financial Information in accordance with the basis of preparation set out in notes 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation set out in notes 2.1 to the Historical Financial Information.

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

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

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.



Certified Public Accountants

Hong Kong

18 December 2025

I HISTORICAL FINANCIAL INFORMATION**Preparation of Historical Financial Information**

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

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

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December			Six months ended 30 June	
		2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (Unaudited)	2025 RMB'000
REVENUE	5	274,597	457,264	609,924	275,021	396,294
Cost of sales		<u>(180,458)</u>	<u>(226,726)</u>	<u>(294,327)</u>	<u>(136,183)</u>	<u>(181,541)</u>
Gross profit		<u>94,139</u>	<u>230,538</u>	<u>315,597</u>	<u>138,838</u>	<u>214,753</u>
Other income and gains	5	6,787	8,342	9,111	4,578	10,364
Selling and distribution expenses		(102,104)	(136,698)	(171,894)	(70,969)	(106,829)
Administrative expenses		(21,006)	(24,139)	(32,372)	(15,936)	(30,864)
Research and development expenses		(61,761)	(89,192)	(112,022)	(56,737)	(58,679)
Impairment losses on financial assets, net		(136)	(798)	151	(120)	(490)
Other expenses		(431)	(2,100)	(6,836)	(10,886)	(1,964)
Finance costs	6	<u>(2,422)</u>	<u>(2,240)</u>	<u>(4,409)</u>	<u>(1,738)</u>	<u>(2,165)</u>
(LOSS)/PROFIT BEFORE TAX	7	(86,934)	(16,287)	(2,674)	(12,970)	24,126
Income tax (expense)/credit	10	<u>(49)</u>	<u>(89)</u>	<u>(400)</u>	<u>(671)</u>	<u>3,777</u>
(LOSS)/PROFIT FOR THE YEAR/PERIOD		<u>(86,983)</u>	<u>(16,376)</u>	<u>(3,074)</u>	<u>(13,641)</u>	<u>27,903</u>
Attributable to:						
Owners of the parent		<u>(86,983)</u>	<u>(16,376)</u>	<u>(3,074)</u>	<u>(13,641)</u>	<u>27,903</u>
		<u>(86,983)</u>	<u>(16,376)</u>	<u>(3,074)</u>	<u>(13,641)</u>	<u>27,903</u>
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic and diluted (RMB per share)	12	<u>(0.76)</u>	<u>(0.14)</u>	<u>(0.03)</u>	<u>(0.12)</u>	<u>0.17</u>

For the details of pre-IPO investments, please refer to note 28 to this report.

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
(LOSS)/PROFIT FOR THE YEAR/PERIOD	<u>(86,983)</u>	<u>(16,376)</u>	<u>(3,074)</u>	<u>(13,641)</u>	<u>27,903</u>
OTHER COMPREHENSIVE (LOSS)/ INCOME					
Other comprehensive income that may be reclassified to profit and loss in subsequent periods:					
Exchange differences on translation of foreign operations	<u>(102)</u>	<u>70</u>	<u>(3)</u>	<u>(381)</u>	<u>585</u>
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR/PERIOD	<u>(87,085)</u>	<u>(16,306)</u>	<u>(3,077)</u>	<u>(14,022)</u>	<u>28,488</u>
Attributable to:					
Owners of the parent	(87,085)	(16,306)	(3,077)	(14,022)	28,488
Non-controlling interests	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>(87,085)</u>	<u>(16,306)</u>	<u>(3,077)</u>	<u>(14,022)</u>	<u>28,488</u>

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at
		2022	2023	2024	30 June
	Notes	RMB'000	RMB'000	RMB'000	2025
					RMB'000
NON-CURRENT ASSETS					
Property, plant and equipment	13	10,316	11,427	21,701	21,778
Right-of-use asset	15	31,030	46,912	45,788	39,325
Intangible assets	14	1,671	5,872	9,740	31,509
Deferred tax assets	18	—	—	—	6,095
Prepayments, deposits and other receivables	20	3,386	10,357	7,308	5,051
Total non-current assets		<u>46,403</u>	<u>74,568</u>	<u>84,537</u>	<u>103,758</u>
CURRENT ASSETS					
Inventories	17	83,589	82,437	163,637	202,746
Trade receivables	19	45,103	62,091	45,815	133,035
Prepayments, deposits and other receivables	20	16,873	22,124	22,989	30,229
Financial assets at fair value through profit or loss	21	8	—	54,391	—
Restricted cash	22	824	510	15,917	900
Time deposits	22	3,103	2,562	2,909	2,947
Cash and cash equivalents	22	145,265	130,177	62,337	197,065
Total current assets		<u>294,765</u>	<u>299,901</u>	<u>367,995</u>	<u>566,922</u>
CURRENT LIABILITIES					
Trade payables	23	27,677	44,330	28,587	137,492
Contract liabilities	26	3,202	3,558	4,553	7,682
Other payables and accruals	24	20,122	32,674	43,151	66,054
Financial liabilities at fair value through profit or loss	21	129	—	68	420
Interest-bearing bank loans	25	40,207	30,200	91,250	37,938
Lease liabilities	15	11,270	12,344	11,641	7,945
Provision	27	6,479	14,200	20,487	22,011
Income tax payable		—	—	—	2,101
Total current liabilities		<u>109,086</u>	<u>137,306</u>	<u>199,737</u>	<u>281,643</u>
NET CURRENT ASSETS		<u>185,679</u>	<u>162,595</u>	<u>168,258</u>	<u>285,279</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>232,082</u>	<u>237,163</u>	<u>252,795</u>	<u>389,037</u>

		As at 31 December			As at
		2022	2023	2024	30 June
	Notes	RMB'000	RMB'000	RMB'000	2025
					RMB'000
NON-CURRENT LIABILITIES					
Interest-bearing bank loans	25	—	—	15,014	60,721
Lease liabilities	15	<u>23,556</u>	<u>40,762</u>	<u>40,276</u>	<u>37,215</u>
Total non-current liabilities		<u>23,556</u>	<u>40,762</u>	<u>55,290</u>	<u>97,936</u>
Net assets		<u>208,526</u>	<u>196,401</u>	<u>197,505</u>	<u>291,101</u>
EQUITY					
Equity attributable to owners of the parent					
Share capital	28	—	—	—	20,000
Paid-in capital	28	1,483	1,483	1,483	—
Reserves	29	<u>207,043</u>	<u>194,918</u>	<u>196,022</u>	<u>271,101</u>
		208,526	196,401	197,505	291,101
Non-controlling interests		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total equity		<u>208,526</u>	<u>196,401</u>	<u>197,505</u>	<u>291,101</u>

For the details of pre-IPO investments, please refer to note 28 to this report.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2022

	Attributable to owners of the parent				Exchange	
	Paid-in	Capital	Share-based	Accumulated	fluctuation	Total equity
	capital	reserve	payment	losses	reserve	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 28)	(note 29)	(note 30)		(note 29)	
As at 1 January 2022	1,205	129,543	5,164	(43,679)	—	92,233
Loss for the year	—	—	—	(86,983)	—	(86,983)
Exchange differences on translation of foreign operations	—	—	—	—	(102)	(102)
Total comprehensive loss for the year	—	—	—	(86,983)	(102)	(87,085)
Share-based payments (note 30)	—	—	3,378	—	—	3,378
Capital contribution by shareholders	278	199,722	—	—	—	200,000
As at 31 December 2022	1,483	329,265*	8,542*	(130,662)*	(102)*	208,526

Year ended 31 December 2023

	Attributable to owners of the parent				Exchange	
	Paid-in	Capital	Share-based	Accumulated	fluctuation	Total equity
	capital	reserve	payment	losses	reserve	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 28)	(note 29)	(note 30)		(note 29)	
As at 1 January 2023	1,483	329,265	8,542	(130,662)	(102)	208,526
Loss for the year	—	—	—	(16,376)	—	(16,376)
Exchange differences on translation of foreign operations	—	—	—	—	70	70
Total comprehensive loss for the year	—	—	—	(16,376)	70	(16,306)
Share-based payments (note 30)	—	—	4,181	—	—	4,181
As at 31 December 2023	1,483	329,265*	12,723*	(147,038)*	(32)*	196,401

Year ended 31 December 2024

	Attributable to owners of the parent					Total equity
	Paid-in capital	Capital reserve	Share-based payment reserve	Accumulated losses	Exchange fluctuation reserve	
	RMB'000 (note 28)	RMB'000 (note 29)	RMB'000 (note 30)	RMB'000	RMB'000 (note 29)	RMB'000
As at 1 January 2024	1,483	329,265	12,723	(147,038)	(32)	196,401
Loss for the year	—	—	—	(3,074)	—	(3,074)
Exchange differences on translation of foreign operations	—	—	—	—	(3)	(3)
Total comprehensive loss for the year	—	—	—	(3,074)	(3)	(3,077)
Share-based payments (note 30)	—	—	4,181	—	—	4,181
As at 31 December 2024	1,483	329,265*	16,904*	(150,112)*	(35)*	197,505

Six months ended 30 June 2025

	Attributable to owners of the parent						
	Share capital	Paid-in capital	Capital reserve	Share-based payment reserve	Accumulated losses	Exchange fluctuation reserve	Total equity
	RMB'000 (note 28)	RMB'000 (note 28)	RMB'000 (note 29)	RMB'000 (note 30)	RMB'000	RMB'000 (note 29)	RMB'000
As at 1 January 2025	—	1,483	329,265	16,904	(150,112)	(35)	197,505
Profit for the period	—	—	—	—	27,903	—	27,903
Exchange differences on translation of foreign operations	—	—	—	—	—	585	585
Total comprehensive income for the period	—	—	—	—	27,903	585	28,488
Share-based payments (note 30)	—	—	—	5,041	—	—	5,041
Capital contribution by shareholders	—	1,009	—	—	—	—	1,009
Conversion into a joint stock company	2,492	(2,492)	—	—	—	—	—
Issue of shares	38	—	59,020	—	—	—	59,058
Capitalisation of reserves	17,470	—	(17,470)	—	—	—	—
As at 30 June 2025	20,000	—	370,815*	21,945*	(122,209)*	550*	291,101

* The reserve accounts comprised the consolidated reserves of RMB207,043,000, RMB194,918,000, RMB196,022,000 and RMB271,101,000 the consolidated statements of financial position as at 31 December 2022, 2023, 2024 and 30 June 2025.

Six months ended 30 June 2024 (Unaudited)

	Attributable to owners of the parent					
			Share-based		Exchange	
	Paid-in	Capital	payment	Accumulated	fluctuation	Total equity
	capital	reserve	reserve	losses	reserve	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2024	1,483	329,265	12,723	(147,038)	(32)	196,401
Loss for the period	—	—	—	(13,641)	—	(13,641)
Exchange differences on translation of foreign operations	—	—	—	—	(381)	(381)
Total comprehensive loss for the period	—	—	—	(13,641)	(381)	(14,022)
Share-based payments	—	—	2,091	—	—	2,091
As at 30 June 2024	1,483	329,265	14,814	(160,679)	(413)	184,470

CONSOLIDATED STATEMENTS OF CASH FLOWS

	<i>Notes</i>	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
					(Unaudited)	
CASH FLOWS FROM						
OPERATING ACTIVITIES						
(Loss)/profit before tax		(86,934)	(16,287)	(2,674)	(12,970)	24,126
Adjustments for:						
Finance costs	6	2,422	2,240	4,409	1,738	2,165
Interest income	5	(1,647)	(1,560)	(2,058)	(864)	(550)
Finance income on the net investment in the sublease	5	(12)	(21)	(154)	(75)	(70)
Impairment losses on financial assets, net	7	136	798	(151)	120	490
Write-down of inventories to net realisable value	7	7,055	7,608	5,639	5,713	5,698
Foreign exchange difference, net	7	3	1,619	6,494	10,766	(6,058)
Equity-settled share-based payment expenses	30	3,378	4,181	4,181	2,091	5,041
Gain on disposal of right of use assets	5	—	—	(292)	(281)	—
Gain on sublease of right of use assets	5	—	(1,554)	—	—	—
Investment income on financial assets at fair value through profit or loss	5	—	(21)	(1,679)	—	(344)
Investment loss on financial liabilities at fair value through profit or loss	7	54	453	—	97	1,153
Fair value (gains)/losses on financial assets at fair value through profit or loss		(8)	—	(391)	(104)	391
Fair value losses on financial liabilities at fair value through profit or loss	7	129	—	—	—	420
Depreciation of property, plant and equipment	7	3,005	5,113	9,589	4,229	5,567
Amortisation of intangible assets	14	222	676	1,646	822	1,940
Depreciation of right-of-use assets	7	10,430	11,451	10,988	5,124	4,594
		<u>(61,767)</u>	<u>14,696</u>	<u>35,547</u>	<u>16,406</u>	<u>44,563</u>

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
Notes	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Increase in inventories	(25,883)	(6,456)	(86,839)	(104,972)	(44,807)
Increase in trade receivables	(100,127)	(174,475)	(172,835)	(101,036)	(161,843)
Decrease in factored trade receivables	78,623	156,934	189,249	76,283	74,191
(Increase)/decrease in prepayments, deposits and other receivables	(6,584)	(4,629)	22	(9,665)	(3,296)
(Decrease)/increase in trade payables	(4,834)	16,653	(15,743)	92,303	108,905
Increase in contract liabilities	2,025	356	995	410	3,129
Increase/(decrease) in other payables and accruals	9,147	12,552	10,477	(5,526)	6,519
Increase in provision	<u>812</u>	<u>7,721</u>	<u>6,287</u>	<u>2,157</u>	<u>1,524</u>
Cash (used in)/generated from operations	<u>(108,588)</u>	<u>23,352</u>	<u>(32,840)</u>	<u>(33,640)</u>	<u>28,885</u>
Interest received	1,643	1,358	1,962	841	499
Income tax paid	<u>(49)</u>	<u>(89)</u>	<u>(400)</u>	<u>(5)</u>	<u>(217)</u>
Net cash flows (used in)/from operating activities	<u>(106,994)</u>	<u>24,621</u>	<u>(31,278)</u>	<u>(32,804)</u>	<u>29,167</u>

		Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(Unaudited)				
CASH FLOWS FROM						
INVESTING ACTIVITIES						
Interest received		4	202	96	23	51
Purchase of financial assets at fair value through profit or loss		—	—	(118,000)	—	(30,000)
Disposal of financial assets at fair value through profit or loss		—	29	65,679	(97)	84,344
Proceeds from financial liabilities at fair value through profit or loss		—	—	68	—	20
Settlement of financial liabilities at fair value through profit or loss		(54)	(582)	—	—	(1,241)
Purchases of items of property, plant and equipment		(7,759)	(9,461)	(17,717)	(10,280)	(5,591)
Purchases of intangible assets		(1,527)	(4,877)	(5,514)	(94)	(148)
Asset acquisition	31	—	—	—	—	(7,500)
Proceeds from sublease of right-of-use assets		86	90	486	286	200
Proceeds from disposal of items of property, plant and equipment		8	1	—	—	—
Placement of time deposits		(3,718)	(4,296)	(4,354)	(1,440)	(2,947)
Withdrawal of time deposits		615	4,837	4,007	2,562	2,909
Placement of restricted cash		(1,322)	(1,314)	(22,837)	(6,038)	(2,480)
Withdrawal of restricted cash		498	1,628	7,430	6,297	17,497
Net cash flows (used in)/from investing activities		(13,169)	(13,743)	(90,656)	(8,781)	55,114
CASH FLOWS FROM						
FINANCING ACTIVITIES						
New borrowings from factored trade receivables		118,830	146,927	183,528	82,879	73,347
New bank loans		—	—	88,065	28,020	58,024
Interest paid from factored trade receivables		(666)	(749)	(698)	(325)	(398)
Interest paid		—	—	(1,275)	(104)	(803)
Proceeds from issue of shares		—	—	—	—	59,058
Capital contribution by shareholders		200,000	—	—	—	1,009
Repayment of borrowings from factored trade receivables		(78,623)	(156,934)	(189,249)	(76,283)	(74,191)
Repayment of bank loans		—	—	(6,280)	(720)	(64,785)
Payment for listing expense		—	—	—	—	(1,497)
Increase in rental deposit		(1,712)	(1,038)	(643)	(658)	(89)
Decrease in rental deposit		—	—	340	—	—
Payments of lease liabilities		(11,003)	(12,617)	(13,193)	(6,324)	(5,855)
Net cash flows from/(used in) financing activities		226,826	(24,411)	60,595	26,485	43,820

	<i>Notes</i>	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
					(Unaudited)	
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		106,663	(13,533)	(61,339)	(15,100)	128,101
Cash and cash equivalents at beginning of year/period		38,706	145,265	130,177	130,177	62,337
Effect of foreign exchange rate changes, net		<u>(104)</u>	<u>(1,555)</u>	<u>(6,501)</u>	<u>(11,201)</u>	<u>6,627</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		<u>145,265</u>	<u>130,177</u>	<u>62,337</u>	<u>103,876</u>	<u>197,065</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances		145,265	129,820	62,263	102,359	196,990
Non-pledged time deposits with original maturity of less than three months when acquired		<u>—</u>	<u>357</u>	<u>74</u>	<u>1,517</u>	<u>75</u>
Cash and cash equivalents as stated in the consolidated statements of financial position	22	<u>145,265</u>	<u>130,177</u>	<u>62,337</u>	<u>103,876</u>	<u>197,065</u>

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December			As at
		2022	2023	2024	30 June
	Notes	RMB'000	RMB'000	RMB'000	2025
					RMB'000
NON-CURRENT ASSETS					
Investment in a subsidiary	16	<u>56,153</u>	<u>70,335</u>	<u>74,517</u>	<u>79,526</u>
Total non-current assets		<u><u>56,153</u></u>	<u><u>70,335</u></u>	<u><u>74,517</u></u>	<u><u>79,526</u></u>
CURRENT ASSETS					
Inventories	17	2,494	930	1,618	874
Trade receivables	19	16,846	23,133	11,067	23,105
Prepayments, deposits and other receivables	20	160,569	245,193	230,862	249,540
Financial assets at fair value through profit or loss	21	—	—	18,000	—
Cash and cash equivalents	22	<u>98,260</u>	<u>28,993</u>	<u>6,047</u>	<u>62,570</u>
Total current assets		<u><u>278,169</u></u>	<u><u>298,249</u></u>	<u><u>267,594</u></u>	<u><u>336,089</u></u>
CURRENT LIABILITIES					
Trade payables	23	116	33,109	4,323	5,808
Other payables and accruals	24	142	258	285	5,986
Income tax payable		<u>—</u>	<u>—</u>	<u>—</u>	<u>2</u>
Total current liabilities		<u><u>258</u></u>	<u><u>33,367</u></u>	<u><u>4,608</u></u>	<u><u>11,796</u></u>
NET CURRENT ASSETS		<u><u>277,911</u></u>	<u><u>264,882</u></u>	<u><u>262,986</u></u>	<u><u>324,293</u></u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u><u>334,064</u></u>	<u><u>335,217</u></u>	<u><u>337,503</u></u>	<u><u>403,819</u></u>
Net assets		<u><u>334,064</u></u>	<u><u>335,217</u></u>	<u><u>337,503</u></u>	<u><u>403,819</u></u>
EQUITY					
Share capital	28	—	—	—	20,000
Paid-in capital	28	1,483	1,483	1,483	—
Reserves	29	<u>332,581</u>	<u>333,734</u>	<u>336,020</u>	<u>383,819</u>
Total equity		<u><u>334,064</u></u>	<u><u>335,217</u></u>	<u><u>337,503</u></u>	<u><u>403,819</u></u>

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

OneRobotics (Shenzhen) Co., Ltd. (the “Company”) was incorporated as a limited liability in Shenzhen, People’s Republic of China (the “PRC”) on 18 October 2018. It was converted into a joint stock company with limited liability in April 2025. The registered office address of the Company is Room 1706, Shenzhen Qiancheng Commercial Center, No. 5, Haicheng Road, Mabu Community, Xixiang Street, Bao’an District, Shenzhen, the PRC.

During the Relevant Periods, the Company and its subsidiaries (collectively the “Group”) was principally engaged in the design, development, manufacturing and commercialization of home robotics system products and other home robot products and accessories.

In the opinion of the directors, Mr. Li Zhichen, Mr. Pan Yang and Wonder Innovation Technology (Shenzhen) Partnership (Limited Partnership) are a group of the controlling shareholders of the Group as at the end of the Relevant Periods.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name	Place and date of registration and place of operations	Registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Woan Technology (Shenzhen) Co., Ltd. 臥安科技(深圳)有限公司* (note (d))	Mainland China 22 January 2015	RMB32,000,000	100%	—	Develop, Manufacture and Sale of home robotics system products and other home robot products and accessories
Woan (Shenzhen) Software Technology Co., Ltd. 臥安(深圳)軟件技術有限公司* (note (a))	Mainland China 10 October 2023	RMB1,000,000	—	100%	Develop of system
WOAN TECHNOLOGY LIMITED* (note (b))	Hong Kong 4 May 2020	HKD200,000	—	100%	Sale of home robotics system products and other home robot products and accessories
SWITCHBOT PTE. LTD.* (note (a))	Singapore 21 November 2022	SGD10,000	—	100%	Sale of home robotics system products and other home robot products and accessories
WONDERLABS LIMITED (note (c))	Hong Kong 16 March 2018	HKD10,000	—	100%	Sale of home robotics system products and other home robot products and accessories
SWITCHBOT CO., LTD SWITCHBOT株式會社 (note (a))	Japan 24 September 2020	JPY5,000,000	—	100%	Sale of home robotics system products and other home robot products and accessories
WONDERLABS INC (note (a))	The United States 23 January 2017	US\$1,000	—	100%	Sale of home robotics system products and other home robot products and accessories
SWITCHBOT INC (note (a))	The United States 11 October 2021	US\$4,000	—	100%	Sale of home robotics system products and other home robot products and accessories
Ace Robot (Shenzhen) Co., Ltd. 艾思機器人(深圳)有限公司* (note (a)(e))	Mainland China 18 June 2025	RMB1,000,000	—	55.20%	Develop, Manufacture and Sale of home robotics system products and other home robot products and accessories

* 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:

- (a) No audited financial statements have been prepared for these entities for the Relevant Periods 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.
- (b) The statutory financial statements of this entity for the year ended 31 December 2022 prepared in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standards ("SME-FRS") issued by the HKICPA, were audited by Lun Man Ho Clement Certified Public Accountant (Practising), certified public accountants registered in Hong Kong. The statutory financial statements of this entity for the year ended 31 December 2023 prepared in accordance with SME-FRS, were audited by Jerry Chow & Co., certified public accountants registered in Hong Kong.
- (c) The statutory financial statements of this entity for the years ended 31 August 2022 and 2023 prepared in accordance with SME-FRS issued by the HKICPA, were audited by Honesty CPA & Co., certified public accountants registered in Hong Kong.
- (d) The statutory financial statements of this entity for the years ended 31 December 2022, 2023 and 2024 prepared in accordance with China Accounting Standards of Business Enterprises ("PRC GAAP"), were audited by Tian Di Certified Public Accountants LLP (深圳天地會計師事務所(特殊普通合夥)), certified public accountants registered in the PRC.
- (e) As of the reporting date, the registered capital of this entity has not yet been paid.

2.1 BASIS OF PREPARATION

For ordinary shares issued to pre-IPO investors, pursuant to the supplemental agreements entered into between the Company and the pre-IPO Investors in relation to the termination of certain of special rights granted by the Company, including redemption rights, which are *void ab initio* as described in note 28 to this report, having taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplementary agreements, the directors considered that it is appropriate to present the pre-IPO Investments as equity throughout the Relevant Periods. For the details of financial impacts, see note 28 of this report.

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

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

Basis of consolidation

The Historical Financial Information includes the financial information of the Company and its subsidiaries for the Relevant Periods and in the period covered by the Interim Comparative Financial Information. 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.

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

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

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

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

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

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

IFRS 18	<i>Presentation and Disclosure in financial statement²</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 IFRS 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 1 January 2026

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

³ No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised IFRS Accounting Standards, except for IFRS 18, may result in changes in accounting policies but are unlikely to have a significant impact on the Group's financial performance and financial position in the period of initial application. The application of IFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the statements of profit or loss and other comprehensive income and statement of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

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

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

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

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

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

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

For assets and liabilities that are recognised in the Historical Financial Information 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 of the Relevant Periods.

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), 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.

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

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

Related parties

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

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

- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

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

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to 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	Shorter of remaining lease terms and estimated useful lives
Furniture and fixtures	19% to 33.3%
Electronic equipment and others	19% to 33.3%

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 the end of each of the Relevant Periods.

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.

Intangible assets

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 the end of each of the Relevant Periods.

Trademark

Purchased trademark is initially recognised and measured at cost. The cost is amortised on the straight-line basis over its estimated useful life of 7.5–10 years.

Patent technology

Purchased patent technology is initially recognised and measured at cost. The cost is amortised on the straight-line basis over its estimated useful life of 7.5 years.

Software

Purchased office software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 years.

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.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding three years, commencing from the date when the products are put into commercial production.

Leases

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

Group as a lessee

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

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any 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. Where applicable, the cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. 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 10 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.

(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 office and 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.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is accounted for on a straight-line basis over the lease terms and is included in other income in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases. At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance income on the net investment in the lease is recognised in profit or loss so as to provide a constant periodic rate of return over the lease terms.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

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.

Subsequent measurement

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

Financial assets at amortised cost (debt instruments)

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

Financial assets at fair value through 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.

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

Classification as equity and financial liabilities

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

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

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as 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, financial liabilities measured at fair value through profit or loss.

Subsequent measurement

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

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

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

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

Financial liabilities at fair value through profit and loss

Financial liabilities measured at fair value through profit and loss include derivative financial instruments.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Derecognition of financial liabilities

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

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

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 method 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.

Provisions

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

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in 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 of the Relevant Periods, 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 of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward 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 carry forward 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 of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

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

Government grants

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

Revenue recognition

Revenue from contracts with customers

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

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

(a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customers, generally upon acceptance of the goods as agreed in the sales contracts.

Sales of goods — distributors and retailers

A significant part of the Group's products is sold to distributors and retailers, who have discretion over both price and distribution methods for products to be sold in their designated geographical areas. Revenue is recognised at a point in time when the goods are delivered and accepted by the distributors and retailers in accordance with the sales contract.

Volume rebates may be provided to distributors and retailers under certain conditions as agreed in the sales contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount is used.

Sales of goods — direct-to-customer ("DTC")

The Group sells its products directly to end customers via e-commerce platforms and self-operated website. Revenue is recognised at a point in time when the goods are delivered and accepted by the end customers. The Group estimates the time of acceptance by the end customers based on the actual delivery time, the historical experience on transportation time required, and the time when online payment is completed.

(b) Cloud storage services

Customers subscribe for cloud storage services over a service period. Revenue is recognised over the subscribed period on a straight-line basis, because the customer simultaneously receives and consumes the benefits provided by the Group.

(c) Rights of return

For contracts which provide a customer with a right to return the goods 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 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.

Other income

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

Contract liabilities

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

Contract costs

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

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

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

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.

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 on which they are granted. The fair value of share award is determined by an external valuer using probability weighted expected return method and valuation models. Further details are included in note 28 to the Historical Financial Information.

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

Other employee benefits

Pension scheme

Mainland China

The employees of the Group's subsidiaries which operate in Mainland China 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.

Japan

The Group pays fixed contributions into a local separate fund, which is responsible for paying pensions and other post-retirement benefits to the retired employees. The amounts based on the defined contribution plans are recognised as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the profit or loss for the current period.

Housing fund and other social insurances — Mainland China

The Group 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 Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group's liability in respect of these funds is limited to the contributions payable in each of the Relevant Periods.

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 Historical Financial Information 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.

Foreign currencies

The Historical Financial Information 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 of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

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

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

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

The resulting exchange differences are 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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information 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 Historical Financial Information:

Development expenses

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. Determining the amounts of development costs to be capitalised requires the use of judgements and estimation.

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 level of future taxable profits together with future tax planning strategies.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, 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.

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 days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, 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 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 Historical Financial Information.

Assessment of useful lives of capitalized development expenditures

In assessing the estimated useful lives of capitalized development costs when the products are put into commercial production, the Group takes into account factors such as expected life span of the underlying products based on past experience or from a change in the market demand for the products. The estimation of the useful lives is based on the experience of management.

Leases — Estimating the incremental borrowing rate

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

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Relevant Periods. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental

costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on its service and products 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

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Japan	168,381	285,057	352,408	167,390	268,354
Europe	46,193	68,737	130,465	47,769	68,055
North America	47,614	83,482	96,735	42,394	46,176
Others*	12,409	19,988	30,316	17,468	13,709
	<u>274,597</u>	<u>457,264</u>	<u>609,924</u>	<u>275,021</u>	<u>396,294</u>

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

* Others include over 40 countries and regions, including Australia, South Korea and Singapore, of which each contributed relatively insignificant revenue during the Relevant Periods and six months ended 30 June 2024.

(b) Non-current assets

Most of the Group's non-current assets are located in Mainland China. Thus, no geographic information is presented.

Information about major customers

Revenue from a major customer which accounted for 10% or more of the Group's revenue during the Relevant Periods and six months ended 30 June 2024 are set out below:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Customer A	<u>145,080</u>	<u>178,186</u>	<u>218,634</u>	<u>112,447</u>	<u>175,233</u>

5. REVENUE, OTHER INCOME AND GAINS

Revenue

An analysis of revenue is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	

Revenue from contracts with customers	274,597	457,264	609,924	275,021	396,294
---------------------------------------	---------	---------	---------	---------	---------

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	

Types of goods or services

Execution-enhanced robots	139,896	255,091	347,869	175,239	237,735
Perception and decision-making systems	89,250	161,243	199,091	75,986	111,110
Other smart home products and services*	45,451	40,930	62,964	23,796	47,449
	274,597	457,264	609,924	275,021	396,294

Timing of revenue recognition

Goods transferred at a point in time	274,262	456,460	608,769	274,558	395,134
Services transferred over time	335	804	1,155	463	1,160

Total revenue from contracts with customers	274,597	457,264	609,924	275,021	396,294
---	---------	---------	---------	---------	---------

* Other smart home products and services primarily include the revenue generated from the sales of smart light tools, smart power tools and smart home appliances and cloud storage service.

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:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:					
Sale of products	<u>1,177</u>	<u>3,202</u>	<u>3,558</u>	<u>3,558</u>	<u>4,317</u>

(b) Performance obligations

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

Sale of goods

The performance obligation is satisfied upon delivery and acceptance of products. Payment is generally due within 2 months from delivery for distributors and retailers, where payment is normally settled through on-line payment platforms for DTC.

Cloud storage services

The performance obligation is satisfied over time. Service contracts are for periods of one year or less, and are billed based on the time incurred.

As the original expected duration of the contracts from customers of the Group are within one year or less, the Group applies the practical expedient of not disclosing the transaction price allocated to the remaining performance obligation.

Other income and gains

An analysis of other income and gains is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Other income					
Interest income	1,647	1,560	2,058	864	550
Finance income on the net investment in the sublease (<i>note 20</i>)	12	21	154	75	70
Government grants*	4,955	4,692	4,233	3,072	3,261
Investment income from financial assets at fair value through profit or loss	—	21	1,679	—	344
Others	165	494	304	182	81
	<u>6,787</u>	<u>8,342</u>	<u>9,111</u>	<u>4,578</u>	<u>10,364</u>
Gains					
Fair value gains on financial assets at fair value through profit or loss	8	—	391	104	—
Gain on sublease of right-of-use assets	—	1,554	—	—	—
Gain on disposal of right-of-use assets	—	—	292	281	—
Gain on exchange differences, net	—	—	—	—	6,058
	<u>6,787</u>	<u>8,342</u>	<u>9,111</u>	<u>4,578</u>	<u>10,364</u>

* The Group has received 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.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Interest on bank loans	—	—	1,275	104	803
Interest on factored trade receivables	666	749	698	325	398
Interest on lease liabilities	1,756	1,491	2,436	1,309	964
	<u>2,422</u>	<u>2,240</u>	<u>4,409</u>	<u>1,738</u>	<u>2,165</u>

For the details of pre-IPO investments, please refer to note 28 to this report.

7. (LOSS)/PROFIT BEFORE TAX

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

	<i>Notes</i>	Year ended 31 December			Six months ended 30 June	
		2022 <i>RMB'000</i>	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2024 <i>RMB'000</i> (Unaudited)	2025 <i>RMB'000</i>
Cost of inventories sold*		180,224	226,377	293,833	135,970	180,967
Cost of services provided		234	349	494	213	574
Research and development costs:						
Deferred expenditure amortised**	14	222	631	1,177	588	1,416
Current year expenditure		<u>61,761</u>	<u>89,192</u>	<u>112,022</u>	<u>56,737</u>	<u>58,679</u>
Depreciation of property, plant and equipment**	13	3,005	5,113	9,589	4,229	5,567
Depreciation of right-of-use assets***	15	10,430	11,451	10,988	5,124	4,594
Amortisation of intangible assets excluding deferred expenditures***	14	—	45	469	234	524
Foreign exchange losses/(gains), net****		3	1,619	6,494	10,766	(6,058)
Lease payments in respect of short-term leases	15	331	122	88	41	55
Impairment of financial assets, net:						
Impairment/(reversal of impairment) of trade receivables	19	24	553	(138)	95	432
Impairment/(reversal of impairment) of other receivables	20	112	245	(13)	25	58
Write-down of inventories to net realisable value*****		7,055	7,608	5,639	5,713	5,698
Fair value loss on financial assets at fair value through profit or loss****		—	—	—	—	391
Fair value loss on financial liabilities at fair value through profit or loss****		129	—	—	—	420
Investment loss on financial liabilities at fair value through profit or loss****		54	453	—	97	1,153
Product warranty provision*****	27	5,121	13,646	17,100	6,035	12,833
Listing expense		—	—	—	—	11,261
Auditor's remuneration		<u>12</u>	<u>12</u>	<u>42</u>	<u>—</u>	<u>189</u>

	<i>Notes</i>	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Employee benefit expenses (excluding directors', supervisors' and chief executive's remuneration (note 8))					(Unaudited)	
— Wages and salaries		82,110	108,200	127,479	57,311	69,372
— Pension scheme contributions		4,834	6,096	8,556	5,476	6,480
— Share-based payment expenses		<u>2,159</u>	<u>2,721</u>	<u>2,721</u>	<u>1,361</u>	<u>3,414</u>
Total		<u>89,103</u>	<u>117,017</u>	<u>138,756</u>	<u>64,148</u>	<u>79,266</u>

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

** The amortisation of deferred development costs is included in “Cost of sales” in profit or loss.

*** The depreciation of property, plant and equipment and right-of-use assets and 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 expenses” or “Other income and gains” in profit or loss.

***** The amounts are included in “cost of sales” in profit or loss.

***** The amounts are included in “Selling and distribution expenses” in profit or loss.

8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors', supervisors' and chief executive's remuneration as recorded during the Relevant Periods and the six months ended 30 June 2024 is set out below:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Fees	—	—	—	—	—
Other emoluments:					
Salaries, allowances and benefits in kind	2,530	2,885	3,341	1,658	2,905
Performance related bonus	1,349	1,691	1,394	678	722
Pension scheme contributions	143	164	223	100	145
Share-based payment expenses	1,219	1,460	1,460	730	1,627
	<u>5,241</u>	<u>6,200</u>	<u>6,418</u>	<u>3,166</u>	<u>5,399</u>

(a) Independent non-executive directors

There were no emoluments payable to the independent non-executive directors during the Relevant Periods and the six months ended 30 June 2024.

(b) Directors, supervisors and the chief executive**Year ended 31 December 2022**

	Salaries, allowances and benefits in kind	Performance related bonus	Pension scheme contributions	Share-based payment expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors					
Mr. Li Zhichen (note (i))	400	230	23	—	653
Mr. Pan Yang (note (ii))	398	230	22	—	650
Mr. Liu Guohui (note (ii))	416	246	23	517	1,202
Mr. Lin Haizhou (note (iii))	471	286	28	431	1,216
Mr. Mou Qingqi (note (iv))	<u>338</u>	<u>203</u>	<u>20</u>	<u>77</u>	<u>638</u>
Subtotal	<u>2,023</u>	<u>1,195</u>	<u>116</u>	<u>1,025</u>	<u>4,359</u>
Supervisor					
Mr. Liu Yanfei (note (vi))	<u>507</u>	<u>154</u>	<u>27</u>	<u>194</u>	<u>882</u>
Non-executive directors:					
Mr. Ko Ping Keung (note (ii))	—	—	—	—	—
Ms. Wang Bei (note (iii))	—	—	—	—	—
Ms. Wang Han (note (iv))	—	—	—	—	—
Mr. She Yangjie (note (iii))	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Subtotal	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>2,530</u>	<u>1,349</u>	<u>143</u>	<u>1,219</u>	<u>5,241</u>

Year ended 31 December 2023

	Salaries, allowances and benefits in kind <i>RMB'000</i>	Performance related bonus <i>RMB'000</i>	Pension scheme contributions <i>RMB'000</i>	Share-based payment expenses <i>RMB'000</i>	Total <i>RMB'000</i>
Executive directors					
Mr. Li Zhichen (<i>note (i)</i>)	458	299	26	—	783
Mr. Pan Yang (<i>note (ii)</i>)	463	299	25	—	787
Mr. Liu Guohui (<i>note (ii)</i>)	453	366	26	517	1,362
Mr. Lin Haizhou (<i>note (iii)</i>)	498	329	30	672	1,529
Mr. Mou Qingqi (<i>note (iv)</i>)	469	287	28	77	861
Subtotal	2,341	1,580	135	1,266	5,322
Supervisor					
Mr. Liu Yanfei (<i>note (vi)</i>)	544	111	29	194	878
Non-executive directors:					
Mr. Ko Ping Keung (<i>note (ii)</i>)	—	—	—	—	—
Ms. Wang Bei (<i>note (iii)</i>)	—	—	—	—	—
Ms. Wang Han (<i>note (iv)</i>)	—	—	—	—	—
Mr. Zhang Xingchen (<i>note (v)</i>)	—	—	—	—	—
Subtotal	—	—	—	—	—
Total	2,885	1,691	164	1,460	6,200

Year ended 31 December 2024

	Salaries, allowances and benefits in kind <i>RMB'000</i>	Performance related bonus <i>RMB'000</i>	Pension scheme contributions <i>RMB'000</i>	Share-based payment expenses <i>RMB'000</i>	Total <i>RMB'000</i>
Executive directors					
Mr. Li Zhichen (<i>note (i)</i>)	709	54	70	—	833
Mr. Pan Yang (<i>note (ii)</i>)	528	322	29	—	879
Mr. Liu Guohui (<i>note (ii)</i>)	498	315	29	517	1,359
Mr. Lin Haizhou (<i>note (iii)</i>)	524	330	33	672	1,559
Mr. Mou Qingqi (<i>note (iv)</i>)	494	308	30	77	909
Subtotal	2,753	1,329	191	1,266	5,539
Supervisor					
Mr. Liu Yanfei (<i>note (vi)</i>)	588	65	32	194	879
Non-executive directors:					
Mr. Ko Ping Keung (<i>note (ii)</i>)	—	—	—	—	—
Ms. Wang Bei (<i>note (iii)</i>)	—	—	—	—	—
Ms. Wang Han (<i>note (iv)</i>)	—	—	—	—	—
Mr. Zhang Xingchen (<i>note (v)</i>)	—	—	—	—	—
Mr. Weng Deming (<i>note (v)</i>)	—	—	—	—	—
Subtotal	—	—	—	—	—
Total	3,341	1,394	223	1,460	6,418

Six months ended 30 June 2025

	Salaries, allowances and benefits in kind <i>RMB'000</i>	Performance related bonus <i>RMB'000</i>	Pension scheme contributions <i>RMB'000</i>	Share-based payment expenses <i>RMB'000</i>	Total <i>RMB'000</i>
Executive directors					
Mr. Li Zhichen (<i>note (i)</i>)	424	20	39	—	483
Mr. Pan Yang (<i>note (ii)</i>)	283	129	14	—	426
Mr. Hu Zhidong (<i>note (vii)</i>)	513	69	9	707	1,298
Ms. Yang Minghui (<i>note (vii)</i>)	278	46	15	41	380
Mr. Lin Haizhou (<i>note (iii)</i>)	278	130	15	336	759
Mr. Liu Guohui (<i>note (ii)</i>)	269	127	14	258	668
Subtotal	2,045	521	106	1,342	4,014
Supervisors					
Mr. Liu Yanfei (<i>note (vi)</i>)	386	44	14	97	541
Mr. Zheng Minsheng (<i>note (viii)</i>)	261	59	14	81	415
Mr. Mou Qingqi (<i>note (iv)</i>)	213	98	11	107	429
Mr. Yu Jiali (<i>note (ix)</i>)	—	—	—	—	—
Subtotal	860	201	39	285	1,385
Non-executive directors:					
Mr. Ko Ping Keung (<i>note (ii)</i>)	—	—	—	—	—
Ms. Wang Bei (<i>note (iii)</i>)	—	—	—	—	—
Ms. Wang Han (<i>note (iv)</i>)	—	—	—	—	—
Mr. Li Zexiang (<i>note (vii)</i>)	—	—	—	—	—
Mr. Weng Deming (<i>note (v)</i>)	—	—	—	—	—
Subtotal	—	—	—	—	—
Total	2,905	722	145	1,627	5,399

Six months ended 30 June 2024 (Unaudited)

	Salaries, allowances and benefits in kind <i>RMB'000</i>	Performance related bonus <i>RMB'000</i>	Pension scheme contributions <i>RMB'000</i>	Share-based payment expenses <i>RMB'000</i>	Total <i>RMB'000</i>
Executive directors					
Mr. Li Zhichen (<i>note (i)</i>)	320	19	27	—	366
Mr. Pan Yang (<i>note (ii)</i>)	267	159	13	—	439
Mr. Liu Guohui (<i>note (ii)</i>)	245	156	14	258	673
Mr. Lin Haizhou (<i>note (iii)</i>)	260	164	16	336	776
Mr. Mou Qingqi (<i>note (iv)</i>)	249	153	15	39	456
Subtotal	1,341	651	85	633	2,710
Supervisor					
Mr. Liu Yanfei (<i>note (vi)</i>)	317	27	15	97	456
Non-executive directors:					
Mr. Ko Ping Keung (<i>note (ii)</i>)	—	—	—	—	—
Ms. Wang Bei (<i>note (iii)</i>)	—	—	—	—	—
Ms. Wang Han (<i>note (iv)</i>)	—	—	—	—	—
Mr. Zhang Xingchen (<i>note (v)</i>)	—	—	—	—	—
Subtotal	—	—	—	—	—
Total	1,658	678	100	730	3,166

Notes:

- (i) Mr. Li Zhichen was appointed as a director and the chief executive officer of the Company and the chairman of the Board with effect from October 2018.
- (ii) Mr. Pan Yang and Mr. Ko Ping Keung were appointed as directors of the Company with effect from October 2018. Mr. Liu Guohui was appointed as a director of the Company with effect from October 2018 until April 2025.
- (iii) Mr. Lin Haizhou was appointed as a director of the Company with effect from February 2021 until April 2025. Ms. Wang Bei was appointed as a director of the Company with effect from November 2021 until April 2025. Mr. She Yangjie was appointed as a director of the Company with effect from May 2021 to December 2023.
- (iv) Mr. Mou Qingqi and Ms. Wang Han were appointed as directors of the Company with effect from March 2022 until April 2025. Mr. Mou Qingqi was appointed as a supervisor of the Company with effect from April 2025 until May 2025.
- (v) Mr. Zhang Xingchen was appointed as a director of the Company with effect from December 2023 until November 2024. Mr. Weng Deming was appointed as a director of the Company with effect from November 2024 until April 2025.
- (vi) Mr. Liu Yanfei was appointed as a supervisor of the Company with effect from October 2018.

(vii) Mr. Hu Zhidong, Ms. Yang Minghui and Mr. Li Zexiang were appointed as directors of the Company with effect from April 2025.

(viii) Mr. Zheng Minsheng was appointed as a supervisor of the Company with effect from April 2025.

(ix) Mr. Yu Jiali was appointed as a supervisor of the Company with effect from 27 May 2025.

During the Relevant Periods and six months ended 30 June 2024, share awards were granted to certain directors through share incentive platforms, further details of which are included in the disclosures in note 30 to the Historical Financial Information. The fair value of such awarded shares, which has been recognised in profit or loss, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above directors' remuneration disclosures.

No emoluments were paid by the Company to the directors and supervisors as an inducement to join or upon joining the Company or as compensation for loss of office during the Relevant Periods and six months ended 30 June 2024.

Save for the non-executive directors, there was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the Relevant Periods and six months ended 30 June 2024.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods and six months ended 30 June 2024 included three, three, three, three and three directors, respectively, details of whose remuneration are set out in note 8 above. Details of the remuneration for the remaining two, two, two, two and two highest paid employees who are neither a director nor chief executive of the Company during the Relevant Periods and six months ended 30 June 2024 are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Salaries, allowances and					
benefits in kind	1,046	1,168	1,210	609	673
Performance related bonus	530	573	597	298	266
Pension scheme contributions	65	66	72	35	32
Share-based payment					
expenses	1,045	1,045	1,045	523	1,202
	<u>2,686</u>	<u>2,852</u>	<u>2,924</u>	<u>1,465</u>	<u>2,173</u>

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

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>Numbers of employees</i>			<i>Numbers of employees</i> (Unaudited)	
BELOW HK\$1,000,000	—	—	—	1	1
HK\$1,000,001 to HK\$1,500,000	1	1	1	1	—
HK\$1,500,001 to HK\$2,000,000	—	—	—	—	1
HK\$2,000,001 to HK\$2,500,000	1	1	1	—	—
HK\$2,500,001 to HK\$3,000,000	—	—	—	—	—
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

During the Relevant Periods and six months ended 30 June 2024, share awards were granted to two non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 30 to the Historical Financial Information. The fair value of such shares, 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 Historical Financial Information for the Relevant Periods and six months ended 30 June 2024 is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

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.

Mainland China

The provision for corporate income tax in Mainland China 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 1 January 2008.

Woan Technology (Shenzhen) Co., Ltd., a subsidiary of the Group in Mainland China, was qualified as a high and new technology enterprise and was subject to income tax at a preferential tax rate of 15% during the Relevant Periods and six months ended 30 June 2024. This qualification is subject to review by the relevant governmental authority in the PRC for every three years.

Hong Kong

The subsidiaries incorporated in Hong Kong are qualifying entities under the two-tiered profits tax rates regime, where the first HK\$2,000,000 of assessable profits were taxed at 8.25% and the remaining assessable profits were taxed at 16.5% during the Relevant Periods and six months ended 30 June 2024.

Japan

For the subsidiary in Japan, a qualifying entity with stated capital no more than JPY100,000,000 was under the two-tiered profits tax rates regime, where the first JPY8,000,000 of assessable profits were taxed at 15% and the remaining assessable profits are taxed at 23.2%, additionally, there were local corporate taxes, business taxes, resident taxes, and local corporate special taxes during the Relevant Periods and six months ended 30 June 2024.

USA

The subsidiaries incorporated in the USA are subject to statutory United States federal corporate income tax at a rate of 21% during the Relevant Periods and six months ended 30 June 2024, and the US subsidiaries are also subject to state income tax in corresponding jurisdictions.

The income tax expense of the Group for the Relevant Periods and six months ended 30 June 2024 is analysed as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Current income tax	49	89	400	671	2,318
Deferred income tax	—	—	—	—	(6,095)
Total tax charge/ (credit) for the year/ period	<u>49</u>	<u>89</u>	<u>400</u>	<u>671</u>	<u>(3,777)</u>

A reconciliation of the expected income tax calculated at the preferential tax rate and (loss)/profit before income tax, with the actual income tax at the effective tax rate is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)				
(Loss)/profit before tax	<u>(86,934)</u>	<u>(16,287)</u>	<u>(2,674)</u>	<u>(12,970)</u>	<u>24,126</u>
Tax charge at the statutory tax rate of 25%	(21,734)	(4,072)	(669)	(3,243)	6,032
Entities subject to lower statutory income tax rate	8,929	230	(1,557)	(2,900)	(4,985)
Adjustments in respect of current tax of previous periods	—	13	26	26	—
Tax losses utilised from previous periods	(225)	(316)	(657)	(708)	(1,620)
Additional deductible allowance for qualified research and development expenses	(7,388)	(9,261)	(11,817)	(6,108)	(6,877)
Temporary differences and tax losses not recognised	19,913	12,906	14,440	13,258	2,871
Expenses not deductible for tax	<u>554</u>	<u>589</u>	<u>634</u>	<u>346</u>	<u>802</u>
Tax charge/(credit) at the Group's effective tax rate	<u>49</u>	<u>89</u>	<u>400</u>	<u>671</u>	<u>(3,777)</u>

According to the PRC Corporate Income Tax regulations, Woan Technology (Shenzhen) Co., Ltd., a subsidiary of the Group, was entitled to additional deduction of 100% of qualified R&D expenses from taxable income from 2022. The additional deduction percentage was 200% for the amortisation of capitalised development costs.

11. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods and the six months ended 30 June 2024.

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

The calculation of the basic (loss)/earnings per share amounts was based on the (loss)/profit attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the Relevant Periods and the six months ended 30 June 2024. The weighted average number of ordinary shares in issue for the Relevant Periods before the conversion into a joint stock company was determined by assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio of 1:1 as upon transformation into a joint stock company in April 2025. The additional shares transferred from capital reserve in May 2025 were treated as if it had occurred before the beginning of 2022, the earliest period presented, for the (loss)/earnings per share calculation.

No adjustment has been made to the basic (loss)/earnings per share amounts presented for the Relevant Periods and the six months ended 30 June 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue.

The calculations of basic and diluted (loss)/earnings per share are based on:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
				(Unaudited)	
(Loss)/Earnings					
(Loss)/Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation (RMB'000)	<u>(86,983)</u>	<u>(16,376)</u>	<u>(3,074)</u>	<u>(13,641)</u>	<u>27,903</u>
Shares					
Weighted average number of ordinary shares in issue during the year, used in the basic (loss)/earnings per share calculation ('000)*	<u>112,274</u>	<u>117,192</u>	<u>117,192</u>	<u>117,192</u>	<u>163,069</u>

* The weighted average number of ordinary shares in issue used in the basic (loss)/earnings per share calculation has been adjusted retrospectively to reflect the subdivision of shares on a one-for-ten basis, which shall take effect immediately before the listing.

For the details of pre-IPO investments, please refer to note 28 to this report.

13 PROPERTY, PLANT AND EQUIPMENT

The Group

	Furniture and fixtures RMB'000	Electronic equipment and others RMB'000	Leasehold improvements RMB'000	Total RMB'000
31 December 2022				
At 1 January 2022				
Cost	2,783	2,992	1,668	7,443
Accumulated depreciation	(793)	(701)	(208)	(1,702)
Net carrying amount	<u>1,990</u>	<u>2,291</u>	<u>1,460</u>	<u>5,741</u>
At 1 January 2022, net of accumulated depreciation	1,990	2,291	1,460	5,741
Additions	2,503	3,265	1,820	7,588
Disposals	—	(8)	—	(8)
Depreciation provided during the year	(1,094)	(1,315)	(596)	(3,005)
At 31 December 2022, net of accumulated depreciation	<u>3,399</u>	<u>4,233</u>	<u>2,684</u>	<u>10,316</u>
At 31 December 2022				
Cost	5,286	6,246	3,488	15,020
Accumulated depreciation	(1,887)	(2,013)	(804)	(4,704)
Net carrying amount	<u>3,399</u>	<u>4,233</u>	<u>2,684</u>	<u>10,316</u>
	Furniture and fixtures RMB'000	Electronic equipment and others RMB'000	Leasehold improvements RMB'000	Total RMB'000
31 December 2023				
At 1 January 2023				
Cost	5,286	6,246	3,488	15,020
Accumulated depreciation	(1,887)	(2,013)	(804)	(4,704)
Net carrying amount	<u>3,399</u>	<u>4,233</u>	<u>2,684</u>	<u>10,316</u>
At 1 January 2023, net of accumulated depreciation	3,399	4,233	2,684	10,316
Additions	560	5,665	—	6,225
Disposals	(1)	—	—	(1)
Depreciation provided during the year	(1,552)	(2,693)	(868)	(5,113)
At 31 December 2023, net of accumulated depreciation	<u>2,406</u>	<u>7,205</u>	<u>1,816</u>	<u>11,427</u>
At 31 December 2023				
Cost	5,844	11,912	3,488	21,244
Accumulated depreciation	(3,438)	(4,707)	(1,672)	(9,817)
Net carrying amount	<u>2,406</u>	<u>7,205</u>	<u>1,816</u>	<u>11,427</u>

	Furniture and fixtures RMB'000	Electronic equipment and others RMB'000	Leasehold improvements RMB'000	Total RMB'000
31 December 2024				
At 1 January 2024				
Cost	5,844	11,912	3,488	21,244
Accumulated depreciation	<u>(3,438)</u>	<u>(4,707)</u>	<u>(1,672)</u>	<u>(9,817)</u>
Net carrying amount	<u>2,406</u>	<u>7,205</u>	<u>1,816</u>	<u>11,427</u>
At 1 January 2024, net of accumulated depreciation	2,406	7,205	1,816	11,427
Additions	1,142	17,317	1,404	19,863
Disposals	—	—	—	—
Depreciation provided during the year	<u>(1,506)</u>	<u>(6,928)</u>	<u>(1,155)</u>	<u>(9,589)</u>
At 31 December 2024, net of accumulated depreciation	<u>2,042</u>	<u>17,594</u>	<u>2,065</u>	<u>21,701</u>
At 31 December 2024				
Cost	6,987	29,228	4,892	41,107
Accumulated depreciation	<u>(4,945)</u>	<u>(11,634)</u>	<u>(2,827)</u>	<u>(19,406)</u>
Net carrying amount	<u>2,042</u>	<u>17,594</u>	<u>2,065</u>	<u>21,701</u>
The Group				
	Furniture and fixtures RMB'000	Electronic equipment and others RMB'000	Leasehold improvements RMB'000	Total RMB'000
30 June 2025				
At 1 January 2025				
Cost	6,987	29,228	4,892	41,107
Accumulated depreciation	<u>(4,945)</u>	<u>(11,634)</u>	<u>(2,827)</u>	<u>(19,406)</u>
Net carrying amount	<u>2,042</u>	<u>17,594</u>	<u>2,065</u>	<u>21,701</u>
At 1 January 2025, net of accumulated depreciation	2,042	17,594	2,065	21,701
Additions	883	4,974	—	5,857
Assets acquisition (<i>note 31</i>)	—	22	—	22
Other deduction	—	—	(254)	(254)
Depreciation provided during the period	<u>(702)</u>	<u>(4,433)</u>	<u>(432)</u>	<u>(5,567)</u>
Exchange realignment	<u>—</u>	<u>—</u>	<u>19</u>	<u>19</u>
At 30 June 2025, net of accumulated depreciation	<u>2,223</u>	<u>18,157</u>	<u>1,398</u>	<u>21,778</u>
At 30 June 2025				
Cost	7,870	34,224	4,661	46,755
Accumulated depreciation	<u>(5,647)</u>	<u>(16,067)</u>	<u>(3,263)</u>	<u>(24,977)</u>
Net carrying amount	<u>2,223</u>	<u>18,157</u>	<u>1,398</u>	<u>21,778</u>

14. INTANGIBLE ASSETS

The Group

	Trademark RMB'000	Software RMB'000	Development expenditures RMB'000	Total RMB'000
31 December 2022				
At 1 January 2022				
Cost	—	22	366	388
Accumulated amortisation	—	(22)	—	(22)
Net carrying amount	—	—	366	366
At 1 January 2022, net of accumulated amortisation	—	—	366	366
Additions	—	—	1,527	1,527
Amortisation provided during the year	—	—	(222)	(222)
At 31 December 2022, net of accumulated amortisation	—	—	1,671	1,671
At 31 December 2022				
Cost	—	22	1,893	1,915
Accumulated amortisation	—	(22)	(222)	(244)
Net carrying amount	—	—	1,671	1,671
	Trademark RMB'000	Software RMB'000	Development expenditures RMB'000	Total RMB'000
31 December 2023				
At 1 January 2023				
Cost	—	22	1,893	1,915
Accumulated amortisation	—	(22)	(222)	(244)
Net carrying amount	—	—	1,671	1,671
At 1 January 2023, net of accumulated amortisation	—	—	1,671	1,671
Additions	2,990	250	1,637	4,877
Amortisation provided during the year	(25)	(20)	(631)	(676)
At 31 December 2023, net of accumulated amortisation	2,965	230	2,677	5,872
At 31 December 2023				
Cost	2,990	272	3,531	6,793
Accumulated amortisation	(25)	(42)	(854)	(921)
Net carrying amount	2,965	230	2,677	5,872

	Trademark RMB'000	Software RMB'000	Development expenditures RMB'000	Total RMB'000	
31 December 2024					
At 1 January 2024					
Cost	2,990	272	3,531	6,793	
Accumulated amortisation	(25)	(42)	(854)	(921)	
Net carrying amount	2,965	230	2,677	5,872	
At 1 January 2024, net of accumulated amortisation	2,965	230	2,677	5,872	
Additions	—	185	5,329	5,514	
Amortisation provided during the year	(298)	(171)	(1,177)	(1,646)	
At 31 December 2024, net of accumulated amortisation	2,667	244	6,829	9,740	
At 31 December 2024					
Cost	2,990	457	8,860	12,307	
Accumulated amortisation	(323)	(213)	(2,031)	(2,567)	
Net carrying amount	2,667	244	6,829	9,740	
	Trademark RMB'000	Software RMB'000	Patent technology RMB'000	Development expenditures RMB'000	Total RMB'000
30 June 2025					
At 1 January 2025					
Cost	2,990	457	—	8,860	12,307
Accumulated amortisation	(323)	(213)	—	(2,031)	(2,567)
Net carrying amount	2,667	244	—	6,829	9,740
At 1 January 2025, net of accumulated amortisation	2,667	244	—	6,829	9,740
Assets acquisition (note 31)	18	—	23,543	—	23,561
Additions	—	148	—	—	148
Amortisation provided during the period	(150)	(115)	(259)	(1,416)	(1,940)
At 30 June 2025, net of accumulated amortisation	2,535	277	23,284	5,413	31,509
At 30 June 2025					
Cost	3,008	605	23,543	8,860	36,016
Accumulated amortisation	(473)	(328)	(259)	(3,447)	(4,507)
Net carrying amount	2,535	277	23,284	5,413	31,509

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of buildings. Leases of buildings generally have lease terms between 2 and 10 years.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

Buildings

	Year ended 31 December			Six months ended
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Carrying amount				
at 1 January	29,035	31,030	46,912	45,788
Additions	12,425	29,442	16,991	—
Depreciation charge	(10,430)	(11,451)	(10,988)	(4,594)
Termination	—	—	(7,071)	(1,987)
Sublease of right-of-use assets	—	(2,079)	—	—
Exchange realignment	—	(30)	(56)	118
Carrying amount				
at 31 December/30 June	<u>31,030</u>	<u>46,912</u>	<u>45,788</u>	<u>39,325</u>

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	Year ended 31 December			Six months ended
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Carrying amount at 1 January	31,648	34,826	53,106	51,917
Additions	12,425	29,442	16,991	—
Accretion of interest recognised during the year/period	1,756	1,491	2,436	964
Termination	—	—	(7,363)	(1,987)
Lease payment	(11,003)	(12,617)	(13,193)	(5,855)
Exchange realignment	—	(36)	(60)	121
Carrying amount at 31 December/30 June	<u>34,826</u>	<u>53,106</u>	<u>51,917</u>	<u>45,160</u>
Analysed into:				
Current portion	11,270	12,344	11,641	7,945
Non-current portion	<u>23,556</u>	<u>40,762</u>	<u>40,276</u>	<u>37,215</u>

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

	Year ended 31 December			Six months ended
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
Lease payments in respect of short-term leases	331	122	88	55
Interest on lease liabilities	1,756	1,491	2,436	964
Depreciation charge of right-of-use assets	<u>10,430</u>	<u>11,451</u>	<u>10,988</u>	<u>4,594</u>
Total amount recognised in profit or loss	<u>12,517</u>	<u>13,064</u>	<u>13,512</u>	<u>5,613</u>

(d) *The total cash outflow for leases is disclosed in note 32 to the Historical Financial Information.*

The Group as a lessor

The Group subleased certain of its Right-of-use assets to third parties. As the sublease period is approximately the same as the lease period of the head lease, the sublease was classified as a finance lease under IFRS16.

The Group derecognised the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease, resulting a gain from the sublease amounted to RMB1,554,000 recognised for the year ended 31 December 2023.

The net investment in the sublease recognised by the Group is disclosed in note 20 to the Historical Financial Information.

16. INVESTMENT IN A SUBSIDIARY

The Company

	As at 31 December		As at 30 June	
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Investment cost	<u>56,153</u>	<u>70,335</u>	<u>74,517</u>	<u>79,526</u>

17. INVENTORIES

The Group

	As at 31 December		As at 30 June	
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Raw materials	30,475	30,700	63,366	72,567
Work in process	26	4,386	3,837	13,957
Finished goods	50,032	37,427	87,355	112,491
Goods in transit	<u>3,056</u>	<u>9,924</u>	<u>9,079</u>	<u>3,731</u>
	<u>83,589</u>	<u>82,437</u>	<u>163,637</u>	<u>202,746</u>

The inventories are net of a write-down of approximately RMB11,857,000, RMB14,511,000, RMB13,481,000 and RMB13,267,000 as at 31 December 2022, 2023, 2024 and 30 June 2025.

The Company

	As at 31 December		As at 30 June	
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Work in process	2,204	370	—	—
Finished goods	290	560	1,310	550
Goods in transit	<u>—</u>	<u>—</u>	<u>308</u>	<u>324</u>
	<u>2,494</u>	<u>930</u>	<u>1,618</u>	<u>874</u>

The inventories are net of a write-down of approximately RMB4,154,000, RMB7,265,000, RMB5,255,000 and RMB3,950,000 as at 31 December 2022, 2023, 2024 and 30 June 2025.

18. DEFERRED TAX

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

Deferred tax assets

The Group

	Leases liabilities RMB'000	Impairment of financial assets RMB'000	Impairment of inventories RMB'000	Unrealized intercompany profit RMB'000	Others RMB'000	Total RMB'000
As at 1 January 2021	4,355	—	—	—	—	4,355
Deferred tax credited to profit or loss during the year	<u>576</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>576</u>
As at 31 December 2022 and 1 January 2023	4,931	—	—	—	—	4,931
Deferred tax credited to profit or loss during the year	<u>2,344</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,344</u>
As at 31 December 2023 and 1 January 2024	7,275	—	—	—	—	7,275
Deferred tax debited to profit or loss during the year	<u>(206)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(206)</u>
As at 31 December 2024 and 1 January 2025	7,069	—	—	—	—	7,069
Deferred tax (debited)/credited to profit or loss during the period	<u>(1,042)</u>	<u>157</u>	<u>225</u>	<u>5,651</u>	<u>47</u>	<u>5,038</u>
As at 30 June 2025	<u>6,027</u>	<u>157</u>	<u>225</u>	<u>5,651</u>	<u>47</u>	<u>12,107</u>

Deferred tax liabilities

The Group

	Right-of-use assets <i>RMB'000</i>	Fair value adjustments <i>RMB'000</i>	Total assets <i>RMB'000</i>
As at 1 January 2021	4,355		4,355
Deferred tax charged to profit or loss during the year	<u>575</u>	<u>1</u>	<u>576</u>
As at 31 December 2022 and 1 January 2023	4,930	1	4,931
Deferred tax charged to profit or loss during the year	<u>2,345</u>	<u>(1)</u>	<u>2,344</u>
As at 31 December 2023 and 1 January 2024	7,275	—	7,275
Deferred tax (credited)/charged to profit or loss during the year	<u>(264)</u>	<u>58</u>	<u>(206)</u>
As at 31 December 2024 and 1 January 2025	7,011	58	7,069
Deferred tax credited to profit or loss during the period	<u>(999)</u>	<u>(58)</u>	<u>(1,057)</u>
As at 30 June 2025	<u><u>6,012</u></u>	<u><u>—</u></u>	<u><u>6,012</u></u>

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:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net deferred tax assets recognised in the consolidated statement of financial position	<u>—</u>	<u>—</u>	<u>—</u>	<u>6,095</u>

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

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Tax losses	165,615	222,653	280,124	281,325
Deductible temporary differences	<u>20,183</u>	<u>32,869</u>	<u>39,388</u>	<u>48,233</u>
	<u><u>185,798</u></u>	<u><u>255,522</u></u>	<u><u>319,512</u></u>	<u><u>329,558</u></u>

The Group has accumulated tax losses in Mainland China of RMB100,182,000, RMB158,151,000, RMB220,374,000 and RMB233,829,000 in aggregate as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively, which available to offset against future taxable profits of the companies in which the losses were incurred within the next one to ten years.

The Group also has accumulated tax losses in Hong Kong, the United States and Singapore of RMB63,856,000, RMB64,066,000, RMB59,750,000 and RMB47,496,000 in aggregate as at 31 December 2022, 2023 and 2024 and 30 June 2025, respectively, that can be carried forward indefinitely to offset against future taxable profits of the companies in which losses were incurred.

The Group's accumulated tax losses in Japan of RMB1,577,000 and RMB436,000 as at 31 December 2022 and 2023, respectively. These losses are available to offset against future taxable profits of the companies in which the losses were incurred within the next one to ten years.

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

19. TRADE RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	45,161	62,702	46,288	133,940
Less: impairment of trade receivables	<u>58</u>	<u>611</u>	<u>473</u>	<u>905</u>
Trade receivables, net	<u>45,103</u>	<u>62,091</u>	<u>45,815</u>	<u>133,035</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables				
Due from subsidiaries	16,846	23,133	11,067	23,105
Less: impairment of trade receivables*	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Trade receivables, net	<u>16,846</u>	<u>23,133</u>	<u>11,067</u>	<u>23,105</u>

* The Company estimated that the expected loss rate for its trade receivables due from subsidiaries is minimal.

The Group's trade terms with its certain customers are on credit, and the credit period is generally within 90 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management. As at 31 December 2022, 2023, 2024 and 30 June 2025, the Group had a concentration of credit risk as 84.81%, 61.88%, 63.56% and 74.07% of trade receivables is related to the largest customer, respectively. 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 each of the Relevant Periods, based on the revenue recognition date and net of loss allowance, is as follows:

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	<u>45,103</u>	<u>62,091</u>	<u>45,815</u>	<u>133,035</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	<u>16,846</u>	<u>23,133</u>	<u>11,067</u>	<u>23,105</u>

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

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year/period	34	58	611	473
Impairment losses, net (<i>note 7</i>)	<u>24</u>	<u>553</u>	<u>(138)</u>	<u>432</u>
At end of year/period	<u>58</u>	<u>611</u>	<u>473</u>	<u>905</u>

An impairment analysis is performed at the end of each of Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are based on days past due 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.

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

The Group

As at 31 December 2022

	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate	Expected credit loss <i>RMB'000</i>
Trade receivables aged:			
Current	44,876	0.09%	42
Past due:			
Within 1 year	282	4.61%	13
Between 1 and 2 years	<u>3</u>	<u>100.00%</u>	<u>3</u>
	<u>45,161</u>	<u>0.13%</u>	<u>58</u>

As at 31 December 2023

	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate	Expected credit loss <i>RMB'000</i>
Trade receivables aged:			
Current	60,753	0.61%	369
Past due:			
Within 1 year	1,765	3.29%	58
Between 1 and 2 years	<u>184</u>	<u>100.00%</u>	<u>184</u>
	<u>62,702</u>	<u>0.97%</u>	<u>611</u>

As at 31 December 2024

	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate	Expected credit loss <i>RMB'000</i>
Trade receivables aged:			
Current	45,081	0.54%	243
Past due:			
Within 1 year	997	2.01%	20
Between 1 and 2 years	<u>210</u>	<u>100.00%</u>	<u>210</u>
	<u>46,288</u>	<u>1.02%</u>	<u>473</u>

As at 30 June 2025

	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate	Expected credit loss <i>RMB'000</i>
Trade receivables aged:			
Current	133,243	0.51%	685
Past due:			
Within 1 year	489	2.45%	12
Between 1 and 2 years	61	100.00%	61
Between 2 and 3 years	<u>147</u>	<u>100.00%</u>	<u>147</u>
	<u>133,940</u>	<u>0.68%</u>	<u>905</u>

Transfer of trade receivables

As part of its normal business, the Group entered into a trade receivable factoring arrangement (the “Arrangement”) and transferred certain trade receivables to a bank. Under the Arrangement, the Group may be required to reimburse the bank for loss of interest if any trade debtors have late payment up to 150 days. In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such factored trade receivables, and accordingly, it continued to recognise the full carrying amounts of the factored trade receivables and the associated bank loans.

For the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2025, the aggregate amount of the trade receivables transferred under the Arrangement and the bank loans received associated with the factored trade receivables amounted to RMB118,830,000, RMB146,927,000, RMB183,528,000 and RMB73,347,000 respectively. As at 31 December 2022, 2023, 2024 and 30 June 2025, the original carrying value of the trade receivables transferred under the Arrangement that have not been settled and the associated bank loans recognised was RMB40,207,000, RMB30,200,000, RMB24,479,000 and RMB23,635,000, respectively.

As the Group recognises the associated bank loans for the factored trade receivables, the cash receipts from the banks for the transferred trade receivables are presented as cash inflow from financing activities in the statement of cash flows. When the customers settle trade receivables, cash payment is initially made to the Group and simultaneously transferred to the banks. Therefore, the cash settlement is presented as both cash inflow from operating activities and cash outflow used in financing activities in the same amount in the statement of cash flows.

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Value-added tax recoverable	5,650	11,571	9,667	14,968
Prepaid other taxes	891	1,224	—	—
Deferred listing expenses	—	—	—	1,798
Right-of-return assets	291	407	728	619
Prepayments	8,895	6,957	10,260	8,238
Net investment in the sublease (note)	80	405	375	367
Other receivables and deposit	<u>1,126</u>	<u>1,669</u>	<u>2,083</u>	<u>4,525</u>
Less: Impairment of other receivables and deposit	<u>(60)</u>	<u>(109)</u>	<u>(124)</u>	<u>(286)</u>
	<u>16,873</u>	<u>22,124</u>	<u>22,989</u>	<u>30,229</u>
Non-Current				
Other receivables and deposits	3,238	3,930	3,688	1,715
Net investment in the sublease (note)	147	3,386	3,084	2,962
Prepayments for property, plant and equipment	<u>171</u>	<u>3,407</u>	<u>874</u>	<u>608</u>
Less: Impairment of other receivables and deposit	<u>(170)</u>	<u>(366)</u>	<u>(338)</u>	<u>(234)</u>
	<u>3,386</u>	<u>10,357</u>	<u>7,308</u>	<u>5,051</u>

Note: The movements of net investment in the sublease during the Relevant Periods are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Carrying amount at 1 January	301	227	3,791	3,459
Additions	—	3,633	—	—
Accretion of interests (note 5)	12	21	154	70
Cash receipts	<u>(86)</u>	<u>(90)</u>	<u>(486)</u>	<u>(200)</u>
Carrying amount at 31 December/30 June	<u>227</u>	<u>3,791</u>	<u>3,459</u>	<u>3,329</u>
Analysed into:				
Current portion	80	405	375	367
Non-current portion	<u>147</u>	<u>3,386</u>	<u>3,084</u>	<u>2,962</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Current				
Value-added tax recoverable	3,086	8,965	8,256	8,237
Deferred listing expenses	—	—	—	1,798
Prepayments	4,263	1,003	78	192
Due from subsidiaries	153,218	235,218	222,522	239,309
Other receivables and deposit	<u>2</u>	<u>7</u>	<u>6</u>	<u>5</u>
Less: Impairment of other receivables and deposit	<u>*</u>	<u>*</u>	<u>*</u>	<u>(1)</u>
	<u>160,569</u>	<u>245,193</u>	<u>230,862</u>	<u>249,540</u>

* Less than RMB1,000

The Company estimated that the expected loss rate for its other receivables due from subsidiaries is minimal.

Other receivables are unsecured, non-interest-bearing and are collectable within one year.

As at 31 December 2022, 2023, 2024 and 30 June 2025, the impairment of the other receivables and deposits were measured based on 12-month expected credit loss 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 loss.

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

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of year/period	118	230	475	462
Impairment losses, net (<i>note 7</i>)	<u>112</u>	<u>245</u>	<u>(13)</u>	<u>58</u>
At the end of the year/period	<u>230</u>	<u>475</u>	<u>462</u>	<u>520</u>

21. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

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

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Structure deposits, at fair value	—	—	54,000	—
Forward exchange agreement, at fair value	8	—	17	—
Foreign exchange swap, at fair value	—	—	374	—
	<u>8</u>	<u>—</u>	<u>54,391</u>	<u>—</u>

Financial liabilities at fair value through profit or loss

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Forward exchange agreement, at fair value	129	—	—	33
Foreign exchange options, at fair value	—	—	68	387
	<u>129</u>	<u>—</u>	<u>68</u>	<u>420</u>

For the details of pre-IPO investments, please refer to note 28 to this report.

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

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Structure deposits, at fair value	—	—	18,000	—

The structured deposits issued by banks in Mainland China are classified and measured at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

22. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AND TIME DEPOSITS

The Group

	As at 31 December		As at 30 June	
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash and bank balances	145,265	129,820	62,263	196,990
Time deposits	3,103	2,919	2,983	3,022
Restricted cash	<u>824</u>	<u>510</u>	<u>15,917</u>	<u>900</u>
	<u>149,192</u>	<u>133,249</u>	<u>81,163</u>	<u>200,912</u>
Less:				
Restricted cash*	(824)	(510)	(15,917)	(900)
Time deposits with original maturity over three months:				
— Current	<u>(3,103)</u>	<u>(2,562)</u>	<u>(2,909)</u>	<u>(2,947)</u>
Cash and cash equivalents	<u>145,265</u>	<u>130,177</u>	<u>62,337</u>	<u>197,065</u>
Denominated in:				
RMB	101,657	10,062	18,834	60,328
USD	19,089	22,828	20,824	99,072
JPY	23,642	97,146	38,462	38,674
EUR	2,476	1,950	2,051	1,471
CAD	696	384	391	495
GBP	1,224	612	260	653
Others	<u>408</u>	<u>267</u>	<u>341</u>	<u>219</u>
	<u>149,192</u>	<u>133,249</u>	<u>81,163</u>	<u>200,912</u>

The RMB is not freely convertible into other currencies, however, under Mainland China'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. The bank balances and restricted cash balances are deposited with creditworthy banks with no recent history of default.

- * As at 31 December 2022, 2023, 2024 and 30 June 2025, the restricted cash of RMB824,000, RMB510,000, RMB15,917,000 and RMB900,000, respectively, was used as the guarantee deposits for the foreign exchange derivatives contracts purchased by the Group which will become unrestricted after the maturity of derivatives products.

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash and bank balances	98,260	28,993	6,047	62,570
	<u>98,260</u>	<u>28,993</u>	<u>6,047</u>	<u>62,570</u>
Cash and cash equivalents	98,260	28,993	6,047	62,570
Denominated in				
RMB	98,260	6,005	4,827	1,985
USD	*	1,068	121	60,585
JPY	<u>*</u>	<u>21,920</u>	<u>1,099</u>	<u>*</u>
	<u>98,260</u>	<u>28,993</u>	<u>6,047</u>	<u>62,570</u>

* Less than RMB1,000

23. TRADE PAYABLES**The Group**

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	<u>27,677</u>	<u>44,330</u>	<u>28,587</u>	<u>137,492</u>

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	27,563	44,078	28,258	137,208
Over 1 year	<u>114</u>	<u>252</u>	<u>329</u>	<u>284</u>
	<u>27,677</u>	<u>44,330</u>	<u>28,587</u>	<u>137,492</u>

The trade payables are non-interest-bearing and are normally settled on terms on 1–2 months terms.

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	116	493	3,189	5,733
Due to subsidiaries	<u>—</u>	<u>32,616</u>	<u>1,134</u>	<u>75</u>
	<u>116</u>	<u>33,109</u>	<u>4,323</u>	<u>5,808</u>

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	116	33,109	3,107	5,708
Over 1 year	—	—	1,216	100
	<u>116</u>	<u>33,109</u>	<u>4,323</u>	<u>5,808</u>

24. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Payroll payables	14,750	22,753	25,113	19,816
Other tax payables	3,135	4,630	7,900	11,195
Payables for assets acquisition (note 31)	—	—	—	16,083
Listing expenses payables	—	—	—	6,818
Other payables	<u>2,237</u>	<u>5,291</u>	<u>10,138</u>	<u>12,142</u>
	<u>20,122</u>	<u>32,674</u>	<u>43,151</u>	<u>66,054</u>

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Payroll payables	123	236	236	90
Other tax payables	2	4	6	—
Listing expenses payables	—	—	—	4,534
Other payables	17	18	16	15
Due to subsidiaries	<u>—</u>	<u>—</u>	<u>27</u>	<u>1,347</u>
	<u>142</u>	<u>258</u>	<u>285</u>	<u>5,986</u>

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

25. INTEREST-BEARING BANK LOANS

The Group

	2022			At 31 December 2023			2024			As at 30 June 2025		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current												
Bank loans — secured*	—	—	—	—	—	—	2.90–3.00	2025	62,771	—	—	—
Bank loans — factored trade receivables**	1.08	2023	40,207	0.98	2024	30,200	1.75	2025	24,479	2.26	2025	23,635
Current portion of long term bank loans — secured***			—			—	2.6	2025	4,000	2.24–2.6	2026	14,303
Total — current			<u>40,207</u>			<u>30,200</u>			<u>91,250</u>			<u>37,938</u>
Non-current												
Bank loans — secured***			—			—	2.6	2026	15,014	2.24–2.6	2027	60,721
Total — non-current			<u>—</u>			<u>—</u>			<u>15,014</u>			<u>60,721</u>
Total			<u>40,207</u>			<u>30,200</u>			<u>106,264</u>			<u>98,659</u>

* The loan, amounting to RMB23,939,000, was guaranteed by the Company and Mr. LI Zhichen as at 31 December 2024. And the loan, amounting to RMB38,832,000, was guaranteed by the Company as at 31 December 2024. This guarantee has been released along with the maturity of the loan during the six months ended 30 June 2025 (note 35).

** It represented the liabilities related to the transferred trade receivables under the factoring arrangement that were not derecognised as at the end of the Relevant Periods (note 19). The loan is guaranteed by the Company, Mr. LI Zhichen and Mr. PAN Yang (note 35). Such guarantee is expected to be released on or before the Listing.

*** The loan was guaranteed by the Company and Mr. LI Zhichen as at 31 December 2024 and 30 June 2025 (note 35). Such guarantee is expected to be released on or before the Listing.

26. CONTRACT LIABILITIES

The Group

	As at 31 December			As at 30 June	
	2022	2023	2024	2025	
	RMB'000	RMB'000	RMB'000	RMB'000	
Advances from customers					
Sale of goods	<u>3,202</u>	<u>3,558</u>	<u>4,553</u>	<u>7,682</u>	
Analysed for reporting purposes					
as:					
Current liabilities	<u>3,202</u>	<u>3,558</u>	<u>4,553</u>	<u>7,682</u>	
	<u>3,202</u>	<u>3,558</u>	<u>4,553</u>	<u>7,682</u>	

27. PROVISION

The Group

	As at 31 December		As at 30 June	
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Product warranty provision (a)	5,763	12,828	18,171	20,119
Refund liabilities (b)	<u>716</u>	<u>1,372</u>	<u>2,316</u>	<u>1,892</u>
	<u>6,479</u>	<u>14,200</u>	<u>20,487</u>	<u>22,011</u>

- (a) The Group generally provides 12–24 months 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 and revised where appropriate.

	Product warranty provision RMB'000
At 1 January 2022	4,325
Additional provision (<i>note 7</i>)	5,121
Amounts utilised during the year	<u>(3,683)</u>
At 31 December 2022 and 1 January 2023	<u>5,763</u>
At 1 January 2023	5,763
Additional provision (<i>note 7</i>)	13,646
Amounts utilised during the year	<u>(6,581)</u>
At 31 December 2023 and 1 January 2024	<u>12,828</u>
At 1 January 2024	12,828
Additional provision (<i>note 7</i>)	17,100
Amounts utilised during the year	<u>(11,757)</u>
At 31 December 2024	<u>18,171</u>
At 1 January 2025	18,171
Additional provision (<i>note 7</i>)	12,833
Amounts utilised during the period	<u>(10,885)</u>
At 30 June 2025	<u>20,119</u>

- (b) Refund liabilities represented the obligation arising from right of return to refund some or all of the consideration received (or receivable) from a customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each of Relevant Periods.

28. SHARE CAPITAL/PAID-IN CAPITAL**The Group and the Company****Share Capital**

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

	Number of shares in issue (in thousand)	Share capital RMB'000
As at 1 January 2025	—	—
Issue of ordinary shares upon conversion into a joint stock company of RMB1 each**	2,492	2,492
Issue of shares (RMB1 each)***	38	38
Capitalisation of reserves (RMB1 each)****	17,470	17,470
As at 30 June 2025	20,000	20,000

Paid-in Capital

	RMB'000
As at 1 January 2022	1,205
Capital contribution by shareholders*	278
As at 31 December 2022 and 2023 and 2024	1,483
As at 1 January 2025	1,483
Capital contribution by shareholders*	1,009
Conversion into a joint stock company**	(2,492)
As at 30 June 2025	—

* During the year ended 31 December 2022, the Company received capital contribution of RMB200,000,000 from four investors. The capital contribution increased the paid-in capital and capital reserve by RMB278,000 and RMB199,722,000, respectively. During the six months ended 30 June 2025, the Company received the subscribed capital of RMB1,009,000 due from the controlling shareholders of the Group.

** In April 2025, the Company converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company as of the conversion base date, including the paid-in capital, capital reserves and accumulated losses, were converted into 2,492,000 ordinary shares of RMB1.00 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company's capital reserve.

*** During the six months ended 30 June 2025, the Company received capital contribution of RMB59,058,000 from an investor, which increased the share capital and capital reserve by RMB38,000 and RMB59,020,000, respectively.

**** During the six months ended 30 June 2025, the Company issued 17,470,325 new shares through conversion from capital reserve of RMB17,470,000 to each of the shareholders in proportion to their respective shareholding interests.

On May 27, 2025, resolution was passed by the shareholders approving, among others, the share subdivision, whereby each of the shares with a nominal value of RMB1.00 each shall be sub-divided into 10 shares with a nominal value of RMB0.10 each, and such share subdivision shall take effect immediately before the listing, upon which the registered capital of the Company shall be divided into 200,000,000 shares with a nominal value of RMB0.10 per share.

Pursuant to the shareholders subscription agreements entered into prior to Relevant Periods, on 23 March 2022 and 26 May 2025, the Company issued an aggregate of 1,390,789 ordinary shares (representing the number of shares before capitalisation of reserves) to the Pre-IPO investors at a total net cash proceed amounted to approximately RMB389.68 million (collectively the “**Pre-IPO Investments**”). Pursuant to the above agreements, the Pre-IPO Investors were granted by the Company with special rights which included redemption rights.

There was no exercise of redemption rights granted by the Company throughout the Relevant Periods.

On 26 May 2025, the Company and the Pre-IPO Investors subsequently entered into supplemental agreements, agreeing that the redemption rights granted by the Company to Pre-IPO investors have been irrecoverably terminated and shall be *void ab initio*. Taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplemental agreements, the directors considered that it is appropriate to present the Pre-IPO Investments as equity throughout the Relevant Periods.

Had the redemption rights granted by the Company to the Pre-IPO Investors been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the supplemental agreements in May 2025.

- (i) the redemption financial liabilities, total current liabilities and net deficits would have been:

	As at 31 December		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Redemption financial liabilities	588,473	671,402	802,034
Total current liabilities	697,559	808,708	1,001,771
Net current liabilities	(402,794)	(508,807)	(633,776)
Net deficits	(379,947)	(475,001)	(604,529)

- (ii) the finance costs associated with the redemption financial liabilities, the net losses for the year/period, basic and dilutive loss per share would have been:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Financial costs associated with the redemption financial liabilities	21,342	82,929	130,632	53,425	625,029
Total net losses	(108,325)	(99,305)	(133,706)	(67,066)	(597,126)
Basic and dilutive loss per share (expressed in RMB)	(0.96)	(0.85)	(1.14)	(0.57)	(3.66)

29. RESERVES**The Group**

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

(i) Capital reserve

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

(ii) Share-based payment reserve

The share-based payment reserve of the Group represents the share-based compensation reserve due to equity-settled share-based payment transactions, details of which were set out in note 30 to the Historical Financial Information.

(iii) Exchange fluctuation reserve

The exchange fluctuation reserve of the Group represents exchange differences arising from the translation of financial statements of foreign operations.

The Company

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented as follows:

	Capital reserve <i>RMB'000</i>	Share-based payment reserve <i>RMB'000</i>	Accumulated loss <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2022	129,543	5,164	(1,985)	132,722
Loss for the year	—	—	(3,241)	(3,241)
Total comprehensive loss for the year	—	—	(3,241)	(3,241)
Capital contribution by shareholders	199,722	—	—	199,722
Share-based payments	—	3,378	—	3,378
At 31 December 2022	<u>329,265</u>	<u>8,542</u>	<u>(5,226)</u>	<u>332,581</u>
At 1 January 2023	329,265	8,542	(5,226)	332,581
Loss for the year	—	—	(3,028)	(3,028)
Total comprehensive loss for the year	—	—	(3,028)	(3,028)
Share-based payments	—	4,181	—	4,181
At 31 December 2023	<u>329,265</u>	<u>12,723</u>	<u>(8,254)</u>	<u>333,734</u>
At 1 January 2024	329,265	12,723	(8,254)	333,734
Loss for the year	—	—	(1,895)	(1,895)
Total comprehensive loss for the year	—	—	(1,895)	(1,895)
Share-based payments	—	4,181	—	4,181
At 31 December 2024	<u>329,265</u>	<u>16,904</u>	<u>(10,149)</u>	<u>336,020</u>
At 1 January 2025	329,265	16,904	(10,149)	336,020
Profit for the period	—	—	1,233	1,233
Total comprehensive income for the period	—	—	1,233	1,233
Share-based payments	—	5,016	—	5,016
Issue of shares	59,020	—	—	59,020
Capitalisation of reserves	(17,470)	—	—	(17,470)
At 30 June 2025	<u>370,815</u>	<u>21,920</u>	<u>(8,916)</u>	<u>383,819</u>

30. SHARE-BASED PAYMENTS

The Group approved a Share Option Scheme in 2019 in order to recognise the contributions of the employees to the growth and development of the Group. Wonder Innovation Technology (Shenzhen) Partnership Enterprise (Limited Partnership) (“Wonder Innovation”) was established and designated as the share incentive platform to grant the awards to the eligible participants. The Group has no control over Wonder Innovation.

In September 2018, Wonder Innovation subscribed for 138,886 shares of the Company at a consideration of RMB138,886. Wonder Innovation also acquired 41,668 shares and 27,779 shares of the Company from Li Zhichen and Pan Yang, respectively, at RMB1.00. On 20 December 2019, 1 July 2021, 31 August 2022, 31 January 2025, and 18 March 2025, the Group granted 147,619, 12,659, 18,389, 17,639 and 17,313 share options, respectively, which will be vested in instalments over the next four years. The vesting of share options is also subject to the IPO Condition. The IPO Condition would be satisfied when the ordinary shares of the Company are successfully listed on a recognised stock exchange. The exercise prices of share options ranged from RMB0.00 to RMB722.26 per share.

The fair values of the share option granted were estimated as at the grant date by using the Black-Scholes option pricing model. The following table lists the key inputs to the fair value model used:

	20 December 2019	1 July 2021	31 August 2022	31 January 2025	18 March 2025
Risk-free interest rate (%)	3.10	2.40–2.91	1.73–2.38	1.24–1.40	1.55–1.64
Volatility (%)	N/A	39.80	38.39	42.37	42.64

The share options granted and outstanding during the Relevant Periods are as follows:

	Weighted average exercise price <i>RMB per share</i>	Number of share options*
At 1 January 2022	0.08	156,706
Granted during the year	<u>46.03</u>	<u>18,389</u>
At 31 December 2022	<u>4.91</u>	<u>175,095</u>
At 1 January 2023	4.91	175,095
Forfeited during the year	<u>150.57</u>	<u>1,020</u>
At 31 December 2023 and 2024	<u>4.05</u>	<u>174,075</u>
At 1 January 2025	4.05	174,075
Granted during the period	363.99	34,952
Forfeited during the period	<u>287.50</u>	<u>900</u>
At 30 June 2025	<u>63.27</u>	<u>208,127</u>

* The number of share options refer to the shares before capitalisation of reserves.

The aforesaid transactions have been accounted for as share-based payment transactions. During the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2024 and 2025, the Group recognised share award expenses of RMB3,378,000, RMB4,181,000, RMB4,181,000, RMB2,091,000 and RMB5,041,000 respectively.

31. ASSETS ACQUISITION

In June 2025, Woan Technology (Shenzhen) Co., Ltd. (“Woan”), a wholly-owned subsidiary of the Group, entered into the agreement with Yanyuan 45th Jia Technology Shenzhen Co., Ltd. (“Yanyuan”), an independent third party of the Group, pursuant to which, Woan agreed to acquire target assets including trademarks, patent technology, and electronic equipment from Yanyuan for a total consideration of RMB25 million. Of the total consideration, RMB7.5 million and RMB7.5 million were paid to Yanyuan in June 2025 and August 2025 respectively, and the remaining consideration of RMB10 million (including value-added tax) is expected to settle in September 2025.

As at 30 June 2025, the closing conditions as set out in the agreement has been satisfied, the physical assets and all relevant materials related to the target assets have been delivered and accepted by Woan, and application for the transfer of trademarks and patent technology to Woan has been submitted and accepted by the competent authorities. In the opinion of the directors, the Group has obtained control of the assets and recognised the intangible assets and property, plant and equipment of RMB23,561,000 and RMB22,000 (excluding value-added tax), respectively, based on the allocated consideration in proportion to the respective fair value of each asset.

32. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2022, 2023, 2024 and the six months ended 30 June 2024 and 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB12,425,000, RMB29,442,000, RMB16,991,000 and RMB16,981,000, and nil respectively, in respect of lease arrangements for buildings premises.

During the year ended 31 December 2023, the Group subleased some of its right-of-use assets to a third party which was classified as a finance lease. The Group derecognised the right-of-use assets in the amount of RMB3,633,000 and recognized the net investment in the sublease in the amount of RMB2,079,000, resulting a gain on the sublease of RMB1,554,000.

(b) Changes in liabilities arising from financing activities

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

	Interest bearing bank borrowings from factored trade receivables RMB'000	Interest bearing bank loans RMB'000	Lease liabilities RMB'000	Total RMB'000
At 1 January 2022	—	—	31,648	31,648
Changes from financing cash flow	39,541	—	(11,003)	28,538
New Lease	—	—	12,425	12,425
Accretion of interest	666	—	1,756	2,422
At 31 December 2022 and 1 January 2023	40,207	—	34,826	75,033

	Interest bearing bank borrowings from factored trade receivables <i>RMB'000</i>	Interest bearing bank loans <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Total <i>RMB'000</i>
Changes from financing cash flow	(10,756)	—	(12,617)	(23,373)
New Lease	—	—	29,442	29,442
Accretion of interest	749	—	1,491	2,240
Foreign exchange movement	—	—	(36)	(36)
At 31 December 2023 and 1 January 2024	<u>30,200</u>	<u>—</u>	<u>53,106</u>	<u>83,306</u>
Changes from financing cash flow	(6,419)	80,510	(13,193)	60,898
New Lease	—	—	16,991	16,991
Termination	—	—	(7,363)	(7,363)
Accretion of interest	698	1,275	2,436	4,409
Foreign exchange movement	—	—	(60)	(60)
At 31 December 2024	<u>24,479</u>	<u>81,785</u>	<u>51,917</u>	<u>158,181</u>
At 31 December 2024 and 1 January 2025	24,479	81,785	51,917	158,181
Changes from financing cash flow	(1,242)	(7,564)	(5,855)	(14,661)
New Lease	—	—	—	—
Termination	—	—	(1,987)	(1,987)
Accretion of interest	398	803	964	2,165
Foreign exchange movement	—	—	121	121
At 30 June 2025	<u>23,635</u>	<u>75,024</u>	<u>45,160</u>	<u>143,819</u>

	Interest bearing bank borrowings from factored trade receivables <i>RMB'000</i>	Interest bearing bank loans <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Total <i>RMB'000</i>
At 31 December 2023 and 1 January 2024	30,200	—	53,106	83,306
Changes from financing cash flow (unaudited)	6,271	27,196	(6,324)	27,143
New Lease (unaudited)	—	—	16,981	16,981
Termination (unaudited)	—	—	(6,851)	(6,851)
Accretion of interest (unaudited)	325	104	1,309	1,738
Foreign exchange movement (unaudited)	—	—	(188)	(188)
At 30 June 2024 (unaudited)	<u>36,796</u>	<u>27,300</u>	<u>58,033</u>	<u>122,129</u>

(c) Total cash outflow for leases

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

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(Unaudited)	
Within operating activities	331	122	88	41	55
Within financing activities	<u>11,003</u>	<u>12,617</u>	<u>13,193</u>	<u>6,324</u>	<u>5,855</u>
	<u>11,334</u>	<u>12,739</u>	<u>13,281</u>	<u>6,365</u>	<u>5,910</u>

33. PLEDGE OF ASSETS

Details of the Group's restricted cash and factored trade receivables are included in note 22 and note 19 to the Historical Financial Information.

34. COMMITMENTS

The Group had the following capital commitments at the end of each of the Relevant Periods.

	As at 31 December		As at 30 June	
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Contracted, but not provided for:				
Purchase of items of property, plant and equipment	<u>1,344</u>	<u>1,334</u>	<u>2,421</u>	<u>1,235</u>

35. RELATED PARTY TRANSACTIONS

The Directors are of the view that the following are related parties that have material transactions or balances with the Group during the Relevant Periods and six months ended 30 June 2024.

(a) Name and relationships of the related parties

Name	Relationship
Mr. Li Zhichen	Director
Mr. Liu Yanfei	Director

(b) Outstanding balances with related parties:**The Group**

	As at 31 December		As at 30 June	
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Amounts due to related parties:				
Mr. Liu Yanfei*	4	5	5	—
Mr. Li Zhichen*	<u>12</u>	<u>11</u>	<u>11</u>	<u>—</u>
	<u>16</u>	<u>16</u>	<u>16</u>	<u>—</u>

* Non-trade in nature, included in "Other payables and accruals" in the consolidated statement of financial position.

(c) Guarantee provided by related parties:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Mr. LI Zhichen	34,823	30,200	67,432	98,659
Mr. PAN Yang	<u>34,823</u>	<u>30,200</u>	<u>24,479</u>	<u>23,635</u>

The above guarantees were provided free of charge with the duration period from 2022 to 2027. And the guarantees provided by related parties are expected to be released on or before the listing.

Redemption rights of the Pre-IPO investors granted by the Mr. LI Zhichen and Mr. PAN Yang

According to the share subscription agreements and supplemental agreement entered into by the Company and the shareholders from October 2017 to May 2025, the Pre-IPO investors were granted the redemption right by Mr. LI Zhichen and Mr. PAN Yang. Pursuant to another supplemental agreement entered into by the Company and the shareholders in May 2025, the redemption rights granted by the Mr. LI Zhichen and Mr. PAN Yang will be terminated immediately before the listing date.

The Company has not provided any form of guarantee in connection with any potential failure of the Mr. LI Zhichen and Mr. PAN Yang to fulfill his obligations relating to the redemption rights granted by Mr. LI Zhichen and Mr. PAN Yang. Accordingly, as the redemption rights by Mr. LI Zhichen and Mr. PAN Yang do not constitute any obligation of the Company, no financial liability regarding such rights were recorded by the Company during the Relevant Periods.

For the details of pre-IPO investments, please refer to note 28 to this report.

(d) Compensation of key management personnel of the Group

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Salaries, allowances and benefits in kind	2,529	2,901	3,338	1,640	3,058
Performance related bonus	1,517	1,929	1,688	832	738
Pension scheme contributions	149	169	228	102	185
Equity-settled share-based payment expenses	<u>1,106</u>	<u>1,347</u>	<u>1,347</u>	<u>674</u>	<u>1,627</u>
	<u>5,301</u>	<u>6,346</u>	<u>6,601</u>	<u>3,248</u>	<u>5,608</u>

Further details of directors' and the chief executive's remuneration are included in note 8 to the Historical Financial Information.

36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods were as follows:

	As at 31 December		As at 30 June	
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Financial assets at fair value through profit and loss:				
Structured deposits and Derivative financial instruments	8	—	54,391	—
Financial assets at amortised cost:				
Trade receivables	45,103	62,091	45,815	133,035
Financial assets included in deposit and other receivables	4,361	8,915	8,768	9,049
Restricted cash	824	510	15,917	900
Time deposits	3,103	2,562	2,909	2,947
Cash and cash equivalents	145,265	130,177	62,337	197,065
	<u>198,656</u>	<u>204,255</u>	<u>135,746</u>	<u>342,996</u>
Financial liabilities				
Financial liabilities at fair value through profit and loss:				
Derivative financial instruments	129	—	68	420
Financial liabilities at amortised cost:				
Trade payables	27,677	44,330	28,587	137,492
Financial liabilities included in other payables and accruals	2,237	5,291	10,138	35,043
Lease liabilities	34,826	53,106	51,917	45,160
Interest-bearing bank loans	40,207	30,200	106,264	98,659
	<u>104,947</u>	<u>132,927</u>	<u>196,906</u>	<u>316,354</u>

For the details of pre-IPO investments, please refer to note 28 to this report.

37. 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 Relevant Periods, 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 fair values of the financial assets and financial liabilities at fair value through profit and loss have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

Fair value hierarchy

Financial assets:

As at 31 December 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Derivative financial instruments	—	8	—	8
As at 31 December 2024				

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Structured deposits and Derivative financial instruments	—	54,391	—	54,391

Financial liabilities:

As at 31 December 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Derivative financial instruments	—	129	—	129

As at 31 December 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>
Derivative financial instruments	<u>—</u>	<u>68</u>	<u>—</u>	<u>68</u>

As at 30 June 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>
Derivative financial instruments	<u>—</u>	<u>420</u>	<u>—</u>	<u>420</u>

38. 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 interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term and long-term borrowings. The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. The Group's policy is to maintain certain of its interest-bearing bank borrowings at floating interest rates. At 31 December 2024 and 30 June 2025, approximately 100% of the Group's long-term interest-bearing borrowings bore interest at floating rates. The Group currently does not enter into any hedging instrument for both of the fair value interest rate risk and cash flow interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) and the Group's equity.

	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax <i>RMB'000</i>	Increase/ (decrease) in equity* <i>RMB'000</i>
Year ended 31 December 2022			
JPY	50/(50)	(201)/201	—
Year ended 31 December 2023			
JPY	50/(50)	(151)/151	—
Year ended 31 December 2024			
RMB	50/(50)	(409)/409	—
JPY	50/(50)	(122)/122	—
Six months ended 30 June 2025			
RMB	50/(50)	(147)/147	—
JPY	50/(50)	(118)/118	—

* Excluding retained profits

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 of the Relevant Periods to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's (loss)/profit before tax (due to changes in the translated value of monetary assets and liabilities) and the Group's equity.

	Increase/ (decrease) in foreign currency exchange rates %	Increase/ (decrease) in profit before tax RMB'000	(Decrease)/ increase in equity RMB'000
Year ended 31 December 2022			
If RMB weakens against the USD	5	1,017	1,017
If RMB strengthens against the USD	5	(1,017)	(1,017)
If RMB weakens against the JPY	5	2,453	2,453
If RMB strengthens against the JPY	5	(2,453)	(2,453)
Year ended 31 December 2023			
If RMB weakens against the USD	5	1,189	1,189
If RMB strengthens against the USD	5	(1,189)	(1,189)
If RMB weakens against the JPY	5	4,903	4,903
If RMB strengthens against the JPY	5	(4,903)	(4,903)
Year ended 31 December 2024			
If RMB weakens against the USD	5	1,025	1,025
If RMB strengthens against the USD	5	(1,025)	(1,025)
If RMB weakens against the JPY	5	1,503	1,503
If RMB strengthens against the JPY	5	(1,503)	(1,503)
Six months ended 30 June 2025			
If RMB weakens against the USD	5	5,345	5,345
If RMB strengthens against the USD	5	(5,345)	(5,345)
If RMB weakens against the JPY	5	3,735	3,630
If RMB strengthens against the JPY	5	(3,735)	(3,830)

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 and the Group's exposure to bad debts is not significant. The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, time deposits, restricted cash 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.

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 of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2022

	12-month ECLs	Lifetime ECLs		Simplified approach	Total
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	RMB'000	RMB'000
Trade receivables	—	—	—	45,161	45,161
Financial assets included in deposits and other receivables	4,591	—	—	—	4,591
Restricted cash	824	—	—	—	824
Time deposits	3,103	—	—	—	3,103
Cash and cash equivalents	145,265	—	—	—	145,265
	<u>153,783</u>	<u>—</u>	<u>—</u>	<u>45,161</u>	<u>198,944</u>

As at 31 December 2023

	12-month ECLs	Lifetime ECLs		Simplified approach	Total
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	RMB'000	RMB'000
Trade receivables	—	—	—	62,702	62,702
Financial assets included in deposits and other receivables	9,390	—	—	—	9,390
Restricted cash	510	—	—	—	510
Time deposits	2,562	—	—	—	2,562
Cash and cash equivalents	130,177	—	—	—	130,177
	<u>142,639</u>	<u>—</u>	<u>—</u>	<u>62,702</u>	<u>205,341</u>

As at 31 December 2024

	12-month ECLs	Lifetime ECLs		Simplified approach	Total
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	RMB'000	RMB'000
Trade receivables	—	—	—	46,288	46,288
Financial assets included in deposits and other receivables*	9,230	—	—	—	9,230
Restricted cash	15,917	—	—	—	15,917
Time deposits	2,909	—	—	—	2,909
Cash and cash equivalents	<u>62,337</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>62,337</u>
	<u>90,393</u>	<u>—</u>	<u>—</u>	<u>46,288</u>	<u>136,681</u>

As at 30 June 2025

	12-month ECLs	Lifetime ECLs		Simplified approach	Total
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	RMB'000	RMB'000
Trade receivables	—	—	—	133,940	133,940
Financial assets included in deposits and other receivables*	9,569	—	—	—	9,569
Restricted cash	900	—	—	—	900
Time deposits	2,947	—	—	—	2,947
Cash and cash equivalents	<u>197,065</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>197,065</u>
	<u>210,481</u>	<u>—</u>	<u>—</u>	<u>133,940</u>	<u>344,421</u>

* The credit quality of the financial assets included in prepayments, deposits and other receivables 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.

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 of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

As at 31 December 2022

	Less than 12 months or on demand RMB'000	1 to 5 years RMB'000	Total RMB'000
Trade payables	27,677	—	27,677
Financial liabilities at fair value through profit and loss	124	—	124
Financial liabilities included in other payables and accruals	2,237	—	2,237
Lease liabilities	12,660	24,746	37,406
Interest-bearing bank loans	40,632	—	40,632
	<u>83,330</u>	<u>24,746</u>	<u>108,076</u>

As at 31 December 2023

	Less than 12 months or on demand RMB'000	1 to 5 years RMB'000	Total RMB'000
Trade payables	44,330	—	44,330
Financial liabilities included in other payables and accruals	5,291	—	5,291
Lease liabilities	15,929	45,419	61,348
Interest-bearing bank loans	30,498	—	30,498
	<u>96,048</u>	<u>45,419</u>	<u>141,467</u>

As at 31 December 2024

	Less than 12 months or on demand RMB'000	1 to 5 years RMB'000	Total RMB'000
Trade payables	28,587	—	28,587
Financial liabilities at fair value through profit and loss	68	—	68
Financial liabilities included in other payables and accruals	10,138	—	10,138
Lease liabilities	13,512	47,010	60,522
Interest-bearing bank loans	93,643	15,479	109,122
	<u>145,948</u>	<u>62,489</u>	<u>208,437</u>

As at 30 June 2025

	Less than 12 months or on demand RMB'000	1 to 5 years RMB'000	Total RMB'000
Trade payables	137,492	—	137,492
Financial liabilities at fair value through profit and loss	420	—	420
Financial liabilities included in other payables and accruals	35,043	—	35,043
Lease liabilities	9,569	43,211	52,780
Interest-bearing bank loans	38,814	62,128	100,942
	<u>221,338</u>	<u>105,339</u>	<u>326,677</u>

Capital management

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

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

The asset-liability ratios as at the end of each of the Relevant Periods are as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Total assets	<u>341,168</u>	<u>374,469</u>	<u>452,532</u>	<u>670,680</u>
Total liabilities	<u>132,642</u>	<u>178,068</u>	<u>255,027</u>	<u>379,579</u>
Asset-liability ratio*	<u>39%</u>	<u>48%</u>	<u>56%</u>	<u>57%</u>

* Asset-liability ratio is calculated by dividing total liabilities by total assets.

39. EVENTS AFTER THE REPORTING PERIOD

There is no significant subsequent event undertaken by the Company after 30 June 2025.

40. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of its subsidiaries in respect of any period subsequent to 30 June 2025.