Beijing Yunji Technology Co., Ltd.

Underlying Financial Statements

for the years ended December 31, 2022, 2023 and 2024

and the five months ended May 31, 2025

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Independent auditor's report
to the directors of Beijing Yunji Technology Co., Ltd.
(incorporated in the People's Republic of China with limited liability)

Opinion

We have audited the consolidated financial statements of Beijing Yunji Technology Co., Ltd. ("the Company") and its subsidiaries ("the Group") set out on pages 4 to 62, which comprise the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2022, 2023 and 2024 and May 31, 2025, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2022, 2023 and 2024 and the five months ended May 31, 2025 and notes, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the Company's and the Group's financial position as at December 31, 2022, 2023 and 2024 and May 31, 2025 and of the Group's consolidated financial performance and the Group's consolidated cash flows for each of the years ended December 31, 2022, 2023 and 2024 and the five months ended May 31, 2025 in accordance with the basis of preparation and presentation set out in note 1 to the consolidated financial statements.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the People's Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Emphasis of Matter – Basis of Preparation and Presentation

We draw attention to note 1 to the consolidated financial statements, which describes the basis of preparation and presentation. The consolidated financial statements are prepared for the purpose of the preparation of a prospectus by the directors of the Company in connection with the initial public offering of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited. As a result, the consolidated financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other matter

We draw attention to the fact that the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the five months ended May 31, 2024 and any of the related notes have not been audited.

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the basis of preparation and presentation set out in note 1 to the consolidated financial statements and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

KPMG Huazhen LLP

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Beijing
October 8, 2025

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(Expressed in Renminbi ("RMB"))

	Note	Year ended December 31,			Five months ended May 31,	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Revenue	4	161,280	145,153	244,775	74,304	88,329
Cost of sales		(122,009)	(105,996)	(138,357)	(42,642)	(53,440)
Gross profit		39,271	39,157	106,418	31,662	34,889
Research and development expenses		(67,761)	(69,443)	(57,386)	(23,377)	(24,948)
Selling and marketing expenses		(103,565)	(56,790)	(58,188)	(21,785)	(30,912)
Administrative expenses		(106,510)	(56,553)	(56,121)	(20,339)	(44,372)
Other net income	5	15,809	18,818	22,007	6,465	5,286
Impairment losses recognized on trade receivables		(10,075)	(7,647)	(9,657)	(1,760)	(3,862)
Loss from operations		(232,831)	(132,458)	(52,927)	(29,134)	(63,919)
Finance costs	6(a)	(1,081)	(557)	(167)	(69)	(23)
Changes in the carrying amount of redemption liabilities	24	(131,508)	(131,508)	(131,869)	(54,765)	(54,405)
Loss before taxation		(365,420)	(264,523)	(184,963)	(83,968)	(118,347)
Income tax	7	–	–	–	–	–
Loss for the year/period		(365,420)	(264,523)	(184,963)	(83,968)	(118,347)
Other Comprehensive income for the year/period (after tax)						
Items that are or may be reclassified subsequently to profit or loss:						
Exchange differences on translation of financial statements of an overseas subsidiary		–	–	–	–	(91)
Total comprehensive income for the year/period		(365,420)	(264,523)	(184,963)	(83,968)	(118,438)
Loss for the year/period attributable to:						
Equity shareholders of the Company		(365,420)	(264,523)	(184,963)	(83,968)	(118,118)
Non-controlling interests		–	–	–	–	(229)
		(365,420)	(264,523)	(184,963)	(83,968)	(118,347)
Total comprehensive income for the year/period attributable to:						
Equity shareholders of the Company		(365,420)	(264,523)	(184,963)	(83,968)	(118,209)
Non-controlling interests		–	–	–	–	(229)
		(365,420)	(264,523)	(184,963)	(83,968)	(118,438)
Loss per share						
Basic and diluted (RMB)	10	(5.91)	(4.28)	(2.99)	(1.36)	(1.91)

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in RMB)

	Note	As at December 31, 2022	As at December 31, 2023	As at December 31, 2024	As at May 31, 2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets					
Property and equipment	*11*	26,500	16,296	16,936	16,051
Intangible assets	*12*	4,402	3,266	2,130	1,656
Time deposits with banks	*18(b)*	–	81,585	63,230	101,453
		30,902	101,147	82,296	119,160
Current assets					
Inventories	*14*	68,707	58,255	48,766	46,345
Trade receivables	*15*	42,403	16,524	61,159	53,374
Prepayments, deposits and other receivables	*16*	26,900	22,670	18,652	26,123
Time deposits with banks	*18(b)*	54,123	20,000	30,769	84,947
Financial assets measured at fair value through profit or loss ("FVPL")	*17*	307,276	113,629	141,928	25,021
Restricted cash	*18(a)*	5,395	10,833	21,876	10,433
Cash and cash equivalents	*18(a)*	111,656	174,133	105,481	75,135
		616,460	416,044	428,631	321,378
Current liabilities					
Bank loans	*22*	15,008	5,000	–	–
Trade and bills payables	*19*	21,116	31,373	50,752	35,136
Contract liabilities	*21*	33,738	40,351	44,718	35,683
Other payables and accruals	*20*	34,662	30,377	44,148	41,070
Lease liabilities	*23*	8,778	3,775	352	593
Redemption liabilities	*24*	1,606,943	1,738,451	1,870,320	1,924,725
		1,720,245	1,849,327	2,010,290	2,037,207
Net current liabilities		(1,103,785)	(1,433,283)	(1,581,659)	(1,715,829)
Total assets less current liabilities		(1,072,883)	(1,332,136)	(1,499,363)	(1,596,669)
Non-current liabilities:					
Contract liabilities	*21*	3,948	5,042	4,896	5,492
Lease liabilities	*23*	8,200	218	–	937
Deferred income	*25*	19,060	18,660	14,463	13,756
		31,208	23,920	19,359	20,185
NET LIABILITIES		(1,104,091)	(1,356,056)	(1,518,722)	(1,616,854)
CAPITAL AND RESERVES					
Share capital	*27*	61,818	61,818	61,818	61,818
Reserves	*27*	(1,165,909)	(1,417,874)	(1,580,540)	(1,678,149)
Total deficits attributable to equity shareholders of the Company		(1,104,091)	(1,356,056)	(1,518,722)	(1,616,331)
Non-controlling interests		–	–	–	(523)
TOTAL DEFICITS		(1,104,091)	(1,356,056)	(1,518,722)	(1,616,854)

Approved and authorized for issue by the Board of Directors on October 8, 2025.

Zhi Tao
Director

Li Quanyin
Director

The accompanying notes form part of the consolidated financial statements.

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY
(Expressed in RMB)

	Note	As at December 31,			As at May 31,
		2022	2023	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property and equipment	11	19,184	11,817	13,796	12,407
Intangible assets	12	4,402	3,266	2,130	1,656
Interest in subsidiaries	13	331,115	356,600	403,626	418,240
Time deposits with banks	18(b)	–	81,585	63,230	101,453
		354,701	453,268	482,782	533,756
Current assets					
Inventories	14	66,562	54,761	44,561	42,217
Trade receivables	15	41,767	16,356	58,527	50,963
Prepayments, deposits and other receivables	16	21,668	17,053	10,460	18,139
Time deposits with banks	18(b)	54,123	20,000	30,769	84,947
Financial assets measured at FVPL	17	272,189	113,629	141,928	25,021
Restricted cash	18(a)	5,395	10,832	21,876	10,433
Cash and cash equivalents	18(a)	109,146	168,843	100,789	73,208
		570,850	401,474	408,910	304,928
Current liabilities					
Bank loans	22	15,008	5,000	–	–
Trade and bills payables	19	19,408	30,006	50,316	34,790
Contract liabilities	21	32,154	39,133	44,368	35,443
Other payables and accruals	20	26,721	22,131	35,251	35,066
Lease liabilities	23	7,147	2,972	–	–
Redemption liabilities	24	1,606,943	1,738,451	1,870,320	1,924,725
		1,707,381	1,837,693	2,000,255	2,030,024
Net current liabilities		(1,136,531)	(1,436,219)	(1,591,345)	(1,725,096)
Total assets less current liabilities		(781,830)	(982,951)	(1,108,563)	(1,191,340)
Non-current liabilities:					
Contract liabilities	21	3,948	5,042	4,896	5,492
Lease liabilities	23	6,736	–	–	–
Deferred income	25	1,560	1,160	1,963	1,963
		12,244	6,202	6,859	7,455
NET LIABILITIES		(794,074)	(989,153)	(1,115,422)	(1,198,795)
CAPITAL AND RESERVES					
Share capital	27	61,818	61,818	61,818	61,818
Reserves	27	(855,892)	(1,050,971)	(1,177,240)	(1,260,613)
TOTAL DEFICITS		(794,074)	(989,153)	(1,115,422)	(1,198,795)

Approved and authorized for issue by the Board of Directors on October 8, 2025.

Zhi Tao
Director

Li Quanyin
Director

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in RMB)

	Attributable to equity shareholders of the Company						
	Share capital	Capital reserve	Share-based payments reserve	Accumulated losses	Subtotal	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 27(b)	*Note 27(c)(i)*	*Note 27(c)(ii)*				
Balance at January 1, 2022	61,818	(262,177)	–	(538,312)	(738,671)	–	(738,671)
Changes in equity for 2022:							
Loss and total comprehensive income for the year	–	–	–	(365,420)	(365,420)	–	(365,420)
Balance at December 31, 2022	61,818	(262,177)	–	(903,732)	(1,104,091)	–	(1,104,091)
Balance at January 1, 2023	61,818	(262,177)	–	(903,732)	(1,104,091)	–	(1,104,091)
Changes in equity for 2023:							
Loss and total comprehensive income for the year	–	–	–	(264,523)	(264,523)	–	(264,523)
Equity settled share-based transactions	–	–	12,558	–	12,558	–	12,558
Balance at December 31, 2023	61,818	(262,177)	12,558	(1,168,255)	(1,356,056)	–	(1,356,056)
Balance at January 1, 2024	61,818	(262,177)	12,558	(1,168,255)	(1,356,056)	–	(1,356,056)
Changes in equity for 2024:							
Loss and total comprehensive income for the year	–	–	–	(184,963)	(184,963)	–	(184,963)
Equity settled share-based transactions	–	–	22,297	–	22,297	–	22,297
Balance at December 31, 2024	61,818	(262,177)	34,855	(1,353,218)	(1,518,722)	–	(1,518,722)

The accompanying notes form part of the consolidated financial statements.

	Attributable to equity shareholders of the Company							
	Share capital	Capital reserve	Share-based payments reserve	Exchange reserve	Accumulated losses	Subtotal	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 27(b)	*Note 27(c)(i)*	*Note 27(c)(ii)*	*Note 27(c)(iii)*				
Balance at January 1, 2025	61,818	(262,177)	34,855	–	(1,353,218)	(1,518,722)	–	(1,518,722)
Changes in equity for the five months ended May 31, 2025:								
Loss for the period	–	–	–	–	(118,118)	(118,118)	(229)	(118,347)
Other comprehensive income	–	–	–	(91)	–	(91)	–	(91)
Total comprehensive income	–	–	–	(91)	(118,118)	(118,209)	(229)	(118,438)
Disposal of partial interests in a subsidiary without losing control	–	294	–	–	–	294	(294)	–
Equity settled share-based transactions	–	–	20,306	–	–	20,306	–	20,306
Balance at May 31, 2025	61,818	(261,883)	55,161	(91)	(1,471,336)	(1,616,331)	(523)	(1,616,854)

	Attributable to equity shareholders of the Company						
	Share capital	Capital reserve	Share-based payments reserve	Accumulated losses	Subtotal	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 27(b)	*Note 27(c)(i)*	*Note 27(c)(ii)*				
(unaudited)							
Balance at January 1, 2024	61,818	(262,177)	12,558	(1,168,255)	(1,356,056)	–	(1,356,056)
Changes in equity for the five months ended May 31, 2024:							
Loss and total comprehensive income for the period	–	–	–	(83,968)	(83,968)	–	(83,968)
Equity settled share-based transactions	–	–	9,072	–	9,072	–	9,072
Balance at May 31, 2024	61,818	(262,177)	21,630	(1,252,223)	(1,430,952)	–	(1,430,952)

The accompanying notes form part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in RMB)

	Note	Year ended December 31,			Five months ended May 31,	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Operating activities						
Cash used in operations	*18(c)*	(170,392)	(76,370)	(41,482)	(19,556)	(52,987)
Tax paid		–	–	–	–	–
Net cash used in operating activities		(170,392)	(76,370)	(41,482)	(19,556)	(52,987)
Investing activities						
Payments for the purchase of property and equipment		(6,761)	(5,376)	(7,606)	(1,015)	(588)
Proceeds from disposal of property and equipment		27	712	650	376	2
Advances to related parties	*30(c)*	–	(386)	(1,000)	–	(1,000)
Repayment of advances to related parties	*30(c)*	–	193	1,193	32	1,000
Payments for the purchase of intangible assets		(2,830)	–	–	–	–
Payments for purchase of financial assets at FVPL		(567,500)	(702,000)	(462,000)	(232,000)	(62,000)
Proceeds from disposals of financial assets at FVPL		862,767	904,866	440,304	89,274	179,582
Purchase of time deposits with banks		(54,000)	(100,000)	(10,000)	–	(90,774)
Maturity of time deposits with banks		–	55,215	20,410	–	–
Net cash generated from/(used in) investing activities		231,703	153,224	(18,049)	(143,333)	26,222
Financing activities						
Capital element of lease payments	*18(d)*	(10,168)	(3,806)	(2,827)	(1,391)	(584)
Interest element of lease payments	*18(d)*	(1,038)	(245)	(54)	(26)	(23)
Proceeds from new bank loans	*18(d)*	15,000	5,000	–	–	–
Repayment of bank loans	*18(d)*	–	(15,000)	(5,000)	–	–
Issuance costs of the proposed issuance of new shares		–	–	(229)	–	(2,959)
Repayment of advance received from a related party	*30(c)*	–	–	(898)	–	–
Interest paid	*18(d)*	(35)	(320)	(113)	(18)	–
Net cash generated from/(used in) financing activities		3,759	(14,371)	(9,121)	(1,435)	(3,566)
Net increase/(decrease) in cash and cash equivalents		65,070	62,483	(68,652)	(164,324)	(30,331)
Cash and cash equivalents at the beginning of the year/period		46,582	111,656	174,133	174,133	105,481
Effects of exchange rate changes on the balance of cash held in foreign currencies		4	(6)	–	–	(15)
Cash and cash equivalents at the end of the year/period		111,656	174,133	105,481	9,809	75,135

The accompanying notes form part of the consolidated financial statements.

(Expressed in RMB)

1 BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Beijing Yunji Technology Co., Ltd. (北京雲迹科技股份有限公司) (the "Company") was incorporated in Beijing, the People's Republic of China (the "PRC") on January 29, 2014 as a limited liability company under the Companies Law of the PRC. On November 29, 2021, the board of directors of the Company resolved to convert the Company from a limited liability company into a joint stock limited liability company. The conversion was completed on December 6, 2021.

The Company and its subsidiaries (together, "the Group") are principally engaged in sales of robots and functional kits and provision of artificial intelligence (the "AI")-driven robotic fundamental services and AI agent applications.

The financial statements of the Company and its subsidiaries for which there are statutory requirements were prepared in accordance with the relevant accounting rules and regulations applicable to entities in the countries in which they were incorporated or established. The Company's statutory financial statements for the years ended December 31, 2022, 2023 and 2024 were audited by Beijing Dongshen Certified Public Accountants (Special General Partnership) (北京東審會計師事務所(特殊普通合夥)).

As at the date of this report, the Company has direct interests in the following principal subsidiaries:

Company name	Place of incorporation and business and date of incorporation	Particulars of issued and paid-up capital	Proportion of ownership interest held by the Company	Principal activities
Henan Yunji Intelligent Technology Co., Ltd. (河南雲迹智能技術有限公司) *(Notes (i) and (ii))*	PRC/October 29, 2021	RMB10,000,000	100%	Sales of robots and intelligent solutions
Shanghai Renyun Technology Co., Ltd. (上海人雲科技 有限公司) *(Notes (i) and (ii))* .	PRC/December 27, 2016	RMB2,000,000	100%	Sales of robots and intelligent solutions
Chengdu Yunkuo Technology Co., Ltd. (成都雲擴科技有限公司) *(Notes (i) and (ii))*	PRC/February 8, 2021	RMB4,000,000	100%	Ancillary service on installation of robots

Notes:

(i) These entities were registered as limited liability companies under the laws and regulations in the PRC. The official names of these entities are in Chinese. The English translation is included for identification only.

(ii) No audited statutory financial statements for the years ended December 31, 2022, 2023 and 2024 of these entities have been prepared.

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

The consolidated financial statements have been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). As the Group's first consolidated financial statements prepared in accordance with IFRS Accounting Standards, IFRS 1 "First-time Adoption of International Financial Reporting Standards" has been applied save for certain presentation and disclosure provisions therein. The date of transition to IFRS Accounting Standards was January 1, 2022. Further details of the material accounting policy information are set out in Note 2.

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing the consolidated financial statements, the Group has consistently applied all applicable new and revised IFRS Accounting Standards for each of the years ended December 31, 2022, 2023 and 2024 and the five months ended May 31, 2025 (the "Track Record Period"). The Group has not applied any new and revised accounting standards and interpretations issued but not yet effective for the accounting period beginning on January 1, 2025, the detail of which are set out in Note 33.

The consolidated financial statements also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

As at May 31, 2025, the Group had net current liabilities and net liabilities of RMB1,715,829,000 and RMB1,616,854,000, respectively, primarily due to the significant amount of the redemption liabilities of RMB1,924,725,000 arising from the financing with redemption rights from the investors before its initial public offering. The directors of the Company are of the opinion that no payment is expected for the settlement of the redemption liabilities as the related redemption rights would be terminated and the redemption liabilities would be converted into equity upon the qualified initial public offering of the Company's H shares on the Stock Exchange. Taken the above into consideration, and together with cashflow forecast for the twelve months from the date of this report prepared by management of the Group, the directors of the Company are of the opinion that the Group has sufficient financial resources to continue as a going concern for the next twelve months. Accordingly, the directors of the Company consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

The Company and the Group has its functional currency in RMB and the consolidated financial statements is presented in RMB.

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial statements.

The stub period corresponding financial information of the Group comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the five months ended May 31, 2024 and other explanatory information (the "Stub Period Corresponding Financial Information"). The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the consolidated financial statements.

2 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of measurement

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis, except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

– Financial assets at FVPL (see Note 2(d));

(b) Use of estimates and judgments

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

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

Judgments made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year or period between NCI and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(h)).

(d) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries, are set out below.

Investments in securities are recognized/derecognized on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognized directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 28(e). These investments are subsequently accounted for as follows, depending on their classification.

Non-equity investments

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

– amortized cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(s)(ii)(a)), foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

– FVOCI recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognized in profit or loss and computed in the same manner as if the financial asset was measured at amortized cost. The difference between the fair value and the amortized cost is recognized in other comprehensive income (the "OCI"). When the investment is derecognized, the amount accumulated in OCI is recycled from equity to profit or loss.

– FVPL if the investment does not meet the criteria for being measured at amortized cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognized in profit or loss.

Equity investments

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

(e) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses (see Note 2(h)).

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

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

The estimated useful lives for the Track Record Period are as follows:

– Office equipment, furniture and fixtures	3-5 years
– Machinery and production equipment	4-5 years
– Leasehold improvement	shorter of the lease term and 5 years

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

(f) Intangible assets

Expenditure on research activities is recognized in profit or loss as incurred. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the resulting asset. Otherwise, it is recognized in profit or loss as incurred. Capitalized development expenditure is subsequently measured at cost less accumulated amortization and any accumulated impairment losses.

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognized in profit or loss.

The estimated useful lives for the Track Record Period are as follows:

– Software and copyrights	5 years

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

(g) Leased assets

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

(i) As a lessee

At the lease commencement date, the Group recognizes a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalize the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalized are recognized as an expense on a systematic basis over the lease term.

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

The right-of-use asset recognized when a lease is capitalized is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(e) and 2(h)).

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

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

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

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. Otherwise, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis.

The rental income from operating leases is recognized in accordance with Note 2(s).

(h) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognizes a loss allowance for expected credit losses (ECLs) on financial assets measured at amortized cost (including cash and cash equivalents, trade receivables, other receivables, time deposits with banks and restricted cash).

Financial assets measured at fair value are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using effective interest rate determined at initial recognition or an approximation thereof where the effect of discounting is material.

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

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

– lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

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

For all other financial instruments, the Group recognizes a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

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

– failure to make payments of principal or interest on their contractually due dates;

– an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

– an actual or expected significant deterioration in the operating results of the debtor; and

– existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

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

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

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

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

– significant financial difficulties of the debtor;

– a breach of contract, such as a default;

– it becoming probable that the borrower will enter into bankruptcy or other financial reorganization;

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

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

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

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated.

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

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

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

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Inventories

Inventories are measured at the lower of cost and net realizable value as follows:

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

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

A right to recover returned goods is recognized for the right to recover products from customers sold with a right of return. It is measured in accordance with the policy set out in Note 2(s)(i).

(j) Contract liabilities

A contract liability is recognized when the customer pays non-refundable consideration before the Group recognizes the related revenue (see Note 2(s)(i)). A contract liability would also be recognized if the Group has an unconditional right to receive non-refundable consideration before the Group recognizes the related revenue. In such cases, a corresponding receivable would also be recognized (see Note 2(k)).

(k) Trade and other receivables

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

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortized cost, using the effective interest method and including an allowance for credit losses (see Note 2(h)(i)).

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for ECL (see Note 2(h)(i)).

(m) Trade and other payables (other than refund liabilities)

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

(n) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs.

Subsequently, these borrowings are stated at amortized cost using the effective interest method. Interest expense is recognized in accordance with Note 2(t).

(o) Employee benefits

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

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

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

(ii) Share-based payments

The difference between the subscription price and the fair value of the awarded shares granted to employees is recognized as an employee cost with a corresponding increase in share-based payments reserve within equity. The fair value of the share awards is the difference between the subscription price paid by the employees and the fair value of the ordinary shares at grant date. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share awards, the total difference between the subscription price and the fair value of the ordinary shares is spread over the vesting period, taking into account the probability that the share awards will be vested.

(iii) Termination benefits

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

(p) Redemption liabilities

A contract that contains an obligation to purchase the Group's equity instruments for cash or another financial asset gives rise to a financial liability for the redemption amount, even if the Group's obligations to purchase is conditional on the counterparty exercising a right to redeem. The redemption liability is initially measured at the carrying amount of the redemption amount and subsequently measured at amortized cost with interest expense being included in change in the carrying amounts of redemption liabilities.

The redemption liabilities were classified as current liabilities as some of the redemption events could occur anytime. The carrying amount of the redemption liability will be reclassified to equity upon a termination of the counterparty's redemption right.

(q) Income tax

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

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

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

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

- temporary differences related to investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

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

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

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

(r) Provisions

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

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract (see Note 2(h)(ii)).

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

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

(s) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services and the use by others of the Group's assets under leases in the ordinary course of the Group's business.

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

(i) Revenue from contracts with customers

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

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates the transaction price to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the observable prices charged to customers when the Group sells that good or service separately. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of information. Assumptions and estimations have been made in estimating the standalone selling price, and changes in those assumptions and estimates may impact the revenue recognition.

The Group generates revenue from (i) the sales of robots and functional kits, primarily including robots, related hardware and other kits; (ii) AI digitalization system, which includes (a) the provision of AI-driven robotic fundamental services, primarily including subscription of our robot operating system and comprehensive AI-powered support for our robots and functional kits; and (b) the provision of AI agent applications, primarily including subscription service for our standard hospitality digital operating system ("HDOS"), development service for customized HDOS, and YJ-Platform, which includes sales of merchandise through our smart vending machines.

(a) Sales of robots, functional kits and merchandises

Revenue is recognized when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods, then the amount of revenue recognized is an appropriate proportion of the total transaction price under the contract, allocated between all the products promised under the contract on a relative stand-alone selling price basis.

The Group offers certain customers for the sale of products with rights of return. Such rights of return give rise to variable consideration.

The Group uses an expected value approach to estimate variable consideration based on the Group's current and future performance expectations and all information that is reasonably available. This estimated amount is included in the transaction price to the extent it is highly probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. At the time of sale of products, the Group recognizes revenue after taking into account adjustment to transaction price arising from returns as mentioned above. A refund liability is recognized for the expected returns and is included in other payables. A right to recover returned products (included in inventories) and corresponding adjustment to cost of sales are also recognized for the right to recover products from customers. This right to recover returned goods is measured at the former carrying amount of the inventory less any expected costs to recover goods (including potential decreases in the value of the returned goods).

(b) Provision of AI digitalization system

Revenue from AI digitalization system (excluding sales of merchandise through our smart vending machines, see Note (s)(i)(a)) is recognized on a straight-line basis over the performance period for which the services are rendered, or recognized when the Group fulfilled the specific performance obligation under the contract terms with customers.

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

(a) *Interest income*

Interest income is recognized as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortized cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortized cost (i.e. gross carrying amount net of loss allowance) of the asset (see Note 2(h)(i)).

(b) *Government grants*

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognized as deferred income and subsequently recognized in profit or loss on a systematic basis over the useful life of the asset.

(c) *Rental income from operating leases*

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(t) **Borrowing costs**

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

(u) **Related parties**

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

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

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

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

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

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

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

(v) Segment reporting

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

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

3 ACCOUNTING JUDGMENT AND ESTIMATES

Note 28 contains information about the assumptions and their risk factors relating to fair value of financial instruments. Other significant sources of estimation uncertainty and accounting judgments are as follows:

(i) Share-based payments arrangement and its fair value measurement

The Group measures the cost of share-based payments with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. The determination of the fair value of the share-based payments is affected by the significant assumptions such as the underlying equity value, the expected volatility of share price and risk free interest rate. The Group also has to estimate the vesting periods of the share awards which is variable and subject to an estimate of when an initial public offering ("IPO") of the Company will occur. Details of share-based payments are contained in Note 26.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are (i) the sales of robots and functional kits, primarily including robots, related hardware and other kits; (ii) AI digitalization system, which include (a) the provision of AI-driven robotic fundamental services, primarily including subscription of our robot operating system and comprehensive AI-powered support for our robots and functional kits; and (b) the provision of AI agent applications, primarily including subscription service for our standard HDOS, development service for customized HDOS, and YJ-Platform, which includes sales of merchandise through our smart vending machines.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines and timing of revenue recognition are as follows:

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15					
Robots and functional kits	134,750	119,230	186,605	56,181	64,313
AI digitalization system	26,384	25,470	55,881	17,723	22,647
AI-driven robotic fundamental services	20,158	22,298	44,364	16,516	19,096
AI agent applications	6,226	3,172	11,517	1,207	3,551
	161,134	144,700	242,486	73,904	86,960
Revenue from other sources					
Rental income from robots and functional kits	146	453	2,289	400	1,369
Total	161,280	145,153	244,775	74,304	88,329
Disaggregated revenue from contracts with customers within the scope of IFRS 15 by timing of revenue recognition					
Point in time	147,523	125,670	201,514	58,573	69,028
Over time	13,611	19,030	40,972	15,331	17,932
	161,134	144,700	242,486	73,904	86,960
Disaggregated by geographical location of customers					
Chinese Mainland	157,964	143,430	234,852	72,245	87,699
Other countries or regions	3,316	1,723	9,923	2,059	630
	161,280	145,153	244,775	74,304	88,329

During the Track Record Period, there were no customers which individually contributed more than 10% of total revenue of the Group. Details of concentrations of credit risk of the Group are set out in Note 28(a).

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

As of December 31, 2022, 2023, 2024 and May 31, 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts was RMB5.2 million, RMB6.0 million, RMB8.1 million and RMB9.5 million. This amount mainly represents revenue expected to be recognized in the future from maintenance service contracts and subscription service contracts for the proprietary software and algorithms entered into by the customers with the Group. The Group will recognize the expected revenue in future when or as the work is completed, which is expected to occur over the next 12 to 36 months.

The Group has also applied the practical expedient in paragraph 121(a) of IFRS 15 and to its sales contracts such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for sales that had an original expected duration of one year or less.

(b) Segment reporting

(i) Segment results

IFRS 8, *Operating Segments*, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, as for the purpose of making decisions about resources allocation and performance assessment, the Group's management reviews on the operating results of the Group as a whole, the Group has determined that it only has one operating segment during the Track Record Period.

(ii) Geographic information

The geographical location of the Group's revenue from external customers are set out in the Note 4(a)(i). The geographical location of customers is based on the location at which the goods delivered or the services were provided. The Group's non-current assets, including property and equipment and intangible assets are all located in the PRC, and accordingly, no geographical information of non-current assets is presented.

5 OTHER NET INCOME

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Government grants	2,771	3,538	6,217	195	836
Investment income	10,700	9,219	6,603	3,013	675
Value added tax and other tax refund	3,150	2,364	5,403	1,401	1,975
Interest income	407	3,193	3,013	1,362	1,681
Net gains/(losses) on disposal of property and equipment	58	179	151	78	(62)
Others	(1,277)	325	620	416	181
	15,809	18,818	22,007	6,465	5,286

6 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

(a) Finance costs

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Interest on bank loans	43	312	113	43	–
Interest on lease liabilities	1,038	245	54	26	23
	1,081	557	167	69	23

(b) Staff costs

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Salaries, wages and other benefits	185,093	108,837	98,562	38,186	40,861
Contributions to defined contribution retirement plan *(Note)*	15,478	10,878	9,324	3,855	4,090
Share-based payments expenses *(Note 26)*	–	12,558	22,297	9,072	20,306
	200,571	132,273	130,183	51,113	65,257

Note: The employees of the subsidiaries of the Group participate in defined contribution retirement benefit scheme managed by the local government authorities, whereby these subsidiaries are required to contribute to the schemes during the Track Record Period. Employees of these subsidiaries are entitled to retirement benefits, calculated based on a percentage of the average salaries level in the PRC, from the above-mentioned retirement scheme at their normal retirement age.

The Group has no further obligation for payment of other retirement benefits beyond the above contributions. Contributions to the scheme vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

(c) Other items

	Note	Year ended December 31,			Five months ended May 31,	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Cost of inventories	*14*	85,309	71,234	106,876	32,063	41,077
Depreciation charge	*11*					
– owned property and equipment		2,349	3,755	5,127	1,868	2,556
– right-of-use assets		10,930	4,177	3,001	1,257	559
Amortization of intangible assets	*12*	1,136	1,136	1,136	474	474
Listing expenses		–	–	3,238	–	16,838
Increase in warranty liabilities	*20*	4,728	5,492	6,349	1,253	1,920

7 INCOME TAX

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

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Loss before taxation	(365,420)	(264,523)	(184,963)	(83,968)	(118,347)
National tax on loss before taxation at PRC statutory tax rate *(Note (i))*	(91,355)	(66,131)	(46,241)	(20,992)	(29,587)
Effect of additional deduction on research and development expenses *(Note (ii))*	(12,448)	(10,786)	(13,236)	(5,230)	(5,959)
Effect of preferential tax rate *(Note (ii))*	24,718	14,315	5,675	2,770	5,474
Tax effect of non-deductible expenses *(Note (iii))*	32,392	34,365	36,432	16,790	19,182
Tax effect of unused tax losses and temporary differences not recognized	46,693	28,237	17,370	6,662	10,890
Income tax	–	–	–	–	–

Notes:

(i) The Company and the subsidiaries of the Group established in the PRC are subject to PRC Corporate Income Tax rate of 25% during the Track Record Period.

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

The Company qualifies as an HNTE and is entitled for a preferential tax rate of 15% from 2020 to 2026. Shanghai Renyun Technology Co., Ltd. qualifies as an HNTE and is entitled for a preferential tax rate of 15% from 2021 to 2027. In addition to the preferential PRC Corporate Income Tax rate, the above two entities are also entitled to an additional tax deductible allowance calculated at 100% of their qualified research and development costs incurred in corresponding period, other subsidiaries are entitled to an additional tax deductible allowance calculated at 75% of their qualified research and development costs incurred before October 1, 2022, and at 100% of qualified research and development costs incurred from October 1, 2022.

(iii) Tax effect of non-deductible expenses mainly represent the changes in the carrying amount of redemption liabilities, share-based payments expenses and certain other costs and expenses, which all are not deductible in accordance with relevant tax regulations in the PRC.

(b) Deferred tax assets not recognized

The Group has not recognized deferred tax assets in respect of cumulative tax losses RMB716 million, RMB897 million, RMB971 million and RMB983 million as at December 31, 2022, 2023 and 2024 and May 31, 2025, respectively, as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity.

8 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Details of emoluments of directors and supervisors are as follows:

	Year ended December 31, 2022						
	Director's fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Share-based payments expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(Note ii)*	*RMB'000*
Executive directors							
Ms. Zhi Tao	–	1,611	–	58	1,669	–	1,669
Mr. Hu Quan	–	1,575	–	58	1,633	–	1,633
Mr. Li Quanyin	–	1,277	–	96	1,373	–	1,373
	–	4,463	–	212	4,675	–	4,675
Non-executive directors							
Ms. Ma Hong	–	–	–	–	–	–	–
Mr. Wu Minghui	–	–	–	–	–	–	–
Ms. Ma Lan *(Note (i))*	–	–	–	–	–	–	–
Mr. Tu Hongchuan *(Note (i))*	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
Independent non-executive directors							
Mr. Wang Dong	150	–	–	–	150	–	150
Mr. Xie Daxin	150	–	–	–	150	–	150
Mr. Zhang Lihua	150	–	–	–	150	–	150
	450	–	–	–	450	–	450
Supervisors							
Ms. Ai Baoshu	–	593	–	–	593	–	593
Mr. Xue Jinlong	–	472	–	58	530	–	530
Mr. Yu Junjie	–	–	–	–	–	–	–
	–	1,065	–	58	1,123	–	1,123
	450	5,528	–	270	6,248	–	6,248

	Year ended December 31, 2023						
	Director's fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Share-based payments expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(Note ii)*	*RMB'000*
Executive directors							
Ms. Zhi Tao	–	834	–	63	897	199	1,096
Mr. Hu Quan	–	812	–	63	875	199	1,074
Mr. Li Quanyin	–	955	–	63	1,018	–	1,018
	–	2,601	–	189	2,790	398	3,188
Non-executive directors							
Ms. Ma Hong	–	–	–	–	–	–	–
Mr. Wu Minghui	–	–	–	–	–	–	–
Ms. Ma Lan *(Note (i))*	–	–	–	–	–	–	–
	–	–	–	–	–	–	–

	Year ended December 31, 2023						
	Director's fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Share-based payments expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(Note ii)*	*RMB'000*
Independent non-executive directors							
Mr. Wang Dong	150	–	–	–	150	–	150
Mr. Xie Daxin	150	–	–	–	150	–	150
Mr. Zhang Lihua	150	–	–	–	150	–	150
	450	–	–	–	450	–	450
Supervisors							
Ms. Ai Baoshu	–	555	–	–	555	295	850
Mr. Xue Jinlong	–	463	–	63	526	60	586
Mr. Yu Junjie	–	–	–	–	–	–	–
	–	1,018	–	63	1,081	355	1,436
	450	3,619	–	252	4,321	753	5,074

	Year ended December 31, 2024						
	Director's fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Share-based payments expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(Note ii)*	*RMB'000*
Executive directors							
Ms. Zhi Tao	–	1,560	500	66	2,126	341	2,467
Mr. Hu Quan	–	1,518	500	66	2,084	341	2,425
Mr. Li Quanyin	–	1,338	280	66	1,684	–	1,684
	–	4,416	1,280	198	5,894	682	6,576
Non-executive directors							
Ms. Ma Hong	–	–	–	–	–	–	–
Mr. Wu Minghui	–	–	–	–	–	–	–
Ms. Ma Lan *(Note (i))*	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
Independent non-executive directors							
Mr. Wang Dong	–	–	–	–	–	–	–
Mr. Xie Daxin	–	–	–	–	–	–	–
Mr. Zhang Lihua	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
Supervisors							
Ms. Ai Baoshu	–	438	58	–	496	505	1,001
Mr. Xue Jinlong	–	458	52	62	572	103	675
Mr. Yu Junjie	–	–	–	–	–	–	–
	–	896	110	62	1,068	608	1,676
	–	5,312	1,390	260	6,962	1,290	8,252

	Five months ended May 31, 2025						
	Director's fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Share-based payments expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(Note ii)*	*RMB'000*
Executive Directors							
Ms. Zhi Tao	–	646	160	28	834	141	975
Mr. Hu Quan	–	625	–	28	653	141	794
Mr. Li Quanyin	–	627	160	28	815	86	901
	–	1,898	320	84	2,302	368	2,670
Non-executive directors							
Ms. Ma Hong	–	–	–	–	–	–	–
Mr. Wu Minghui	–	–	–	–	–	–	–
Ms. Ma Lan *(Note (i))*	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
Independent non-executive directors							
Mr. Wang Dong *(Note (iii))*	–	–	–	–	–	–	–
Mr. Xie Daxin *(Note (iii))*	–	–	–	–	–	–	–
Mr. Zhang Lihua	31	–	–	–	31	–	31
Mr. Lai Yung Yuet *(Note (iii))*	31	–	–	–	31	–	31
Mr. Wang Fangjun *(Note (iii))*	47	–	–	–	47	–	47
	109	–	–	–	109	–	109
Supervisors							
Mr. Ai Baoshu	–	187	18	–	205	208	413
Mr. Xue Jinlong	–	186	23	25	234	76	310
Mr. Yu Junjie	–	–	–	–	–	–	–
	–	373	41	25	439	284	723
	109	2,271	361	109	2,850	652	3,502

	Five months ended May 31, 2024 (unaudited)						
	Director's fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Subtotal	Share-based payments expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(Note ii)*	*RMB'000*
Executive Directors							
Ms. Zhi Tao	–	640	111	27	778	142	920
Mr. Hu Quan	–	623	111	27	761	141	902
Mr. Li Quanyin	–	540	85	27	652	–	652
	–	1,803	307	81	2,191	283	2,474
Non-executive directors							
Ms. Ma Hong	–	–	–	–	–	–	–
Mr. Wu Minghui	–	–	–	–	–	–	–
Ms. Ma Lan *(Note (i))*	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
Independent non-executive directors							
Mr. Wang Dong	–	–	–	–	–	–	–
Mr. Xie Daxin	–	–	–	–	–	–	–
Mr. Zhang Lihua	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
Supervisors							
Mr. Ai Baoshu	–	186	27	–	213	210	423
Mr. Xue Jinlong	–	190	21	27	238	43	281
Mr. Yu Junjie	–	–	–	–	–	–	–
	–	376	48	27	451	253	704
	–	2,179	355	108	2,642	536	3,178

Notes:

(i) Mr. Tu Hongchuan resigned as a non-executive director on June 30, 2022. Ms. Ma Lan was appointed as a non-executive director on the same day and resigned on February 6, 2025.

(ii) These represent the estimated value of share awards granted to the directors and supervisors under the Group's share award plan. The value of share awards is measured according to the Group's accounting policies for share-based payments transactions as set out in Note 2(o)(ii) and in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of awarded shares are forfeited prior to vesting. The details of these benefits in kind, including the principal terms and number of awarded shares granted, are disclosed in Note 26.

(iii) Mr. Wang Dong and Mr. Xie Daxin resigned as independent non-executive directors on February 6, 2025, and Mr. Lai Yung Yuet and Mr. Wang Fangjun were appointed as independent non-executive directors on the same day.

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

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

The number of directors and other employees included in the five highest paid individuals for the years ended December 31, 2022, 2023 and 2024 and five months ended May 31, 2024 and 2025 are set forth below:

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	Number of individuals	*Number of individuals*	*Number of individuals*	*Number of individuals* *(unaudited)*	*Number of individuals*
Directors	2	–	2	1	1
Other employees	3	5	3	4	4

The emoluments of the directors are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining highest paid individuals, are as follows:

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	4,972	5,152	3,668	2,007	1,990
Discretionary bonuses	–	–	720	252	301
Share-based payments expenses *(Note 26)*	–	9,384	14,933	6,593	6,843
Retirement scheme contributions	167	325	203	189	109
	5,139	14,861	19,524	9,041	9,243

The emoluments of the individuals who are not directors or supervisors and who are amongst the five highest paid individuals of the Group are within the following bands:

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	Number of individuals	*Number of individuals*	*Number of individuals*	*Number of individuals (unaudited)*	*Number of individuals*
HK$1,000,001 – HK$1,500,000 . .	–	1	–	2	1
HK$1,500,001 – HK$2,000,000 . .	2	1	–	–	1
HK$2,000,001 – HK$2,500,000 . .	1	1	–	1	1
HK$3,500,001 – HK$4,000,000 . .	–	1	1	–	–
HK$4,500,001 – HK$5,000,000 . .	–	–	–	–	1
HK$5,000,001 – HK$5,500,000 . .	–	–	1	1	–
HK$7,500,001 – HK$8,000,000 . .	–	1	–	–	–
HK$12,000,001 – HK$12,500,000 .	–	–	1	–	–

During the Track Record Period, no emoluments were paid by the Group to these individuals as an inducement to join or upon joining the Group or as compensation for loss of office in connection with the management of the affairs of any member of the Group.

10 LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share during the Track Record Period is based on the loss attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue.

Loss for the year attributable to ordinary shareholders of the Company

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss for the year/period attributable to all equity shareholders of the Company . .	(365,420)	(264,523)	(184,963)	(83,968)	(118,118)
Allocation of loss for the year/period attributable to the ordinary shares with redemption rights *(Note 24)*	250,487	181,325	126,788	57,558	80,967
Loss for the year/period attributable to ordinary equity shareholders of the Company . .	(114,933)	(83,198)	(58,175)	(26,410)	(37,151)

Weighted average number of ordinary shares

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	No. of shares '000	*No. of shares '000*	*No. of shares '000*	*No. of shares '000 (unaudited)*	*No. of shares '000*
Issued ordinary shares at the beginning of the year/period . .	61,818	61,818	61,818	61,818	61,818
Effect of ordinary shares with redemption rights *(Note 24)*	(42,375)	(42,375)	(42,375)	(42,375)	(42,375)
Weighted average number of ordinary shares at the end of the year/period.	19,443	19,443	19,443	19,443	19,443

(b) Diluted loss per share

Ordinary shares issued to investors with redemption rights (Note 24) were not included in the calculation of diluted loss per share as their inclusion would have been anti-dilutive. Accordingly, diluted loss per share were the same as basic loss per share for the respective years/periods.

11 PROPERTY AND EQUIPMENT

The Group

	Office equipment, furniture and fixtures	Machinery and production equipment	Leasehold improvement	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:					
At January 1, 2022	3,394	4,638	–	32,221	40,253
Additions	840	6,129	–	3,640	10,609
Disposals	(436)	(16)	–	(11,112)	(11,564)
At December 31, 2022 and January 1, 2023	3,798	10,751	–	24,749	39,298
Additions	105	6,314	962	6,434	13,815
Disposals	(316)	(2,081)	–	(23,490)	(25,887)
At December 31, 2023 and January 1, 2024	3,587	14,984	962	7,693	27,226
Additions	263	9,820	–	–	10,083
Lease modification	–	–	–	(561)	(561)
Disposals	(240)	(862)	–	(2,958)	(4,060)
At December 31, 2024 and January 1, 2025	3,610	23,942	962	4,174	32,688
Additions	156	1,503	–	1,762	3,421
Disposals	–	(1,858)	(962)	(2,915)	(5,735)
At May 31, 2025	3,766	23,587	–	3,021	30,374
Accumulated depreciation:					
At 1 January 2022	(1,764)	(1,070)	–	(2,428)	(5,262)
Charge for the year	(750)	(1,599)	–	(10,930)	(13,279)
Written back on disposal	375	5	–	5,363	5,743
At December 31, 2022 and January 1, 2023	(2,139)	(2,664)	–	(7,995)	(12,798)
Charge for the year	(775)	(2,543)	(437)	(4,177)	(7,932)
Written back on disposal	282	1,108	–	8,410	9,800
At December 31, 2023 and January 1, 2024	(2,632)	(4,099)	(437)	(3,762)	(10,930)
Charge for the year	(566)	(4,036)	(525)	(3,001)	(8,128)
Written back on disposals	206	142	–	2,958	3,306
At December 31, 2024 and January 1, 2025	(2,992)	(7,993)	(962)	(3,805)	(15,752)
Charge for the period	(150)	(2,406)	–	(559)	(3,115)
Written back on disposals	–	667	962	2,915	4,544
At May 31, 2025	(3,142)	(9,732)	–	(1,449)	(14,323)
Net book value:					
At December 31, 2022	1,659	8,087	–	16,754	26,500
At December 31, 2023	955	10,885	525	3,931	16,296
At December 31, 2024	618	15,949	–	369	16,936
At May 31, 2025	624	13,855	–	1,572	16,051

The Company

	Office equipment, furniture and fixtures	Machinery and production equipment	Leasehold improvement	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:					
At January 1, 2022	1,589	2,349	–	20,736	24,674
Additions	410	3,754	–	–	4,164
Disposals	(4)	(11)	–	–	(15)
At December 31, 2022 and January 1, 2023	1,995	6,092	–	20,736	28,823
Additions	105	4,743	962	5,681	11,491
Disposals	(264)	(113)	–	(20,736)	(21,113)
At December 31, 2023 and January 1, 2024	1,836	10,722	962	5,681	19,201
Additions	261	8,792	–	–	9,053
Lease modification	–	–	–	(561)	(561)
Disposals	(161)	(697)	–	(2,958)	(3,816)
At December 31, 2024 and January 1, 2025	1,936	18,817	962	2,162	23,877
Additions	156	1,496	–	–	1,652
Disposals	–	(1,408)	(962)	(2,162)	(4,532)
At May 31, 2025	2,092	18,905	–	–	20,997
Accumulated depreciation:					
At 1 January 2022	(1,008)	(651)	–	–	(1,659)
Charge for the year	(327)	(746)	–	(6,912)	(7,985)
Written back on disposal	2	3	–	–	5
At December 31, 2022 and January 1, 2023	(1,333)	(1,394)	–	(6,912)	(9,639)
Charge for the year	(327)	(1,308)	(437)	(3,128)	(5,200)
Written back on disposal	237	18	–	7,200	7,455
At December 31, 2023 and January 1, 2024	(1,423)	(2,684)	(437)	(2,840)	(7,384)
Charge for the year	(255)	(2,936)	(525)	(2,190)	(5,906)
Written back on disposals	131	120	–	2,958	3,209
At December 31, 2024 and January 1, 2025	(1,547)	(5,500)	(962)	(2,072)	(10,081)
Charge for the period	(92)	(1,829)	–	(90)	(2,011)
Written back on disposals	–	378	962	2,162	3,502
At May 31, 2025	(1,639)	(6,951)	–	–	(8,590)
Net book value:					
At December 31, 2022	662	4,698	–	13,824	19,184
At December 31, 2023	413	8,038	525	2,841	11,817
At December 31, 2024	389	13,317	–	90	13,796
At May 31, 2025	453	11,954	–	–	12,407

The analysis of expense items in relation to leases recognized in the Group's profit or loss is as follows:

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Depreciation charge of right-of-use assets.	10,930	4,177	3,001	1,257	559
Expense relating to short-term leases	2,574	2,103	1,543	795	1,105
Interest on lease liabilities *(Note 6(a))*	1,038	245	54	26	23

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 18(e) and 23, respectively.

12 INTANGIBLE ASSETS

The Group and The Company

	Software and copyrights
	RMB'000
Cost:	
At January 1, 2022	2,851
Additions	2,830
At December 31, 2022, 2023 and 2024 and May 31, 2025	5,681
Accumulated amortization:	
At January 1, 2022	(143)
Charge for the year	(1,136)
At December 31, 2022 and January 1, 2023	(1,279)
Charge for the year	(1,136)
At December 31, 2023 and January 1, 2024	(2,415)
Charge for the year	(1,136)
At December 31, 2024 and January 1, 2025	(3,551)
Charge for the period.	(474)
At May 31, 2025	(4,025)
Net book value:	
At December 31, 2022	4,402
At December 31, 2023	3,266
At December 31, 2024	2,130
At May 31, 2025	1,656

The amortization charge for the Track Record Period is included in "Research and development expenses" and "Cost of sales" in the consolidated statements of profit or loss and other comprehensive income.

13 INTEREST IN SUBSIDIARIES

The Company

	As at December 31,			As at May 31, 2025
	2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investments in subsidiaries, at cost	58,983	58,983	67,588	70,391
Amounts due from subsidiaries (*Note*)	272,132	297,617	336,038	347,849
	331,115	356,600	403,626	418,240

Note:

Amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment. The directors regard the amounts as non-current as they do not intend to request repayment of the amounts within twelve months from the end of the reporting period.

14 INVENTORIES

The Group

	As at December 31,			As at May 31, 2025
	2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Finished goods	48,196	37,647	36,505	34,463
Work in progress	1,994	3,907	833	1,674
Raw materials	21,454	17,982	13,371	12,848
	71,644	59,536	50,709	48,985
Less: Write down of inventories	(2,937)	(1,281)	(1,943)	(2,640)
	68,707	58,255	48,766	46,345

The analysis of the amount of inventories recognized as an expense and included in profit or loss of the Group is as follows:

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Carrying amount of inventories sold	85,092	70,345	106,214	31,757	40,380
Write down of inventories	217	889	662	306	697
	85,309	71,234	106,876	32,063	41,077

The Company

	As at December 31,			As at May 31, 2025
	2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Finished goods	46,015	35,963	32,474	30,597
Work in progress	1,994	3,903	833	1,674
Raw materials	21,453	16,139	13,160	12,549
	69,462	56,005	46,467	44,820
Less: Write down of inventories	(2,900)	(1,244)	(1,906)	(2,603)
	66,562	54,761	44,561	42,217

15 TRADE RECEIVABLES

The Group

	As at December 31,			As at May 31, 2025
	2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables from:				
– Third parties	61,883	31,541	79,767	71,664
Less: loss allowance	(19,480)	(15,017)	(18,608)	(18,290)
	42,403	16,524	61,159	53,374

The Company

	As at December 31,			As at May 31, 2025
	2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables from:				
– Third parties	61,198	31,281	76,504	68,315
Less: loss allowance	(19,431)	(14,925)	(17,977)	(17,352)
	41,767	16,356	58,527	50,963

All of the trade receivables are expected to be recovered within one year.

Aging analyses

As at the end of each reporting period, the aging analysis of trade receivables, based on the invoice date, is as follows:

The Group

	As at December 31,			As at May 31, 2025
	2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	41,958	17,192	74,337	66,147
1 to 2 years	19,925	14,349	5,430	5,517
	61,883	31,541	79,767	71,664

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 28(a).

The Company

	As at December 31,			As at May 31, 2025
	2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	41,390	17,061	71,342	63,476
1 to 2 years	19,808	14,220	5,162	4,839
	61,198	31,281	76,504	68,315

16 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The Group

	As at December 31,			As at May 31, 2025
	2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments for inventories and services	4,726	4,057	5,843	9,556
Prepayments for costs incurred in connection with the proposed initial public offering *(Note (ii))*	–	–	786	4,277
	4,726	4,057	6,629	13,833
Deductible value-added tax	14,430	13,807	6,619	5,535
Deposits	5,866	3,716	3,796	4,533
Others	1,878	1,090	1,608	2,222
	22,174	18,613	12,023	12,290
Total	26,900	22,670	18,652	26,123

The Company

	As at December 31,			As at May 31, 2025
	2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Prepayments for inventories and services	4,164	3,594	3,867	7,665
Prepayments for costs incurred in connection with the proposed initial public offering *(Note (ii))*	–	–	786	4,277
	4,164	3,594	4,653	11,942
Deductible value-added tax	11,461	9,325	1,023	504
Deposits	5,183	3,404	3,556	4,098
Others	860	730	1,228	1,595
	17,504	13,459	5,807	6,197
Total	21,668	17,053	10,460	18,139

Notes:

(i) All of the prepayments, deposits and other receivables are expected to be recovered or recognized as expenses or transferred to equity within one year.

(ii) The balances will be transferred to the capital reserve account within equity upon the listing of the Company's H shares on the Stock Exchange.

17 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at December 31,			As at May 31, 2025
	2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management products *(Note (i))*	307,276	113,629	141,928	25,021

The Company

	As at December 31,			As at May 31, 2025
	2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Wealth management products *(Note (i))*	272,189	113,629	141,928	25,021

Note:

(i) As at December 31, 2022, 2023 and 2024 and May 31, 2025, the wealth management products were issued by reputable financial institutions in the PRC. The principal amount and expected returns of these wealth management products are not guaranteed. Further information on the fair value measurement is disclosed in Note 28(e).

18 CASH AND CASH EQUIVALENTS, TIME DEPOSITS, RESTRICTED CASH AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents

The Group

	As at December 31,			As at May 31, 2025
	2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at bank balances	117,051	184,966	127,357	85,568
Less: restricted cash *(Note)*	5,395	10,833	21,876	10,433
Cash and cash equivalents	111,656	174,133	105,481	75,135

The Company

	As at December 31,			As at May 31, 2025
	2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash at bank balances	114,541	179,675	122,665	83,641
Less: restricted cash *(Note)*	5,395	10,832	21,876	10,433
Cash and cash equivalents	109,146	168,843	100,789	73,208

Note:

As at December 31, 2022, 2023, 2024 and May 31, 2025, restricted cash was mainly held at bank as security deposits for bank acceptance bills.

(b) Time deposits with bank

The Group and The Company

	As at December 31,			As at May 31, 2025
	2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Time deposits:				
– Current	54,123	20,000	30,769	84,947
– Non-current	–	81,585	63,230	101,453
	54,123	101,585	93,999	186,400

(c) Reconciliation of loss before taxation to cash used in operations

	Note	Year ended December 31,			Five months ended May 31,	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss before taxation		(365,420)	(264,523)	(184,963)	(83,968)	(118,347)
Adjustments for:						
Amortization and depreciation	*11&12*	14,415	9,068	9,264	3,599	3,589
Impairment loss on trade receivables		10,075	7,647	9,657	1,760	3,862
Impairment loss on inventories . . .	*14*	217	889	662	306	697
Finance costs	*6(a)*	1,081	557	167	69	23
Equity settled share-based payment expenses	*6(b)*	–	12,558	22,297	9,072	20,306

	Note	Year ended December 31,			Five months ended May 31,	
		2022	2023	2024	2024	2025
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Changes in the carrying amount of redemption liabilities	*24*	131,508	131,508	131,869	54,765	54,405
(Gain)/loss on disposal of property and equipment	*5*	(58)	(179)	(151)	(78)	62
Investment income	*5*	(10,700)	(9,219)	(6,603)	(3,013)	(675)
Interest income		(123)	(2,677)	(2,824)	(1,239)	(1,627)
Foreign exchange loss		–	–	–	–	15
Changes in working capital:						
(Increase)/decrease in restricted cash		(3,147)	(5,438)	(11,043)	1,002	11,443
Decrease/(increase) in trade receivables		9,427	18,238	(54,292)	(7,600)	3,923
(Increase)/decrease in prepayments, deposits and other receivables		(17,030)	4,423	4,055	1,110	(4,547)
(Decrease)/increase in trade and bills payables		(10,418)	10,257	19,379	(7,883)	(15,616)
Increase/(decrease) in other payables and accruals		16,483	(4,344)	14,669	(177)	(3,078)
(Decrease)/increase in contract liabilities		(9,041)	7,707	4,221	2,017	(8,439)
Increase/(decrease) in deferred income		19,060	(400)	(4,197)	803	(707)
Decrease in inventories		43,279	7,558	6,351	9,899	1,724
Cash used in operations		(170,392)	(76,370)	(41,482)	(19,556)	(52,987)

(d) Reconciliation of liabilities arising from financing activities

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

	Bank loans	Lease liabilities	Redemption liabilities	Other payables and accruals	Total
	RMB'000 *(Note 22)*	*RMB'000* *(Note 23)*	*RMB'000* *(Note 24)*	*RMB'000*	*RMB'000*
At January 1, 2022	–	29,357	1,475,435	898	1,505,690
Changes from financing cash flows:					
Proceeds from new bank loans	15,000	–	–	–	15,000
Interest paid	(35)	–	–	–	(35)
Capital element of lease rentals paid	–	(10,168)	–	–	(10,168)
Interest element of lease rentals paid	–	(1,038)	–	–	(1,038)
Total changes from financing cash flows	14,965	(11,206)	–	–	3,759
Other changes:					
Increase in lease liabilities from entering into new leases during the year	–	3,640	–	–	3,640
Decrease in lease liabilities from termination of leases	–	(5,851)	–	–	(5,851)
Changes in the carrying amount of redemption liabilities	–	–	131,508	–	131,508
Interest on lease liabilities *(Note 6(a))*	–	1,038	–	–	1,038
Interest expenses *(Note 6(a))*	43	–	–	–	43
Total other changes	43	(1,173)	131,508	–	130,378
At December 31, 2022	15,008	16,978	1,606,943	898	1,639,827

	Bank loans	Lease liabilities	Redemption liabilities	Other payables and accruals	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 22)	*(Note 23)*	*(Note 24)*		
At January 1, 2023	15,008	16,978	1,606,943	898	1,639,827
Changes from financing cash flows:					
Proceeds from new bank loans	5,000	–	–	–	5,000
Repayment of bank loans	(15,000)	–	–	–	(15,000)
Interest paid	(320)	–	–	–	(320)
Capital element of lease rentals paid	–	(3,806)	–	–	(3,806)
Interest element of lease rentals paid	–	(245)	–	–	(245)
Total changes from financing cash flows	(10,320)	(4,051)	–	–	(14,371)
Other changes:					
Increase in lease liabilities from entering into new leases during the year	–	6,434	–	–	6,434
Decrease in lease liabilities from termination of leases	–	(15,613)	–	–	(15,613)
Changes in the carrying amount of redemption liabilities	–	–	131,508	–	131,508
Interest on lease liabilities *(Note 6(a))*	–	245	–	–	245
Interest expenses *(Note 6(a))*	312	–	–	–	312
Total other changes	312	(8,934)	131,508	–	122,886
At December 31, 2023	5,000	3,993	1,738,451	898	1,748,342

	Bank loans	Lease liabilities	Redemption liabilities	Other payables and accruals	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 22)	*(Note 23)*	*(Note 24)*		
At January 1, 2024	5,000	3,993	1,738,451	898	1,748,342
Changes from financing cash flows:					
Repayment of bank loans	(5,000)	–	–	–	(5,000)
Interest paid	(113)	–	–	–	(113)
Repayment of advance received from a related party	–	–	–	(898)	(898)
Capital element of lease rentals paid	–	(2,827)	–	–	(2,827)
Interest element of lease rentals paid	–	(54)	–	–	(54)
Total changes from financing cash flows	(5,113)	(2,881)	–	(898)	(8,892)
Other changes:					
Decrease in lease liabilities from lease modification	–	(814)	–	–	(814)
Changes in the carrying amount of redemption liabilities	–	–	131,869	–	131,869
Interest on lease liabilities *(Note 6(a))*	–	54	–	–	54
Interest expenses *(Note 6(a))*	113	–	–	–	113
Total other changes	113	(760)	131,869	–	131,222
At December 31, 2024	–	352	1,870,320	–	1,870,672

	Lease liabilities	Redemption liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*
	(Note 23)	*(Note 24)*	
At January 1, 2025	352	1,870,320	1,870,672
Changes from financing cash flows:			
Capital element of lease rentals paid	(584)	–	(584)
Interest element of lease rentals paid	(23)	–	(23)
Total changes from financing cash flows	(607)	–	(607)
Other changes:			
Increase in lease liabilities from entering into new leases during the period	1,762	–	1,762
Changes in the carrying amount of redemption liabilities	–	54,405	54,405
Interest on lease liabilities *(note 6(a))*	23	–	23
Total other changes	1,785	54,405	56,190
At May 31, 2025	1,530	1,924,725	1,926,255

	Bank loans	Lease liabilities	Redemption liabilities	Other payables and accruals	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 22)	*(Note 23)*	*(Note 24)*		
(unaudited)					
At January 1, 2024	5,000	3,993	1,738,451	898	1,748,342
Changes from financing cash flows:					
Interest paid	(18)	–	–	–	(18)
Capital element of lease rentals paid	–	(1,391)	–	–	(1,391)
Interest element of lease rentals paid	–	(26)	–	–	(26)
Total changes from financing cash flows	(18)	(1,417)	–	–	(1,435)
Other changes:					
Decrease in lease liabilities from lease modification	–	(814)	–	–	(814)
Changes in the carrying amount of redemption liabilities	–	–	54,765	–	54,765
Interest on lease liabilities *(note 6(a))*	–	26	–	–	26
Interest expenses *(note 6(a))*	43	–	–	–	43
Total other changes	43	(788)	54,765	–	54,020
At May 31, 2024	5,025	1,788	1,793,216	898	1,800,927

(e) Total cash outflow for leases

Amounts included in the consolidated statements of cash flows for leases represent lease rental paid and comprise the following:

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Within operating cash flows	(2,574)	(2,103)	(1,543)	(795)	(1,105)
Within financing cash flows	(11,206)	(4,051)	(2,881)	(1,417)	(607)
	(13,780)	(6,154)	(4,424)	(2,212)	(1,712)

19 TRADE AND BILLS PAYABLES

The Group

	As at December 31,			As at May 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables				
– Third parties	9,912	15,947	21,684	15,736
Bills payable	11,204	15,426	29,068	19,400
	21,116	31,373	50,752	35,136

The Company

	As at December 31,			As at May 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables				
– Third parties	8,204	14,580	21,248	15,390
Bills payable	11,204	15,426	29,068	19,400
	19,408	30,006	50,316	34,790

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

The Group

	As at December 31,			As at May 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year or on demand	21,116	31,373	50,752	35,136

The Company

	As at December 31,			As at May 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within one year or on demand	19,408	30,006	50,316	34,790

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

20 OTHER PAYABLES AND ACCRUALS

The Group

	As at December 31,			As at May 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payroll and welfare payable	13,828	8,054	17,331	11,821
Payables for services	4,959	3,449	6,808	9,405
Deposits and others	4,804	7,506	4,792	4,346
Financial liabilities measured at amortized cost	23,591	19,009	28,931	25,572
Value added tax and other tax payables	6,293	6,827	7,547	7,129
Refund liabilities *(Note (iii))*	2,414	2,061	4,127	5,168
Warranty liabilities *(Note (ii))*	2,364	2,480	3,543	3,201
	34,662	30,377	44,148	41,070

The Company

	As at December 31,			As at May 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Payroll and welfare payable	9,467	5,705	13,619	9,398
Payables for services	4,008	2,353	4,914	8,204
Deposits and others	3,238	3,575	2,168	2,717
Financial liabilities measured at amortized cost	16,713	11,633	20,701	20,319
Value added tax and other tax payables	5,425	6,040	7,035	6,477
Refund liabilities *(Note (iii))*	2,315	2,022	4,046	5,106
Warranty liabilities *(Note (ii))*	2,268	2,436	3,469	3,164
	26,721	22,131	35,251	35,066

Notes:

(i) All of the other payables and accruals are expected to be settled within one year or are repayable on demand.

(ii) Movement of provision for warranties is as below:

The Group

	Year ended December 31,			Five months ended May 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	3,628	2,364	2,480	3,543
Additional provisions made	4,728	5,492	6,349	1,920
Provisions utilized	(5,992)	(5,376)	(5,286)	(2,262)
At the end of the year/period	2,364	2,480	3,543	3,201

The Company

	Year ended December 31,			Five months ended May 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	3,628	2,268	2,436	3,469
Additional provisions made	2,388	2,793	4,980	1,597
Provisions utilized	(3,748)	(2,625)	(3,947)	(1,902)
At the end of the year/period	2,268	2,436	3,469	3,164

Under the terms of the Group's sales agreements, the Group will rectify any product defects mainly arising within 12 months of the date of sales. Provision is therefore made for the best estimate of the expected settlement under these agreements in respect of sales made within the 12 months prior to the end of each reporting period. The amount of provision takes into account the Group's recent experience and is only made where a warranty claim is probable.

(iii) Movement of refund liabilities is as below:

The Group

	Year ended December 31,			Five months ended May 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	3,704	2,414	2,061	4,127
Additional provisions made	2,208	2,269	3,023	1,750
Provisions utilized	(3,498)	(2,622)	(957)	(709)
At the end of the year/period	2,414	2,061	4,127	5,168

The Company

	Year ended December 31,			Five months ended May 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period	3,624	2,315	2,022	4,046
Additional provisions made	2,046	2,215	2,937	1,727
Provisions utilized	(3,355)	(2,508)	(913)	(667)
At the end of the year/period	2,315	2,022	4,046	5,106

21 CONTRACT LIABILITIES

The Group

	As at December 31,			As at May 31, 2025
	2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities				
Current				
– Billing in advance of performance . . .	33,738	40,351	44,718	35,683
Non-current				
– Billing in advance of performance . . .	3,948	5,042	4,896	5,492
	37,686	45,393	49,614	41,175

The Company

	As at December 31,			As at May 31, 2025
	2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contract liabilities				
Current				
– Billing in advance of performance . . .	32,154	39,133	44,368	35,443
Non-current				
– Billing in advance of performance . . .	3,948	5,042	4,896	5,492
	36,102	44,175	49,264	40,935

Movements in contract liabilities are as below:

The Group

	Year ended December 31,			Five months ended May 31, 2025
	2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at the beginning of the year/period	42,115	37,686	45,393	49,614
Decrease in contract liabilities as a result of recognizing revenue during the year/period that was included in the contract liabilities at the beginning of the year/period	(34,525)	(32,920)	(39,491)	(20,742)
Increase in contract liabilities as a result of billing in advance of performance .	30,096	40,627	43,712	12,303
Balance at the end of the year/period. . .	37,686	45,393	49,614	41,175

The Company

	Year ended December 31,			Five months ended May 31, 2025
	2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at the beginning of the year/period	40,032	36,102	44,175	49,264
Decrease in contract liabilities as a result of recognizing revenue during the year/period that was included in the contract liabilities at the beginning of the year/period	(32,531)	(31,417)	(38,270)	(20,485)
Increase in contract liabilities as a result of billing in advance of performance	28,601	39,490	43,359	12,156
Balance at the end of the year/period	36,102	44,175	49,264	40,935

All of the current contract liabilities are expected to be recognized as income within one year.

22 BANK LOANS

At December 31, 2022 and 2023, the bank loans were all unsecured and repayable within 1 year.

During the years ended December 31, 2022 and 2023, the bank loans bear interest ranging from 2.50% to 2.80% per annum and 2.65% per annum, respectively.

23 LEASE LIABILITIES

The lease liabilities were repayable as follows as of the end of each reporting period:

The Group

	As at December 31,			As at May 31, 2025
	2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	8,778	3,775	352	593
After 1 year but within 2 years	7,982	218	–	595
After 2 years but within 5 years	218	–	–	342
	8,200	218	–	937
	16,978	3,993	352	1,530

The Company

	As at December 31,			As at May 31, 2025
	2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	7,147	2,972	–	–
After 1 year but within 2 years	6,736	–	–	–
	13,883	2,972	–	–

24 REDEMPTION LIABILITIES

The Group and the Company

	As at December 31,			As at May 31, 2025
	2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Redemption liabilities	1,606,943	1,738,451	1,870,320	1,924,725

The movements of the redemption liabilities during the Track Record Period are set out below:

The Group and the Company

	Redemption liabilities
	RMB'000
At January 1, 2022	1,475,435
Changes in the carrying amount of redemption liabilities	131,508
At December 31, 2022 and January 1, 2023	1,606,943
Changes in the carrying amount of redemption liabilities	131,508
At December 31, 2023 and January 1, 2024	1,738,451
Changes in the carrying amount of redemption liabilities	131,869
At December 31, 2024 and January 1, 2025	1,870,320
Changes in the carrying amount of redemption liabilities	54,405
At May 31, 2025	1,924,725

From 2014 to 2021, the Company conducted several rounds of financing by issuing registered capital or ordinary shares to investors and the investors were granted a right to put back to the Company the registered capital or ordinary shares acquired upon the occurrence of any of the following events: (i) no qualified initial public offerings (the "Qualified IPO") has been consummated as at September 30, 2024; (ii) any material breach of the agreements made with the financing investors under the transaction documents; (iii) the ordinary shares directly held by any management shareholder is less than 50% of the ordinary shares directly held by such management shareholder at the closing of the pre-IPO round financing.

The redemption price is the investment amount paid by the investors, plus an annual simple interest rate of 10% on the investment amount for the period commencing from the relevant payment date of investment amount to the date on which the investors receive payments for redemption, and any undistributed accumulated profits attributable to the investors.

Pursuant to a supplemental agreement entered into in March 2025, the redemption rights were suspended on the date immediately before the date of the first submission of listing application to the Stock Exchange, and shall be restored upon the earlier of (i) the date when the Company's listing application is withdrawn or rejected; or (ii) 18 months after the first submission of the listing application to the Stock Exchange if the IPO has not completed by then. The redemption rights will automatically expire upon the qualified initial public offering of the Company's H shares on the Stock Exchange.

25 DEFERRED INCOME

Deferred income of the Group mainly includes various conditional government grants for research and development projects, which will be recognized as income in the same periods in which the expenses for the development project are incurred and the conditions are met. Movements of the balances during the Track Record Period are as follows:

The Group

	Year ended December 31,			Five months ended May 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period .	–	19,060	18,660	14,463
Government grants received during the year/period	19,060	1,000	803	–
Amortization during the year/period .	–	(1,400)	(5,000)	(707)
At the end of the year/period	19,060	18,660	14,463	13,756

The Company

	Year ended December 31,			Five months ended May 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At the beginning of the year/period .	–	1,560	1,160	1,963
Government grants received during the year/period	1,560	1,000	803	–
Amortization during the year/period .	–	(1,400)	–	–
At the end of the year/period	1,560	1,160	1,963	1,963

26 EQUITY SETTLED SHARE-BASED PAYMENTS TRANSACTIONS

In December 2020, the Group adopted a share incentive plan (the "Plan"), pursuant to which the Group was authorized to grant awarded shares to eligible employees and consultants of the Group. The maximum number of shares available for the awards under this Plan is 4,376,375 shares, which is held by Beijing Yunji Angel Management Partnership (Limited Partnership) (the "Yunji Angel Management"). The Yunji Angel Management is controlled and managed by the controlling shareholder of the Company.

The awards are conditional upon the successful completion of an IPO. The Group determines the share-based payments expenses at a date of grant of awarded shares with reference to the estimation of the probability and timing of successful IPO since IPO condition is considered as a vesting condition. As at December 31, 2023, 2024 and May 31, 2025, the Group assessed that it is probable that the IPO condition will be achieved in the foreseeable future, and share-based payments expenses were recognized accordingly.

(a) Restricted shares

The awarded shares granted to employees vest upon the condition that the employees remain in service after consummation of an IPO of the Company.

The movements of the awarded shares of the Group during the Track Record Period are summarized as follows:

	Year ended December 31,						Five months ended May 31,			
	2022		2023		2024		2024		2025	
	Weighted average subscription price	Number of awarded shares	Weighted average subscription price	Number of awarded shares	Weighted average subscription price	Number of awarded shares	Weighted average subscription price	Number of awarded shares	Weighted average subscription price	Number of awarded shares
	RMB	*'000*	*RMB*	*'000*	*RMB*	*'000*	*RMB* (*unaudited*)	*'000* (*unaudited*)	*RMB*	*'000*
Outstanding at the beginning of the year/period	0.14	4,363	0.14	4,109	0.14	3,145	0.14	3,145	0.14	3,168
Granted during the year/period	–	–	0.14	76	0.14	65	0.14	32	0.42	1,223
Forfeited during the year/period	0.14	(254)	0.14	(1,040)	0.14	(42)	0.14	(42)	0.14	(15)
Outstanding at the end of the year/period	0.14	4,109	0.14	3,145	0.14	3,168	0.14	3,135	0.22	4,376

The fair value of the awarded shares at the date of grant was determined by an external valuer taking into the terms and conditions upon which the awarded shares were granted. The Group has used the discounted cash flow method or back solve method to determine the underlying equity fair value of the Company and adopted equity value allocation model to determine the fair value of the underlying ordinary shares.

The fair value of the awarded shares granted and the key assumptions to the valuation at the grant date are summarized as below:

	Year ended December 31,		Five months ended May 31,
	2023	2024	2025
Fair value per awarded share	RMB34.13	RMB42.50	RMB48.95~ RMB50.20
Risk-free interest rate	2.24%	1.47%	1.45%
Expected dividend yield	0.00%	0.00%	0.00%
Expected volatility	43.02%	47.52%	51.02%

Expected dividend yield is estimated based on the Company's expected dividend policy over the expected life of the awarded shares. The expected volatility is based on the historical volatility of selected comparable companies in the period of the expected life of the awarded shares.

27 CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

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

The Company

	Share capital	Capital reserve	Share-based payments reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at January 1, 2022	61,818	(262,177)	–	(347,026)	(547,385)
Changes in equity for 2022:					
Loss and total comprehensive income for the year	–	–	–	(246,689)	(246,689)
Balance at December 31, 2022 and January 1, 2023	61,818	(262,177)	–	(593,715)	(794,074)
Changes in equity for 2023:					
Loss and total comprehensive income for the year	–	–	–	(201,503)	(201,503)
Equity settled share-based transactions	–	–	6,424	–	6,424
Balance at December 31, 2023 and January 1, 2024	61,818	(262,177)	6,424	(795,218)	(989,153)
Changes in equity for 2024:					
Loss and total comprehensive income for the year	–	–	–	(137,997)	(137,997)
Equity settled share-based transactions	–	–	11,728	–	11,728
Balance at December 31, 2024 and January 1, 2025	61,818	(262,177)	18,152	(933,215)	(1,115,422)
Changes in equity for the five months ended May 31, 2025:					
Loss and total comprehensive income for the period	–	–	–	(98,797)	(98,797)
Equity settled share-based transactions	–	–	15,424	–	15,424
Balance at May 31, 2025	61,818	(262,177)	33,576	(1,032,012)	(1,198,795)
(unaudited)					
Balance at January 1, 2024	61,818	(262,177)	6,424	(795,218)	(989,153)
Changes in equity for the five months ended May 31, 2024:					
Loss and total comprehensive income for the period	–	–	–	(63,075)	(63,075)
Equity settled share-based transactions	–	–	4,709	–	4,709
Balance at May 31, 2024	61,818	(262,177)	11,133	(858,293)	(1,047,519)

(b) Share capital

(i) Authorized share capital

As at December 31, 2022, 2023, 2024 and May 31, 2025, the authorized share capital of the Company comprises 61,818,182 ordinary shares with par value of RMB1 per share.

(ii) Issued ordinary shares

	No. of shares	Share capital
	'000	*RMB'000*
Ordinary shares issued and fully paid:		
At January 1, 2022 and December 31, 2022, 2023 and 2024 and May 31, 2025	61,818	61,818

(c) Nature and purpose of reserves

(i) Capital reserve

The capital reserve comprises: (i) the differences between the net considerations received and the nominal amount of share capital issued by the Company; (ii) the differences between the net assets received and the total amount of the par value of shares issued in relation to the conversion into a joint stock company; and (iii) the amounts in relation to the recognition of the redemption liabilities as set out in Note 24.

(ii) ***Share-based payments reserve***

The share-based payments reserve comprises the Company's equity settled share-based payments (see Note 26).

(iii) ***Exchange reserve***

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

(d) Dividends

No dividends were paid by the companies comprising the Group during the Track Record Period. The Company did not declare and pay any dividends since its incorporation.

(e) Capital management

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

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

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

28 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business.

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

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables. The Group's exposure to credit risk arising from cash and cash equivalents, time deposits and restricted cash is limited because the counterparties are banks and financial institutions with high credit standing, for which the Group considers to have low credit risk. Deposits and other receivables have been classified as other receivables. For the purposes of internal credit risk management, the Group has applied the general approach in IFRS 9 to measure the loss allowance at 12-month ECLs as there is no significant increase in credit risk since initial recognition. The Group determines the expected credit losses for these assets by assessment of probability of default, loss given default and exposure at default. As at the end of each reporting period, in view of the nature of these balances and historical settlement record, the Group considers that the provision of ECL allowance for these assets was not significant.

The Group does not provide any guarantees which would expose the Group to credit risk.

Trade receivables

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are mainly due within a period of 0-180 days from the date of billing.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At December 31, 2022, 2023, 2024 and May 31, 2025, 10%, 10%, 9% and 9% of the total trade receivables, respectively, were due from the Group's largest debtor, and 27%, 27%, 22% and 22% of the total trade receivables, respectively, were due from the Group's five largest debtors.

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

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

	As at December 31, 2022		
	Expected loss rate	**Gross carrying amount**	**Loss allowance**
	%	*RMB'000*	*RMB'000*
Within 1 year	21%	41,958	8,665
1 to 2 years	54%	19,925	10,815
		61,883	19,480

	As at December 31, 2023		
	Expected loss rate	**Gross carrying amount**	**Loss allowance**
	%	*RMB'000*	*RMB'000*
Within 1 year	24%	17,192	4,169
1 to 2 years	76%	14,349	10,848
		31,541	15,017

	As at December 31, 2024		
	Expected loss rate	**Gross carrying amount**	**Loss allowance**
	%	*RMB'000*	*RMB'000*
Within 1 year	19%	74,337	13,878
1 to 2 years	87%	5,430	4,730
		79,767	18,608

	As at May 31, 2025		
	Expected loss rate	**Gross carrying amount**	**Loss allowance**
	%	*RMB'000*	*RMB'000*
Within 1 year	21%	66,147	13,844
1 to 2 years	81%	5,517	4,446
		71,664	18,290

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

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

	Year ended December 31,			Five months ended May 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Balance at the beginning of the year/period	14,231	19,480	15,017	18,608
Amounts written off during the year/period	(4,826)	(12,110)	(6,066)	(4,180)
Impairment losses recognized during the year/period	10,075	7,647	9,657	3,862
Balance at the end of the year/period	19,480	15,017	18,608	18,290

(b) Liquidity risk

The treasury function is centrally managed by the Group, which includes the short-term investment of cash surpluses and the raising of funds to cover expected cash demands. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions and investors to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of each reporting period) and the earliest date the Group can be required to pay:

	As at December 31, 2022				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans *(Note 22)*	15,355	–	–	15,355	15,008
Lease liabilities *(Note 23)*	10,945	6,817	229	17,991	16,978
Trade and bill payables *(Note 19)*	21,116	–	–	21,116	21,116
Other payables and accruals *(Note 20)*	23,591	–	–	23,591	23,591
	71,007	6,817	229	78,053	76,693

	As at December 31, 2023				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans *(Note 22)*	5,123	–	–	5,123	5,000
Lease liabilities *(Note 23)* .	4,040	354	–	4,394	3,993
Trade and bill payables *(Note 19)*	31,373	–	–	31,373	31,373
Other payables and accruals *(Note 20)*	19,009	–	–	19,009	19,009
	59,545	354	–	59,899	59,375

	As at December 31, 2024				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities *(Note 23)* .	354	–	–	354	352
Trade and bill payables *(Note 19)*	50,752	–	–	50,752	50,752
Other payables and accruals *(Note 20)*	28,931	–	–	28,931	28,931
	80,037	–	–	80,037	80,035

	As at May 31, 2025				
	Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities *(note 23)* .	635	615	344	1,594	1,530
Trade and bill payables *(note 19)*	35,136	–	–	35,136	35,136
Other payables and accruals *(Note 20)*	25,572	–	–	25,572	25,572
	61,343	615	344	62,302	62,238

The carrying amounts of redemption liabilities were RMB1,606.9 million, RMB1,738.5 million, RMB1,870.3 million and RMB1,924.7 million as of December 31, 2022, 2023, 2024 and May 31, 2025, respectively. These carrying amounts represented the maximum amounts that the Company could be required to pay upon occurrence of specified contingent events which are further disclosed in Note 24. As some of these triggering events, such as material breach of the agreements could happen at any time from the end of reporting period presented, the Group may be required to pay the carrying amounts upon such events. These contingent redemption obligations will automatically expire at the closing of a Qualified IPO.

(c) Interest rate risk

The Group does not have significant exposure to the risk of changes in market interest rates during the Track Record Period as the Group does not have any significant loans which are subject to floating interest rate.

(d) Currency risk

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

(e) Fair value measurement

(i) Assets measured at fair value

Fair value hierarchy

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

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

The following table presents the Group's financial assets and financial liabilities that are measured at fair value at the end of each reporting dates:

	Fair value at December 31, 2022	Fair value measurements as at December 31, 2022 categorized into		
		Level 1	Level 2	Level 3
		RMB'000	*RMB'000*	*RMB'000*
Wealth management products	307,276	–	307,276	–

	Fair value at December 31, 2023	Fair value measurements as at December 31, 2023 categorized into		
		Level 1	Level 2	Level 3
		RMB'000	*RMB'000*	*RMB'000*
Wealth management products	113,629	–	113,629	–

	Fair value at December 31, 2024	Fair value measurements as at December 31, 2024 categorized into		
		Level 1	Level 2	Level 3
		RMB'000	*RMB'000*	*RMB'000*
Wealth management products	141,928	–	141,928	–

	Fair value at May 31, 2025	Fair value measurements as at May 31, 2025 categorized into		
		Level 1	Level 2	Level 3
		RMB'000	*RMB'000*	*RMB'000*
Wealth management products	25,021	–	25,021	–

Financial instruments in level 2

Financial assets at FVPL

The fair value of the financial assets in Level 2, is determined based on the unit price published on the counterparty bank's or financial institution's websites. The published unit price is the unit price at which a holder could redeem the fund units at the end of each reporting period presented.

During the Track Record Period, there were no transfers between Level 2 and Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

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

The carrying amounts of the Group's financial instruments carried at cost or amortized cost were not materially different from their fair values as at December 31, 2022, 2023, 2024 and May 31, 2025.

29 COMMITMENTS

The Group did not have any significant capital commitments as at December 31, 2022, 2023, 2024 and May 31, 2025.

30 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	9,843	7,327	8,931	3,884	4,307
Discretionary bonuses . . .	–	–	2,094	562	694
Share-based payments *(Note 27)*.	–	7,502	12,438	5,328	6,177
Retirement scheme contributions.	516	447	465	192	218
	10,359	15,276	23,928	9,966	11,396

Total remuneration is included in "staff costs" (see Note 6(b)).

(b) Names and relationships of the related parties that had material transactions with the Group during the Track Record Period:

Name of related parties	Relationship with the Group
Mr. Li Quanyin	Director of the Company
Mr. Ying Fuchen.	Key management of the Group
Beijing Yunji Angel Management Partnership (Limited Partnership)	Entity controlled by the controlling shareholder of the Company
Wuhan Zhongtian Huatuo Intelligent Technology Co., Ltd.	Entity controlled by a close family member of the controlling shareholder of the Company

(c) Significant transactions with related parties

The Group entered into the following material related party transactions during the Track Record Period:

	Year ended December 31,			Five months ended May 31,	
	2022	2023	2024	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Sales of products					
Wuhan Zhongtian Huatuo Intelligent Technology Co., Ltd.	–	–	140	–	422
Advances granted to related parties					
Mr. Li Quanyin	–	386	–	–	–
Mr. Ying Fuchen.	–	–	1,000	–	1,000
	–	386	1,000	–	1,000
Repayments of advances granted to related parties					
Mr. Li Quanyin	–	193	193	32	–
Mr. Ying Fuchen.	–	–	1,000	–	1,000
	–	193	1,193	32	1,000
Repayments of advances received from related parties					
Beijing Yunji Angel Management Partnership (Limited Partnership) . .	–	–	898	–	–

(d) Balances with related parties as at the end of each reporting period

	As at December 31,			As at May 31,
	2022	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade in nature				
Contract liabilities				
Wuhan Zhongtian Huatuo Intelligent Technology Co., Ltd.	–	–	–	290
Non-trade in nature:				
Other receivables due from a director				
Mr. Li Quanyin	–	193	–	–
Other payables and accruals				
Beijing Yunji Angel Management Partnership (Limited Partnership)	898	898	–	–

31 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At May 31, 2025, the directors consider the immediate and ultimate controlling party of the Group to be Ms. Zhi Tao.

32 SUBSEQUENT EVENTS

There were no material subsequent events after May 31, 2025 and up to date of this report.

33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR BEGINNING ON JANUARY 1, 2025

Up to the date of this report, the IASB has issued a number of new or amended standards, which are not yet effective for the year beginning on January 1, 2025 and which have not been adopted in the consolidated financial statements, including:

	Effective for accounting period beginning on or after
Amendments to IFRS 9 and IFRS 7, *Contracts Referencing Nature-dependent Electricity*	January 1, 2026
Amendments to IFRS 9 and IFRS 7: *Amendments to the classification and measurement of financial instruments*	January 1, 2026
Annual improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS 18, *Presentation and disclosure in financial statements*	January 1, 2027
IFRS 19, *Subsidiaries without public accountability: Disclosures*	January 1, 2027
Amendments to IFRS 10 and IAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	To be determined

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

IFRS 18, *Presentation and disclosure in financial statements*

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

Among other changes, under IFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management defined performance measures in a single note in the financial statements. Minor amendments to IAS 7 *Statement of cash flows* are also made.

The Group does not plan to early adopt IFRS 18. IFRS18 will impact the presentation of financial statements and is not expected to have significant impact on the financial performance and positions of the Group.

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