This summary aims to give you an overview of the information contained in this Document. As this is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this Document. You should read the entire document before you decide to **[REDACTED]** *in the* **[REDACTED]**. *There are risks associated with any* **[REDACTED]**. *Some of the particular risks in* **[REDACTED]** *in the* **[REDACTED]** *are set out in the section headed "Risk Factors" in this Document. You should read that section carefully before you decide to* **[REDACTED]** *in the* **[REDACTED]**. *Various expressions used in this section are defined in the sections headed "Definitions" and "Glossary of Technical Terms and Conventions" in this Document.*

OVERVIEW

Who We Are

We are a world-leading AI company redefining how industrial automation operates in the AI era. We are the largest industrial AI agent provider in China in terms of revenue in 2025 and also the first to achieve large-scale, cross-region, and multi-scenario deployment of industrial AI agents, according to CIC. We primarily offer industrial AI agents, including robots, edge AI sensors, and agentic software systems. We had served over 730 customers worldwide as of December 31, 2025, such as Tesla, Carl Zeiss, Luxshare, Goertek, BOE, CRRC, CALB, and Kedali, across a range of industry verticals.

Our industrial AI agents are built on IndustryGPT, the world's first proprietary industrial multi-modal large model family, comprehensive industrial domain expertise, and a deeply integrated hardware-software ecosystem, enabling customers to develop and operate intelligent manufacturing systems and accelerate the transition from automation to autonomy. As an AI-native company, artificial intelligence is at the core of our business, embedded not only in our product offerings, but also across our functions, processes, and strategic decision-making.

Leveraging industrial AI agents, we have achieved multiple industry-first breakthroughs. According to CIC, we introduced robots that were the first to achieve comprehensive visual inspection of highly reflective and complex curved surfaces for the first time, enabling 360-degree quality inspection and large-scale commercial deployment. We have also addressed, with our edge AI sensors, core challenges in the identification and traceability of a vast array of products, including invisible QR code recognition on precision optical lenses. We have launched ViMo, a first-of-its-kind cloud-edge integrated AI vision software in industrial settings. As of December 31, 2025, we have cumulatively delivered approximately 140,000 cutting-edge industrial AI agents across a range of industry verticals, including consumer electronics, new energy, precision manufacturing, rail transit manufacturing, and other sectors. Our industrial AI agents are deployed across customers' core products and production processes. Our robots have cumulatively inspected over 17 billion products or components as of December 31, 2025.

The diagram below highlights our achievements during the Track Record Period.

Market Positioning	Technology Leadership	Commercial Achievements
Largest in China Industrial AI Agent Provider(1)	**1st Worldwide** Industrial Multi-Modal Large Model(2)	**~140,000** Industrial AI Agent Deployed(3)
1st Worldwide Large-Scale Mass Deployment of Industrial AI Agents(4)	**1st Worldwide** Cloud-edge Integrated Industrial AI Vision Software(2)	**730+** Customers Worldwide(3)
Largest in China Industrial Inspection AI Agent Provider(1)	**1st Worldwide** Smart Inspection Robots for Compound Components(5)	**RMB1.1Bn / 44%** 2025 Revenue / Growth

Notes:

1. In terms of revenue in 2025, according to CIC
2. According to CIC
3. As of December 31, 2025
4. First to achieve large-scale, cross-region, and multi-scenario deployment of industrial AI agents, according to CIC
5. First to achieve comprehensive visual inspection of highly reflective and complex curved surfaces, according to CIC

Our Products and Revenue Model

During the Track Record Period, we generated revenue primarily from the sales of industrial AI agents supplemented by offerings from AI infrastructure initiatives and other services, which mainly include non-industrial products. Our revenue structure reflects a balanced and increasingly productized portfolio, with industrial AI agents accounting for 62.4%, 73.8% and 78.5% of our total revenue in 2023, 2024 and 2025, respectively, demonstrating the growing contribution of our core product lines. Revenue from industrial AI agents recorded a CAGR of 67.8% from 2023 to 2025, reflecting the strong market demand for our core products. The following table sets forth a breakdown of our revenue by products for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Industrial AI agents	**302,731**	**62.4**	**557,855**	**73.8**	**852,746**	**78.5**
Robots	140,607	29.0	294,159	38.9	435,576	40.1
Edge AI sensors	13,379	2.7	31,021	4.1	74,883	6.9
Agentic software systems	148,745	30.7	232,675	30.8	342,287	31.5
AI infrastructure initiatives	**137,479**	**28.4**	**191,321**	**25.3**	**218,621**	**20.1**
Others	**44,689**	**9.2**	**6,610**	**0.9**	**14,901**	**1.4**
Total	**484,899**	**100.0**	**755,786**	**100.0**	**1,086,268**	**100.0**

Industrial AI Agents

Powered by our IndustryGPT, the world's first proprietary industrial multi-modal large model family, our comprehensive suite of industrial AI agents is designed to address the complexity of modern industrial production, enabling machines, production lines and entire factories to perceive, reason, execute and continuously optimize operations with increasing levels of autonomy.

Our robots are AI-native and designed to perceive, reason and execute in complex manufacturing environments. Our robots are deployed across key industry verticals, including consumer electronics, new energy batteries and precision manufacturing. Delivered as integrated hardware-software solutions, our smart inspection robots enable high-precision automated quality inspection across complex materials, curved surfaces and micro-scale components, while our smart operating robots support high-dexterity industrial operation tasks through adaptive control and AI-driven perception. By reducing reliance on rule-based programming and enabling flexible deployment across multiple production lines, our robots move beyond the traditional "one machine, one function" model and deliver scalable, productized automation with improved efficiency and return on investment.

Our robots are primarily sold on a per-unit basis and are typically deployed in inspection and operating applications. Revenue from robots increased by 109.2% from 2023 to 2024 and further increased by 48.1% from 2024 to 2025, representing a CAGR of 76.0% from 2023 to 2025. Revenue growth in this segment has been driven by broader deployment across production lines, expansion of application scenarios and increasing repeat orders from existing customers.

Our edge AI sensors deliver real-time perception and decision-making capabilities directly at the production line. Our smart vision sensors support detection, classification and measurement tasks with embedded AI algorithms and streamlined deployment processes, enabling stable high-speed performance with minimal sample inputs. Our smart ID readers are designed for complex industrial code-reading and traceability scenarios, combining AI-enhanced imaging and decoding technologies to ensure reliable performance even in challenging environments.

Built for positioning, recognition, detection, and measurement, our edge AI sensors deliver millisecond-level processing and up to micrometer-level precision while maintaining consistent performance under challenging conditions. Revenue from edge AI sensors increased by 131.9% from 2023 to 2024 and further increased by 141.4% from 2024 to 2025, representing a CAGR of 136.6% from 2023 to 2025. Revenue growth has been supported by expanding use cases, improved hardware performance and increasing adoption across our existing customer base.

Our agentic software systems serve as the intelligence layer that orchestrates models and workflows across cloud, edge and device environments. Our agentic software solutions enable automated model training, intelligent process planning and equipment diagnostics and predictive maintenance. Our agentic software systems reduce barriers to AI adoption, enhance operational transparency and support predictive, data-driven decision-making across the production lifecycle.

We generate revenue from our agentic software systems primarily through standalone software licenses and subscription services. In addition, we provide agentic software systems in the form of industrial AI digitalization solutions on a project basis. Built on a cloud-edge integrated architecture with continuously advancing algorithmic capabilities, our agentic software systems have been deployed across multiple industries and application scenarios, serving as key infrastructure for customers' digitalization and intelligent transformation initiatives. Revenue from agentic software systems increased by 56.4% from 2023 to 2024 and further increased by 47.1% from 2024 to 2025, representing a CAGR of 51.7% from 2023 to 2025.

AI Infrastructure Initiatives

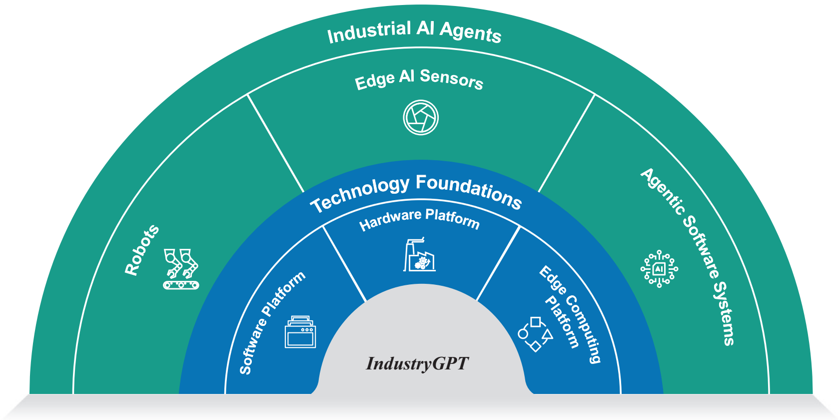
To support large-scale AI deployment in industrial scenarios and end-to-end networking solutions, we introduced LrMo. LrMo integrates cloud-edge-device collaboration, distributed processing and full lifecycle model management, addressing industrial requirements for complex information handling, high security standards and efficient resource scheduling. In addition, it also provides a comprehensive end-to-end networking solutions tailored for large-scale AI distributed training. These capabilities provide the foundational layer necessary to support the training, deployment and operation of industrial-scale AI models across diverse application scenarios.

Our AI infrastructure initiatives are delivered on a project basis and serve as a complementary business line supporting large-scale AI deployment and computing resource orchestration. These initiatives typically involve customized implementation and integration services tailored to customers progressing toward more digitalized and autonomous operations. Revenue from AI infrastructure initiatives increased by 39.2% from 2023 to 2024 and further increased by 14.3% from 2024 to 2025, representing a CAGR of 26.1% from 2023 to 2025.

We primarily sell our products through direct sales, supported by dedicated sales and technical teams that work closely with customers throughout the product lifecycle, from proof-of-concept to mass production deployment. During the Track Record Period, we generated the majority of our revenue from domestic markets, while actively expanding our presence in overseas markets, including Japan and Southeast Asia.

See "Business—Our Product Offerings" for details.

OUR CORE TECHNOLOGY



Our industrial AI agents leverage our IndustryGPT, which integrate language, reasoning, generation and operating capabilities to reliably support complex and mission-critical industrial workflows at scale.

Language capability: Our model is purpose-built to support long-context processing in industrial scenarios. Trained on extensive real-world industrial inputs, together with our proprietary synthetic datasets, it delivers advanced intelligence in industrial scenarios and strong generalization capabilities. Our model demonstrates state-of-the-art performance on standardized professional engineering examination benchmarks and delivers best-in-class performance among leading general purpose models on the industry-focused subset of the open-source SuperGPQA benchmark.

Reasoning capability: Our model is architected to address workflows that have traditionally relied heavily on seasoned industry experts. Leveraging deep domain knowledge, the model can decompose complex tasks, perform multi-step reasoning, and orchestrate function calls and workflow execution.

Generation capability: Our model produces reliable, high-fidelity defect images for inspection and quality-control workflows. It mitigates deviation and hallucination risks commonly observed in general-purpose generative models operating in industrial environments, delivering significantly higher controllability and precision than alternatives.

Operating capability: Our model integrates multi-modal perception with adaptive control, enabling systems to handle diverse product configurations and operating scenarios with a high degree of dexterity.

Built upon the foundation of IndustryGPT, we have established a fully integrated industrial AI agent technology stack spanning software, hardware and edge computing to deliver high-performance, scalable industrial AI agents for complex industrial applications.

Software platform: Our software platform serves as the operational backbone for deployment and provides an intuitive interface designed for industry experts. The platform enables efficient utilization of computing resources, effective usage of IndustryGPT, and supports an integrated workflow covering solution design, training, deployment and factory system integration.

Hardware platform: Our hardware platform encompasses advanced optical perception systems tailored to challenging materials and tasks, together with precision robotic hardware mechanics and motion planning. These capabilities directly connect digital intelligence with real-world industrial operations.

Edge computing platform: Our edge computing platform, featuring co-designed hardware-software systems, inherits high-level intelligence from IndustryGPT and distills it into a compact architecture optimized for deployment on edge devices. This enables real-time learning, intelligent perception, and adaptive optimization at the edge, maximizing responsiveness, robustness, and operational efficiency.

OUR STRENGTHS

We believe that the following strengths have contributed to our success and differentiated us from our competitors: (i) industry leadership and first-mover advantage in a large, fast-growing market; (ii) proprietary frontier industrial AI models; (iii) integrated full-stack technology capabilities driving superior performance; (iv) universal productization capabilities across scenarios and sectors; (v) scalable model built for global success; and (vi) AI native organization with experienced management and talent base. See "Business—Our Strengths" for details.

OUR STRATEGIES

We plan to execute the following strategies to drive our future growth: (i) further enhancing frontier technology R&D investment to maintain technology leadership; (ii) expanding commercial success through product development and customer growth; and (iii) cultivating talent reserves to strengthen the foundation for growth. See "Business—Our Growth Strategies" for details.

MARKET OPPORTUNITIES

The industrial sector has long been a cornerstone of human progress. Each technological advancement in the industrial sector has reshaped production capabilities, driving sustained economic growth and rapidly improving global living standards. According to CIC, more than half of Fortune Global 500 companies in 2025 were primarily engaged in the industrial sector, and this sector contributed over US$28 trillion to global GDP, while the value of existing facilities and manual labor exceeded US$1.5 trillion, representing our total addressable market. According to CIC, the market size of the global industrial AI agent industry expanded from RMB14.6 billion in 2023 to RMB36.7 billion in 2025, reflecting a CAGR of 58.6% during this period, and is projected to reach RMB162.0 billion by 2030, representing a CAGR of 34.6% from 2025 to 2030. The market size of China's industrial AI agent industry expanded from RMB5.8 billion in 2023 to RMB14.8 billion in 2025, reflecting a CAGR of 59.9% during this period, and is projected to reach RMB90.6 billion by 2030, representing a CAGR of 43.6% from 2025 to 2030.

CUSTOMERS AND SUPPLIERS

During the Track Record Period, we serve customers primarily in consumer electronics (3C), new energy, precision manufacturing, rail transit manufacturing, and other sectors. In 2023, 2024 and 2025, aggregate revenue generated from our five largest customers in each year was RMB190.5 million, RMB226.2 million and RMB238.8 million, respectively, accounting for 39.3%, 29.9% and 22.0% of our total revenue for the same years, respectively. In 2023, 2024 and 2025, revenue generated from our single largest customer in each year was RMB73.2 million, RMB58.0 million and RMB70.5 million, respectively, accounting for 15.1%, 7.7% and 6.5% of our total revenue for the same years.

Our suppliers primarily comprise third-party providers of core hardware, software and technical services, and manufacturing and supporting services. In 2023, 2024 and 2025, purchases from our five largest suppliers in each year were RMB313.4 million, RMB236.6 million, and RMB243.9 million, respectively, accounting for 41.4%, 24.4% and 23.1% of our total purchase amounts for the same years, respectively. In 2023, 2024 and 2025, purchases from our single largest supplier in each year were RMB99.4 million, RMB56.2 million, and RMB67.2 million, respectively, accounting for 13.1%, 5.8% and 6.4% of our total purchase amounts for the same years.

See "Business—Our Customers" and "Business—Our Suppliers" for details about our customers and suppliers, and "Business—Overlapping of Customer and Supplier" for further information on the overlapping of our major customers and suppliers.

SUMMARY OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table below forth a summary of our consolidated statements of profit or loss for the periods indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Revenue	484,899	100.0	755,786	100.0	1,086,268	100.0
Cost of sales	(336,822)	(69.5)	(511,458)	(67.7)	(681,107)	(62.7)
Gross profit	**148,077**	**30.5**	**244,328**	**32.3**	**405,161**	**37.3**
Research and development expenses	(283,377)	(58.4)	(388,170)	(51.4)	(394,069)	(36.3)
Selling and marketing expenses	(151,201)	(31.2)	(140,705)	(18.6)	(174,682)	(16.1)
General and administrative expenses	(131,970)	(27.2)	(134,507)	(17.8)	(600,170)	(55.3)
Net impairment losses on financial assets and contract assets	(30,609)	(6.3)	(20,842)	(2.7)	(41,950)	(3.9)
Other income	22,400	4.6	15,061	2.0	33,202	3.2
Other (losses)/gains, net	(1,129)	(0.2)	(792)	(0.1)	3,437	0.3
Operating loss	**(427,809)**	**(88.2)**	**(425,627)**	**(56.3)**	**(769,071)**	**(70.8)**
Finance income	23,846	4.9	27,781	3.7	28,653	2.6
Finance costs	(4,502)	(0.9)	(13,683)	(1.8)	(11,416)	(1.0)
Finance income, net	**19,344**	**4.0**	**14,098**	**1.9**	**17,237**	**1.6**
Share of net (losses)/profits of investments accounted for using the equity method	(318)	(0.1)	(123)	(0.0)	474	0.0
Fair value changes of preferred shares and other financial liabilities	(136,486)	(28.1)	(323,265)	(42.8)	(238,648)	(22.0)
Loss before income tax	**(545,269)**	**(112.4)**	**(734,917)**	**(97.2)**	**(990,008)**	**(91.2)**
Income tax expenses	(735)	(0.2)	(229)	(0.1)	(1,132)	(0.0)
Loss for the year	**(546,004)**	**(112.6)**	**(735,146)**	**(97.3)**	**(991,140)**	**(91.2)**

Non-IFRS Financial Measure

We use adjusted net loss, a non-IFRS financial measure, in evaluating our operating results and for financial and operational decision-making purposes. We believe that adjusted net loss (non-IFRS) helps identify underlying trends in our business, provides useful information about our results of operations, and enhances the overall understanding of our past performance and future prospects.

Adjusted net loss (non-IFRS measure) should not be considered in isolation or construed as an alternative to loss from operations, net loss or any other measure of performance or as an indicator of our operating performance. Adjusted net loss (non-IFRS measure) presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

Adjusted net loss (non-IFRS measure) represents net loss excluding (i) changes in the carrying amount of financial instruments issued to investors, which are non cash in nature and non-recurring after **[REDACTED]**, (ii) share-based compensation expenses, which is non cash in nature, and (iii) **[REDACTED]** expense, which is non-recurring after [**REDACTED]**. The table below sets forth a reconciliation of our net loss to adjusted net loss (non-IFRS measure) for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	RMB	RMB (in thousands)	RMB
Net loss	**(546,004)**	**(735,146)**	**(991,140)**
Add:			
Fair value changes of preferred shares and other financial liabilities measured at FVTPL	136,486	323,265	238,648
Share-based payment expenses	15,661	33,272	475,164
[REDACTED] expenses	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Adjusted net loss (non-IFRS measure)	**(393,857)**	**(378,609)**	**(272,033)**

Our adjusted net loss (non-IFRS measure) decreased during the Track Record Period, primarily attributable to our rapid revenue growth, continued improvement in cost efficiency, as well as operating leverage achieved through more disciplined control of operating expenses as a percentage of revenue, as our business scaled. See "Financial Information—Description of Major Components of Our Results of Operations" and "Financial Information—Year-to-Year Comparison of Results of Operations" for detailed analysis.

SUMMARY OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	149,922	120,857	122,045
Total current assets	1,029,905	1,433,717	1,953,880
Total assets	**1,179,827**	**1,554,574**	**2,075,925**
Total non-current liabilities	48,023	33,281	40,740
Total current liabilities	3,253,915	4,342,574	5,293,134
Total liabilities	**3,301,938**	**4,375,855**	**5,333,874**
Net liabilities	**(2,122,111)**	**(2,821,281)**	**(3,257,949)**

See "Financial Information—Discussion of Certain Key Items from Our Consolidated Statements of Financial Position" for detailed analysis.

SUMMARY OF CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table presents our consolidated cash flow data for the periods indicated.

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash outflow from operating activities	(372,015)	(423,857)	(327,275)
Net cash (outflow)/inflow from investing activities	(16,793)	(179,011)	57,317
Net cash from financing activities	7,197	558,355	656,003
Net (decrease)/increase in cash and cash equivalents	**(381,611)**	**(44,513)**	**386,045**
Cash and cash equivalents at the beginning of the year	990,369	616,822	578,456
Effects of exchange rate changes on cash, cash equivalents and restricted cash	8,064	6,147	(15,611)
Cash and cash equivalents at the end of the year	**616,822**	**578,456**	**948,890**

See "Financial Information— Liquidity and Capital Resources—Cash Flow" for detailed analysis.

KEY FINANCIAL RATIOS

The following table sets forth our selected key financial ratios as of the dates or for the periods indicated.

	As of / For the year ended December 31,		
	2023	2024	2025
Revenue growth ratio	N/A	55.9%	43.7%
Gross profit margin	30.5%	32.3%	37.3%
Current ratio(1)	0.32	0.33	0.37
Adjusted current ratio(2)	3.30	2.33	1.84

Notes:

(1) Current ratio is calculated based on total current assets divided by total current liabilities.

(2) Adjusted current ratio is calculated based on total current assets divided by total current liabilities excluding preferred shares and other financial liabilities at fair value through profit or loss.

KEY OPERATING METRICS

The following table sets forth certain key operating metrics for the years indicated. See "Glossary of Technical Terms and Conventions" for the definitions of these metrics and a detailed discussion of how they are calculated.

	Years Ended December 31,		
	2023	2024	2025
Number of customers			
Robots	77	112	120
Edge AI sensors	65	129	251
Agentic software systems	62	77	122
Average revenue per customers *(RMB in thousands)*			
Robots	1,826	2,626	3,630
Edge AI sensors	206	240	298
Agentic software systems	2,399	3,022	2,806

BUSINESS SUSTAINABILITY AND PATH TO PROFITABILITY

We achieved sustained revenue growth during the Track Record Period but remained loss-making as we continued to invest in product development, talent, market expansion and infrastructure to support long-term positioning in the industrial AI agents market. We prioritized building technological leadership and scalable operational capabilities over near-term profitability. These investments have strengthened our foundation for future expansion and supported continuous improvements in our operating metrics.

During the Track Record Period, our revenue increased from RMB484.9 million in 2023 to RMB755.8 million in 2024, and further to RMB1,086.3 million in 2025, representing year-over-year growth of 55.9% and 43.7%, respectively. Our gross profit margin improved from 30.5% in 2023 to 32.3% in 2024 and further to 37.3% in 2025, reflecting enhanced scale effects, improving product mix and stronger operating efficiency. Our net loss was RMB546.0 million, RMB735.1 million and RMB991.1 million in 2023, 2024 and 2025, respectively. Our adjusted net loss (non-IFRS measure) position has steadily improved — the adjusted net loss (non-IFRS measure) was RMB393.9 million in 2023, decreased to RMB378.6 million in 2024 and further decreased to RMB272.0 million in 2025.

From a strategic perspective, scaling is essential to achieve and sustain profitability. Scale not only drives revenue growth but also serves as a structural driver of cost reduction.

From an execution perspective, we intend to achieve long-term profitability through three primary strategies: (i) driving revenue growth, (ii) strengthening gross profit margin, and (iii) enhancing operating leverage.

Driving Revenue Growth

We are well positioned to benefit from the rapid expansion of the industrial AI agents market. Supported by increasing demand for adaptive and intelligent industrial systems, the market size of China's industrial AI agent industry expanded from RMB5.8 billion in 2023 to RMB14.8 billion in 2025, reflecting a CAGR of 59.9% during this period, and is projected to reach RMB90.6 billion by 2030, representing a CAGR of 43.6% from 2025 to 2030, according to CIC. As the largest industrial AI agents provider in China in terms of revenue in 2025, we aim to further increase market penetration by expanding our product portfolio, deepening relationships with key accounts and broadening our customer base across both domestic and overseas markets.

We will continue to launch differentiated industrial AI agents tailored to high-value application scenarios, optimize our product mix toward more scalable and higher-margin deployments, and convert pilot projects into mass-production rollouts. At the same time, we seek to strengthen customer loyalty through higher repurchase rates and long-term engagement, while expanding our global footprint to capture growing international demand.

Strengthening Gross Profit Margin

Our improving gross margin reflects structural enhancements in our business mix and cost structure. We intend to further enhance gross profit margin by prioritizing higher-margin products and application scenarios, increasing the proportion of standardized products, and improving product universality. Greater standardization enables reuse of core components and software modules, reduces engineering redundancy, shortens delivery cycles and lowers per-unit manufacturing and fulfillment costs.

In addition, as shipment volumes increase, we expect to benefit from economies of scale across procurement, manufacturing and fulfillment, strengthening supplier bargaining power, improving asset utilization and reducing overall cost per unit. Together, these initiatives are expected to support continued margin expansion over time.

Enhancing Operational Efficiency

While we incurred significant research and development, selling and marketing and general and administrative expenses during the Track Record Period, operating leverage has improved as revenue scaled. Adjusted total operating expenses (non-IFRS measure), defined as research and development expenses, selling and marketing expenses and general and administrative expenses excluding share-based payment expenses in each case, as a percentage of revenue, improved steadily from 113.6% in 2023 to 83.4% in 2024 and further to 63.9% in 2025. In particular, R&D expenses as a percentage of revenue decreased from 58.4% in 2023 to 36.3% in 2025, while selling and marketing and general and administrative expenses (excluding share-based payment expenses) as a percentage of revenue also declined meaningfully.

We expect the absolute amount of operating expenses to increase in line with business expansion; however, as revenue continues to grow and standardization improves efficiency, we anticipate operating expenses to increase at a slower pace than revenue, allowing operating leverage to improve gradually over time, and supporting our path toward breakeven and long-term profitability.

See "Business—Path to Profitability" for details.

RISK FACTORS

Our business and the **[REDACTED]** involve certain risks as set out in "Risk Factors" in this Document. You should read that section in its entirety carefully before you decide to **[REDACTED]** in our Shares. The principal risks we face include: (i) our ability to respond to evolving technological advancements; (ii) uncertainty about future market adoption and technological progress; (iii) evolving standards and regulatory compliance; (iv) our limited operating history and inability to forecast future results; (v) challenges in managing operations and operational disruptions; (vi) our ability to retain existing customers and attract new ones; (vii) our ability to maintain high-quality products and solutions; and (viii) supply chain management and component sourcing.

DIVIDENDS

No dividend was paid or declared by us or any of our subsidiaries since our incorporation. After the Track Record Period and as of the date of this Document, we did not declare any dividends to our Shareholders. Any declaration and payment as well as the amount of dividends will be subject to our Articles and the Cayman Companies Act. Our board of directors has the discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit, retained earnings, or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. As advised by our Cayman Islands legal advisers, we are a holding company incorporated under the laws of the Cayman Islands, pursuant to which, the financial position of accumulated deficit does not prohibit us from declaring and paying dividends to our Shareholders. Dividends may still be declared and paid out of our share premium account notwithstanding our profitability, provided that our Memorandum and Articles do not prohibit such payment and our Company is able to pay its debts as they fall due in the ordinary course of business immediately after such payment.

[REDACTED] EXPENSES

Our **[REDACTED]** expenses mainly include (i) **[REDACTED]**-related expenses, such as **[REDACTED]** fees and **[REDACTED]**, and (ii) non-**[REDACTED]**-related expenses, comprising professional fees paid to our legal advisers and reporting accountant for their services rendered in relation to the **[REDACTED]** and the **[REDACTED]**, and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total **[REDACTED]** expenses (based on the mid-point of the **[REDACTED]** range and assuming that the **[REDACTED]** is not exercised) for the **[REDACTED]** are approximately RMB**[REDACTED]** **[REDACTED]**, accounting for approximately **[REDACTED]**% of our gross **[REDACTED]**. Among such estimated total **[REDACTED]** expenses, we expect to pay **[REDACTED]**-related expenses of RMB**[REDACTED]** **[REDACTED]**, professional fees for our legal advisers and reporting accountant of RMB**[REDACTED]** **[REDACTED]** and other fees and expenses of RMB**[REDACTED]** **[REDACTED]**. An estimated amount of RMB**[REDACTED]** **[REDACTED]** for our **[REDACTED]** expenses, accounting for approximately **[REDACTED]**% of our gross **[REDACTED]**, is expected to be expensed through the statement of profit or loss and an estimated amount of RMB**[REDACTED]** **[REDACTED]** is expected to be recognized directly as a deduction from equity upon the **[REDACTED]**. We did not recognize any **[REDACTED]** expenses in 2023 and 2024. We recognized **[REDACTED]** expenses of RMB**[REDACTED]** **[REDACTED]** in 2025, in our consolidated statements of profit or loss and other comprehensive income.

[REDACTED]

USE OF [REDACTED]

We estimate that we will receive aggregate net **[REDACTED]** from the **[REDACTED]** (after deducting **[REDACTED]** fees and estimated expenses in connection with the **[REDACTED]** payable by us, and assuming that the **[REDACTED]** is not exercised and an **[REDACTED]** of HK$**[REDACTED]** per Share, being the midpoint of the indicative **[REDACTED]** range stated in this Document) of approximately HK$**[REDACTED]** **[REDACTED]**.

In line with our strategies, we intend to use the net **[REDACTED]** for the following purposes, subject to changes with respect to our evolving business needs and changing market conditions: approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]** **[REDACTED]**, will be used to accelerate technology and product R&D over the next five years; approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED]** **[REDACTED]**, will be used to drive commercialization expansion; approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED] [REDACTED]**, will be used for strategic cooperation and investment; and approximately **[REDACTED]**% of the net **[REDACTED]**, or HK$**[REDACTED] [REDACTED]**, will be used for working capital and general corporate purposes over the next three years.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Immediately prior to the **[REDACTED]**, Dr. Jia, our founder, chairman of the Board and executive Director, is entitled to exercise the voting rights of approximately **[REDACTED]** of the total issued share capital of our Company through the Shares held by his close associates, including (i) Hyperdimension Holdings Limited, a company which is wholly owned by Dr. Jia; and (ii) Space Travel Management L.P., a limited liability partnership the general partner of which is StarrySky Management Limited, which is in turn wholly owned by Dr. Jia. Immediately following the completion of the **[REDACTED]** (on the basis that all the Preferred Shares are converted into Shares on a one-to-one basis, assuming the **[REDACTED]** is not exercised and without taking into account any Shares which may be issued under the Pre-**[REDACTED]** Stock Incentive Plans), Dr. Jia will be entitled to exercise the voting rights of approximately **[REDACTED]**% of the total issued share capital of our Company through the Shares held by Hyperdimension Holdings Limited and Space Travel Management L.P. Accordingly, Dr. Jia, together with Hyperdimension Holdings Limited, Space Travel Management L.P. and StarrySky Management Limited are the Single Largest Group of Shareholders of our Company upon **[REDACTED]**.

PRE-[REDACTED] INVESTMENTS

We have undertaken several rounds of Pre-**[REDACTED]** Investments. For details of the background of our Pre-**[REDACTED]** Investors and the principal terms of the Pre-**[REDACTED]** Investments, see “History, Development and Corporate Structure—Pre-**[REDACTED]** Investments”.

PRE-[REDACTED] STOCK INCENTIVE PLANS

As at the Latest Practicable Date, our Company has adopted the 2022 Stock Incentive Plan and the 2025 Stock Incentive Plan. Assuming the full exercise of all outstanding options granted under the Pre-**[REDACTED]** Stock Incentive Plans, the issued and outstanding shareholding of the Shareholders immediately following completion of the **[REDACTED]** will be diluted by approximately **[REDACTED]**%. As our Company currently does not have any net profit, if all of the outstanding options granted under the Pre-**[REDACTED]** Stock Incentive Plans are exercised, there will not be any dilution effect on the earnings per Share arising from the exercise of the outstanding options. For details, see “Statutory and General Information — D. Pre-**[REDACTED]** Stock Incentive Plans” in Appendix IV to this Document.

COMPLIANCE AND LEGAL PROCEEDINGS

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance; and we had not been and were not involved in any material noncompliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this Document, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since December 31, 2025, the end of the period reported on the Accountant’s Report included in Appendix I to this Document.