

FINANCIAL INFORMATION

*You should read the following discussion and analysis with our audited consolidated financial information as of and for the Track Record Period, including the notes thereto, included in the Accountants’ Report in Appendix I (“**Historical Financial Information**”). The consolidated financial information has been prepared in accordance with IFRS.*

Potential [REDACTED] should read the whole Historical Financial Information and not rely merely on the information contained in this section. The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical events, current conditions, expected future developments, and other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. Past performance is no guarantee of future results. In evaluating our business, you should carefully consider the information provided in this Document, including, but not limited to, the sections headed “Risk Factors” and “Business.”

OVERVIEW

We are dedicated to designing, manufacturing and distributing outdoor leisure and electrified mobility products, with a leading position in the LSEV market. According to Frost & Sullivan, we ranked first by revenue in the global LSEV industry in 2025, with a global market share of approximately 10.9%. Our diversified product portfolio has enabled us to offer practical solutions for outdoor mobility and leisure. Our business spans two segments: (i) E-mobility products, consisting of (a) LSEVs, designed for community and on-site short-distance mobility, and (b) electric two-wheelers, including electric bicycles, electric scooters and electric balance bikes, and (ii) outdoor specialty vehicles, also known as powersports, including ATVs and off-road motorcycles. Our products are designed for short-distance travel within communities, recreational sports, intelligent mobility and specialized operations scenarios.

During the Track Record Period, we achieved consistent growth in both revenue and profitability. Our revenue increased from RMB2,144.2 million in 2023 to RMB3,941.4 million in 2025, representing a CAGR of 35.6%. Our net profit amounted to RMB280.5 million, RMB431.3 million and RMB816.3 million, in 2023, 2024 and 2025, respectively, representing a CAGR of 70.6%. This growth continued in the four months ended April 30, 2026, during which our revenue increased from RMB958.8 million for the corresponding period in 2025 to RMB1,591.4 million, while our net profit increased from RMB188.8 million to RMB292.1 million for the same period. During the Track Record Period, our net profit margin remained above 10%.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Set forth below are certain key factors which have historically affected our results of operations and may continue to impact our results in the future:

Global Market Demand for LSEV

E-mobility is increasingly viewed as an alternative transportation tool with advantages such as low carbon emissions, reduced cost of ownership and convenient parking. Among the sub-categories within the E-mobility, the LSEV market, particularly in the United States, is demonstrating rapid growth. According to Frost & Sullivan, the global market size for LSEV increased from US\$1.1 billion in 2023 to US\$2.5 billion in 2025, and is expected to reach US\$6.7 billion in 2030, representing a CAGR of 28.2%. LSEVs serve the needs of a range of users including middle-class families, retirees and community residents. Benefiting from such market trend, our LSEV products have quickly gained

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traction, contributing to the significant increase in our revenue from E-mobility products. We expect that further market penetration and particularly in the U.S., which is our largest overseas market, supported by favorable consumer trends will continue to drive our revenue growth going forward.

Brand Recognition and Pricing Power

Our brand strength and pricing power have a direct impact on our ASP and profit margins. During the Track Record Period, we pursued a multi-brand strategy and marketing initiatives to raise our brand profile. We focus on multi-dimensional brand building and value creation. We have established a holistic brand matrix centered on four of our core proprietary brands: DENAGO, GOTRAX, TEK0 and TAO MOTOR. See “Business — Brands and Products.” We have transitioned from primarily ODM sales to emphasizing our proprietary brands, which carry significantly higher gross profit margins than ODM business. This optimization of our sales mix in favor of self-branded products has driven an improvement in overall profitability. During the Track Record Period, our revenue from proprietary brand amounted to RMB1,349.6 million, RMB1,848.0 million, RMB2,878.0 million and RMB1,411.7 million, representing 62.9%, 62.1%, 73.0% and 88.7% of our total revenue, respectively. Brand recognition is critical to the market acceptance and commercial performance of our products. During the Track Record Period, we continued to invest in brand building and marketing activities, with selling and marketing expenses amounting to RMB314.9 million, RMB313.4 million, RMB352.0 million and RMB137.2 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively. Such efforts included promotional activities conducted through various channels, including social media platforms, where certain professional athletes and sports influencers shared their experiences with our products.

Sales and Distribution Network

We have established a sales and distribution network across key markets and channels, which has been a crucial driver of our revenue growth and profitability during the Track Record Period. Geographically, we derive the majority of our revenue from the United States, reflecting our established presence in this key market. The U.S. contributed 84.9% of our revenue in the four months ended April 30, 2026. Supported by local distribution infrastructure, we have expanded our customer reach and order fulfillment capabilities in our largest market. Our multi-channel sales network comprises KACs, dealers, wholesale customers, ODM sales and DTC website sales. See “Business — Our Sales Network and Customers.” In 2023, 2024, 2025 and the four months ended April 30, 2026, our aggregate revenue from KACs and dealers, amounted to RMB1,010.5 million, RMB1,548.6 million, RMB2,500.0 million and RMB1,290.8 million, respectively. The expansion of our dealer network and partnerships with KACs has thus materially boosted our sales volume, as these channels enable us to reach a wider customer base than would be possible through our ODM business and DTC websites alone.

As of April 30, 2026, we had built a network of 819 dealers across the United States, supplemented by partnerships with GMSs and third-party e-commerce platforms, which form part of our KAC channel. This channel coverage has expanded our customer reach in North America. In particular, the rollout of new dealer outlets and placements of our products in big-box retailers during 2023 and 2024 drove a significant surge in U.S. sales. The broad geographic footprint of our dealers and our collaboration with national retail chains allow our products to be accessible to a diverse customer demographic. Moreover, by leveraging third-party e-commerce platforms through our KAC channel alongside brick-and-mortar channels, we have captured both traditional retail consumers and e-commerce shoppers.

Our sales model, including whether products are sold under our proprietary brands through our distribution network and DTC websites or manufactured for ODM customers, affects our pricing and gross profit margins. In general, our proprietary-brand products generate higher gross profit margins than our ODM products, which are manufactured for sale under brands owned by our ODM customers.

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During the Track Record Period, gross profit margin from our proprietary brands amounted to 41.4%, 37.4%, 45.8% and 44.0% in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, while gross profit margin from our ODM amounted to 29.7%, 30.1%, 28.9% and 20.5% during the same periods.

Manufacturing Efficiency and Cost Management

Our manufacturing efficiency and cost management are fundamental to our ability to sustain gross profit margins and support profitable growth. During the Track Record Period, we implemented a series of internal initiatives to enhance production efficiency, reduce unit costs, and mitigate input cost pressures. These initiatives centered on scaling up production volumes, achieving vertical integration, and optimizing our multi-regional manufacturing footprint. We pursued vertical integration of our production processes. As of April 30, 2026, the self-manufacturing rate for some core components was over 80%. By self-producing key components and sub-assemblies, we not only gain better control over quality and supply stability, but also capture the supplier’s margin for ourselves. As a result, we have reduced our dependence on external suppliers for high-value parts and improved our bargaining position for any materials we do source externally.

A key aspect of our cost strategy is our production layout, which spans multiple regions and is designed to optimize cost efficiency. We maintain manufacturing bases in China, Vietnam, and North America, each contributing to the overall cost management in distinct ways. This multi-regional production footprint allows us to produce closer to end-markets, which in turn helps reduce logistics and tariff costs. For instance, by assembling certain products in the U.S., we can shorten trans-ocean shipping distances, avoid import tariffs on finished vehicles, and respond faster to domestic demand, all of which contribute to cost savings and agility. Our coordinated manufacturing footprint also provides flexibility to shift production allocation based on cost considerations and currency or trade developments, thereby mitigating cost risks and ensuring a stable supply of products to each market.

Efficient cost management is key to our financial performance. In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our raw material and consumables used amounted to RMB984.5 million, RMB1,354.9 million, RMB1,562.3 million, RMB413.4 million and RMB637.1 million, representing 73.2%, 69.7%, 67.5%, 69.8% and 68.3% of our total cost of sales. We take a data-driven approach to cost management, closely monitoring each component of our cost of sales and implementing efficiency measures. Raw materials and consumables used are by far the largest cost element during the Track Record Period, which primarily consisted of sheet metal, frames, magnetic steel, batteries, engines and hubs. Our ability to source a steady supply of raw materials at reasonable prices to support our production is crucial to our operations.

Foreign Exchange Rate Fluctuations

Fluctuations in foreign currency exchange rates have a meaningful impact on our reported revenue and profitability, given that a substantial portion of our sales are denominated in foreign currencies, particularly U.S. dollars, while our financial statements are presented in RMB. During the Track Record Period, the Renminbi exchange rate against the U.S. dollar and other currencies has varied, leading to translation gains or losses on our foreign-currency transactions and balances. These exchange rate movements can cause volatility in our gross profit and net profit independent of underlying operating performance. We recorded net foreign exchange gains of RMB17.8 million, RMB33.6 million and RMB20.0 million in 2023, 2024 and the four months ended April 30, 2025, respectively, and net foreign exchange loss of RMB36.7 million and RMB50.6 million in 2025 and the four months ended April 30, 2026, respectively.

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We do not currently employ complex hedging strategies, so our financial results are exposed to foreign exchange risk. During the Track Record Period, we had derivative financial assets of RMB0.2 million as of December 31, 2024. We manage our foreign exchange exposure through internal treasury and credit management measures. In particular, we (i) closely monitor exchange rate movements and regularly review our foreign-currency cash positions and receivables, with ongoing training to enhance risk awareness and execution capability; (ii) adjust the timing of foreign-currency conversion based on market conditions and our Renminbi funding needs to mitigate adverse exchange rate movements; (iii) on a prudent and as-needed basis, use simple bank products such as forward foreign exchange contracts to lock in settlement rates for expected receipts, and we do not adopt complex hedging strategies or engage in speculative foreign exchange trading; and (iv) continue to enhance product quality and brand influence to strengthen pricing power and improve our ability to absorb exchange rate volatility. See note 3 to the Accountants’ Report in Appendix I to this Document.

BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards), which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”).

Our Directors believe that we have adequate resources to continue operations and meet our abilities when they fall due for the foreseeable future of not less than 12 months from the end of the reporting period, by taking into account: (a) our expected cash inflows from operating activities; and (b) the bank facilities obtained subsequent to the reporting date. Therefore, our Directors are of the opinion that it is appropriate to prepare the Historical Financial Information on a going concern basis.

The Historical Financial Information has been prepared under the historical cost convention except for equity investments designated at fair value through other comprehensive income and certain financial instruments which have been measured at fair value at the end of each of the Track Record Periods.

MATERIAL ACCOUNTING POLICIES, SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Some of our accounting policies require us to apply estimates and assumptions and complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operating results. Our management continually evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management’s estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

When reviewing our consolidated financial statements, you should consider, amongst other things: (i) information about our material accounting policies; (ii) the judgments and other uncertainties affecting the application of such policies; and (iii) the sensitivity of reported results to changes in conditions and assumptions. Information about our material accounting policies, estimates and judgments, which are important for an understanding of our financial condition and results of operations, including any changes in accounting policy and disclosures, are set forth in detail in notes 2 to the Accountants’ Report in Appendix I.

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DESCRIPTION OF KEY STATEMENT OF PROFIT OR LOSS ITEMS

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated. Our historical results presented below are not necessarily indicative of the results that may be expected for any future period.

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(Unaudited)</i>									
Revenue	2,144,246	100.0	2,976,629	100.0	3,941,430	100.0	958,845	100.0	1,591,423	100.0
Cost of sales	(1,344,740)	(62.7)	(1,944,650)	(65.3)	(2,315,223)	(58.7)	(592,403)	(61.8)	(932,501)	(58.6)
Gross profit	799,506	37.3	1,031,979	34.7	1,626,207	41.3	366,442	38.2	658,922	41.4
General and administrative expenses . . .	(109,041)	(5.1)	(152,873)	(5.1)	(179,804)	(4.6)	(45,872)	(4.8)	(79,909)	(5.0)
Selling and marketing expenses	(314,924)	(14.6)	(313,398)	(10.6)	(351,981)	(8.9)	(110,934)	(11.7)	(137,162)	(8.7)
Research and development expenses . . .	(87,654)	(4.1)	(125,467)	(4.2)	(123,371)	(3.1)	(27,257)	(2.8)	(29,039)	(1.8)
Net impairment losses on financial assets.	(16,786)	(0.8)	(4,766)	(0.2)	(24,952)	(0.6)	6,324	0.7	(11,303)	(0.7)
Other income	19,026	0.9	23,888	0.8	26,971	0.7	5,593	0.6	6,200	0.4
Other gains, net	13,626	0.6	32,786	1.1	(39,361)	(1.0)	19,878	2.1	(50,120)	(3.1)
Operating profit	303,753	14.2	492,149	16.5	933,709	23.7	214,174	22.3	357,589	22.5
Finance income	42,959	2.0	44,147	1.5	40,893	1.0	13,957	1.4	6,082	0.3
Finance costs	(12,263)	(0.6)	(23,070)	(0.8)	(27,347)	(0.7)	(6,170)	(0.6)	(8,019)	(0.5)
Finance (costs)/ income, net	30,696	1.4	21,077	0.7	13,546	0.3	7,787	0.8	(1,937)	(0.2)
Profit before income tax	334,449	15.6	513,226	17.2	947,255	24.0	221,961	23.1	355,652	22.3
Income tax expense	(53,971)	(2.5)	(81,964)	(2.7)	(130,932)	(3.3)	(33,153)	(3.4)	(63,581)	(3.9)
Profit for the year/period	280,478	13.1	431,262	14.5	816,323	20.7	188,808	19.7	292,071	18.4
Attributable to:										
— Owners of the Company.	280,478	13.1	431,263	14.5	816,323	20.7	188,810	19.7	292,070	18.4
— Non-controlling interests	—	—	(1)	(0.0)	—	—	(2)	(0.0)	1	0.0
Other comprehensive income/(expenses)										
<i>Items that may be reclassified to profit or loss in subsequent periods, net of tax:</i>										
Currency translation differences of foreign operations	(386)	(0.0)	10,836	0.4	(26,178)	(0.7)	(1,110)	(0.1)	(33,744)	(2.2)
Total comprehensive income for the year /period	280,092	13.1	442,098	14.9	790,145	20.0	187,698	19.6	258,327	16.2

Revenue

During the Track Record Period, we generated our revenue from (i) E-mobility products, (ii) powersports, and (iii) others. Our revenue amounted to RMB2,144.2 million, RMB2,976.6 million, RMB3,941.4 million, RMB958.8 million and RMB1,591.4 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively.

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Revenue by Product

The following table sets forth our revenue by products for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(Unaudited)									
E-mobility products:										
LSEV	78,500	3.7	812,304	27.3	1,957,465	49.8	427,496	44.5	969,772	61.0
Electric bicycles	164,833	7.7	231,052	7.8	178,416	4.5	35,177	3.7	74,736	4.7
Electric scooters	718,092	33.4	600,884	20.1	474,318	12.0	120,492	12.6	103,639	6.5
Electric balance bikes	295,658	13.8	199,012	6.7	123,875	3.1	28,555	3.0	20,357	1.3
Other E-mobility ⁽¹⁾	21,519	1.0	44,571	1.5	53,185	1.3	20,826	2.2	24,257	1.5
Subtotal	1,278,602	59.6	1,887,823	63.4	2,787,259	70.7	632,546	66.0	1,192,761	75.0
Powersports:										
ATV	620,427	29.0	737,818	24.8	754,722	19.1	221,201	23.1	262,534	16.5
Off-road motorcycles	122,560	5.7	186,796	6.3	187,881	4.8	69,360	7.2	79,948	5.0
Subtotal	742,987	34.7	924,614	31.1	942,603	23.9	290,561	30.3	342,482	21.5
Others ⁽²⁾	122,657	5.7	164,192	5.5	211,568	5.4	35,738	3.7	56,180	3.5
Total	2,144,246	100.0	2,976,629	100.0	3,941,430	100.0	958,845	100.0	1,591,423	100.0

Notes:

- (1) Other E-mobility mainly included electric ATVs and electric off-road motorcycles, such as GOTRAX K2 ELECTRIC DIRT BIKE and GOTRAX EVEREST ELECTRIC DIRT BIKE.
- (2) Others mainly included sales of accessories and helmets.

Revenue by Geographical Region

The following table sets forth a geographic breakdown of our revenue for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(Unaudited)									
United States	1,529,253	71.2	2,291,890	76.9	3,260,222	82.8	775,794	80.9	1,350,399	84.9
Americas (excluding the United States and Canada) ⁽¹⁾	153,705	7.2	259,525	8.7	216,141	5.5	41,631	4.3	89,798	5.6
Europe	267,739	12.5	227,761	7.7	147,041	3.7	55,275	5.8	45,238	2.8
Asia (excluding China) ⁽²⁾	53,077	2.5	67,331	2.3	128,068	3.2	39,673	4.1	45,111	2.8
China	24,307	1.1	29,074	1.0	95,769	2.4	25,227	2.6	37,088	2.3
Canada	108,641	5.1	94,747	3.2	84,098	2.1	18,986	2.0	17,593	1.1
Others	7,524	0.4	6,301	0.2	10,091	0.3	2,259	0.3	6,196	0.5
Total	2,144,246	100.0	2,976,629	100.0	3,941,430	100.0	958,845	100.0	1,591,423	100.0

Notes:

- (1) Americas (excluding the United States and Canada) mainly included Mexico and some South American countries.
- (2) Asia (excluding China) mainly included Thailand and Malaysia.

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Revenue by Sales Channel

The following table sets forth a breakdown of our revenue by sales channel for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Distribution Network:										
KACs ⁽¹⁾	748,004	34.9	837,075	28.1	652,030	16.5	153,502	16	328,233	20.6
Dealers ⁽²⁾	262,482	12.2	711,528	23.9	1,847,925	46.9	389,403	40.6	962,520	60.5
Wholesale customers ⁽³⁾	29,897	1.4	75,373	2.6	114,720	2.9	30,358	3.2	69,135	4.3
Direct Sales:										
ODM ⁽⁴⁾	782,106	36.5	1,104,605	37.1	1,032,963	26.2	332,763	34.7	174,671	11.0
DTC Websites ⁽⁵⁾	321,757	15.0	248,048	8.3	293,792	7.5	52,819	5.5	56,864	3.6
Total	2,144,246	100.0	2,976,629	100.0	3,941,430	100.0	958,845	100	1,591,423	100.0

Notes:

- (1) Our KACs primarily include (i) GMS and (ii) third-party e-commerce platforms.
- (2) Our dealers primarily comprise distributors with whom we have entered into distribution agreements. The increase in the proportion of revenue generated through dealers from 40.6% to 60.5% was primarily attributable to the rapid growth in sales of our LSEVs through our dealer network.
- (3) Our wholesale customers primarily comprise customers who place bulk purchase orders with us on a one-off basis, and we have not entered into any distribution agreements with them.
- (4) ODM refers to sales of products manufactured by us under brands owned by our ODM partners under the BTO mode based on purchase orders placed by such ODM partners according to their sales needs.
- (5) DTC websites refer to our self-operated online stores. Revenue generated through our DTC websites amounted to RMB321.8 million, RMB248.0 million, RMB293.8 million, RMB52.8 million and RMB56.9 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively, representing 15.0%, 8.3%, 7.5%, 5.5% and 3.6% of our total revenue for the respective periods. The relatively lower proportions recorded in the four months ended April 30, 2025 and 2026 primarily reflected the seasonality of our electric two-wheelers, which constituted the principal products sold through our DTC websites. Sales of our electric two-wheelers generally peak in the fourth quarter, mainly driven by holiday-season demand in the United States, including Thanksgiving and Christmas. See “Business — Seasonality.”

Cost of Sales

Our cost of sales primarily consisted of (i) raw materials and consumables used, (ii) employee benefit expenses, (iii) production expenses, (iv) clearance and shipping costs, (v) impairment losses on inventories, and (vi) others. In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our cost of sales amounted to RMB1,344.7 million, RMB1,944.7 million, RMB2,315.2 million, RMB592.4 million and RMB932.5 million, respectively. The following table sets forth a breakdown of our cost of sales by nature for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Raw materials and consumables used	984,544	73.2	1,354,928	69.7	1,562,252	67.5	413,352	69.8	637,092	68.3
Employee benefit expenses	69,351	5.2	130,620	6.7	166,825	7.2	51,460	8.7	75,948	8.1
Production expenses	50,507	3.8	74,979	3.9	123,738	5.3	17,566	3.0	61,139	6.6
Clearance and shipping costs	140,433	10.4	248,171	12.8	309,842	13.4	78,659	13.3	123,018	13.2
Impairment losses on inventories	6,746	0.5	9,341	0.5	8,598	0.4	2,419	0.4	2,677	0.3
Others ⁽¹⁾	93,159	6.9	126,611	6.4	143,968	6.2	28,947	4.8	32,627	3.5
Total	1,344,740	100.0	1,944,650	100.0	2,315,223	100.0	592,403	100.0	932,501	100.0

Note:

- (1) Others mainly included freight costs.

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Gross Profit and Gross Profit Margin

In 2023, 2024, 2025, and the four months ended April 30, 2025 and 2026, our gross profit amounted to RMB799.5 million, RMB1,032.0 million, RMB1,626.2 million, RMB366.4 million and RMB658.9 million, and our gross profit margin amounted to 37.3%, 34.7%, 41.3%, 38.2% and 41.4% respectively. The following table sets forth a breakdown of our gross profit and gross profit margin by product type for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Gross Profit		Gross Profit		Gross Profit		Gross Profit		Gross Profit	
	Gross Profit	Margin	Gross Profit	Margin	Gross Profit	Margin	Gross Profit	Margin	Gross Profit	Margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(Unaudited)									
E-mobility products ⁽¹⁾	503,454	39.4	676,015	35.8	1,278,418	45.9	265,971	42.0	519,688	43.6
Powersports ⁽²⁾	253,626	34.1	303,815	32.9	300,567	31.9	95,157	32.7	113,960	33.3
Others ⁽³⁾	42,426	34.6	52,149	31.8	47,222	22.3	5,314	14.9	25,274	45.0
Total	799,506	37.3	1,031,979	34.7	1,626,207	41.3	366,442	38.2	658,922	41.4

Notes:

- (1) Our E-mobility products primarily comprise LSEVs, electric scooters, electric balance bikes and electric bicycles, whose gross profit margins ranged from approximately 30% to 50%, 30% to 40%, 25% to 35% and 35% to 45%, respectively, during the Track Record Period.
- (2) Our powersports primarily comprise ATVs and off-road motorcycles, whose gross profit margins ranged from approximately 30% to 35% and 35% to 40%, respectively, during the Track Record Period.
- (3) Others mainly included sales of accessories and helmets.

During the Track Record Period, our gross profit margin increased from 37.3% in 2023 to 41.3% in 2025, despite a decrease to 34.7% in 2024. In addition, our gross profit margin further increased from 38.2% in the four months ended April 30, 2025 to 41.4% in the four months ended April 30, 2026. The increase in our overall gross profit margin was primarily attributable to the improvement in the gross profit margin of our LSEVs, driven by (i) increased recognition of certain of our LSEV products among customers and continued optimization of our product mix and (ii) higher ASP of our LSEVs. As LSEVs represented a significant proportion of our revenue, such improvement more than offset the generally declining gross profit margins of electric scooters, electric balance bikes and electric bicycles, primarily reflecting changes in the relative contribution of different models and sales channels, together with pricing adjustments made in response to prevailing market conditions. The gross profit margins of ATVs and off-road motorcycles remained relatively stable during the Track Record Period. Our gross profit margin of others decreased from 31.8% in 2024 to 22.3% in 2025, primarily attributable to changes in product mix, primarily because the sales mix shifted towards relatively lower-margin accessory and helmet items.

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The following table sets forth a breakdown of our gross profit and gross profit margin by proprietary brands and ODM in gross profit and gross profit margin for the periods indicated.

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Proprietary brands	558,057	41.4	690,588	37.4	1,317,656	45.8	261,094	41.9	620,781	44.0
ODM	232,532	29.7	332,205	30.1	298,805	28.9	105,013	31.6	35,821	20.5
Others ⁽¹⁾	8,917	70.8	9,186	38.3	9,746	32.0	335	11.8	2,320	45.5
Total	799,506	37.3	1,031,979	34.7	1,626,207	41.3	366,442	38.2	658,922	41.4

Note:

- (1) Others mainly included sales of scrap materials (comprising scrap iron, scrap aluminum and discarded cardboard boxes), delivery services income and lease income.

The gross profit margin of products sold under our proprietary brands was 41.4%, 37.4%, 45.8%, 41.9% and 44.0% in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. The gross profit margin of products sold under our proprietary brands decreased from 41.4% in 2023 to 37.4% in 2024, primarily due to increases in both shipping costs and customs clearance costs (including applicable tariffs and other import-related charges) incurred in connection with our proprietary-brand products sold in the U.S. market, reflecting higher ocean freight rates and tariffs applicable to certain products.

The gross profit margin of our ODM products remained relatively stable at 29.7%, 30.1% and 28.9% in 2023, 2024 and 2025, respectively. The gross profit margin of our ODM products decreased from 31.6% in the four months ended April 30, 2025 to 20.5% in the corresponding period in 2026, primarily due to (i) changes in the revenue mix among different ODM customers and products, including a higher contribution from relatively lower-margin ATVs sold to one major ODM customer; and (ii) following the Acquisition, sales of relatively higher-margin golf carts and off-road motorcycles previously made to Champion Motorsports under the ODM model, were reclassified as intra-group transactions and were eliminated upon consolidation.

For purposes of assessing the effect of the Acquisition on a comparable basis, if our sales to Champion Motorsports had been excluded from our ODM results for the four months ended April 30, 2025, our ODM gross profit and ODM gross profit margin for that period would have been approximately RMB42.2 million and 27.7%, respectively. Accordingly, the reclassification of Champion Motorsports as an intra-group customer following the Acquisition accounted for approximately RMB68.8 million of the decrease in ODM gross profit and approximately 5.1 percentage points of the decrease in ODM gross profit margin. The remaining decrease in ODM primarily reflected lower gross profit margins on sales to certain ODM customers in Mexico and Türkiye amid intensified competition in the relevant markets. On the same comparable basis, if our sales to Champion Motorsports had been excluded from our ODM results for the four months ended April 30, 2025, our ODM sales volume and ASP for that period would have been approximately 145,112 units and RMB1,098 per unit, respectively. Accordingly, the cessation of Champion Motorsports' status as an external ODM customer accounted for approximately RMB813 per unit, of the total decrease of RMB1,104 per unit in our ODM ASP, from RMB1,911 per unit for the four months ended April 30, 2025 to RMB807 per unit for the corresponding period in 2026. The remaining decrease primarily reflected changes in the customer and product mix of our other external ODM business, including an increased contribution from sales of relatively lower-priced ATVs, particularly models in the 230cc series, to one major ODM customer, rather than a general reduction in the selling prices of comparable ODM products.

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The gross profit margin of others decreased from 70.8% in 2023 to 38.3% in 2024, and further decreased to 32.0% in 2025, primarily attributable to (i) higher delivery service costs resulting from an increase in ocean freight charges per container from 2023 to 2025; and (ii) lower ASP of scrap materials, particularly scrap iron, over the same period. The gross profit margin of others increased from 11.8% in the four months ended April 30, 2025 to 45.5% in the four months ended April 30, 2026, primarily due to a higher proportion of revenue generated from sales of scrap materials, which carried a relatively higher gross profit margin during the period.

The following table sets forth a breakdown of our gross profit and gross profit margin by sales channel for the periods indicated.

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
(Unaudited)										
Distribution Network:										
KACs	283,946	38.0	268,879	32.1	233,669	35.8	53,881	35.1	120,513	36.7
Dealers	97,360	37.1	282,609	39.7	917,792	49.7	176,308	45.3	454,737	47.2
Wholesale customers	9,363	31.3	25,742	34.2	32,372	28.2	8,579	28.3	18,604	26.9
Direct Sales:										
ODM	232,532	29.7	332,205	30.1	298,805	28.9	105,013	31.6	35,821	20.5
DTC Websites	176,305	54.8	122,544	49.4	143,569	48.9	22,661	42.9	29,247	51.4
Total	799,506	37.3	1,031,979	34.7	1,626,207	41.3	366,442	38.2	658,922	41.4

The gross profit margin of sales through KACs decreased from 38.0% in 2023 to 32.1% in 2024, primarily due to higher ocean freight rates, driven by the tight global shipping capacity in 2024. The gross profit margin of sales through KACs increased from 32.1% in 2024 to 35.8% in 2025, primarily due to the normalization of ocean freight rates in 2025. The gross profit margin of sales through KACs remained relatively stable at 35.1% in the four months ended April 30, 2025 and 36.7% in the four months ended April 30, 2026, respectively.

The gross profit margin of sales through dealers increased from 37.1% in 2023 to 39.7% in 2024, and further increased to 49.7% in 2025, primarily due to changes in product mix, principally golf carts, which generally carried relatively higher gross profit margins. The gross profit margin of sales through dealers remained relatively stable at 45.3% in the four months ended April 30, 2025 and 47.2% in the four months ended April 30, 2026, respectively.

The gross profit margin of our ODM sales remained relatively stable at 29.7%, 30.1% and 28.9% in 2023, 2024 and 2025, respectively. The gross profit margin of our ODM sales decreased from 31.6% in the four months ended April 30, 2025 to 20.5% in the four months ended April 30, 2026, primarily because following the acquisition of Champion Holdings in December 2025, as the relatively higher-margin products previously sold to Champion Motorsports under the ODM model became intra-group transactions, while our remaining external ODM sales generally carried lower gross profit margins.

The gross profit margin of sales through our DTC websites decreased from 54.8% in 2023 to 49.4% in 2024, primarily due to higher ocean freight rates in 2024. The gross profit margin of sales through our DTC websites remained relatively stable at 49.4% in 2024 and 48.9% in 2025, respectively. The gross profit margin of sales through our DTC websites increased from 42.9% in the four months ended April 30, 2025 to 51.4% in the corresponding period in 2026, primarily due to a change in product mix, as products carrying relatively higher gross profit margins accounted for a greater proportion of sales through our DTC websites.

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General and Administrative Expenses

Our general and administrative expenses primarily consisted of (i) employee benefit expenses, (ii) office expenses, (iii) depreciation and amortization, (iv) raw materials and consumables used, (v) professional services and other consulting fees, (vi) service fees, (vii) taxes and surcharges, (viii) travelling and entertainment expenses, (ix) repair and maintenance expenses, (x) [REDACTED], and (xi) other expenses. In 2023, 2024, 2025, and the four months ended April 30, 2025 and 2026, our general and administrative expenses amounted to RMB109.0 million, RMB152.9 million, RMB179.8 million, RMB45.9 million and RMB79.9 million, respectively. The following table sets forth a breakdown of our general and administrative expenses for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (Unaudited)	%	RMB'000	%
Employee benefit expenses	34,406	31.6	51,294	33.6	55,270	30.7	13,507	29.5	31,974	40.0
Professional services and other consulting fees ⁽¹⁾	6,494	6.0	16,028	10.5	26,638	14.8	4,585	10.0	12,174	15.2
Taxes and surcharges	8,468	7.8	13,002	8.5	12,976	7.2	2,224	4.8	11,535	14.5
Office expenses	20,621	18.9	25,924	17.0	27,863	15.5	4,816	10.5	6,342	7.9
Depreciation and amortization	10,670	9.8	14,388	9.4	15,480	8.6	4,740	10.3	5,609	7.0
Other expenses ⁽²⁾	8,305	7.4	10,382	6.7	17,627	9.8	11,084	24.1	4,473	5.6
Travelling and entertainment expenses . .	5,762	5.3	6,856	4.5	7,024	3.9	1,604	3.5	3,546	4.4
Service fees	7,165	6.6	9,729	6.4	7,906	4.4	2,124	4.6	2,155	2.7
Raw materials and consumables used . .	4,962	4.6	2,184	1.4	662	0.4	1	0.1	1,039	1.3
Repair and maintenance expenses	2,188	2.0	3,086	2.0	7,723	4.3	1,187	2.6	920	1.2
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	109,041	100.0	152,873	100.0	179,804	100.0	45,872	100.0	79,909	100.0

Note:

- (1) Professional services and other consulting fees primarily comprised audit fees, legal and other professional advisory fees and patent licensing fees.
- (2) Other expenses primarily comprised communication expenses and landscaping costs.

Selling and Marketing Expenses

Our selling and marketing expenses mainly consisted of (i) employee benefit expenses, (ii) advertising and business promotion expenses, (iii) rental expenses, (iv) warehouse expenses, (v) professional services and other consulting fees, and (vi) other expenses, during the Track Record Period. Our selling and marketing expenses amounted to RMB314.9 million, RMB313.4 million, RMB352.0 million, RMB110.9 million and RMB137.2 million in 2023, 2024, 2025, and the four months ended April 30, 2025 and 2026, respectively. The following table sets forth a breakdown of our selling and marketing expenses for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (Unaudited)	%	RMB'000	%
Advertising and business promotion expenses	178,538	56.7	152,013	48.5	144,604	41.1	47,253	42.6	43,881	32.0
Rental expenses	31,642	10.0	35,205	11.2	57,277	16.3	13,210	11.9	29,591	21.6
Employee benefit expenses	68,696	21.8	78,705	25.1	86,523	24.6	33,719	30.4	27,084	19.7
Warehouse expenses	11,619	3.7	22,834	7.3	42,736	12.1	9,872	8.9	14,798	10.8
Professional services and other consulting fees	10,989	3.5	2,623	0.8	2,295	0.7	816	0.7	139	0.1
Other expenses ⁽¹⁾	13,440	4.3	22,018	7.1	18,546	5.2	6,064	5.5	21,669	15.8
Total	314,924	100.0	313,398	100.0	351,981	100.0	110,934	100.0	137,162	100.0

Note:

- (1) Other expenses mainly included amortization expenses, insurance expenses, travel expenses for sales personnel and entertainment expenses.

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Our advertising and business promotion expenses amounted to RMB178.5 million, RMB152.0 million, RMB144.6 million, RMB47.3 million and RMB43.9 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively, representing 56.7%, 48.5%, 41.1%, 42.6% and 32.0% of our total selling and marketing expenses during the same respective periods. Our advertising and business promotion expenses were primarily incurred in connection with brand promotion and demand-generation activities for our consumer-facing products, including (i) online advertising and traffic acquisition on major e-commerce platforms and social media, and (ii) offline branding activities such as participation in and sponsorship of industry exhibitions and events (e.g. PGA Show, AIMExpo, MotoGP and Electrify Expo). For details, see “Business — Our Brands and Products.” During the Track Record Period, we did not offer or pay any rebates to dealers. Instead, we may provide performance-based purchase price discounts to dealers that achieve the agreed sales targets, as part of our sales incentive arrangements.

Research and Development Expenses

Our research and development expenses mainly consisted of (i) raw materials and consumables used, (ii) employee benefit expenses, (iii) professional services and other consulting fees, (iv) depreciation and amortization, and (v) other expenses, during the Track Record Period. Our research and development expenses amounted to RMB87.7 million, RMB125.5 million, RMB123.4 million, RMB27.3 million and RMB29.0 million in 2023, 2024, 2025, and the four months ended April 30, 2025 and 2026, respectively. The following table sets forth a breakdown of our research and development expenses for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (Unaudited)	%	RMB'000	%
Employee benefit expenses	41,500	47.3	52,236	41.6	51,070	41.4	13,654	50.1	16,784	57.8
Raw materials and consumables used	33,500	38.2	59,290	47.3	59,329	48.1	10,543	38.7	8,493	29.3
Professional services and other consulting fees	9,107	10.4	8,295	6.6	6,435	5.2	644	2.3	241	0.8
Depreciation and amortization	1,162	1.3	1,639	1.3	1,870	1.5	594	2.2	666	2.3
Other expenses ⁽¹⁾	2,385	2.8	4,007	3.2	4,667	3.8	1,822	6.7	2,855	9.8
Total	87,654	100.0	125,467	100.0	123,371	100.0	27,257	100.0	29,039	100.0

Note:

(1) Other expenses mainly included intellectual property expenses, patent fees and certification fees.

Net Impairment Losses on Financial Assets

Our net impairment loss on financial assets mainly consisted of impairment loss on trade receivables and other receivables during the Track Record Period. In 2023, 2024, 2025 and four months ended April 30, 2026, we recorded net impairment losses of RMB16.8 million, RMB4.8 million, RMB25.0 million and RMB11.3 million, respectively. In the four months ended April 30, 2025, we recorded a net reversal of impairment losses of RMB6.3 million.

Other Income

Our other income mainly consisted of (i) release of assets-related government subsidies, (ii) income-related government grants, representing one-off government grants, (iii) interest income, and (iv) others, during the Track Record Period. In 2023, 2024, 2025 and the four months ended April 30,

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2025 and 2026, our other income amounted to RMB19.0 million, RMB23.9 million, RMB27.0 million, RMB5.6 million and RMB6.2 million, respectively. The following table sets forth a breakdown of our other income for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(Unaudited)									
Income-related government grants	13,853	72.8	13,142	55.0	14,608	54.2	1,136	20.3	2,636	42.5
Interest income ⁽¹⁾	4,320	22.7	9,600	40.2	10,524	39.0	3,886	69.5	2,542	41.0
Release of assets-related government subsidies	820	4.3	985	4.1	1,499	5.6	366	6.5	638	10.3
Others ⁽²⁾	33	0.2	161	0.7	340	1.2	205	3.7	384	6.2
Total	19,026	100.0	23,888	100.0	26,971	100.0	5,593	100.0	6,200	100.0

Notes:

- (1) The amount mainly comprises interest income on the Group's term deposits classified as financial assets at amortized cost calculated using the effective interest method. Interest income from cash and cash equivalent is included in “Finance costs, net”.
- (2) Others mainly included compensation received from suppliers for contractual breaches.

Other Gains/(Losses), Net

Our other gains/(losses) mainly consisted of (i) net foreign exchange gains/(losses), (ii) net gains/(losses) on disposal of derivative financial instruments, (iii) fair value changes on derivative financial instruments, (iv) donations, primarily comprising contributions to certain hospitals and charitable organizations, (v) net losses on disposal of non-current assets and (vi) others, during the Track Record Period. Our other gains amounted to RMB13.6 million, RMB32.8 million and RMB19.9 million in 2023, 2024, and the four months ended April 30, 2025, respectively, and other losses of RMB39.4 million and RMB50.1 million in 2025 and the four months ended April 30, 2026, respectively. The following table sets forth a breakdown of our other gains/(losses) for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	(Unaudited)									
Net foreign exchange gains/(losses) . . .	17,825	130.8	33,570	102.4	(36,661)	93.1	20,023	100.7	(50,597)	101.0
Net (losses)/gains on disposal of non-current assets	(1,792)	(13.2)	(17)	(0.1)	253	(0.6)	241	1.2	2,704	(5.4)
Fair value changes on derivative financial instruments	—	—	228	0.7	(3,519)	8.9	615	3.1	(2,771)	5.5
Net (losses)/gains on disposal of derivative financial instruments	490	3.6	777	2.4	4,898	(12.4)	—	—	1,382	(2.8)
Donations	(1,483)	(10.9)	(924)	(2.8)	(3,050)	7.7	(1,000)	(5.0)	—	—
Others ⁽¹⁾	(1,414)	(10.3)	(848)	(2.6)	(1,282)	3.3	(1)	(0.0)	(838)	1.7
Total	13,626	100.0	32,786	100.0	(39,361)	100.0	19,878	100.0	(50,120)	100.0

Note:

- (1) Others mainly included penalties, gains or losses from disposal, and losses on uncollectible amounts recorded under non-operating expenses.

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Finance Income

Our finance income mainly consisted of interest income from financial assets held for cash management purposes, during the Track Record Period. In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our finance income amounted to RMB43.0 million, RMB44.1 million, RMB40.9 million, RMB14.0 million and RMB6.1 million, respectively.

Finance Costs

Our finance costs mainly consisted of (i) interest expenses on lease liabilities, (ii) interest expenses on bank borrowings, and (iii) net exchange (losses)/gains on foreign currency borrowings, during the Track Record Period. In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our finance costs amounted to RMB12.3 million, RMB23.1 million, RMB27.3 million, RMB6.2 million and RMB8.0 million, respectively. The table below sets forth a breakdown of our finance costs by nature for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000 (Unaudited)	%	RMB'000	%
Interest expenses on bank borrowings . .	10,154	82.8	17,994	78.0	25,474	93.1	4,780	77.5	11,710	146.0
Net exchange (losses)/gains on foreign currency borrowings	(81)	(0.7)	1,471	6.4	(4,463)	(16.3)	456	7.4	(6,255)	(78.0)
Interest expenses on lease liabilities . . .	2,190	17.9	3,605	15.6	6,336	23.2	934	15.1	2,564	32.0
Total	12,263	100.0	23,070	100.0	27,347	100.0	6,170	100.0	8,019	100.0

Income Tax Expense

In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our income tax expenses amounted to RMB54.0 million, RMB82.0 million, RMB130.9 million, RMB33.2 million and RMB63.6 million, respectively.

PRC Corporate Income Tax

In accordance with the relevant regulations of the EIT Law, the applicable statutory tax rate of the PRC subsidiaries is 25% unless those subject to tax exemption set out below.

During the Track Record Period, our Company and one of our subsidiaries have obtained High and New Technology Enterprises certification (“HANTE”) and hence they were entitled to a preferential income tax rate of 15% for the Track Record Period.

This qualification is subject to review by the relevant tax authority in the PRC for every three years.

Pursuant to Caishui [2023] No. 12 “Announcement on the Income Tax Preferential Policies for Small Meagre-profit Enterprises and Self-employed Businesses” (關於小微企業和個體工商戶所得稅優惠政策的公告), certain subsidiaries were qualified for Small Meagre-profit Enterprises and entitled to a preferential income tax rate of 20% on the 25% of taxable income not exceeding RMB3,000,000 from January 1, 2023 to December 31, 2027.

According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 175% from 2018 onwards (subsequently raised to 200% from 2022 onwards) of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (the “**Super Deduction for research and development**”).

According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises hiring disabled employees are entitled to claim 200% of their disabled employees expenses incurred as tax deductible expenses when determining their assessable profits for that year.

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US Corporate Profits Tax

The applicable income tax rates in the United States, where our subsidiaries have significant operations during the Track Record Period are 5.87% to 8.84% and 21%, a blended state and federal rate, respectively.

Vietnam Profits Tax

Vietnam profits tax had been provided for at the rate of 20% on the estimated assessable profits during the Track Record Period. Enterprise income tax is exempt for the first four years after registration in Vietnam and halved for the next nine years.

Profit for the Period

In 2023, 2024, 2025 and four months ended April 30, 2025 and 2026, our profit amounted to RMB280.5 million, RMB431.3 million, RMB816.3 million, RMB188.8 million and RMB292.1 million, respectively.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Four Months ended April 30, 2026 Compared to Four Months Ended April 30, 2025

Revenue

Our revenue increased by 66.0% from RMB958.8 million for the four months ended April 30, 2025 to RMB1,591.4 million for the four months ended April 30, 2026, primarily due to increased revenue from our E-mobility products, particularly LSEVs, driven by (i) the continued expansion of our dealer network in the United States, (ii) greater market acceptance of our LSEV products and (iii) continued optimization of our product mix.

By Product

Our revenue from LSEVs increased significantly from RMB427.5 million for the four months ended April 30, 2025 to RMB969.8 million for the four months ended April 30, 2026, primarily due to (i) the increase in sales volume, driven by continued market demand for our LSEV products and the expansion of our LSEV dealer network in the United States, and (ii) the increase in ASP, primarily attributable to stronger customer demand for our LSEV products in March and April 2026 compared with the corresponding period in 2025.

Our revenue from electric bicycles increased significantly from RMB35.2 million for the four months ended April 30, 2025 to RMB74.7 million for the four months ended April 30, 2026, primarily due to higher sales volume following the introduction of our G2611 series under the Gotrax brand, a 26-inch electric bicycle model whose relatively affordable price point contributed to strong customer demand and higher order volume during the period.

Our revenue from electric scooters decreased by 14.0% from RMB120.5 million for the four months ended April 30, 2025 to RMB103.6 million for the four months ended April 30, 2026, primarily due to a decrease in ASP, reflecting (i) pricing adjustments for certain mature model series and (ii) a higher proportion of sales of lower-priced entry-level models, such as the Gotrax GKS Mini.

Our revenue from ATVs increased by 18.7% from RMB221.2 million for the four months ended April 30, 2025 to RMB262.5 million for the four months ended April 30, 2026, primarily due to an increase in purchase orders from Customer C for our mid- to high-displacement ATV models, particularly the 230cc model series.

Our revenue from off-road motorcycles increased by 15.3% from RMB69.4 million for the four months ended April 30, 2025 to RMB79.9 million for the four months ended April 30, 2026, primarily because Champion Holdings' off-road motorcycle business maintained growth following our acquisition of Champion Holdings, and the relevant revenue generated from sales to third-party customers was consolidated into our results.

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By Geographical Region

In the four months ended April 30, 2025 and 2026, our revenue mainly derived from the United States and Americas (excluding the United States and Canada), representing 80.9% and 4.3% for the four months ended April 30, 2025, and 84.9% and 5.6% for the four months ended April 30, 2026, respectively.

Our revenue from the United States increased by 74.1% from RMB775.8 million for the four months ended April 30, 2025 to RMB1,350.4 million for the four months ended April 30, 2026, primarily due to a significant increase in sales volume of LSEVs in the U.S. market.

Our revenue from Americas (excluding the United States and Canada) increased significantly from RMB41.6 million for the four months ended April 30, 2025 to RMB89.8 million for the four months ended April 30, 2026, primarily due to increased sales to customers in Mexico, mainly of powersports.

Cost of Sales

Our cost of sales increased by 57.4% from RMB592.4 million for the four months ended April 30, 2025 to RMB932.5 million for the four months ended April 30, 2026, primarily due to an increase in raw materials and consumables used of RMB223.7 million, which was in line with our revenue growth.

Gross Profit and Gross Profit Margin

Our gross profit increased by 79.8% from RMB366.4 million for the four months ended April 30, 2025 to RMB658.9 million for the four months ended April 30, 2026. Our gross profit margin increased from 38.2% for the four months ended April 30, 2025 to 41.4% for the four months ended April 30, 2026.

By Product

Our gross profit from E-mobility products increased by 95.4% from RMB266.0 million for the four months ended April 30, 2025 to RMB519.7 million for the four months ended April 30, 2026, primarily due to an increase in gross profit of LSEV products, partially offset by a decrease in gross profit of electric scooters and electric balance bikes, which was in line with the increase in revenue from E-mobility products. Our gross profit margin from E-mobility products remained relatively stable at 42.0% and 43.6% in the four months ended April 30, 2025 and 2026, respectively.

Our gross profit from powersports increased by 19.8% from RMB95.2 million for the four months ended April 30, 2025 to RMB114.0 million for the four months ended April 30, 2026, which was in line with the increase in revenue from powersports. Our gross profit margin from powersports remained relatively stable at 32.7% and 33.3% for the four months ended April 30, 2025 and 2026, respectively.

General and Administrative Expenses

Our general and administrative expenses increased by 74.2% from RMB45.9 million for the four months ended April 30, 2025 to RMB79.9 million for the four months ended April 30, 2026, (i) an increase in employee benefit expenses of RMB18.5 million, mainly attributable to the increase in employee headcount following the Acquisition and (ii) an increase in taxes and surcharges of RMB9.3 million, primarily due to increases in urban maintenance and construction tax and related surcharges, and property tax.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 23.6% from RMB110.9 million for the four months ended April 30, 2025 to RMB137.2 million for the four months ended April 30, 2026, primarily due to an increase in rental expenses of RMB16.4 million, resulting from the larger aggregate area of premises leased by our U.S. operations, including the leased premises brought into our Group upon the consolidation of Champion Holdings following the Acquisition, as well as higher rental rates for certain premises, partially offset by a decrease in other expenses, primarily attributable to lower amortization expenses for customer relationships and other intangible assets.

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Research and Development Expenses

Our research and development expenses remained relatively stable at RMB27.3 million for the four months ended April 30, 2025 and RMB29.0 million for the four months ended April 30, 2026, respectively.

Net Impairment Losses on Financial Assets

We recorded a reversal of net impairment losses on financial assets of RMB6.3 million for the four months ended April 30, 2025, compared to net impairment losses on financial assets of RMB11.3 million for the four months ended April 30, 2026, primarily reflecting changes in the balance and aging profile of our trade receivables and the corresponding expected credit loss assessment.

Other Income

Our other income increased by 10.9% from RMB5.6 million for the four months ended April 30, 2025 to RMB6.2 million for the four months ended April 30, 2026, primarily due to an increase in income-related government grants of RMB1.5 million, partially offset by a decrease in interest income from term deposits with a maturity of over three months of RMB1.3 million.

Other Gains/(Losses), Net

Our other gains of RMB19.9 million for the four months ended April 30, 2025 changed to other losses of RMB50.1 million for the corresponding period in 2026, primarily due to a change from net foreign exchange gains of RMB20.0 million to net foreign exchange losses of RMB50.6 million. Such net foreign exchange losses were primarily attributable to (i) exchange losses arising from the remeasurement of U.S. dollar-denominated trade receivables from overseas sales held by our Company whose functional currency is Renminbi, as the Renminbi appreciated against the U.S. dollar starting from the second quarter of 2025 and (ii) exchange losses realized upon the conversion of certain U.S. dollar-denominated bank deposits into Renminbi.

Finance Income

Our finance income decreased by 56.4% from RMB14.0 million for the four months ended April 30, 2025 to RMB6.1 million for the four months ended April 30, 2026, primarily due to the decrease in interest income from financial assets held for cash management purposes of RMB7.9 million.

Finance Costs

Our finance costs increased by 30.0% from RMB6.2 million for the four months ended April 30, 2025 to RMB8.0 million for the four months ended April 30, 2026, primarily due to increases in interest expenses on bank borrowings of RMB6.9 million, which was in line with the increase in monthly average balance of our borrowings, partially offset by net exchange gains on foreign currency borrowings.

Income Tax Expense

Our income tax expense increased by 91.8% from RMB33.2 million for the four months ended April 30, 2025 to RMB63.6 million for the four months ended April 30, 2026, which was in line with the growth of our profit before income tax.

Profit for the Period

As a result of the foregoing, our profit for the period increased by 54.7% from RMB188.8 million for the four months ended April 30, 2025 to RMB292.1 million for the four months ended April 30, 2026.

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Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenue

Our revenue increased by 32.4% from RMB2,976.6 million in 2024 to RMB3,941.4 million in 2025, primarily due to an increase in sales of our E-mobility products. The increase was mainly driven by the growth of our LSEV business, with LSEV revenue increasing from RMB812.3 million in 2024 to RMB1,957.5 million in 2025, while revenue from products other than LSEVs remained relatively stable at RMB2,164.3 million and RMB1,984.0 million in 2024 and 2025, respectively.

By Product

Our revenue from LSEVs increased significantly from RMB812.3 million in 2024 to RMB1,957.5 million primarily due to (i) the increase in sales of our LSEV, resulting from expansion of our LSEV dealer network which comprised above 260 dealers as of December 31, 2025 and covered substantially all U.S. states except three states, thereby broadening our market coverage in the U.S. and supporting the increase in LSEV sales volume from 20.7 thousand units in 2024 to 44.5 thousand units in 2025, (ii) the increase in ASP of our LSEVs, resulting from replacement of all LSEV models from lead-acid battery models to new lithium-ion battery models, and (iii) the continued expansion of LSEV product lineup, including launch of new 6-seater, 4+2-seater and camping series LSEV models, such as Denago EV Rover XL6 and Denago EV City, in 2025 with higher selling price than 4-seater LSEV model.

Our revenue from electric bicycles decreased by 22.80% from RMB231.1 million to RMB178.4 million, primarily due to (i) a decrease in sales volume from 64.9 thousand units to 55.1 thousand units, mainly resulting from lower purchase orders from a KAC, and (ii) a decrease in ASP, reflecting a higher contribution from lower-priced models.

Our revenue from electric scooters further decreased by 21.1% from RMB600.9 million in 2024 to RMB474.3 million in 2025, primarily due to (i) a decrease in ASP reflecting a higher contribution from lower-priced models, and (ii) the lower purchase orders from certain KACs for electric scooter model series.

Our revenue from ATVs remained relatively stable at RMB737.8 million in 2024 and RMB754.7 million in 2025, respectively.

Our revenue from off-road motorcycles remained relatively stable at RMB186.8 million in 2024 and RMB187.9 million in 2025, respectively.

By Geographical Region

In 2024 and 2025, our revenue mainly contributed from the United States and Europe, representing 76.9% and 7.7% in 2024, and 82.8% and 3.7% in 2025, respectively.

Our revenue from the United States increased by 42.3% from RMB2,291.9 million in 2024 to RMB3,260.2 million in 2025, primarily due to (i) a significant increase in sales volume of LSEVs and (ii) the launch of new series of LSEVs, including new 6-seater, 4+2-seater, and camping series.

Our revenue from Europe decreased by 35.4% from RMB227.8 million in 2024 to RMB147.0 million in 2025, primarily due to (i) lower purchases of gasoline-powered ATVs by certain customers in Russia and Moldova, including reduced orders by a customer in Moldova for one of our ATV models; and (ii) lower purchases of electric scooters by certain customers in Europe, primarily attributable to intensified competition in the relevant local markets.

Cost of Sales

Our cost of sales increased by 19.1% from RMB1,944.7 million in 2024 to RMB2,315.2 million in 2025, primarily due to (i) an increase in raw materials and consumables used of RMB207.3 million, and (ii) an increase in clearance and shipping costs of RMB61.7 million, which was in line with the growth of our revenue.

Gross Profit and Gross Profit Margin

Our gross profit increased by 57.6% from RMB1,032.0 million in 2024 to RMB1,626.2 million in 2025. Our gross profit margin increased from 34.7% to 41.3%.

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By Product

Our gross profit from E-mobility products increased significantly from RMB676.0 million in 2024 to RMB1,278.4 million in 2025, primarily due to an increase in gross profit of LSEVs, partially offset by a decrease in gross profit of non-LSEV E-mobility products. Our gross profit margin from E-mobility products increased from 35.8% to 45.9% over the same period. This was primarily due to (i) higher ASP achieved through an optimized product mix of high-end LSEV models, including new multi-passenger and specialty camping designs, with the ASP of LSEV increasing from RMB39.2 thousand per unit in 2024 to RMB44.0 thousand per unit in 2025; (ii) the increase in revenue contribution from LSEVs from 27.3% of our total revenue in 2024 to 49.8% in 2025; (iii) the increased contribution from proprietary-brand products, whose revenue contribution increased from 62.1% in 2024 to 73.0% in 2025 and whose gross profit margin increased from 37.4% to 45.8% during the same years; (iv) enhanced brand positioning, such as deeper participation in and sponsorship of industry exhibitions and events; and (v) improved operational efficiency and cost control through our Vietnam Base which collectively boosted our margins and economies of scale; partially offset by the decrease in ASPs of certain E-mobility products in 2025, including electric bicycles, electric scooters and electric balance bikes.

Our gross profit from powersports remained relatively stable at RMB303.8 million in 2024 and RMB300.6 million in 2025. Our gross profit margin remained relatively stable at 32.9% and 31.9% during the same years.

General and Administrative Expenses

Our general and administrative expenses increased by 17.6% from RMB152.9 million in 2024 to RMB179.8 million in 2025, primarily due to (i) an increase in professional services and other consulting fees of RMB10.6 million, and (ii) an increase in employee benefit expenses of RMB4.0 million, resulting from the increase in employee headcount.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 12.3% from RMB313.4 million in 2024 to RMB352.0 million in 2025, primarily due to (i) an increase in rental expenses of RMB22.1 million, resulting from the expansion of leased premises and (ii) an increase in warehouse expenses of RMB19.9 million, which was in line with our business expansion; partially offset by a decrease in advertising and business promotion expenses of RMB7.4 million, resulting from optimization of marketing spending.

Research and Development Expenses

Our research and development expenses remained relatively stable at RMB125.5 million in 2024 and RMB123.4 million in 2025, respectively.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets increased significantly from RMB4.8 million in 2024 to RMB25.0 million in 2025, primarily due to (i) the increase in the balance of trade receivables, resulting from our continuous sales growth, and (ii) the acquisition of Champion Holdings.

Other Income

Our other income increased by 12.9% from RMB23.9 million in 2024 to RMB27.0 million in 2025, primarily due to an increase in income-related government grants of RMB1.5 million.

Other Gains, Net

Our other gains, net, changed from net gains of RMB32.8 million in 2024 to net losses of RMB39.4 million in 2025, primarily due to the decrease from net foreign exchange gains of RMB33.6 million in 2024 to net foreign exchange losses of RMB36.7 million in 2025, resulting from the depreciation of the U.S. dollar against the Renminbi, partially offset by an increase from net gains on disposal of derivative financial instruments of RMB4.1 million, resulting from exchange rate fluctuations between the U.S. dollar and Renminbi under currency swap arrangements.

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Finance Income

Our finance income decreased by 7.4% from RMB44.1 million in 2024 to RMB40.9 million in 2025, primarily due to a decrease in the amount of net proceeds from our A Share listing in 2023 available for cash management following the utilization of the proceeds.

Finance Costs

Our finance costs increased by 18.5% from RMB23.1 million in 2024 to RMB27.3 million in 2025, primarily due to (i) the increase from net exchange losses on foreign currency borrowings of RMB1.5 million to net exchange gains of RMB4.5 million, resulting from the depreciation of the U.S. dollar against the Renminbi and (ii) an increase in interest expenses on bank borrowings of RMB7.5 million, which was in line with the increase in balance of our borrowings.

Income Tax Expense

Our income tax expense increased by 59.7% from RMB82.0 million in 2024 to RMB130.9 million in 2025, which was in line with the growth of our profit before income tax.

Profit for the Year

As a result of the foregoing, our profit for the year increased significantly from RMB431.3 million in 2024 to RMB816.3 million in 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased by 38.8% from RMB2,144.2 million in 2023 to RMB2,976.6 million in 2024, primarily due to higher sales of our E-mobility products. The increase was mainly driven by LSEV revenue, which increased from RMB78.5 million in 2023 to RMB812.3 million in 2024, while revenue from products other than LSEVs increased modestly from RMB2,065.7 million in 2023 to RMB2,164.3 million in 2024.

By Product

Our revenue from LSEVs increased significantly from RMB78.5 million in 2023 to RMB812.3 million in 2024, primarily due to (i) the expansion of LSEV product lineup, including new 4-seater LSEV model with higher selling price than LSEV models in 2023, (ii) the rapid build-out of our dealership network across the United States, which was combined with heightened brand recognition and led to a surge in LSEV demand and sales with a significant increase in sales volume of LSEVs from 2.4 thousand units in 2023 to 20.7 thousand units in 2024, and (iii) an increase in ASP of all LSEV models, primarily attributable to improved product competitiveness as a result of replacing lead-acid batteries with lithium-ion batteries.

Our revenue from electric bicycles increased by 40.2% from RMB164.8 million in 2023 to RMB231.1 million in 2024, primarily due to an increase in sales volume from 35.3 thousand units to 64.9 thousand units, driven by increased sales through KACs, partially offset by the decrease in ASP as a result of the increased sales contribution from lower-priced models, such as Nano and Shift S2.

Our revenue from electric scooters decreased by 16.3% from RMB718.1 million in 2023 to RMB600.9 million in 2024, primarily due to a decrease in sales volume from 451.0 thousand units to 392.1 thousand units, reflecting lower customer orders for certain electric scooter model series, amid intensified market competition and customer inventory adjustments.

Our revenue from electric balance bikes decreased by 32.7% from RMB295.7 million in 2023 to RMB199.0 million in 2024, primarily due to (i) a decrease in sales volume from 492.9 thousand units to 350.1 thousand units, reflecting lower customer orders for mature balance bike model series, such as Gotrax Glide Pro and Gotrax F3 series, and (ii) the increased sales contribution from lower-priced models.

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Our revenue from ATVs increased by 18.9% from RMB620.4 million in 2023 to RMB737.8 million in 2024, primarily due to (i) the increase in our ODM sales of RMB322.5 million in 2024, reflecting the increased recognition of certain of our ATVs among customers in Mexico and Asia and (ii) the increase in purchase amount from one of our top five customers.

Our revenue from off-road motorcycles increased by 52.4% from RMB122.6 million in 2023 to RMB186.8 million in 2024, primarily due to the increase in purchase amount from one of our top five customers.

By Geographical Region

In 2023 and 2024, our revenue mainly contributed from the United States and Europe, representing 71.2% and 12.5% of our total revenue in 2023, and 76.9% and 7.7% of our total revenue in 2024, respectively.

Our revenue from the United States increased by 49.9% from RMB1,529.3 million in 2023 to RMB2,291.9 million in 2024, primarily due to (i) a significant increase in sales volume of LSEVs, (ii) the launch of new series of LSEVs, including new 4-seater and 2+2-seater series.

Our revenue from Europe decreased by 14.9% from RMB267.7 million in 2023 to RMB227.8 million in 2024, primarily due to a decrease in sales to Swiss and French customers, primarily due to decreased demand from customers in Switzerland and France as a result of intensified competition in the relevant local markets.

Cost of Sales

Our cost of sales increased by 44.6% from RMB1,344.7 million in 2023 to RMB1,944.7 million in 2024, primarily due to (i) an increase in raw materials consumables used of RMB370.4 million, which was in line with our revenue growth and (ii) an increase in clearance and shipping cost of RMB107.7 million, resulting from the growth of revenue in the United States.

Gross Profit and Gross Profit Margin

Our gross profit increased by 29.1% from RMB799.5 million in 2023 to RMB1,032.0 million in 2024, primarily driven by the increase in our sales. Our gross profit margin decreased from 37.3% in 2023 to 34.7% in 2024, primarily due to changes in product mix and increases in certain costs, including shipping costs and customs-clearance costs.

By product

Our gross profit from E-mobility products increased by 34.3% from RMB503.4 million in 2023 to RMB676.0 million in 2024, primarily due to an increase in gross profit of LSEVs, partially offset by a decrease in gross profit of electric scooters and electric balance bikes. Our gross profit margin from E-mobility products decreased from 39.4% in 2023 to 35.8% in 2024, primarily due to (i) a decrease in the ASP of electric bicycles in 2024, mainly attributable to a change in product mix, as the electric bicycles sold in 2023 primarily comprised higher-end DENAGO-branded models (with an indicative retail price range of approximately US\$1,199–US\$1,799), whereas in 2024 we recorded a substantial increase in sales of lower-priced models through KACs (such as Nano and Shift S2, with indicative retail prices of approximately US\$299 and US\$399, respectively), as reflected by the increase in electric bicycle sales volume from 35.3 thousand units in 2023 to 64.9 thousand units in 2024; (ii) a decline in sales volume of electric scooters and electric balance bikes, which resulted in less effective absorption of fixed manufacturing costs, resulting in increasing unit cost of sales; partially offset by (iii) an increase in sales of LSEVs with relatively higher selling prices, with sales volume increasing from 2.4 thousand units in 2023 to 20.7 thousand units in 2024.

Our gross profit from powersports increased by 19.8% from RMB253.6 million in 2023 to RMB303.8 million in 2024, which was in line with the growth of revenue. Our gross profit margin from powersports remained relatively stable at 34.1% in 2023 and 32.9% in 2024.

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General and Administrative Expenses

Our general and administrative expenses increased by 40.3% from RMB109.0 million in 2023 to RMB152.9 million in 2024, primarily due to (i) an increase in employee benefit expenses of RMB16.9 million, resulting from the increase in headcount of administrative personnel, (ii) an increase in professional services and other consulting fee of RMB9.5 million, resulting from a legal service, and (iii) an increase in office expenses of RMB5.3 million relating to our Vietnam subsidiary.

Selling and Marketing Expenses

Our selling and marketing expenses remained relatively stable at RMB314.9 million in 2023 and RMB313.4 million in 2024.

Research and Development Expenses

Our research and development expenses increased by 43.1% from RMB87.7 million in 2023 to RMB125.5 million in 2024, primarily due to (i) an increase in our raw materials and consumables used of RMB25.8 million, resulting from the development of our LSEV and powersports and (ii) an increase in employee benefit expenses of RMB10.7 million, resulting from an increase in headcount of R&D staff.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets amounted to RMB16.8 million in 2023 and RMB4.8 million in 2024, which was consistent with the change in the balance of trade receivables.

Other Income

Our other income increased by 25.8% from RMB19.0 million in 2023 to RMB23.9 million in 2024, which was in line with the daily balance of term deposits.

Other Gains, Net

Our other gains increased significantly from RMB13.6 million in 2023 to RMB32.8 million in 2024, primarily due to an increase in net foreign exchange gains of RMB15.8 million, resulting from the appreciation of the U.S. dollar against the Renminbi.

Finance Income

Our finance income increased by 2.6% from RMB43.0 million in 2023 to RMB44.1 million in 2024, primarily due to an increase in the daily balance of our cash and cash equivalents.

Finance Costs

Our finance costs increased by 87.8% from RMB12.3 million in 2023 to RMB23.1 million in 2024, primarily due to an increase in interest expenses on bank borrowings of RMB7.8 million, which was in line with the balance of our borrowings.

Income Tax Expenses

Our income tax expense increased by 51.9% from RMB54.0 million in 2023 to RMB82.0 million in 2024, which was in line with the growth of our profit before income tax.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 53.8% from RMB280.5 million in 2023 to RMB431.3 million in 2024.

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DISCUSSION OF SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Property, plant and equipment	321,545	832,234	948,451	962,053
Right-of-use assets	93,223	112,962	251,320	264,161
Deferred tax assets	14,578	17,338	48,564	69,161
Intangible assets	15,901	15,102	479,611	456,282
Other financial assets at fair value through profit or loss	—	—	15,000	21,867
Term deposits and restricted cash	150,688	402,448	261,924	263,763
Other non-current assets	9,260	1,339	8,161	42,616
Total non-current assets	605,195	1,381,423	2,013,031	2,079,903
Current assets				
Inventories	714,805	1,206,097	1,705,804	1,816,911
Prepayments and other receivables	44,649	49,340	52,871	61,958
Trade receivables	588,103	698,196	939,198	1,081,877
Derivative financial instruments	—	228	—	—
Cash and cash equivalents	1,649,015	840,755	962,206	939,816
Term deposits and restricted cash	137,804	286,872	151,328	130,834
Other current assets	47,913	75,678	81,799	65,624
Total current assets	3,182,289	3,157,166	3,893,206	4,097,020
Total assets	3,787,484	4,538,589	5,906,237	6,176,923
Non-current liabilities				
Borrowings	14,526	—	—	—
Lease liabilities	33,044	40,313	98,577	110,916
Deferred tax liabilities	3,507	459	27,279	24,899
Deferred income	13,347	17,954	19,455	22,991
Total non-current liabilities	64,424	58,726	145,311	158,806
Current liabilities				
Borrowings	224,578	429,441	857,881	840,874
Trade and notes payables	408,991	680,374	913,272	1,044,435
Contract liabilities	25,991	27,520	56,973	66,937
Lease liabilities	27,004	29,062	77,508	76,087
Current income tax liabilities	18,043	28,663	105,259	173,726
Derivative financial instruments	—	—	1,485	4,256
Accruals and other payables	40,708	123,420	88,494	74,002
Refund liabilities	35,881	34,669	39,162	19,135
Other current liabilities	32	204	314	803
Total current liabilities	781,228	1,353,353	2,140,348	2,300,255
Total liabilities	845,652	1,412,079	2,285,659	2,459,061

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Property, Plant and Equipment

Our property, plant and equipment mainly consisted of (i) buildings, (ii) freehold land, primarily comprising our land in the United States for production of LSEV, (iii) machinery and equipment, (iv) motor vehicles, (v) office equipment, (vi) construction in progress, and (vii) leasehold improvement during the Track Record Period. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Buildings	219,248	434,671	576,857	566,192
Freehold land	—	174,754	170,874	166,838
Machinery and equipment	83,977	111,401	130,421	130,626
Motor vehicles	5,431	12,420	10,009	8,590
Office equipment	7,927	10,349	12,030	10,211
Construction in progress	4,248	88,639	45,907	77,393
Leasehold improvement	714	—	2,353	2,203
Total	321,545	832,234	948,451	962,053

Our property, plant and equipment increased significantly from RMB321.5 million as of December 31, 2023 to RMB832.2 million as of December 31, 2024, primarily due to (i) an increase in buildings of RMB215.4 million and construction in progress of RMB84.4 million, resulting from the additional construction projects in Zhejiang, China, for an annual production of 40,000 high-displacement special-purpose vehicles, and (ii) an increase in freehold land of RMB174.8 million, resulting from the purchase of land in the United States. It further increased 14.0% to RMB948.5 million as of December 31, 2025, primarily due to an increase in buildings of RMB142.2 million, resulting from the completion of the construction projects described above and the transfer of the related assets from construction in progress. Our property, plant and equipment remained relatively stable at RMB948.5 million and RMB962.1 million as of December 31, 2025 and April 30, 2026, respectively.

Right-of-use Assets

Our right-of-use assets comprised (i) land use right, (ii) buildings, and (iii) motor vehicles, primarily comprising forklifts during the production processes. The following table sets forth a breakdown of the net book value of our right-of-use assets as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Land use right	33,538	45,929	85,107	84,493
Buildings	58,815	66,390	165,818	179,359
Motor vehicles	870	643	395	309
Total	93,223	112,962	251,320	264,161

Our right-of-use assets increased by 21.2% from RMB93.2 million as of December 31, 2023 to RMB113.0 million as of December 31, 2024, primarily due to (i) an increase in land use right of RMB12.4 million, resulting from the land acquired for the construction project for industrial use purpose in Zhejiang, China, and (ii) an increase in buildings of RMB7.6 million, primarily resulting from leases entered into by a subsidiary in Vietnam. Our right-of-use assets increased significantly from RMB113.0 million as of December 31, 2024 to RMB251.3 million as of December 31, 2025, primarily due to (i) an increase in land use right of RMB39.2 million, resulting from the newly-acquired land use right in Zhejiang, China by one of our subsidiaries, and (ii) an increase in buildings of RMB99.4 million, resulting from newly signed leases for certain warehouses in the United States and acquisition of Champion Holdings. Our right-of-use assets further increased by 5.1% to RMB264.2 million as of April 30, 2026, primarily due to an increase in buildings of RMB13.5 million, resulting from expansion of our North America Base.

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Intangible Assets

Our intangible assets mainly consisted of (i) software, (ii) domain names, (iii) trademark rights and customer relationship, and (iv) goodwill during the Track Record Period. The following table sets forth a breakdown of the net book value of our intangible assets as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Software	737	866	4,498	4,077
Domain name	15,164	14,236	12,791	12,121
Trademark rights and customer relationship	—	—	285,300	267,242
Goodwill	—	—	177,022	172,842
Total	15,901	15,102	479,611	456,282

Our intangible assets remained relatively stable at RMB15.9 million as of December 31, 2023 and RMB15.1 million as of December 31, 2024. Our intangible assets further increased significantly to RMB479.6 million as of December 31, 2025, primarily due to the acquisition of Champion Holdings. Our intangible assets remained relatively stable at RMB479.6 million as of December 31, 2025 and RMB456.3 million as of April 30, 2026, respectively.

The trademark and licensing rights and customer relationships recognized in connection with the acquisition of Champion Holdings amounted to RMB285.3 million as of December 31, 2025. Such identifiable intangible assets comprised (i) Champion MotorSports ownership of the “Racka” trademark, (ii) its contractual rights as licensee under the trademark licence agreement with The Coleman Company, Inc. in respect of the “COLEMAN” and “MADDOG GEAR” trademarks and trade names, and (iii) customer relationships acquired from Champion Holdings. In particular, the contractual licence rights relating to the “COLEMAN” and “MADDOG GEAR” trademarks and trade names were separately identified and recognized as intangible assets at their acquisition-date fair values, and were not included in goodwill. The goodwill relates to the Champion Holdings cash-generating unit (“CGU”) as a whole and does not represent any of the separately recognized trademarks, licence rights or customer relationships described above. Rather, it represents future economic benefits arising from the acquired business that were not individually identifiable and separately recognizable, principally the expected commercial and operational synergies from integrating Champion MotorSports’s established U.S. sales, distribution and after-sales platform with our product development and manufacturing capabilities.

Impairment Tests for Goodwill

We recognized goodwill of RMB177.0 million as of December 31, 2025, representing the excess of the acquisition cost, including cash consideration and trade receivables, over the fair value of the identifiable net assets acquired. As of April 30, 2026, the carrying amount of such goodwill decreased to RMB172.8 million due to currency translation differences. For the purpose of impairment testing, the goodwill was allocated to the Champion Holdings CGU, being the lowest level at which the goodwill is monitored by our management.

Our rationale for the significant goodwill recognized was to gain access to the sales network, customer resources, and trademark rights of Champion Holdings, thereby expanding our sales scale and enriching the portfolio of our own brands. This integration enables us to connect the upstream and downstream.

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The management of our Company performed the goodwill impairment assessment based on the operating results, financial data and relevant assumptions of the Champion Holdings CGU, the group engaged an independent valuer to perform the relevant valuations as of December 31, 2025.

Goodwill is not amortized but is tested for impairment annually or more frequently when there is any indication of impairment. The recoverable amount of the Champion Holdings CGU as of December 31, 2025 and April 30, 2026 was determined based on value-in-use calculations. The value-in-use calculations were based on cash flow forecasts covering a five-year forecast period, consistent with our strategic planning and long-term budgeting period.

The key assumptions used in the goodwill impairment test were as follows:

Key assumptions	As of December 31, 2025	As of April 30, 2026	Approach used to determine values
Revenue annual growth rates	2.71% to 5.00%	2.71% to 5.00%	Revenue annual growth rate is estimated over the five-year forecast period. The management of the Group used a five-year period as the projection period for the cash flow forecast, which was in line with the period length used in the corresponding strategic planning and long-term budgeting purpose.
Operating profit margin.	2.42% to 5.55%	2.42% to 5.55%	Based on past performance and management’s expectations for the future.
Perpetual annual growth rate	0.00%	0.00%	This is the weighted average growth rate used to extrapolate cash flows beyond the forecast period. The rates are determined based on the mature operating status of the CGU with no sustainable long-term growth beyond the forecast period.
Pre-tax discount rate	10.46%	10.61%	Estimated by using the weighted average cost of capital (“WACC”) method. The WACC was calculated by referring to public market data including risk free rate, market return, beta of comparable public companies etc. and the specific risk of the business.

Based on the impairment assessment, the recoverable amount of the Champion Holdings CGU exceeded its carrying amount, including goodwill, by RMB46.1 million and RMB51.5 million as of December 31, 2025 and April 30, 2026, respectively. Accordingly, no impairment loss was recognized in respect of goodwill during the Track Record Period.

We also performed sensitivity analysis on the key assumptions. For the goodwill impairment test performed as of December 31, 2025, if the operating profit margin had been 8.70% lower, or the pre-tax discount rate had been 12.77% higher, or the annual revenue growth rate had been 0.50% lower, the carrying amount of the CGU would exceed its recoverable amount. For the goodwill impairment test performed as at April 30, 2026, if the operating profit margin had been 2.59% lower, or the pre-tax discount rate had been 12.00% higher or the annual revenue growth rate had been 0.64% lower, the carrying amount of the CGU would exceed its recoverable amount.

Based on the assessments performed by management and the independent valuer, the Reporting Accountant is of the view that no impairment of intangible assets should be made accordingly.

Other Financial Assets at Fair Value Through Profit or Loss

Our other financial assets at FVPL amounted to nil, nil, RMB15.0 million and RMB21.9 million as of December 31, 2023, 2024 and 2025, and April 30, 2026, respectively, primarily due to an equity investment in an intelligent robot company in 2025. The investment was completed on July 25, 2025, after which we held approximately 1.22% equity interest, for a total consideration of RMB15.0 million. The collaboration is intended to explore supply chain coordination, localized assembly and U.S. market development. Our other financial assets at FVPL increased from RMB15.0 million as of December 31, 2025 to RMB21.9 million as of April 30, 2026, primarily due to another investment in an artificial intelligence company in 2026.

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We have put in place internal control measures to approve our investments and monitor them on a continuous basis. These investments would include, among other things, unlisted equity investment. Subject to the size of the investment itself and aggregated size of the total investment in a financial year, different levels of approval, including approval from our senior management and/or approval from the Board, are required before we make such investment. In addition, we also assign dedicated personnel from our senior management to track each business transaction during the transaction period. Our Directors and senior management team will regularly formulate and review our Group’s investment strategies.

Inventories

Our inventories mainly consisted of (i) raw material, mainly comprising steel, aluminum, engine components and chassis parts, (ii) finished goods, mainly comprising our products, (iii) work in progress, (iv) outsourced processing material, and (v) goods in transit, with taking into consideration in provision for impairment, during the Track Record Period. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Raw materials	73,442	52,544	97,164	108,820
Finished goods	559,376	1,068,334	1,327,499	1,422,423
Work in progress	76,547	76,609	109,340	117,339
Outsourced processing materials	8,185	7,608	14,072	17,873
Goods in transit	10,212	14,452	21,874	29,015
Consignment inventories	—	—	150,129	136,222
Less: provision for impairment	(12,957)	(13,450)	(14,274)	(14,781)
Total	714,805	1,206,097	1,705,804	1,816,911

Our inventories increased by 68.7% from RMB714.8 million as of December 31, 2023 to RMB1,206.1 million as of December 31, 2024, further increased by 41.4% to RMB1,705.8 million, primarily due to an increase in finished goods of RMB508.9 million in 2024 and RMB259.2 million in 2025, resulting from preparing stocks in the United States under BTS model and the consolidation of the inventories of Champion Holdings following the Acquisition. Our inventories further increased by 6.5% to RMB1,816.9 million as of April 30, 2026, primarily because we continued to build up inventories under our BTS model to support anticipated sales growth and timely order fulfillment.

As of the Acquisition date, inventories of Champion Holdings with a fair value of approximately RMB166.3 million were recognized upon consolidation. Of this amount, approximately RMB150.1 million, representing 90.3%, comprised products purchased by Champion Motorsports from our Group prior to the Acquisition, when Champion Motorsports was an Independent Third Party, while the remaining approximately RMB16.2 million, representing 9.7%, comprised inventories procured from third-party suppliers. The products previously purchased from our Group mainly comprised 3,922 golf carts and were acquired by Champion Motorsports for onward sale through its U.S. retail and dealer channels. As of July 31, 2026, inventories of RMB106.9 million had been sold to independent third-party customers, representing 64.3% of the RMB166.3 million aggregate value of all inventories of Champion Holdings recognized upon consolidation.

The relevant products continued to be sold in the ordinary course through Champion Motorsports’ established U.S. sales network, which comprised five KACs and approximately 2,000 TSC stores. Based on the above assessment and subsequent sales of such inventories, our Directors considered that there was no material indication that the remaining inventories were not saleable in the ordinary course and that their carrying amounts were recoverable.

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The following table sets forth an aging analysis of inventories as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within one year	634,465	1,125,582	1,599,156	1,719,355
Over one year	80,340	80,515	106,648	97,556
Total	714,805	1,206,097	1,705,804	1,816,911

The following table sets forth an aging analysis of finished goods by products as of the dates indicated:

	As of December 31,						As of April 30,	
	2023		2024		2025		2026	
	Within one year	Over one year	Within one year	Over one year	Within one year	Over one year	Within one year	Over one year
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
E-mobility products:								
LSEVs	400	—	433,745	117	445,588	17	721,547	754
Electric scooters	174,595	11,587	192,659	8,715	162,176	26,260	165,356	29,944
Electric balance bikes	47,811	12,350	28,134	3,274	41,078	1,070	49,963	1,391
Electric bicycles	101,266	14,995	136,331	35,375	56,673	57,796	64,869	44,539
Other E-mobility	24,063	37	8,385	—	15,978	11	4,036	9,370
Powersports:								
ATV	64,792	22,467	100,201	4,427	128,526	4,850	223,660	11,905
Off-road motorcycles	25,228	9,425	39,953	2,438	69,289	4,951	24,140	924
Others	43,923	6,436	73,628	952	300,940	12,296	69,339	686
Gross amount of finished goods . .	482,078	77,297	1,013,036	55,298	1,220,248	107,251	1,322,910	99,513
Less: provision for impairment . .	—	8,143	—	10,872	—	11,049	—	11,887
Net amount of finished goods . .	482,078	69,154	1,013,036	44,426	1,220,248	96,202	1,322,910	87,626

In assessing the recoverability of our inventories, our Directors considered, among others, (i) the aging profile of our inventories by major product categories, including inventories aged over one year; (ii) the nature and condition of the relevant inventories and whether they showed any indicators of impairment, such as prolonged aging, obsolescence, damage, sustained declines in selling prices or changes in our sales or operating plans; (iii) the subsequent sales or utilization of inventories after the year/period ends; (iv) the net realizable value of inventories, determined with reference to observable subsequent sales prices or contracted selling prices, where applicable, less estimated costs to complete and sell; (v) in respect of raw materials, work in progress and outsourced processing materials, their expected use in our ordinary production process, manufacturing cycles, production capacity and forecasts, estimated future conversion costs and selling prices; and (vi) in respect of inventories returned by customers and held for resale, historical discounting, expected refurbishment or repair costs and related selling expenses.

The following table sets forth the turnover days of our inventories for the periods indicated:

	Year ended December 31,			Four months ended April 30,
	2023	2024	2025	2026
			(in days)	
Inventory turnover days	199	183	232	229

Notes:

- Inventory turnover days are equal to the average balance of inventory at the beginning and the end of the relevant period divided by cost of sales for such period and multiplied by 365 days or 120 days for the period ended December 31, 2023, 2024 and 2025 or the four months ended April 30, 2026.

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Our inventory turnover days were 199 days, 183 days, 232 days and 229 days in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively. The relative long inventory turnover primarily due to (i) our longer production chain and increased self-manufactured materials, and (ii) our BTS model in North America, resulting from a higher stocking level to support timely cross-border fulfilment. Our inventory turnover days increased from 183 days in 2024 to 232 days in 2025, primarily due to the increase in our inventory balance as of December 31, 2025, reflecting our advance procurement of raw materials and build-up of finished goods to support our expected production and delivery requirements in 2026. Our inventory turnover days subsequently remained relatively stable at 229 days in the four months ended April 30, 2026.

As of July 31, 2026, RMB951.7 million or 52.8% of the inventories as of April 30, 2026 had been subsequently utilized or sold. Our Directors believe that such subsequent utilization rate did not, in itself, indicate any material recoverability issue in respect of the remaining inventories. Our Directors considered, among other things, (i) that the subsequent utilization analysis covered only the one-month period from May 1 to May 31, 2026, compared with our inventory turnover days of 229 days for the four months ended April 30, 2026; (ii) that RMB1,719.4 million, or 94.6%, of our inventories as of April 30, 2026 were aged within one year; and (iii) that our inventories were maintained in the ordinary course of business to support our BTS model in North America, under which we maintain appropriate levels of finished goods and spare parts inventories in local warehouses to support timely delivery and after-sales service. We regularly monitor inventory balances and aging by product category and location and adjust production pacing and stock deployment with reference to customer demand, sell-through trends, delivery schedules and product cycles.

Based on the foregoing, our Directors are of the view that the carrying amounts of our inventories as of April 30, 2026 were recoverable and that sufficient and appropriate provision for impairment of inventories had been made, taking into account the provision for impairment of inventories of RMB13.0 million, RMB13.5 million, RMB14.3 million and RMB14.8 million as of December 31, 2023, 2024 and 2025, and April 30, 2026, respectively.

Prepayments and Other Receivables

Our prepayments and other receivables mainly consisted of (i) prepayments for raw materials, (ii) prepayments for operating expenses, (iii) export tax refund receivables, (iv) deposits and warranties, and (v) others, with taking into consideration in provision for impairment, during the Track Record Period. The following table sets forth a breakdown of our prepayments and other receivables as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments:				
Prepayments for raw materials	12,183	8,415	18,229	27,320
Prepayments for operating expenses . . .	14,823	10,242	11,746	17,388
Other receivables:				
Export tax refund receivables	8,134	24,785	10,119	1,691
Deposits and warranties	11,720	6,892	13,652	17,410
Others ⁽¹⁾	2,148	1,663	1,800	1,652
Less: provision for impairment	(4,359)	(2,657)	(2,675)	3,503
Total	44,649	49,340	52,871	61,958

Notes:

(1) Others mainly included housing loans granted to our employees.

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Our prepayments and other receivables increased by 10.5% from RMB44.6 million as of December 31, 2023 to RMB49.3 million as of December 31, 2024, primarily due to (i) an increase in export tax refund receivables of RMB16.7 million. Our prepayments and other receivables further increased by 7.2% to RMB52.9 million as of December 31, 2025, primarily due to (i) an increase in prepayments for raw material of RMB9.8 million, primarily relating to R&D projects; (ii) an increase in deposits and warranties of RMB6.8 million, resulting from the deposits for plants in Vietnam; partially offset by a decrease in export tax refund receivables of RMB14.7 million, resulting from the collection of export tax refund in 2025. Our prepayments and other receivables increased by 17.2% from RMB52.9 million as of December 31, 2025 to RMB62.0 million as of April 30, 2026, primarily due to (i) an increase in prepayments for raw materials of RMB9.1 million, (ii) an increase in prepayments for operating expenses of RMB5.6 million, and (iii) an increase in deposits and warranties of RMB3.8 million, resulting from increased deposits paid for leased production facilities, partially offset by a decrease in export tax refund receivables of RMB8.4 million, resulting from the increase in domestic sales of vehicles.

As of July 31, 2026, RMB10.6 million or 17.2% of the prepayments and other receivables as of April 30, 2026 had been subsequently settled.

Trade receivables

Our trade receivables increased by 18.7% from RMB588.1 million as of December 31, 2023 to RMB698.2 million as of December 31, 2024, then increased by 34.5% to RMB939.2 million as of December 31, 2025, further increased by 15.2% to RMB1,081.9 million as of April 30, 2026, which was in line with the growth of our revenue. Our trade receivables were subject to ECL allowance during the Track Record Period.

The following table sets forth an aging analysis of trade receivables, based on invoice dates as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	616,855	734,283	969,483	1,116,505
1 to 2 years	1,735	329	13,600	22,555
2 to 3 years	1,059	662	2,870	2,929
Over 3 years	293	323	963	1,291
Subtotal	619,942	735,597	986,916	1,143,280
Less: credit loss allowance	(31,839)	(37,401)	(47,718)	(61,403)
Total	588,103	698,196	939,198	1,081,877

The following table sets forth the turnover days of our trade receivables for the periods indicated:

	Year ended December 31,			Four months ended April 30,
	2023	2024	2025	2026
		(in days)		
Trade receivables turnover days.	79	83	80	80

Notes:

- Trade receivables turnover days are equal to the average balance of trade receivables at the beginning and the end of the relevant period divided by revenue for such period and multiplied by 365 days or 120 days for the period ended December 31, 2023, 2024 and 2025 or four months ended April 30, 2026.

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Our trade receivables turnover days remained relatively stable at 79 days, 83 days, 80 days and 80 days in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively.

We have assessed the recoverability of our outstanding trade receivables balances, and our Directors are of the view that there is no material recoverability issue and that sufficient ECL allowance has been made for the following reasons: (i) our trade receivables are primarily due from established customers, including major GMS third-party e-commerce platforms and dealers with whom we have maintained stable business relationships, and such customers have generally demonstrated satisfactory settlement records; (ii) we maintain ongoing business relationships with our customers and closely monitor their credit profiles and repayment status; (iii) we have implemented internal control measures to manage risks associated with trade receivables, including customer credit assessment, ageing analysis and ongoing collection follow-up procedures; and (iv) our trade receivables primarily arise in the ordinary course of business and are generally settled in accordance with our customers’ normal procurement, inventory management and funding cycles, and we determine ECL allowance with reference to, among others, the aging profile of the receivables, historical settlement patterns and forward-looking factors.

As of July 31, 2026, RMB1,064.5 million or 98.4% of the trade receivables as of April 30, 2026 had been subsequently settled.

Term Deposits and Restricted Cash

Our term deposits and restricted cash increased significantly from RMB288.5 million as of December 31, 2023 to RMB689.3 million as of December 31, 2024, primarily due to (i) proceeds from A Share listing, and (ii) an increase in restricted cash relating to the amount of discounted notes, which was in line with our business expansion. Our term deposits and restricted cash decreased by 40.0% from RMB689.3 million as of December 31, 2024 to RMB413.3 million as of December 31, 2025, primarily due to a decrease in margin deposits placed with banks as security for bank acceptance bills. Our term deposits and restricted cash remained relatively stable at RMB394.6 million as of April 30, 2026.

Other Current Assets

Our other current assets mainly consisted of (i) deductible input VAT, (ii) prepaid corporate income tax, and (iii) others, primarily comprising costs of returned goods receivables, during the Track Record Period. Our other current assets increased by 58.0% from RMB47.9 million as of December 31, 2023 to RMB75.7 million as of December 31, 2024, primarily due to an increase in prepaid corporate income tax of RMB24.7 million, resulting from strong profitability achieved by our U.S. subsidiaries. Our other current assets remained relatively stable at RMB81.8 million as of December 31, 2025. Our other current assets further decreased by 19.8% to RMB65.6 million as of April 30, 2026, primarily due to (i) a decrease in deductible input VAT of RMB9.8 million and (ii) a decrease of prepaid corporate income tax of RMB14.5 million.

Deferred Income

Our deferred income mainly consisted of government grants during the Track Record Period. Our deferred income increased by 35.3% from RMB13.3 million as of December 31, 2023 to RMB18.0 million as of December 31, 2024, primarily due to the government grants received in 2024 of RMB5.6 million. Our deferred income further increased by 8.3% to RMB19.5 million as of December 31, 2025, primarily due to the government grants received in 2025 of RMB3.0 million. Our deferred income further increased by 18.2% to RMB23.0 million as of April 30, 2026, primarily due to grants received in the period of RMB4.2 million.

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Trade and Notes Payables

Our trade and notes payables mainly consisted of (i) trade payables, primarily comprising payables for goods, accrued expenses, and payables for long-term assets, and (ii) notes payables, primarily comprising payables for procurement, during the Track Record Period. The following table sets forth a breakdown of our trade and notes payables as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	368,035	554,109	772,689	802,562
Notes payables	40,956	126,265	140,583	241,873
Total	408,991	680,374	913,272	1,044,435

Our trade and notes payables increased by 66.4% from RMB409.0 million as of December 31, 2023 to RMB680.4 million as of December 31, 2024, further increased by 34.2% to RMB913.3 million as of December 31, 2025 and increased by 14.4% to RMB1,044.4 million as of April 30, 2026, which was in line with the growth of our purchases.

The following table sets forth an aging analysis of our trade payables as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	364,091	551,248	765,714	791,355
1 to 2 years	2,805	1,095	5,073	6,616
2 to 3 years	640	935	806	2,977
Over 3 years	499	831	1,096	1,614
Total	368,035	554,109	772,689	802,562

The following table sets forth the turnover days of our trade and notes payables for the periods indicated:

	Year ended December 31,			Four months ended April 30,
	2023	2024	2025	2026
		(in days)		
Trade and notes payables turnover days .	95	102	126	126

Notes:

1. Trade and notes payables turnover days are equal to the average balance of trade and notes payables at the beginning and the end of the relevant period divided by cost of sales for such period and multiplied by 365 days or 120 days for the period ended December 31, 2023, 2024 and 2025 or four months ended April 30, 2026.

Our trade and notes payables turnover days amounted to 95 days, 102 days, 126 days and 126 days in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively. The increase in 2025 was primarily attributable to increased procurement in the fourth quarter of 2025 to meet strong market demand for our LSEV products, which resulted in a higher average balance of trade and notes payables.

As of July 31, 2026, RMB738.3 million or 70.7% of the trade and notes payables as of April 30, 2026 had been subsequently settled.

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Contract Liabilities

Our contract liabilities mainly consisted of advances from our customers. Our contract liabilities increased by 5.8% from RMB26.0 million as of December 31, 2023 to RMB27.5 million as of December 31, 2024, which was in line with the growth of revenue, further increased significantly to RMB57.0 million as of December 31, 2025 and increased by 17.5% to RMB66.9 million as of April 30, 2026, primarily due to a large number of orders received that were still in production and had not yet been delivered.

As of July 31, 2026, RMB34.9 million or 52.2% of the contract liabilities as of April 30, 2026 had been subsequently recognized as revenue.

Accruals and Other Payables

Our accruals and other payables mainly consisted of (i) salaries, wages and benefits, (ii) taxes other than income tax payables, (iii) accruals and other payables, (iv) dividend payables, and (v) others, during the Track Record Period. The following table sets forth a breakdown of our accruals and other payables as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Salaries, wages and benefits	23,908	25,908	34,786	38,067
Taxes other than income tax payables . .	8,338	21,966	40,384	31,019
Accruals and other payables	7,817	20,519	12,690	4,195
Dividend payables	—	54,316	—	225
Others	645	711	634	496
Total	40,708	123,420	88,494	74,002

Our accruals and other payables increased significantly from RMB40.7 million as of December 31, 2023 to RMB123.4 million as of December 31, 2024, further decreased by 28.3% to RMB88.5 million as of December 31, 2025, primarily due to the dividend payables of RMB54.3 million recognized as of December 31, 2024. Our accruals and other payables decreased by 16.4% to RMB74.0 million as of April 30, 2026, primarily due to a decrease in tax other than income tax payables of RMB9.4 million, resulting from the fluctuations of import tariff payables.

As of July 31, 2026, RMB52.2 million or 70.6% of the accruals and other payables as of April 30, 2026 had been subsequently settled.

Provisions

Our provisions remained relatively stable at RMB35.9 million as of December 31, 2023 and RMB34.7 million as of December 31, 2024. Our provisions increased by 13.0% to RMB39.2 million as of December 31, 2025, primarily due to an increase in sales from third-party e-commerce platforms. Our provisions decreased by 51.1% to RMB19.1 million, primarily due to a decrease in sales from third-party e-commerce platforms from February to April 2026.

LIQUIDITY AND CAPITAL RESOURCES

Our principal source of liquidity has been, and is expected to continue to be, cash generated from operating activities together with available credit facilities and bank borrowings. Our liquidity requirements primarily relate to funding our working capital requirements and our capital expenditures. We had cash and cash equivalents of RMB1,649.0 million, RMB840.8 million, RMB962.2 million and RMB939.8 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively.

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Sufficiency of Working Capital

Taking into account the estimated net [REDACTED] from the [REDACTED] and the financial resources presently available to us, including our cash and cash equivalents on hand, cash flows from operating activities, our Directors are of the opinion that we have sufficient funds to meet our working capital requirements for at least the next 12 months from the date of this document. Our Directors confirm that there were no material defaults in the payment of trade and non-trade payables, and/or breaches of financial covenants during the Track Record Period and up to the date of this Document.

Net Current Assets

As of December 31, 2023, 2024 and 2025 and April 30 and July 31, 2026, we recorded net current assets of RMB2,401.1 million, RMB1,803.8 million, RMB1,752.9 million, RMB1,796.8 million and RMB2,117.9 million, respectively.

	As of December 31,			As of April 30,	As of July 31,
	2023	2024	2025	2026	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Current assets					
Inventories	714,805	1,206,097	1,705,804	1,816,911	1,883,637
Prepayments and other receivables	44,649	49,340	52,871	61,958	66,198
Trade receivables	588,103	698,196	939,198	1,081,877	1,226,403
Derivative financial instruments	—	228	—	—	—
Other financial assets at fair value through profit or loss	—	—	—	—	—
Cash and cash equivalents	1,649,015	840,755	962,206	939,816	1,525,488
Term deposits and restricted cash	137,804	286,872	151,328	130,834	125,781
Other current assets	47,913	75,678	81,799	65,624	69,331
Total current assets . . .	3,182,289	3,157,166	3,893,206	4,097,020	4,896,838
Current liabilities					
Borrowings	224,578	429,441	857,881	840,874	896,478
Trade and notes payables	408,991	680,374	913,272	1,044,435	1,296,589
Contract liabilities	25,991	27,520	56,973	66,937	84,329
Lease liabilities	27,004	29,062	77,508	76,087	102,075
Current income tax liabilities	18,043	28,663	105,259	173,726	264,747
Derivative financial instruments	—	—	1,485	4,256	3,020
Accruals and other payables	40,708	123,420	88,494	74,002	69,494
Provisions	35,881	34,669	39,162	19,135	60,581
Other current liabilities . .	32	204	314	803	1,646
Total current liabilities	781,228	1,353,353	2,140,348	2,300,255	2,778,959
Net Current Assets . . .	2,401,061	1,803,813	1,752,858	1,796,765	2,117,879

Our net current assets decreased by 24.9% from RMB2,401.1 million as of December 31, 2023 to RMB1,803.8 million as of December 31, 2024, primarily due to (i) the decrease in cash and cash equivalents of RMB808.3 million, (ii) the increase in trade and notes payables of RMB271.4 million and (iii) the increase in current borrowings of RMB204.9 million, partially offset by the increase in inventories of RMB491.3 million.

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Our net current assets remained relatively stable at RMB1,803.8 million as of December 31, 2024 and RMB1,752.9 million as of December 31, 2025, primarily due to (i) the increase in borrowings of RMB428.4 million, (ii) the increase in trade and notes payables of RMB232.9 million, and (iii) the increase in cash and cash equivalent of RMB121.5 million; partially offset by (i) the increase in inventories of RMB499.7 million, (ii) the increase in trade receivables of RMB241.0 million, and (iii) the decrease in term deposits and restricted cash of RMB135.5 million.

Our net current assets remained relatively stable at RMB1,752.9 million as of December 31, 2025 and RMB1,796.8 million as of April 30, 2026, primarily due to (i) the increase in trade receivables of RMB142.7 million and (ii) the increase in inventories of RMB111.1 million; partially offset by (i) the increase in trade and notes payables of RMB131.2 million and (ii) the increase in current income tax liabilities of RMB68.5 million.

Our net current assets increased by 17.9% from RMB1,796.8 million as of April 30, 2026 to RMB2,117.9 million as of July 31, 2026, reflecting an increase in current assets of RMB799.8 million, partially offset by an increase in current liabilities of RMB478.7 million. The increase in current assets was primarily attributable to increases in (i) cash and cash equivalents of RMB585.7 million, (ii) trade receivables of RMB144.5 million and (iii) inventories of RMB66.7 million, partially offset by a decrease in term deposits and restricted cash of RMB5.1 million. The increase in current liabilities primarily reflected increases in (i) trade and notes payables of RMB252.2 million, (ii) borrowings of RMB55.6 million, and (iii) current income tax liabilities of RMB91.0 million.

Cash Flows Analysis

The table below sets forth selected cash flow statement information from our consolidated cash flow statements for the periods indicated:

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Net cash generated from operating activities . . .	173,694	206,907	750,822	328,976	607,695
Net cash generated from/(used in) investing activities	(219,369)	(768,817)	(174,079)	108,704	(30,034)
Net cash generated from/(used in) financing activities	1,543,629	(264,492)	(454,612)	280,624	(566,632)
Net increase in cash and cash equivalents	1,497,954	(826,402)	122,131	718,304	11,029
Cash and cash equivalents at beginning of the year/period	142,706	1,649,015	840,755	840,755	962,206
Effects of exchange rate changes on cash and cash equivalents	8,355	18,142	(680)	21,014	(33,419)
Cash and cash equivalents at the end of the year/period	1,649,015	840,755	962,206	1,580,073	939,816

Net Cash Flows from Operating Activities

In the four months ended April 30, 2026, we had net cash generated from operating activities of RMB607.7 million, which primarily represented profit before income tax of RMB355.7 million, adjusted by (i) non-cash and non-operating items, which primarily consisted of (a) depreciation and amortization of non-current assets of RMB64.1 million, (b) net foreign exchange losses of RMB50.6 million and (c) net impairment losses on financial assets of RMB11.3 million, partially offset by (a) interest income of RMB2.5 million and (b) net gains on disposal of property, plant and equipment and other non-current assets of RMB2.7 million; and (ii) changes in working capital, which primarily consisted of a decrease in receivables of RMB177.6 million, partially offset by an increase in inventories of RMB114.0 million.

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In 2025, we had net cash generated from operating activities of RMB750.8 million, which primarily represents profit before income tax of RMB947.3 million, adjusted by (i) non-cash and non-operating items, which primarily consisted of interest income of RMB51.4 million, partially offset by depreciation and amortization of RMB99.8 million; and (ii) changes in working capital, which primarily consisted of an increase in payables of RMB197.1 million, partially offset by (a) an increase in inventories of RMB498.3 million and (b) an increase in receivables of RMB30.5 million.

In 2024, we had net cash generated from operating activities of RMB206.9 million, which primarily represents profit before income tax of RMB513.2 million, adjusted by (i) non-cash and non-operating items, which primarily consisted of (a) interest income of RMB53.7 million, and (b) net foreign exchange gains of RMB33.6 million, partially offset by depreciation and amortization of RMB74.9 million; and (ii) changes in working capital, which primarily consisted of an increase in payables of RMB296.9 million, partially offset by (a) an increase in inventories of RMB500.6 million, mainly due to a strategic inventory build-up to mitigate external uncertainties and (b) an increase in receivables of RMB94.6 million, which was in line with sales growth.

In 2023, we had net cash generated from operating activities of RMB173.7 million, which primarily represents profit before income tax of RMB334.4 million, adjusted by (i) non-cash and non-operating items, which primarily consisted of (a) interest income of RMB47.3 million, and (b) net foreign exchange gains of RMB17.8 million, partially offset by depreciation and amortization of RMB55.0 million; and (ii) changes in working capital, which primarily consisted of an increase in receivables of RMB335.8 million, partially offset by (a) an increase in payables of RMB137.9 million, which was in line with sales growth and (b) a decrease in inventories of RMB1.2 million.

Net Cash Flows used in Investing Activities

In the four months ended April 30, 2026, we had net cash used in investing activities of RMB30.0 million, primarily due to (i) placement of term deposits and wealth management products of RMB30.0 million and (ii) payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB27.4 million, partially offset by (i) proceeds from disposal of investments of RMB30.0 million.

In 2025, we had net cash used in investing activities of RMB174.1 million, primarily due to (i) payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB212.1 million, (ii) payments for purchase of investments in subsidiaries of RMB94.0 million in connection with the acquisition of Champion Holdings, and (iii) payments for purchase of investments of RMB15.0 million; partially offset by a decrease in term deposits of RMB140.5 million.

In 2024, we had net cash used in investing activities of RMB768.8 million, primarily due to payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB524.7 million; partially offset by (i) government grants received in relation to assets of RMB5.6 million, and (ii) proceeds from disposal of property, plant and equipment and other non-current assets of RMB1.3 million.

In 2023, we had net cash used in investing activities of RMB219.4 million, primarily due to payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB71.9 million; partially offset by government grants received in relation to assets of RMB3.0 million.

Net Cash Flows from/(used in) Financing Activities

In the four months ended April 30, 2026, we had net cash used in financing activities of RMB566.6 million, primarily due to (i) repayments of bank borrowings of RMB676.2 million, (ii) dividends paid to the Company's shareholders of RMB159.1 million and (iii) principal elements of lease payments of RMB34.2 million, partially offset by proceeds from bank borrowings of RMB294.7 million.

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In 2025, we had net cash used in financing activities of RMB454.6 million, primarily due to (i) repayments of bank borrowings of RMB1,211.5 million, (ii) dividends paid of RMB380.8 million, (iii) principal elements of lease payments of RMB55.0 million, and (iv) interest paid of RMB23.8 million; partially offset by (a) proceeds from bank borrowings of RMB1,085.8 million, and (b) movements of restricted cash of RMB137.2 million, primarily due to a decrease in margin deposits placed with banks as security for bank acceptance bills.

In 2024, we had net cash used in financing activities of RMB264.5 million, primarily due to (i) repayments of bank borrowings of RMB705.7 million, (ii) dividends paid of RMB163.3 million, and (iii) movements of restricted cash of RMB147.2 million; partially offset by proceeds from bank borrowings of RMB862.4 million.

In 2023, we had net cash generated from financing activities of RMB1,543.6 million, primarily due to (i) proceeds from issue of shares of RMB1,907.3 million; and (ii) proceeds from bank borrowings of RMB544.7 million; partially offset by (i) repayments of bank borrowings of RMB579.0 million, (ii) dividends paid of RMB164.0 million, and (iii) movements of restricted cash of RMB87.4 million.

Cash Conversion Cycle Analysis

Our cash conversion cycle, which measures the number of days it takes us to convert our investments in inventories and other working capital resources into cash flows from sales, was 182 days, 164 days, 186 days and 183 days in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively. It is calculated as inventory turnover days plus trade receivables turnover days, less trade payables turnover days.

Our cash conversion cycle remained relatively long during the Track Record Period primarily because our business model requires us to maintain certain levels of inventories to support our BTS model, warehouse-based sales network in North America, timely delivery and after-sales service, while certain customers were granted credit terms in the ordinary course of business. The increase in our cash conversion cycle from 2024 to 2025 was mainly attributable to the increase in our inventory turnover days, reflecting the increase in our inventory balance as of December 31, 2025, as we procured raw materials and built up finished goods to support our expected production and delivery requirements.

We have implemented, and plan to continue to implement, the following measures and strategies to manage and improve our cash conversion cycle: (i) in respect of trade receivables, we have established internal collection procedures, including monthly tracking of outstanding balances and collection progress, and will continue to primarily adopt stage payment or bullet payment arrangements within relatively short credit periods where commercially practicable, while conducting prudent assessments before granting longer credit terms or monthly installment arrangements; and (ii) in respect of inventories and supplier payment arrangements, we have adopted inventory management policies to monitor inventory levels, inventory aging and slow-moving materials, coordinate procurement and production plans with customer demand, seasonality and delivery schedules, and negotiate supplier payment terms where appropriate with reference to our customer collection cycle and inventory procurement needs.

FINANCIAL INFORMATION

INDEBTEDNESS

During the Track Record Period, our indebtedness consisted of bank and other borrowings and lease liabilities. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of April 30,	As of July 31,
	2023	2024	2025	2026	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Current					
Borrowings	224,578	429,441	857,881	840,874	896,478
Lease liabilities	27,004	29,062	77,508	76,087	102,075
Non-current					
Borrowings	14,526	—	—	—	—
Lease liabilities	33,044	40,313	98,577	110,916	145,668

Borrowings

As of December 31, 2023, 2024, and 2025, and April 30 and July 31, 2026, we had borrowings of RMB239.1 million, RMB429.4 million, RMB857.9 million, RMB840.9 million and RMB896.5 million, respectively, which were bank loans primarily to finance our working capital and capital expenditure. Current portion of borrowings consisted of floor plan financing agreements. The closing balance of financed amount through floor plan financing was RMB32.6 million, RMB234.0 million and RMB304.0 million as of December 31, 2024 and 2025 and April 30, 2026, respectively. See “Business — Floor Plan Financing Arrangement.” Our borrowings are denominated in Renminbi and U.S. dollar. The annual interest rate on our bank loans ranged from 0.67% to 6.00% during the Track Record Period. See note 26 to the Accountants’ Report as set out in Appendix I to this Document. As of July 31, 2026, our unutilized banking facilities amounted to RMB2,808.8 million.

As of the Latest Practicable Date, we were not subject to any material covenants or undertakings in respect of our outstanding debts, guarantees, pledges over key assets, or other contingent obligations. During the Track Record Period and up to the Latest Practicable Date, we had not defaulted on the payment of our liabilities or breached any covenants or undertakings, or experienced any difficulty in obtaining additional debt or equity financing as a result of any such default or breach.

Lease liabilities

Our lease liabilities mainly consisted of leases for business operations and storage, during the Track Record Period. Our lease liabilities amounted to RMB60.0 million, RMB69.4 million, RMB176.1 million, RMB187.0 million and RMB247.7 million, as of December 31, 2023, 2024 and 2025 and April 30 and July 31, 2026, respectively, primarily due to (i) the increase in leased properties, including factories, warehouses and offices across the United States, Canada, Vietnam, China, which was in line with our continuous business expansion and (ii) acquisition of Champion Holdings in 2025, partially offset by the lease payments in each period.

Contingent Liabilities

As of December 31, 2023, 2024 and 2025 and April 30, 2026, we did not have any material contingent liabilities. Our Directors confirm that there had been no material change in our contingent liabilities since April 30, 2026 and up to the Latest Practicable Date.

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Indebtedness Statement

Except as disclosed above, as of July 31, 2026, being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there had been no material change in our indebtedness since July 31, 2026 and up to the Latest Practicable Date.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we did not enter into any outstanding off-balance sheet commitments or arrangements.

CAPITAL EXPENDITURES

Our capital expenditures for the periods ended December 31, 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, were RMB71.9 million, RMB524.7 million, RMB212.1 million and RMB27.4 million attributable to purchase of property, plant and equipment, intangible assets and other non-current assets. We have funded and expect to continue to fund our capital commitments with our cash flow generated from operating activities and bank borrowings.

CAPITAL COMMITMENTS

Our capital commitments during the Track Record Period primarily related to property, plant and equipment and intangible assets commitments. As of December 31, 2023, 2024 and 2025 and April 30, 2026, the total amount of our outstanding capital commitments was RMB2.3 million, RMB114.2 million, RMB62.4 million and RMB55.1 million, respectively. The following table sets forth a summary of our capital commitments as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Property, plant and equipment and intangible assets commitments:				
— Contracted, but not provided for	2,266	114,009	62,243	54,899
Investment				
— Contracted, but not provided for	—	200	200	200
Total	2,266	114,209	62,443	55,099

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. See note 42 to the Accountants’ Report as set out in Appendix I to this Document. Our Directors believe that these transactions were conducted in the ordinary and usual course of business and did not distort our results of operations or make our historical results unreflective of our future performance.

FINANCIAL INFORMATION

KEY FINANCIAL RATIOS

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

	Year ended/As of December 31,			Four months ended/As of April 30,
	2023	2024	2025	2026
Rates of return				
Return on assets	10.2%	10.4%	15.6%	4.8%
Return on equity	14.4%	14.2%	24.2%	8.0%
Liquidity ratios				
Current ratio	4.07	2.33	1.82	1.78
Quick ratio	3.16	1.44	1.02	0.99
Gearing ratio	10.2%	16.0%	28.6%	27.6%

Notes:

1. Return on assets ratio is calculated using net profit divided by the average of total assets at the beginning and at the end of the period, multiplied by 100%.
2. Return on equity ratio is calculated using net profit divided by the average of total equity at the beginning and at the end of the period, multiplied by 100%.
3. Current ratio is calculated using total current assets divided by total current liabilities.
4. Quick ratio is calculated using total current assets less inventories divided by total current liabilities.
5. Gearing ratio is calculated by dividing total debt (which includes current and non-current bank loans, lease liabilities and other borrowings) by total equity.

FINANCIAL RISK MANAGEMENT

Our activities expose us to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. Our overall risk management seeks a balance between risk and return, minimizes the adverse impact of risk on our financial performance and maximizes the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of our risk management is to identify and analyze the various risks faced by us, establish appropriate risk tolerance thresholds and timely and reliably supervise various risks to control them within a limited range. See note 3 to the Accountants’ Report included in Appendix I to this Document.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See Appendix II for details of our unaudited [REDACTED] adjusted consolidated net tangible assets.

DIVIDEND

Pursuant to PRC laws and regulations, including the PRC Company Law and the No. 3 Guideline for the Supervision of Listed Companies — Cash Dividend Distribution of Listed Companies (2025 Revision) (《上市公司監管指引第3號 — 上市公司現金分紅(2025年修訂)》) and Articles of Association, within any three consecutive years, our distributed cumulative profits in cash shall not be less than 30% of the average distributable profits realized in the latest three years. We do not have any formal dividend policy or pre-determined dividend payout ratio. In 2023, 2024, 2025 and the four months ended April 30, 2026, we declared dividends of RMB164.0 million, RMB217.7 million, RMB326.5 million and RMB163.6 million to our Shareholders. Our dividend payout ratios for the years ended December 31, 2023, 2024 and 2025 were approximately 58.2%, 50.4% and 40.1%, respectively. The dividend payout ratio for a financial year is calculated by dividing the aggregate cash dividends declared in respect of such financial year by the net profit for the same year attributable to owners of our Company and multiplying the result by 100%.

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Future profit distributions may be conducted in the form of cash dividends, stock dividends or a combination thereof. Any proposed distribution of dividends is subject to the discretion of our Board and approval at our Shareholders’ meetings. Our Board may recommend a distribution of dividends in the future after taking into account our results of operations, financial condition, operating requirements, capital requirements, Shareholders’ interests and any other factors that our Board may deem relevant. As advised by our PRC Legal Advisor, under applicable PRC laws and our Articles of Association, any future net profit shall first be applied to make up for accumulated losses, if any, after which we are required to allocate 10% of our after-tax profit to our statutory reserve fund until such fund has reached 50% or more of our registered capital. Accordingly, we will only be able to declare dividends after our accumulated losses, if any, have been made up for and the required allocation to our statutory reserve fund has been made. There is no assurance that dividends of any amount will be declared or distributed in any year.

DISTRIBUTABLE RESERVES

As of April 30, 2026, we had retained earnings of RMB1,705.5 million. Our retained earnings represented the distributable reserves available for distribution to our Shareholders.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. Assuming the [REDACTED] is not exercised and based on the [REDACTED] of [REDACTED] per [REDACTED], [REDACTED] expenses to be borne by us are estimated to be approximately [REDACTED] ([REDACTED]), comprising: (i) [REDACTED] of [REDACTED] ([REDACTED]); and (ii) [REDACTED] expenses of [REDACTED] ([REDACTED]), which are further categorized into: (a) fees and expenses of legal advisors and accountants of [REDACTED] ([REDACTED]); and (b) other fees and expenses of [REDACTED] ([REDACTED]). Approximately [REDACTED] ([REDACTED]) has been charged or is expected to be charged to our consolidated statements of profit or loss, and approximately [REDACTED] ([REDACTED]) is expected to be deducted from equity upon the completion of the [REDACTED]. During the Track Record Period, we incurred [REDACTED] expenses of [REDACTED] ([REDACTED]), among which [REDACTED] ([REDACTED]) was recognized in our consolidated statement of profit or loss, and [REDACTED] ([REDACTED]) was directly attributable to the [REDACTED] of Shares and will be deducted from equity upon [REDACTED]. The [REDACTED] expenses represent approximately [REDACTED] of the gross [REDACTED] of the [REDACTED], assuming the [REDACTED] of [REDACTED] per [REDACTED] and that the [REDACTED] is not exercised. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

No Material Adverse Change

Our Directors confirm that, up to the Latest Practicable Date, there had been no material adverse change in our business, financial condition and results of operations since April 30, 2026, and there is no event since April 30, 2026 which would materially and adversely affect the information in the Accountants’ Report as set out in Appendix I.

Summary of Unaudited Financial Information for the Six Months Ended June 30, 2026

We are a public company listed on the Shenzhen Stock Exchange and have disclosed unaudited key financial information prepared under PRC GAAP as of and for the six months ended June 30, 2026 pursuant to the relevant PRC securities laws and regulations. We have included our unaudited interim condensed consolidated financial information prepared in accordance with IAS 34, Interim Financial Reporting, in Appendix IA to this Document. Such information has been reviewed by our reporting accountant, Confucius International CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

FINANCIAL INFORMATION

The members of our Board, including our Audit Committee, have received and reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended June 30, 2026, as set out in Appendix IA to this Document. We have complied with the code provisions in Part 2 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules, except for code provision C.2.1. (for details, please refer to “Directors and Senior Management — Corporate Governance”). We confirm that we will not breach our Articles of Association, applicable laws and regulations of the PRC or other regulatory requirements as a result of not distributing a separate interim report for the six months ended June 30, 2026. Pursuant to the Note to Rule 13.48(1) of the Listing Rules, we do not intend to distribute a separate interim report for the six months ended June 30, 2026.

Summary of Consolidated Statements of Profit or Loss

The following table sets forth our consolidated statements of profit or loss in absolute amounts and as percentages of revenue for the periods indicated:

	Six months ended June 30,			
	2025		2026	
	RMB'000	%	RMB'000	%
	<i>(Unaudited)</i>			
Revenue	1,713,293	100.0	2,750,897	100.0
Cost of revenue	(1,033,263)	(60.3)	(1,588,647)	(57.8)
Gross profit	680,030	39.7	1,162,250	42.2
General and administrative expenses . . .	(81,924)	(4.8)	(121,001)	(4.4)
Selling and marketing expenses	(161,781)	(9.4)	(230,463)	(8.4)
Research and development expenses . . .	(48,215)	(2.8)	(55,482)	(2.0)
Net impairment losses on financial assets	(10,564)	(0.6)	(30,454)	(1.1)
Other income	12,836	0.7	7,648	0.3
Other gains/(losses), net	7,185	0.4	(61,549)	(2.2)
Operating profit	397,567	23.2	670,949	24.4
Finance income	18,432	1.1	12,926	0.5
Finance costs	(13,135)	(0.8)	(19,553)	(0.7)
Finance (costs)/income, net	5,297	0.3	(6,627)	(0.2)
Profit before income tax	402,864	23.5	664,322	24.1
Income tax expense	(60,643)	(3.5)	(123,827)	(4.5)
Profit for the period	342,221	20.0	540,495	19.6
Attributable to:				
Owners of the Company	342,217	20.0	540,495	19.6
Non-controlling interests	4	0.0	—	—

Revenue

Our revenue increased by 60.6% from RMB1,713.3 million for the six months ended June 30, 2025 to RMB2,750.9 million for the six months ended June 30, 2026. Such increase was primarily attributable to higher sales of LSEVs in the United States, which were driven by (i) continued market demand for our LSEV products in the United States; (ii) the continued expansion of our LSEV dealer network, and greater market acceptance of our DENAGO and TEK0 brands in the United States; and (iii) the continued optimization of our LSEV product mix toward higher-value models. Geographically, our revenue from the United States increased by 74.1% from RMB1,337.9 million for the six months ended June 30, 2025 to RMB2,328.8 million for the six months ended June 30, 2026.

Cost of revenue

Our cost of revenue increased by 53.8% from RMB1,033.3 million for the six months ended June 30, 2025 to RMB1,588.6 million for the six months ended June 30, 2026, primarily attributable to increased product sales, particularly LSEVs, and the corresponding increase in costs recognized.

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Gross profit and gross profit margin

Our gross profit increased by 70.9% from RMB680.0 million for the six months ended June 30, 2025 to RMB1,162.3 million for the six months ended June 30, 2026, growth in revenue from our E-mobility products, particularly LSEVs. Our gross profit margin increased from 39.7% to 42.2% during the same periods, primarily reflecting a higher proportion of sales of LSEVs, which generally carried higher gross profit margins than our other products.

General and administrative expenses

Our general and administrative expenses increased by 47.7% from RMB81.9 million for the six months ended June 30, 2025 to RMB121.0 million for the six months ended June 30, 2026, primarily attributable to increased employee compensation and professional service fees as our business expanded.

Selling and marketing expenses

Our selling and marketing expenses increased by 42.5% from RMB161.8 million for the six months ended June 30, 2025 to RMB230.5 million for the six months ended June 30, 2026, primarily attributable to (i) increased advertising and business promotion expenses; (ii) higher rental and warehousing expenses as our sales expanded; and (iii) increased amortization of intangible assets. Advertising and business promotion expenses increased from RMB67.5 million to RMB84.3 million, while amortization of intangible assets charged to selling and marketing expenses increased from nil to RMB17.3 million during the same periods.

Research and development expenses

Our research and development expenses increased by 15.1% from RMB48.2 million for the six months ended June 30, 2025 to RMB55.5 million for the six months ended June 30, 2026, primarily attributable to increased direct materials, employee compensation and technical service fees relating to our research and development activities.

Net impairment losses on financial assets

Our net impairment losses on financial assets increased by 188.3% from RMB10.6 million for the six months ended June 30, 2025 to RMB30.5 million for the six months ended June 30, 2026, primarily attributable to increased impairment allowances on trade receivables as our trade receivable balances increased.

Other income

Our other income decreased by 40.4% from RMB12.8 million for the six months ended June 30, 2025 to RMB7.6 million for the six months ended June 30, 2026, primarily attributable to (i) a decrease in interest income, which mainly comprised interest on term deposits with maturities of over three months, from RMB9.5 million to RMB3.5 million; and (ii) a decrease in income-related government grants from RMB2.5 million to RMB1.1 million, partially offset by increased additional VAT deductions.

Other gains/(losses), net

We recorded net other losses of RMB61.5 million for the six months ended June 30, 2026, compared with net other gains of RMB7.2 million for the six months ended June 30, 2025, primarily attributable to net foreign exchange losses of RMB65.6 million, compared with net gains of RMB6.3 million, as a result of the depreciation of the U.S. dollar against Renminbi.

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Finance (costs)/income, net

We recorded net finance costs of RMB6.6 million for the six months ended June 30, 2026, compared with net finance income of RMB5.3 million for the six months ended June 30, 2025. Our finance income decreased from RMB18.4 million to RMB12.9 million, reflecting changes in our financial assets held for cash management purposes. Our finance costs increased from RMB13.1 million to RMB19.6 million, primarily attributable to increased borrowing interest from greater use of inventory financing for our U.S. dealers and increased lease interest relating to additional U.S. factory premises, partially offset by net foreign exchange gains on borrowings.

Profit for the period

As a result of the foregoing, our profit for the period increased by 57.9% from RMB342.2 million for the six months ended June 30, 2025 to RMB540.5 million for the six months ended June 30, 2026. Our net profit margin decreased from 20.0% to 19.6%, reflecting increased net foreign exchange losses and a higher effective tax rate, partially offset by an improved gross profit margin and lower operating expense ratios.

Summary of Consolidated Statements of Financial Position

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

	As of December 31, 2025	As of June 30, 2026
	RMB'000 (Audited)	RMB'000 (Unaudited)
Total non-current assets	2,013,031	2,138,738
Total current assets	3,893,206	4,811,479
Total assets	5,906,237	6,950,217
Total non-current liabilities	145,311	209,871
Total current liabilities	2,140,348	2,790,532
Net current assets	1,752,858	2,020,947
Total liabilities	2,285,659	3,000,403
Share capital	109,049	109,049
Other reserves	1,934,484	1,886,799
Retained earnings	1,576,976	1,953,897
Equity attributable to owners of the Company	3,620,509	3,949,745
Non-controlling interests	69	69
Total equity	3,620,578	3,949,814

Our net current assets increased from RMB1,752.9 million as of December 31, 2025 to RMB2,020.9 million as of June 30, 2026, primarily attributable to (i) an increase in trade receivables of RMB520.0 million, in line with our sales growth; (ii) an increase in cash and cash equivalents of RMB315.3 million, reflecting increased customer receipts; and (iii) an increase in inventories of RMB98.0 million. These increases were partially offset by (i) an increase in trade and notes payables of RMB350.2 million from increased LSEV procurement, and (ii) an increase in current income tax liabilities of RMB135.9 million from increased profits generated by our U.S. operations.

Our net assets increased from RMB3,620.6 million as of December 31, 2025 to RMB3,949.8 million as of June 30, 2026, primarily attributable to profit for the period of RMB540.5 million, partially offset by dividends of RMB163.6 million and currency translation losses of RMB49.1 million.

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Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our consolidated statements of cash flows for the periods indicated:

	Six months ended June 30,	
	2025	2026
	RMB'000	RMB'000
	<i>(Unaudited)</i>	
Net cash generated from operating activities	487,080	708,443
Net cash generated from/(used in) investing activities	23,245	(27,749)
Net cash generated from/(used in) financing activities	4,133	(301,029)
Net increase in cash and cash equivalents	514,458	379,665
Cash and cash equivalents at beginning of the period	840,755	962,206
Effects of exchange rate changes on cash and cash equivalents . .	4,880	(64,342)
Cash and cash equivalents at end of the period	1,360,093	1,277,529

Our net cash generated from operating activities increased by 45.4% from RMB487.1 million for the six months ended June 30, 2025 to RMB708.4 million for the six months ended June 30, 2026, primarily attributable to increased cash receipts from customers in line with our sales growth, partially offset by increased operating payments. We recorded net cash used in investing activities of RMB27.7 million for the six months ended June 30, 2026, compared with net cash generated from investing activities of RMB23.2 million for the corresponding period in 2025, primarily due to a decrease in net cash inflows from movements in term deposits from RMB92.4 million to RMB41.9 million. We recorded net cash used in financing activities of RMB301.0 million for the six months ended June 30, 2026, compared with net cash generated from financing activities of RMB4.1 million for the corresponding period in 2025, primarily due to a change from net cash inflows of RMB178.7 million to net cash outflows of RMB0.3 million from movements in restricted cash, increased repayments of bank borrowings and higher principal payments of lease liabilities, partially offset by lower dividends paid.

DISCLOSURE REQUIRED UNDER THE HONG KONG LISTING RULES

We confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Hong Kong Listing Rules.