

SUMMARY

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” in this Document.

OVERVIEW

Who We Are

We are a leading AR eyewear company with a global consumer base. We design, develop, manufacture and sell AR eyewear, and provide related products and services under our distinctive brand. Leveraging our capabilities in optical engineering, edge coprocessor integration, algorithms and software development, our products have evolved from display-centric devices toward richer spatial computing experiences, and we are further expanding into AI-enabled wearable experiences. We ranked No. 1 globally in the AR eyewear market by sales revenue for each year from 2022 to 2025; and we also ranked No. 2 globally and No. 1 in China in the broader smart eyewear market, comprising AR eyewear and non-display eyewear, by sales revenue in 2025, according to iResearch.

Our market position today has been built not only through product commercialization, but also through our contributions to the development of AR eyewear across technology, systems and manufacturing. From the launch of *Light* in 2019, the first AR eyewear commercially available to consumers according to iResearch, to the release of *NebulaOS*, the first to bring system-level spatial interaction capabilities to AR eyewear according to the same source, together with the establishment of our AR optical module manufacturing facility and the introduction of our *X1* edge coprocessor, we have consistently contributed to shaping key developments in the AR eyewear industry. These developments reflect our continued evolution from early AR display products toward richer spatial computing experiences and underpin our current market-leading position. The following highlights illustrate our achievements across market leadership, technology innovation, and commercialization and globalization.



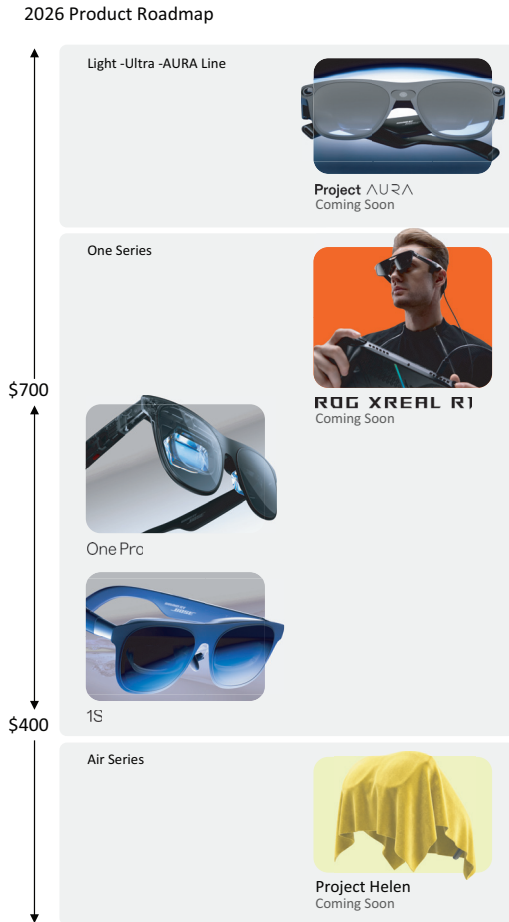
Notes:

1. According to iResearch.
2. As of December 31, 2025.

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OUR PRODUCTS AND SERVICES

Our product offerings primarily consist of AR eyewear designed for everyday use. We offer a broad and tiered portfolio across different price points, user needs and product capabilities, ranging from entry-level spatial display products to next-generation spatial computing products. Our current portfolio can be grouped into three main lines: the *Air Series*, the *One Series*, and the *Light-Ultra-Aura Line*.



The *Air Series* is our entry-level and largest-volume product line, designed for high-frequency scenarios such as immersive viewing, gaming and light office work. It is built to maintain a wearing experience close to ordinary eyewear while supporting plug-and-play connectivity with smartphones, PCs and gaming consoles.

The *One Series* builds on this foundation by further enhancing display quality and interactive capabilities. It features advanced Micro-OLED display technology, our customized *X1* edge coprocessor and electrochromic lenses that automatically adjust brightness under different lighting conditions, delivering a more advanced spatial display experience.

The *Light-Ultra-Aura Line* reflects our product evolution toward next-generation spatial computing. Our earlier *Light* products helped establish our early market presence. *Ultra* introduced advanced spatial sensing and full 6DoF interaction capabilities for developers and advanced users. *Project Aura*, our next-generation flagship product currently under development, is expected to expand FoV to approximately 70 degrees, integrate enhanced spatial computing and multimodal AI capabilities, and run on Google's *Android XR* platform.

We develop *NebulaOS*, our proprietary operating system designed specifically for AR environments. Our AR eyewear products are broadly compatible with major operating systems and support seamless connectivity across devices and platforms. On top of this hardware compatibility, *NebulaOS* further enhances user experience by enabling spatialized display of native 3D Android applications, multi-window management, 3DoF and 6DoF spatial positioning and intuitive gesture interaction. *NebulaOS* also provides a development framework for developers to create applications purpose-built for AR environments and expand the range of potential use cases for our devices.

In addition to our consumer products, we provide technical development services to enterprise customers. Leveraging our expertise in AR optics, edge coprocessors, hardware engineering and system integration, we support enterprise clients in tailoring AR-related products for specific application scenarios. Our service scope covers optical module design, hardware development, software system integration and AR application scenario customization.

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The following table sets forth a breakdown of our revenue by product type, in absolute amounts and as a percentage of our total revenue, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Sale of goods	355,075	91.0	388,533	98.5	475,673	92.2
– AR eyewear	302,653	77.6	307,956	78.1	402,928	78.1
– Accessories	52,422	13.4	80,577	20.4	72,745	14.1
Services and others	34,994	9.0	5,959	1.5	40,306	7.8
Total	390,069	100.0	394,492	100.0	515,979	100.0

The following table sets forth the sales volume and ASP of our AR eyewear. The movements in sales volume and ASP during the Track Record Period primarily reflect differences in product launch timing, price positioning, higher pricing for certain limited editions, and discounted pricing for legacy products following subsequent iterations.

	Year ended December 31,					
	2023		2024		2025	
	Sales volume (unit)	Average selling price (RMB)	Sales volume (unit)	Average selling price (RMB)	Sales volume (unit)	Average selling price (RMB)
<i>One Series</i>	–	–	13,512	2,709	111,355	3,196
<i>Air Series</i>	134,074	2,151	103,991	2,325	17,403	1,656
<i>Light-Ultra-Aura Line</i>	3,165	4,515	7,368	4,014	4,973	3,665

OUR TECHNOLOGY

Unlike assembly-based manufacturers, we lead the design and integration of key technologies across optical engines, edge coprocessor architecture, algorithms and operating system. Our deeply integrated technology stack creates a high barrier to entry and empowers continuous iterations of our AR eyewear. Our core technologies include: (i) the self-developed *X-Prism* optical engine, which achieves thinner modules and a wider FoV than the industry’s mainstream Birdbath solution, with *Project Aura* designed to reach an approximately 70-degree FoV; (ii) our proprietary *XI* edge coprocessors purpose-built for AR eyewear, enabling spatial algorithms to run locally with motion-to-photon latency under three milliseconds; (iii) high-performance algorithms that stabilize virtual objects in physical space, enable features such as real-time 2D-to-3D video conversion; and (iv) *NebulaOS*, our proprietary operating system that serves as the portal connecting the device to a wide range of applications, covering entertainment, productivity, and developer tools.

INTELLECTUAL PROPERTY

Intellectual property is fundamental to our research, product development and commercial success. We safeguard our technologies through a combination of (i) statutory protection under patent, copyright, trademark, trade-secret and unfair-competition laws in the PRC and other jurisdictions, and (ii) contractual safeguards such as confidentiality undertakings, invention-assignment covenants and license agreements. We conduct IP risk evaluations throughout R&D phases, review contract terms before entering into business arrangements, and provide regular IP training to employees. All employment and key commercial contracts expressly delineate ownership of, and obligations to protect, intellectual property created or used in the course of our business.

As of December 31, 2025, our intellectual property portfolio included 382 patents, six copyrights, and 121 trademarks in China, along with 99 patents and 209 trademarks overseas.

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From time to time, we may be involved in disputes or legal proceedings relating to intellectual property rights, whether to enforce our own rights or to defend against claims by third parties. See “Business — Legal Proceedings and Compliance.” Any such proceedings, regardless of the outcome, may consume significant costs and divert our resources.

OUR STRENGTHS

We believe that the following strengths have contributed to our success and differentiated us from our competitors: (i) market leadership with global footprint and scalable growth; (ii) technological differentiation with high barriers to entry; (iii) broad product portfolio with rapid iteration capabilities; (iv) open and collaborative ecosystem with strong network effects; and (v) seasoned management team with deep technical expertise. See “Business — Our Strengths” for details.

OUR STRATEGIES

We plan to execute the following strategies to drive our future growth: (i) investing in R&D to solidify our technical competitiveness; (ii) upgrading product portfolio; (iii) building AI-driven software services; (iv) collaborating with world-class partners; and (v) accelerating global market penetration and expansion. See “Business — Our Strategies” for details.

OUR GLOBAL FOOTPRINT AND SALES NETWORK

Since inception, we have operated on a global basis, with sales spanning China, North America, Europe and the Asia-Pacific region. This global operating model has already delivered commercial success across international markets. In 2025, over 70% of our revenue came from overseas markets. We work with leading global technology companies across edge coprocessor architecture, optical engines, spatial algorithms and operating systems, and we have established a global sales network and supply chain. As of December 31, 2025, our sales network covered 40 countries and regions, and we had local sales and operations teams in North America, Japan and South Korea. The following table sets forth the breakdown of our revenue by geographical location during the Track Record Period.

	For the year ended December 31,					
	2023		2024		2025	
	<i>RMB'000</i>	<i>% of total revenue</i>	<i>RMB'000</i>	<i>% of total revenue</i>	<i>RMB'000</i>	<i>% of total revenue</i>
Overseas	254,717	65.3	260,007	65.9	366,122	71.0
United States	148,108	38.0	109,769	27.8	190,185	36.9
Japan	64,652	16.6	59,612	15.1	75,123	14.6
Europe	23,589	6.0	60,713	15.4	70,956	13.8
Others ⁽¹⁾	18,368	4.7	29,913	7.6	29,858	5.7
Chinese Mainland	135,352	34.7	134,485	34.1	149,857	29.0
Total	390,069	100.0	394,492	100.0	515,979	100.0

Note:

(1) Others primarily comprise Asian countries/regions other than Chinese Mainland.

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In both domestic and overseas markets, we have established a diversified omnichannel approach, which consists of two primary models: (i) direct sales through our official website, official flagship stores on e-commerce platforms and others; and (ii) sales to distributors, mainly comprising major electronics retailers and regional distributors. The following table sets forth a breakdown of our revenue by sales channel, in absolute amounts and as a percentage of our total revenue, for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	<i>% of total revenue</i>	<i>RMB</i>	<i>% of total revenue</i>	<i>RMB</i>	<i>% of total revenue</i>
	<i>(in thousands, except percentages)</i>					
Direct Sales	316,421	81.1	285,930	72.5	365,396	70.8
Sales to Distributors	73,648	18.9	108,562	27.5	150,583	29.2
Total	390,069	100.0	394,492	100.0	515,979	100.0

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers primarily included (i) individual consumers; (ii) third-party distributors; and (iii) enterprise clients. In 2023, 2024 and 2025, our sales to the five largest customers in each year amounted to RMB110.5 million, RMB101.5 million and RMB138.8 million, representing 28.3%, 25.7% and 26.9% of our total revenue for the same year, respectively, and our sales to the largest customer in each year amounted to RMB46.7 million, RMB61.0 million and RMB51.7 million, representing 12.0%, 15.5% and 10.0% of our total revenue for the same year, respectively.

During the Track Record Period, our suppliers primarily included (i) raw materials for production; (ii) third-party manufacturing services; and (iii) hardware design services. In 2023, 2024 and 2025, our purchases from the five largest suppliers in each year amounted to RMB224.6 million, RMB236.8 million and RMB157.9 million, representing 30.9%, 34.5% and 29.0% of our total purchases, respectively, and our purchases from the largest supplier amounted to RMB135.6 million, RMB92.1 million and RMB66.0 million, representing 18.6%, 13.4% and 12.1% of our total purchases for the same year.

RISK FACTORS

Our business and the [REDACTED] involve certain risks as set out in “Risk Factors” in this Document. The principal risks we face include: (i) our commercial success depends on the market acceptance of our products and our ability to respond to evolving market trends; (ii) we face vigorous competition from peers, some of which have substantially greater resources; (iii) we may not be able to adequately protect or enforce our intellectual property rights throughout the world or prevent others from unauthorized use of our technology and intellectual property rights, and our efforts to do so may be costly. In addition, our commercial success depends significantly on our ability to operate without infringing upon, misappropriating or otherwise violating the IP rights of third parties; (iv) the success of our business hinges on our R&D ability to deliver new products or services on schedule with features and performance that provide value to our customers. If we fail to continuously innovate and adapt to new technology and evolving customer needs, our competitive position would be impacted and our business, results of operations, financial condition and prospects would be adversely affected; and (v) our long-term collaboration with key partners does not guarantee any sales or future growth opportunities. In addition, modification or termination of these relationships could materially and adversely affect our business, results of operations and financial condition.

OUR MARKET OPPORTUNITIES

The global smart eyewear market is entering a new phase of expansion, supported by rapid advances in edge computing, artificial intelligence and optical display technologies. Smart eyewear includes AR eyewear and non-display eyewear. According to iResearch, the global smart eyewear market reached approximately US\$2.3 billion in 2025 and is projected to grow to approximately US\$24.0 billion by 2030. Within this broader market, AR eyewear is expected to be the primary growth driver, combining the convenience of everyday wear with immersive digital display capabilities. Global sales volume of AR eyewear is forecast to increase from approximately 0.8 million units in 2026 to approximately 22.2 million units in 2030, representing a CAGR of 130.9%, with its share of the smart eyewear market expected to rise significantly during the same period.

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OUR PRE-[REDACTED] INVESTMENTS

We have undertaken several rounds of Pre-[REDACTED] Investments with our Pre-[REDACTED] Investors, which include Taobao China Holding, Cosmic Blue, Shunwei, Pudong ChuangLing, Perfect Destiny Limited, Yunfeng, China Internet Investment Fund, CICC Qizhi, IICOMBINED Co., Ltd. (Gentle Monster), Luxshare Precision and Wuxi NewForce. For details of the background of our key Pre-[REDACTED] Investors and the principal terms of the Pre-[REDACTED] Investments, see “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investments.”

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As of the Latest Practicable Date (assuming the completion of the allotment of Shares pursuant to the Reorganization and the completion of Series D financing), our Single Largest Group of Shareholders, comprising Dr. Xu, Fortitude Savour, Infinite Halcyon and Heritage Anchor, were entitled to exercise approximately 27.98% voting rights in our Company. Immediately upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and the outstanding options granted under the Pre-[REDACTED] Equity Incentive Plan are not exercised), our Single Largest Group of Shareholders will be entitled to exercise approximately [REDACTED]% voting rights of our Company and will remain as a group of the single largest Shareholders.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Summary of Our Consolidated Statements of Profit or Loss

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Revenue	390,069	100.0	394,492	100.0	515,979	100.0
Cost of sales	(316,748)	(81.2)	(307,189)	(77.9)	(334,601)	(64.8)
Gross profit	73,321	18.8	87,303	22.1	181,378	35.2
Other operating income and gains . . .	9,020	2.3	7,427	1.9	7,731	1.5
Selling and distribution expenses	(214,103)	(54.9)	(143,111)	(36.3)	(130,929)	(25.4)
Administrative expenses	(106,939)	(27.4)	(116,010)	(29.4)	(112,461)	(21.8)
Research and development expenses . .	(215,896)	(55.3)	(204,187)	(51.8)	(182,939)	(35.5)
(Impairment losses)/reversal of impairment losses on financial assets	(1,422)	(0.4)	471	0.1	(580)	(0.1)
Impairment losses on long-term assets	–	–	(1,792)	(0.5)	(3,771)	(0.7)
Other operating expenses	(2,330)	(0.6)	(3,577)	(0.9)	(3,899)	(0.8)
Operating loss	(458,349)	(117.5)	(373,476)	(94.8)	(245,470)	(47.6)
Other income, net	2,256	0.6	4,684	1.2	3,591	0.7
Finance costs	(4,362)	(1.1)	(14,652)	(3.7)	(13,645)	(2.6)
Fair value change on financial assets .	17,388	4.5	2,970	0.8	1,814	0.4
Fair value changes of preferred shares, warrants and convertible notes	(438,690)	(112.5)	(328,041)	(83.2)	(202,586)	(39.3)
Loss before tax	(881,757)	(226.0)	(708,515)	(179.7)	(456,296)	(88.4)
Income tax expenses	(52)	(0.0)	(95)	(0.0)	(70)	(0.0)
Loss for the year	(881,809)	(226.0)	(708,610)	(179.7)	(456,366)	(88.4)

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Non-IFRS Measures

	For the year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the year	(881,809)	(708,610)	(456,366)
Adjustments:			
Fair value changes of preferred shares, warrants and convertible notes	438,690	328,041	202,586
Share-based payment expenses	5,835	5,278	3,811
Adjusted net loss (non-IFRS measure)	(437,284)	(375,291)	(249,969)

Discussion of Selected Items from Our Consolidated Statements of Financial Position

	As of December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total non-current assets	121,906	175,988	136,005
Total current assets	767,372	577,156	405,352
Total assets	889,278	753,144	541,357
Total non-current liabilities	39,592	208,439	77,930
Total current liabilities	2,699,826	3,139,040	3,489,387
Net current liabilities	1,932,454	2,561,884	3,084,035
Total liabilities	2,739,418	3,347,479	3,567,317
Net liabilities	1,850,140	2,594,335	3,025,960
Total deficit	(1,850,140)	(2,594,335)	(3,025,960)

Summary of Consolidated Cash Flow Statements

	For the year ended December 31,		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net cash used in operating activities	(471,768)	(174,077)	(203,477)
Net cash generated from/(used in) investing activities	359,229	92,403	(24,516)
Net cash generated from financing activities	132,058	102,992	87,787
Net increase/(decrease) in cash and cash equivalents	19,519	21,318	(140,207)
Cash and cash equivalents at the beginning of the year	166,249	181,094	204,732
Time deposits	(17,974)	–	–
Pledged deposits and restricted cash	(52,413)	(49,953)	(37,389)
Effect of foreign exchange rate changes	(4,674)	2,320	(891)
Cash and cash equivalents at the end of the year	181,094	204,732	63,634

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KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
Gross profit margin ⁽¹⁾ (%)	18.8	22.1	35.2
Operating expenses ratio ⁽²⁾ (%)	137.6	117.5	82.7

Notes:

- (1) Gross profit margin is calculated as gross profit for the year divided by revenue for the year and multiplied by 100%.
- (2) Operating expenses ratio is calculated as the sum of selling and distribution expenses, administrative expenses, and research and development expenses for the year, divided by revenue for the year and multiplied by 100%.

BUSINESS SUSTAINABILITY

During the Track Record Period, we achieved robust revenue growth, significant gross profit margin improvement and continued narrowing of losses. Our revenue increased from RMB390.1 million in 2023 to RMB394.5 million in 2024, and further grew by 30.8% to RMB516.0 million in 2025. Our gross profit margin improved from 18.8% in 2023 to 22.1% in 2024, and further to 35.2% in 2025. Our net loss narrowed from RMB881.8 million in 2023 to RMB708.6 million in 2024 and further to RMB456.4 million in 2025. We ranked No. 1 globally in the AR eyewear market by sales revenue for each year from 2022 to 2025; and we also ranked No. 2 globally and No. 1 in China in the broader smart eyewear market, comprising AR eyewear and non-display eyewear, by sales revenue in 2025, according to iResearch.

Our net losses during the Track Record Period were primarily attributable to: (i) fair value changes of preferred shares, warrants and convertible notes, which amounted to RMB438.7 million, RMB328.0 million and RMB202.6 million in 2023, 2024 and 2025, respectively, are non-cash in nature and will cease to arise upon completion of the [REDACTED]; (ii) research and development expenses incurred to maintain our technology leadership across optical engines, edge coprocessor architecture, algorithms and operating system, which amounted to RMB215.9 million, RMB204.2 million and RMB182.9 million in 2023, 2024 and 2025, respectively; and (iii) selling and distribution expenses associated with global market education and channel building in the emerging AR eyewear category, which amounted to RMB214.1 million, RMB143.1 million and RMB130.9 million in 2023, 2024 and 2025, respectively. Our operating expenses in aggregate (comprising selling and distribution expenses, administrative expenses and research and development expenses) declined from 137.6% of revenue in 2023 to 82.7% in 2025, demonstrating significant operating leverage.

After adjusting for the above fair value changes and share-based payment expenses, our adjusted net loss (non-IFRS measure) narrowed by 42.8% from RMB437.3 million in 2023 to RMB250.0 million in 2025; as a percentage of revenue, the adjusted net loss (non-IFRS measure) decreased from 112.1% in 2023 to 48.4% in 2025.

We plan to accelerate growth and enhance our business sustainability through the following strategies:

Leveraging the rapid growth of the industry. According to iResearch, global sales volume of AR eyewear is forecast to increase from approximately 0.8 million units in 2026 to approximately 22.2 million units in 2030, representing a CAGR of 130.9%. Our in-house technology capabilities — including the *X-Prism* optical engine, *X1* edge coprocessors, high-performance spatial algorithms and *NebulaOS* — combined with our established market leadership as the No. 1 brand globally in the AR eyewear market by sales revenue for each year from 2022 to 2025, position us well to capture higher market share in the next stage of industry growth.

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Enriching our product portfolio to drive revenue growth. We continuously iterate new products across our three product lines. In 2026, we plan to launch multiple new products across all three lines: *ROG XREAL R1*, a co-branded gaming-oriented product developed in collaboration with ASUS’s ROG; *Project Helen* within the *Air Series*, designed to reach a broader consumer audience at a more accessible price point; and *Project Aura*, our next-generation flagship developed with Google on the *Android XR* platform. These upcoming products further extend our portfolio coverage across premium, mid-range and entry-level price segments.

Expanding our global sales channels and deepening market penetration. We will continue to deepen penetration in our core markets through localized strategies tailored to each region, while accelerating expansion into high-potential emerging markets. We will also continue to deepen ecosystem collaboration and strategic partnerships with leading enterprises across industries.

Improving operational efficiency and optimizing cost structure. We plan to further enhance R&D efficiency through platform consolidation and modular reuse of key technology modules across product generations, leverage our self-owned optical module manufacturing base in Wuxi to optimize production costs, strengthen supplier bargaining power, and implement enterprise information management systems to improve organizational coordination and operational efficiency.

During the Track Record Period, we recorded net cash used in operating activities of RMB471.8 million, RMB174.1 million and RMB203.5 million in 2023, 2024 and 2025, respectively. We plan to improve our net operating cash flow position by driving revenue growth and improving profitability through the above strategies, and by strengthening working capital management.

For details, see “Business — Business Sustainability.”

[REDACTED]

DIVIDENDS

During the Track Record Period, 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 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 adviser, 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.

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[REDACTED]

Our [REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED] and the [REDACTED]. Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] Range, we estimate that our [REDACTED] will be approximately RMB[REDACTED], accounting for approximately [REDACTED]% of our gross [REDACTED], including (i) [REDACTED] expenses of approximately RMB[REDACTED], and (ii) [REDACTED] expenses of approximately RMB[REDACTED], comprising (a) sponsor fee of approximately RMB[REDACTED], (b) fees and expenses of legal advisors and Reporting Accountant of approximately RMB[REDACTED], and (c) other fees and expenses of approximately RMB[REDACTED]. Out of the approximately RMB[REDACTED], approximately RMB[REDACTED] is expected to be charged to our consolidated statements of profit or loss and approximately RMB[REDACTED] is expected to be deducted from equity. The [REDACTED] above are the best estimate as of the Latest Practicable Date and for reference only, and the actual amount may differ from this estimate.

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 mid-point of the indicative [REDACTED] stated in this Document) of approximately HK\$[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: (i) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for our ongoing R&D investment, including technology development and product upgrades; (ii) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for global brand building and the enhancement of our sales and distribution network; (iii) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to construct new self-operated production lines and upgrade our existing production infrastructure; (iv) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to improve our management and operational efficiency through the deployment and upgrade of internal systems; and (v) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for working capital and general corporate purposes.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We [have applied] to the Stock Exchange for the granting of the [REDACTED] of, and permission to [REDACTED] (a) the Shares in issue (including the Shares to be converted from the Preferred Shares); (b) the Shares to be issued pursuant to the [REDACTED] (including any Shares which may be issued pursuant to the exercise of the [REDACTED]); and (c) the Shares which may be issued pursuant to the outstanding options under the Pre-[REDACTED] Equity Incentive Plan. We satisfied the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue for the year ended December 31, 2025, being HK\$585.6 million, which is over HK\$500 million; and (ii) our market capitalization at the time of [REDACTED], which, based on the low-end of the indicative [REDACTED] range, exceeds HK\$4 billion.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

We have achieved sustainable growth after the Track Record Period. Our sales volume amounted to 25,828 units for the two months ended February 28, 2026, representing a 62% increase compared with the same period in the prior year. Our Directors confirm that, up to the date of this Document, there has been no material adverse change in our financial or trading position, level of indebtedness, mortgages, contingent liabilities, guarantees or prospects since December 31, 2025, being the end of the period reported on in the Accountants' Report set out in Appendix I to this Document.