You should read the following discussion and analysis in conjunction with our historical financial information, together with the accompanying notes, included in the Accountants' Report set out in Appendix I to this document. Our consolidated financial information has been prepared in accordance with IFRSs, which may differ in material aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountants' Report and not rely solely 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 assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, our actual performance may differ materially from those anticipated in these forward-looking statements, as a result of various risks and uncertainties over which we do not have full control. For details, see "Forward-looking Statements" and "Risk Factors" in this document.

OVERVIEW

We are a global leading provider of new energy intelligent heavy-duty trucks, pioneering in autonomous heavy-duty trucking technology. According to Frost & Sullivan, we were the first company globally to possess both forward-engineering vehicle development capabilities and an end-to-end multimodal large language model ("**MLLM**") for heavy-duty truck autonomous driving.

We have built a distinctive and deeply integrated model spanning vehicle, algorithm and data capabilities, with each reinforcing the others, which we believe positions us among the players best placed to lead and capture the opportunities of the autonomous trucking era. We have forward-engineered new energy intelligent heavy-duty trucks that are purpose-built for autonomous road freight operations, delivering strong stability and efficiency under complex and diverse operating conditions. We have designed our end-to-end MLLM for autonomous driving with streamlined system architecture and strong scenario generalization capabilities. Our scaled commercialization enables a data-driven, closed-loop iteration process that continuously refines our vehicle design and strengthens our core technologies.

Our business and financial performance demonstrate rapid commercialization trajectory. During the Track Record Period, we primarily generated revenue from the sales of new energy intelligent heavy-duty trucks and started offering RoboTruck vehicles in 2025. Our revenue increased significantly from RMB1.2 million in 2023 to RMB124.1 million in 2024, representing a growth of 10,569.9%, and further increased by approximately 320.8% to RMB522.2 million in 2025. Our gross loss margin improved steadily during the Track Record Period, from 287.2% in 2023 to 34.7% in 2024, and further to 2.5% in 2025, bringing us to the cusp of gross profitability. Our sales of new energy intelligent heavy-duty truck(s) remained the core revenue driver, contributing RMB507.4 million in 2025, accounting for 97.2% of total revenue. We incurred net losses of RMB114.3 million, RMB240.8 million and RMB280.7 million for the years ended 31 December 2023, 2024 and 2025, respectively, primarily attributable to research and development costs of RMB71.4 million, RMB116.2 million and RMB126.0 million, as well as selling and administrative expenses incurred to support our rapid business expansion.

BASIS OF PRESENTATION AND PREPARATION

Our historical financial information has been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRS**") Accounting Standards as issued by the International Accounting Standards Board ("**IASB**"). For the purpose of preparing this Historical Financial Information, we have adopted all applicable new and revised IFRS Accounting Standards throughout the Track Record Period, except for any new standards or interpretations that are not yet effective during the Track Record Period. The Historical Financial Information also complies with the applicable disclosure provisions of the Listing Rules. For details, see Note 1 to the Accountants' Report set out in Appendix I to this document.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, affected by a number of factors, many of which may be beyond our control. A discussion of the key factors is set out below.

Our Ability to Continuously Commercialize and Optimize Our Vehicles and Solutions

Our historical performance has been primarily driven by the successful launch and commercialization of our two new energy intelligent heavy-duty truck models, Awaken (驚蟄) and Ripen (小滿). We commenced pilot sales in 2023 and officially launched commercial sales in 2024, progressively expanding our vehicle portfolio and market reach. Benefiting from our forward-engineering approach and vertical integration capabilities, we have built our vehicle platform and self-developed core components including our proprietary Matrix four-in-one e-axle, multi-source heat-pump thermal management system and intelligent vehicle control system. Benefiting from the scaled delivery and operation of our new energy intelligent heavy-duty trucks, we have been able to continuously enhance our vehicle systems and core technologies, thereby enhancing our vehicles and solution and driving our long-term business growth. We continuously update our existing models by introducing new configurations and versions, improving our cost structure and enhancing gross profit margins through cost reduction and efficiency enhancement initiatives. During the Track Record Period, the sales volume of our new energy intelligent heavy-duty trucks and vehicles under the RoboTruck solution significantly increased from two units in 2023 to 272 units in 2024, and further to 1,191 units in 2025, driving our revenue growth from RMB1.2 million in 2023 to RMB124.1 million in 2024, and further to RMB522.2 million in 2025.

Meanwhile, we continue to expand the addressable scenarios and revenue models for our RoboTruck solution. In enclosed operating environments, we offer a comprehensive RoboTruck solution, encompassing our vehicles, our proprietary end-to-end MLLM, and a cloud-based digital platform that could be integrated with customer-specific operating scenarios. As of December 31, 2025, we delivered 15 vehicles under the RoboTruck solution. We plan to progressively commence charging customers technology service fees and expand our RoboTruck solution to additional application scenarios. We believe the continued development of our RoboTruck solution will provide us with diversified revenue streams and support our long-term growth.

Our Continued Investment in Research and Development

The new energy heavy-duty truck industry represents a large and growing market in which technological capability is a key differentiating factor. We have self-developed key vehicle systems, including Matrix four-in-one e-axle, heat-pump-based vehicle thermal management system and vehicle electronic control system. These systems contribute to the core objectives for our new energy intelligent heavy-duty trucks, namely, energy-efficient operating economics, full lifecycle reliability, and intelligent operations.

Our financial performance will be significantly dependent on our ability to sustain our technological leadership. In particular, we are enhancing our autonomous driving capabilities, vehicle architecture and core component design, with our research and development costs amounting to RMB71.4 million, RMB116.2 million and RMB126.0 million in 2023, 2024 and 2025, respectively. We expect to continue to incur substantial, and potentially increasing, research and development costs and to dedicate significant resources to improving and refining our technology capabilities.

Manufacturing and Supply Chain Management

We collaborate closely with selected suppliers for the procurement and production of battery, e-axle and other key components applied in our new energy intelligent heavy-duty trucks. We also collaborate with established contract assembly partners to assemble and produce heavy-duty trucks. The quality, stability and resilience of our supply chain are essential to our ability to meet delivery schedules, maintain product quality and manage production costs. The pricing of our trucks is determined with reference to multiple factors, with unit cost of sales being a key consideration. As batteries are the primary component of our vehicles, fluctuations in battery prices can directly affect our unit costs, average selling prices and gross profit margins. Volatility in raw-material prices or any disruption in the supply chain could also adversely affect our vehicle development and manufacturing schedules. To enhance our supply-chain reliability and integration, we self-design and develop our core system-level solutions, engage supply chain partners for manufacturing major components, and collaborate with qualified contract assembly for final vehicle assembly. We have established a structured supplier qualification and management framework and continue to diversify our contract assembly partner base, thereby preserving operational flexibility and reducing reliance on any particular partner.

Our Ability to Build and Strengthen Our Commercial Ecosystem

We are proactively building a comprehensive service and commercial ecosystem to support customer adoption. We have established a dedicated after-sales service and maintenance network and are working with our ecosystem partners to develop charging and battery-swapping infrastructure. We are also exploring collaboration with a range of business partners across the scenarios we serve to further advance the intelligent and autonomous upgrade of heavy-duty trucking operations.

We believe that the maturation of this broader ecosystem reinforces demand for our vehicle deliveries and RoboTruck solution. As supporting infrastructure and services become more widely available, the value proposition of our new energy intelligent heavy-duty trucks and RoboTruck solution strengthen, creating a mutually reinforcing cycle between ecosystem development and customer adoption that supports our long-term commercial growth.

Cost Control and Operational Efficiency

Our ability to improve our cost control and operational efficiency is critical to our financial performance, particularly as we continue to scale up production and expand our customer base. During the Track Record Period, our cost of sales amounted to RMB4.5 million, RMB167.2 million and RMB535.4 million in 2023, 2024 and 2025, respectively, with raw material costs accounting for 37.6%, 89.1% and 95.9% of total cost of sales in the respective years. We developed a suite of proprietary technologies designed to reduce manufacturing and component costs. For example, our multi-source heat pump thermal management system streamlines the system architecture and improves the level of integration, reducing weight by 62 kg, volume by 43%, and the number of components by 18% compared with distributed solutions. These design improvements lower per-unit material consumption, reduce energy costs for end users, and support our continued cost optimization.

We are committed to continuously enhancing our operational efficiency across administration, sales and marketing, and research and development. In 2025, our total operating expenses accounted for 43.5% of our revenue. We expect to further improve our administrative efficiency by streamlining our operational structure and optimizing resource allocation as our business scales. For sales and marketing, we aim to leverage our expanding distributor network to facilitate market reach, with the number of distributors growing rapidly from 33 as of December 31, 2024 to 98 as of December 31, 2025. As our distributors increasingly assume responsibility for regional market development, customer acquisition and after-sales services, we expect to achieve broader market coverage with lower incremental selling costs per unit sold. Furthermore, our platform-based R&D strategy promotes extensive reuse and standardization of key components, core subsystems and structural parts across vehicle models, enabling us to apply our modular technologies across all models with shorter development cycles and lower marginal development costs, thereby improving manufacturing scalability and overall R&D cost efficiency.

MATERIAL ACCOUNTING POLICIES AND CRITICAL JUDGMENTS AND ESTIMATES

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

Set out below is a summary of the material accounting policies on our revenue recognition. For a detailed description of the material accounting policies judgements and estimates which we believe are most important for understanding our results of operations and financial condition, see Note 2 and Note 3 to the Accountants' Report set out in Appendix I to this document.

Material Accounting Policies on Revenue Recognition

We classify income as revenue when it arises from the sale of goods, the provision of services in the ordinary course of our business. We are the principal for our revenue transactions and recognize revenue on a gross basis. In determining whether we act as a principal or as an agent, we consider whether we obtain control of the products before they are transferred to the customers. Control refers to our ability to direct the use of and obtain substantially all of the remaining benefits from the products. Revenue is recognized when control over a product or service is transferred to the customer, at the amount of promised consideration to which we are expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Sales of Goods

Revenue for sales of goods is recognized when products are delivered at the customers' premises which is taken to be the point in time when the customer has accepted and taken possession of the goods at the amount of promised consideration to which we are expected to be entitled.

Rendering of Services

Revenue of services is recognized when the customer passes the acceptance and the development results are submitted.

DESCRIPTION OF SELECTED COMPONENTS OF THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth our selected consolidated statements of profit or loss for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Revenue	**1,163**	**100.0**	**124,091**	**100.0**	**522,170**	**100.0**
Cost of sales	(4,503)	(387.2)	(167,184)	(134.7)	(535,432)	(102.5)
Gross loss	**(3,340)**	**(287.2)**	**(43,093)**	**(34.7)**	**(13,262)**	**(2.5)**
Other net gain	1,652	142.0	7,905	6.4	5,991	1.1
Selling expenses	(3,754)	(322.8)	(24,799)	(20.0)	(47,473)	(9.1)
Administrative expenses	(24,799)	(2,132.3)	(41,283)	(33.3)	(53,778)	(10.3)
Research and development costs	(71,423)	(6,141.3)	(116,166)	(93.6)	(126,038)	(24.1)
Impairment loss on trade and other receivables and financial guarantee issued	(8)	(0.7)	(1,566)	(1.3)	(1,044)	(0.2)
Loss from operations	**(101,672)**	**(8,742.2)**	**(219,002)**	**(176.5)**	**(235,604)**	**(45.1)**
Changes in the carrying amount of ordinary shares with redemption rights	(12,100)	(1,040.4)	(20,515)	(16.5)	(41,824)	(8.0)
Other finance costs	(539)	(46.3)	(1,330)	(1.1)	(3,308)	(0.6)
Finance costs	(12,639)	(1,086.8)	(21,845)	(17.6)	(45,132)	(8.6)
Loss before taxation	**(114,311)**	**(9,829.0)**	**(240,847)**	**(194.1)**	**(280,736)**	**(53.8)**
Income tax	—	—	—	—	—	—
Loss for the year	**(114,311)**	**(9,829.0)**	**(240,847)**	**(194.1)**	**(280,736)**	**(53.8)**

NON-IFRS MEASURE

To supplement our financial information, which is presented in accordance with IFRS Accounting Standards, we also provide adjusted net loss as a non-IFRS measure, which is not required by, or presented in accordance with, the IFRS Accounting Standards. Our adjusted net loss (Non-IFRS measure) as a percentage of revenue narrowed during the Track Record Period.

We define adjusted net loss (non-IFRS measure) as loss for the year adjusted by adding back (i) equity-settled share-based payment expenses, which are non-cash in nature, and (ii) changes in the carrying amount of ordinary shares with redemption rights, which are non-cash in nature. Such redemption liabilities will be reclassified to equity upon the **[REDACTED]**. We believe that non-IFRS measure facilitates comparisons of operating performance from period to period, aiming to provide useful information to **[REDACTED]** in understanding and evaluating our results of operations in the same manner as it helped our management. However, our presentation of adjusted net loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The application of the non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

The following table reconciles our adjusted net loss (non-IFRS measure) for the periods indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss for the year	**(114,311)**	**(240,847)**	**(280,736)**
Add:			
Equity-settled share-based payment	3,652	3,924	8,097
Changes in the carrying amount of ordinary shares with redemption rights	12,100	20,515	41,824
Adjusted net loss (non-IFRS measure)	**(98,559)**	**(216,408)**	**(230,815)**

Revenue

Revenue by Business Line

The following table sets forth a breakdown of our revenue, both in absolute amounts and as a percentage of our total revenue for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
New energy intelligent heavy-duty trucks	**1,150**	**98.9**	**120,756**	**97.3**	**507,382**	**97.2**
Ripen	—	—	16,190	13.0	306,274	58.7
Awaken	1,150	98.9	104,566	84.3	201,108	38.5
RoboTruck solution	**—**	**—**	**—**	**—**	**8,102**	**1.5**
Others[1]	**13**	**1.1**	**3,335**	**2.7**	**6,686**	**1.3**
Total	**1,163**	**100.0**	**124,091**	**100.0**	**522,170**	**100.0**

Note:

(1) Others mainly represent revenue from (a) sales of spare parts and accessories, and (b) provision of technical services including R&D, maintenance and trial-drive services.

We recorded significant revenue growth during the Track Record Period, from RMB1.2 million in 2023 to RMB124.1 million in 2024 and further to RMB522.2 million in 2025. We primarily generated revenue from sales of our new energy intelligent heavy-duty trucks, including the Ripen and Awaken models.

Our RoboTruck solution provides customers with vehicles equipped with by-wire chassis, end-to-end MLLM, and a cloud-based digital platform that could be integrated with customer-specific operating scenarios. As of December 31, 2025, we delivered 15 vehicles equipped with by-wire chassis under the RoboTruck solution. We plan to progressively commence charging customers technology service fees and expand our RoboTruck solution to additional application scenarios.

In addition, revenue from others complements the vehicle sales business, with the sale of spare parts and accessories reflecting rising after-sales demand alongside a growing installed base. We also generated revenue from provision of technical services including R&D, maintenance, and trial-drive services.

Revenue from Sales of New Energy Intelligent Heavy-Duty Trucks

Revenue generated from the sales of our new energy intelligent heavy-duty trucks is primarily driven by their sales volume and average selling prices. The following table sets forth a breakdown of the sales volume and average selling prices by vehicle model for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price
	units	*RMB per unit*	*units*	*RMB per unit*	*units*	*RMB per unit*
Ripen	—	—	39	415,111	751	407,821
Awaken	2	575,221	233	448,782	425	473,195

In 2023, we commenced pilot sales of the Awaken model. In 2024, we formally launched and commenced commercialization of the Awaken and Ripen models, with sales volumes of 233 units and 39 units, respectively, in that year. Our sales volume increased substantially from 2024 to 2025 to 425 units of Awaken and 751 units of Ripen, primarily attributable to our advanced technological strengths in vehicle design, increased market recognition of our brand and vehicles, and the continued expansion of our sales network. We continue to leverage our research and development capabilities to iterate these vehicles for better performance and launch new versions, thereby expanding our vehicle portfolio to meet evolving customer demands.

The pricing of our trucks is determined with reference to multiple factors, with unit cost of sales being a key consideration. As batteries are the primary component of our vehicles, fluctuations in battery prices can directly affect our unit costs, average selling prices and gross profit margins. The average selling price of Ripen decreased from RMB415,111 in 2024 to RMB407,821 in 2025, primarily attributable to our continued efforts in optimizing cost structure of our vehicles, which passed on cost savings to customers through more competitive pricing. Meanwhile, the average selling price of Awaken increased from RMB448,782 in 2024 to RMB473,195 in 2025, primarily because we offered vehicles equipped with larger battery packs offering longer driving range.

Revenue by Sales Channel

We adopt a balanced sales model combining distributor-based sales and direct sales to achieve broad and efficient market coverage across diverse regions and customer segments. We engage distributors for sales of our new energy intelligent heavy-duty trucks and RoboTruck vehicles, and maintain a direct sales channel across all of our business lines. The following table sets forth a breakdown of our revenue by sales channel in absolute amount and as a percentage of our total revenue for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Distributorship	—	—	85,184	68.6	372,870	71.4
Direct Sales	1,163	100.0	38,907	31.4	149,300	28.6
Total	**1,163**	**100.0**	**124,091**	**100.0**	**522,170**	**100.0**

During the Track Record Period, the revenue growth across our sales channels aligned with our business growth. Revenue from the sales through distributorship accounted for nil, 68.6%, and 71.4% of our total revenue in 2023, 2024, and 2025, respectively. The overall growth of our sales of new energy intelligent heavy-duty trucks and RoboTruck vehicles through distributorship reflected our effort in expanding our distribution channels, which enables us to reach a broader customer base and achieve deeper market penetration.

Cost of Sales

Our cost of sales primarily consist of raw material costs, manufacturing costs and provision of inventories. The following table sets forth a breakdown of our cost of sales in absolute amounts and as a percentage of our total cost of sales for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Raw material costs	1,694	37.6	149,006	89.1	513,501	95.9
Manufacturing costs	42	0.9	5,772	3.5	16,004	3.0
Provision of inventories	2,739	60.8	11,810	7.1	(9,836)	(1.8)
Others[1]	28	0.7	596	0.3	15,763	2.9
Total	**4,503**	**100.0**	**167,184**	**100.0**	**535,432**	**100.0**

Note:

(1) Others mainly represent costs for depreciation and logistics.

Our cost of sales increased from RMB4.5 million in 2023 to RMB167.2 million in 2024 and further to RMB535.4 million in 2025, in line with our business expansion. Our raw material costs primarily include batteries, e-axles and other vehicle components. During the Track Record Period, raw material costs constituted the largest component of our cost of sales, accounting for 37.6%, 89.1%, and 95.9% of our total cost of sales in 2023, 2024, and 2025, respectively. We recorded provision of inventories of RMB2.7 million and RMB11.8 million in 2023 and 2024, respectively, as the net realisable value of our finished goods fell below their carrying costs due to negative gross margins during the early stages of commercialization, and a net reversal of RMB9.8 million in 2025 as our gross margin profile improved significantly.

Gross Profit/(Loss) and Gross Profit/(Loss) Margin

Our gross profit/(loss) represents our revenue less our cost of sales, and our gross margin represents gross profit/(loss) divided by our revenue, expressed as a percentage. The following table sets forth a breakdown of our gross profit/(loss) and gross profit/(loss) margin in absolute amounts and as a percentage of our total revenue for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	Gross Profit/(Loss)	Gross Profit/(Loss) Margin	Gross Profit/(Loss)	Gross Profit/(Loss) Margin	Gross Profit/(Loss)	Gross Profit/(Loss) Margin
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
New energy intelligent heavy-duty trucks	**(3,340)**	**(290.4)**	**(42,280)**	**(35.0)**	**(14,800)**	**(2.9)**
Ripen	—	—	(5,751)	(35.5)	(1,206)	(0.4)
Awaken	(3,340)	(290.4)	(36,529)	(34.9)	(13,594)	(6.8)
RoboTruck solution	**—**	**—**	**—**	**—**	**352**	**4.3**
Others	**—**	**—**	**(813)**	**(24.4)**	**1,186**	**17.7**
Total	**(3,340)**	**(287.2)**	**(43,093)**	**(34.7)**	**(13,262)**	**(2.5)**

Our sales of new energy intelligent heavy-duty trucks were at an early stage of commercialization during the Track Record Period. We recorded gross loss of RMB3.3 million, RMB43.1 million and RMB13.3 million in 2023, 2024 and 2025, respectively. Changes in our gross loss were primarily in relation to (i) revenue growth since the commercialization of our new energy intelligent heavy-duty trucks in 2024; and (ii) our continuing efforts in cost control and supply chain management.

Our gross loss margin narrowed significantly from 287.2% in 2023 to 34.7% in 2024 and further to 2.5% in 2025. We believe that our gross loss margin in 2023 was not indicative of our ongoing operations as it reflected our pilot sales stage with only two units delivered. The subsequent improvement was primarily driven by (i) substantial revenue growth as delivery volumes increased from 272 units in 2024 to 1,176 units in 2025, (ii) increasing economies of scale in procurement and manufacturing which strengthened our supply chain management and allowed us to source more competitive suppliers for key components, and (iii) continued technological iteration in vehicle design and core hardware systems which lowered per-unit material consumption. Furthermore, our RoboTruck solution achieved a positive gross margin of 4.3% in 2025, primarily because our vehicles equipped with by-wire chassis embody higher technology content and command higher selling prices. We expect our gross margin to continue improving as we scale up sales of our new energy intelligent heavy-duty trucks and RoboTruck solutions through continued technological iteration, and further strengthen cost management and operational efficiency.

Other Net Gain

Our other net gain mainly consists of (i) government grants from local government authorities, (ii) interest income from our deposits, and (iii) gain on wealth management products. The following table sets forth the breakdown of our other net gain in absolute amounts and as a percentage of total other net gain for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Government grants	11	0.7	7,367	93.2	6,266	104.6
Interest income	492	29.8	315	4.0	294	4.9
Gain on wealth management products	1,149	69.5	308	3.9	7	0.1
Net gain on disposal of property, plant and equipment	1	0.1	—	—	—	—
Net loss on early termination of leases	—	—	—	—	(70)	(1.2)
Others	(1)	(0.1)	(85)	(1.1)	(506)	(8.4)
Total	**1,652**	**100.0**	**7,905**	**100.0**	**5,991**	**100.0**

During the Track Record Period, we received government grants that were non-recurring in nature, mainly from different levels of local governments in connection with R&D projects and business development within the relevant jurisdictions.

Selling Expenses

Our selling expenses primarily consisted of (i) employee compensation expenses in relation to our sales personnel, including share-based payments (ii) marketing expenses, (iii) travel expenses in relation to our marketing activities, and (iv) others. The following table sets forth a breakdown of our selling expenses in absolute amounts and as a percentage of total selling expenses for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Employee compensation expenses	2,777	74.0	15,354	61.9	30,418	64.1
Marketing expenses	304	8.1	4,358	17.6	10,110	21.3
Travel expenses	596	15.9	4,310	17.4	4,349	9.2
Others[(1)]	77	2.0	777	3.1	2,596	5.4
Total	**3,754**	**100.0**	**24,799**	**100.0**	**47,473**	**100.0**

Note:

(1) Primarily represents storage and logistics expenses, business development expenses, professional service expenses, and amortization of intangible assets.

Our selling expenses increased from RMB3.8 million in 2023, to RMB24.8 million in 2024, and further to RMB47.5 million in 2025, primarily due to (i) an increase in employee compensation expenses, driven by higher headcount and performance-based incentives for our sales personnel, and the recruitment of more experienced sales professionals to support our business expansion, and (ii) an increase in marketing expenses associated with our sales and marketing efforts which includes convention costs, media-related costs, as well as online and outdoor advertisement costs.

Administrative Expenses

Our administrative expenses primarily consisted of (i) employee compensation expenses in relation to our administrative personnel, including share-based payments (ii) professional services expenses, mainly including the service fees for our financial advisers and other consulting service providers in relation to our financing activities, (iii) office and lease expenses, (iv) business development expenses and (v) others. The following table sets forth a breakdown of our administrative expenses in absolute amounts and as a percentage of total administrative expenses for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Employee compensation expenses	14,000	56.5	27,040	65.5	33,683	62.6
Professional service expenses	4,795	19.3	4,695	11.4	6,178	11.5
Office and lease expenses	4,051	16.3	6,832	16.5	8,232	15.3
Business development expenses	1,317	5.3	1,397	3.4	2,063	3.8
Others[1]	636	2.6	1,319	3.2	3,622	6.8
Total	**24,799**	**100.0**	**41,283**	**100.0**	**53,778**	**100.0**

(1) Primarily represents utility expenses, tax and surcharges, and transaction fees.

Research and Development Costs

Our research and development costs primarily consisted of (i) employee compensation expenses in relation to our R&D personnel, including share-based payments, (ii) external resource costs, representing the cloud services and software subscriptions, (iii) inspection fees, (iv) contract R&D costs for certification testing and tooling development, (v) raw materials for R&D, and (vi) others. The following table sets forth a breakdown of our research and development costs in absolute amounts and as a percentage of total research and development costs for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Employee compensation expenses	47,004	65.8	74,977	64.5	74,048	58.8
External resource costs	456	0.6	3,300	2.8	16,975	13.5
Inspection fees	8,932	12.5	11,795	10.2	13,753	10.9
Contract R&D costs	9,174	12.8	15,628	13.5	8,839	7.0
Raw materials	781	1.1	2,944	2.5	5,093	4.0
Others[1]	5,076	7.2	7,522	6.5	7,330	5.8
Total	**71,423**	**100.0**	**116,166**	**100.0**	**126,038**	**100.0**

Note:

(1) Primarily represents travel costs, depreciation costs, amortization costs, and intellectual property-related costs.

Impairment Loss on Trade and Other Receivables and Financial Guarantee Issued

Our impairment loss on trade and other receivables and financial guarantee issued represents the loss allowance measured under expected credit loss model. Our impairment losses on trade and other receivables and financial guarantee issued were RMB8 thousand, RMB1.6 million, and RMB1.0 million in 2023, 2024 and 2025, respectively.

Finance Costs

Our finance costs primarily consisted of (i) changes in the carrying amount of ordinary shares with redemption rights, and (ii) interest expenses on loans and borrowings. Our changes in the carrying amount of ordinary shares with redemption rights arose from our contractual obligation to redeem our equity instruments for cash upon the occurrence of certain events and was recognized as financial liabilities.

The following table sets forth a breakdown of our finance costs in absolute amounts and as a percentage of total finance costs for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Changes in the carrying amount of ordinary shares with redemption rights	12,100	95.7	20,515	93.9	41,824	92.7
Interest expenses on loans and borrowings	—	—	647	3.0	1,702	3.8
Interest expenses on obligations arising from leaseback	—	—	—	—	900	2.0
Interest expenses on lease liabilities	539	4.3	683	3.1	706	1.5
Total	**12,639**	**100.0**	**21,845**	**100.0**	**45,132**	**100.0**

Income Tax

We did not record any income tax during the Track Record Period, as we recorded losses before taxation during the Track Record Period and did not record any material current or deferred income tax expense. During the Track Record Period and up to the Latest Practicable Date, we had made all the required tax filings with the relevant tax authorities in the PRC and we are not aware of any outstanding or potential disputes with such tax authorities.

We are subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of our Group are domiciled and operated. Pursuant to the PRC Enterprise Income Tax (the "**EIT**"), our Company and our subsidiaries in the Chinese Mainland are subject to EIT at a rate of 25%. During the Track Record Period, certain of our subsidiaries were qualified as High and New Technology Enterprises ("**HNTE**") and enjoyed a preferential EIT at a rate of 15%. According to the tax incentive policies promulgated by the State Tax Bureau of the PRC, effective for the period from 1 January 2023, an additional 100% of qualified R&D costs incurred is allowed to be deducted from taxable income. For details, see Note 7 to the Accountants' Report set out in Appendix I to this document.

Loss for the Year

As a result of the foregoing, we recorded loss for the year of RMB114.3 million, RMB240.8 million and RMB280.7 million in 2023, 2024 and 2025, respectively.

YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

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

Revenue

Our revenue increased by 320.8% from RMB124.1 million in 2024 to RMB522.2 million in 2025, primarily driven by the increase in revenue generated from the sales of our new energy intelligent heavy-duty trucks.

Revenue generated from the sales of our new energy intelligent heavy-duty trucks increased significantly, with Ripen revenue increasing from RMB16.2 million in 2024 to RMB306.3 million in 2025 and Awaken revenue increasing from RMB104.6 million in 2024 to RMB201.1 million in 2025. The sales growth in both models was primarily driven by a substantial ramp-up in sales volume, from 39 units in 2024 to 751 units in 2025 for Ripen and from 233 units in 2024 to 425 units in 2025 for Awaken, primarily attributable to our advanced technological strengths in vehicle design, increased market recognition of our brand and vehicles, and the continued expansion of our sales network from 33 distributors in 2024 to 98 in 2025.

Revenue generated from our RoboTruck solution increased from nil in 2024 to RMB8.1 million in 2025, as we are in the process of commercializing our solution and delivered 15 RoboTruck vehicles in 2025.

Cost of Sales

Our cost of sales increased by 220.3% from RMB167.2 million in 2024 to RMB535.4 million in 2025, primarily due to an increase in raw material costs associated with the increased sales volume of our new energy intelligent heavy-duty trucks.

Gross Loss and Gross Loss Margin

Our gross loss decreased by 69.2% from RMB43.1 million in 2024 to RMB13.3 million in 2025. In the meanwhile, our margin profile improved from gross loss margin of 34.7% in 2024 to gross loss margin of 2.5% in 2025. The decrease in our gross loss and gross loss margin mainly reflected our continued efforts to optimize the cost structure of our vehicles, for example, our engagement with a new battery supplier for Ripen in 2025, enabling us to procure the battery packs at more favorable prices. In addition, enhanced technical capabilities in vehicle design and core hardware systems enabled further vehicle lightweighting, contributing to reduced per-unit material consumption. The decreases in our gross loss and gross loss margin are also attributable to a reduction in per-unit manufacturing costs for our new energy intelligent heavy-duty trucks, as higher production volume allowed the depreciation and amortization of engineering molds to be allocated over more vehicles.

Other Net Gain

Our other net gain decreased from RMB7.9 million in 2024 to RMB6.0 million in 2025, primarily due to a decrease of RMB1.1 million in government grants we recognized in the respective years, which are non-recurring in nature.

Selling Expenses

Our selling expenses increased from RMB24.8 million in 2024 to RMB47.5 million in 2025, primarily due to (i) an increase in employee compensation expenses, driven by higher headcount and performance-based incentives for our sales personnel, and the recruitment of more experienced sales professionals to support our business expansion, and (ii) an increase in marketing expenses associated with our sales and marketing efforts which includes convention costs, media-related costs, as well as online and outdoor advertisement costs.

Administrative Expenses

Our administrative expenses increased from RMB41.3 million in 2024 to RMB53.8 million in 2025, primarily due to increases in (i) employee compensation expenses attributable to the expansion of our administrative team to support our business growth, and (ii) professional service expenses with respect to our equity financing activities.

Research and Development Costs

Our research and development costs increased from RMB116.2 million in 2024 to RMB126.0 million in 2025, primarily due to an increase in external resource costs for the cloud services and software subscriptions, partially offset by a decrease in contract R&D costs as we transitioned more R&D activities in-house, in line with our focus on conducting core R&D internally.

Impairment Loss on Trade and Other Receivables and Financial Guarantee Issued

Our impairment loss on trade and other receivables and financial guarantee issued decreased by 33.3% from RMB1.6 million in 2024 to RMB1.0 million in 2025, primarily due to a reversal of the financial guarantee provision as our outstanding guarantee exposure declined from RMB13.6 million to RMB9.0 million, partially offset by higher ECL provision on trade receivables in line with revenue growth.

Finance Costs

Our finance costs increased from RMB21.8 million in 2024 to RMB45.1 million in 2025, primarily driven by the issuance of successive rounds of investments. See "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments" and note 25 to the Accountants' Report in Appendix I to this document.

Income Tax

We did not incur any income tax in 2024 and 2025.

Loss for the Year

As a result of the above, we recorded net loss of RMB240.8 million and RMB280.7 million in 2024 and 2025, respectively.

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

Revenue

Our revenue increased significantly from RMB1.2 million in 2023 to RMB124.1 million in 2024, primarily driven by the formal launch and commercialization of our Awaken and Ripen models in 2024, with sales volumes of 233 units and 39 units respectively, as well as the expansion of our distribution network from nil as of December 31, 2023 to 33 distributors as of December 31, 2024.

Cost of Sales

Our cost of sales increased significantly from RMB4.5 million in 2023 to RMB167.2 million in 2024, primarily due to an increase in raw material costs and manufacturing costs for the production of our new energy intelligent heavy-duty trucks.

Gross Loss and Gross Loss Margin

As a result of the foregoing factors and the early stage of commercialization of our new energy intelligent heavy-duty trucks, our gross loss increased from RMB3.3 million in 2023 to RMB43.1 million in 2024. We believe that our gross loss margin in 2023 of 287.2% was not indicative of our ongoing operations as it reflected our pilot sales stage with only two units delivered near the end of the year. Our gross loss margin subsequently narrowed to 34.7% in 2024, primarily driven by substantial revenue growth as we formally launched and commenced commercialization of our Ripen and Awaken models during the year.

Other Net Gain

Our other net gain increased significantly from RMB1.7 million in 2023 to RMB7.9 million in 2024, primarily due to an increase in non-recurring government grants we recognized in the respective years, mainly relating to R&D activities.

Selling Expenses

Our selling expenses increased significantly from RMB3.8 million in 2023 to RMB24.8 million in 2024, primarily due to (i) an increase in employee compensation expenses, attributable to the increased headcount and average compensation of our sales personnel, (ii) an increase in marketing expenses and (iii) an increase in travel expenses, all of which in connection with marketing efforts for the two vehicle models launched and commercialized in 2024.

Administrative Expenses

Our administrative expenses increased from RMB24.8 million in 2023 to RMB41.3 million in 2024, primarily due to an increase in employee compensation expenses as we expanded our administration team to support our operational expansion.

Research and Development Costs

Our research and development costs increased from RMB71.4 million in 2023 to RMB116.2 million in 2024, primarily due increases in (i) employee compensation expenses, (ii) contract R&D costs, and (iii) inspection fees, all related to the development, testing and iteration of our vehicle models.

Impairment Loss on Trade and Other Receivables and Financial Guarantee Issued

Our impairment loss on trade and other receivables and financial guarantee issued increased from RMB8.0 thousand in 2023 to RMB1.6 million in 2024, as a result of an increase in outstanding trade receivables at the end of the respective years, in line with the increase of revenue for the respective years.

Finance Costs

Our finance costs increased significantly from RMB12.6 million in 2023 to RMB21.8 million in 2024, primarily due to an increase in changes in the carrying amount of ordinary shares with redemption rights, driven by the issuance of successive rounds of investments. See "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments" and note 25 to the Accountants' Report in Appendix I to this document.

Income Tax

We did not incur any income tax in 2023 and 2024.

Loss for the Year

As a result of the above, we recorded net loss of RMB114.3 million and RMB240.8 million in 2023 and 2024, respectively.

DESCRIPTION OF SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth a summary of our consolidated statements of financial positions as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets			
Property, plant and equipment	18,245	32,096	39,221
Right-of-use assets	17,772	13,961	15,735
Intangible assets	1,166	1,870	2,827
Trade receivables	—	—	18,056
Other non-current assets	3,651	741	851
Total non-current assets	**40,834**	**48,668**	**76,690**
Current assets			
Inventories	5,982	33,566	142,450
Trade and other receivables	10,558	72,372	130,230
Financial assets measured at fair value through profit and loss ("**FVTPL**")	50,000	—	—
Pledged bank deposits	—	—	180,208
Cash and cash equivalents	32,089	12,970	154,637
Total current assets	**98,629**	**118,908**	**607,525**
Current liabilities			
Trade and other payables	29,730	110,846	434,801
Contract liabilities	—	1,401	10,992
Loans and borrowings	—	43,460	120,953
Lease liabilities	3,356	2,639	4,772
Provisions	4	519	2,318
Ordinary shares with redemption rights	215,073	356,088	723,912
Total current liabilities	**248,163**	**514,953**	**1,297,748**
Net current liabilities	**(149,534)**	**(396,045)**	**(690,223)**
Total assets less current liabilities	**(108,700)**	**(347,377)**	**(613,533)**
Non-current liabilities			
Provisions	8	893	3,517
Lease liabilities	14,435	11,796	11,835
Total non-current liabilities	**14,443**	**12,689**	**15,352**
Net liabilities	**(123,143)**	**(360,066)**	**(628,885)**

Property, Plant and Equipment

Our property, plant and equipment consists of (i) mold for the production of our new energy intelligent heavy-duty trucks, (ii) leasehold improvement associated with the offices of subsidiaries, (iii) office and other equipment used in our daily operations, (iv) construction in progress, primarily in relation to the construction of our prototype workshops, and (v) machinery and equipment for our research and development activities.

Our property, plant and equipment increased from RMB18.2 million as of December 31, 2023 to RMB32.1 million as of December 31, 2024 and further to RMB39.2 million as of December 31, 2025, primarily due to the increase in molds, construction in progress and leasehold improvement to support our business expansion.

Right-of-use Assets

Our right-of-use assets consisted of properties leased for our office premises. Our right-of-use assets decreased from RMB17.8 million as of December 31, 2023 to RMB14.0 million as of December 31, 2024, primarily due to depreciation charge of leasehold buildings. Our right-of-use assets increased to RMB15.7 million as of December 31, 2025, primarily due to the addition of new leases for office premises to support our growing operations.

Inventories

Our inventories consisted of (i) raw materials, primarily comprising batteries, e-axles, driving compartment components, and other vehicle components, and (ii) finished goods, representing new energy intelligent heavy-duty trucks ready for sale. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	3,130	17,387	98,796
Finished goods	2,852	16,179	43,654
Total	**5,982**	**33,566**	**142,450**

Our inventories increased from RMB6.0 million as of December 31, 2023 to RMB33.6 million as of December 31, 2024, and further increased to RMB142.5 million as of December 31, 2025, as we increased procurement of raw materials and expanded production of our new energy intelligent heavy-duty trucks, in line with our growing business scale.

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

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within one year	5,982	33,283	142,450
One year to two years	—	283	—
Total	**5,982**	**33,566**	**142,450**

The following table sets forth our inventory turnover days for the years indicated:

	As of December 31,		
	2023	**2024**	**2025**
Inventory turnover days[1]	315	43	59

Note:

(1) Calculated as the average of the opening and ending balance of inventories for the year divided by cost of sales for the relevant year and multiplied by 360 days.

Our inventory turnover days decreased significantly from 315 days in 2023 to 43 days in 2024, primarily because 2023 represented our pilot sales stage with minimal revenue against which inventory was measured, and the substantial increase in revenue following the commercial launch of our Awaken and Ripen models in 2024 significantly outpaced the growth in inventory. Our inventory turnover days subsequently increased to 59 days in 2025, primarily as we increased procurement of raw materials, in particular batteries, to support accelerating delivery schedules and rising market demand.

As of April 30, 2026, RMB112.7 million, or approximately 79.1%, of our inventories as of December 31, 2025 had been subsequently consumed.

Trade and Other Receivables

Our trade and other receivables recorded as non-current assets consists of trade receivables due from customers under 36-month installment payment arrangements that are not expected to be collected within one year.

Our trade and other receivables recorded as current assets primarily consist of (i) trade receivables due from third parties, mainly representing outstanding amounts due from our customers for the sales of new energy intelligent heavy-duty trucks, (ii) bills receivables, (iii) other receivables, representing deposits and security deposits, (iv) VAT recoverable, representing input VAT on purchases of raw materials, components, and services that has not yet been offset against output VAT or refunded, and (v) prepayments to suppliers. The following table sets forth details of our trade and other receivables as of the dates indicated:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets			
Trade receivables	—	—	18,056
Current assets			
Trade receivables	1,300	12,220	79,239
Less: loss allowance on trade receivables	(8)	(166)	(1,302)
	1,292	12,054	77,937
Bills receivable	—	270	7,572
Other receivables	2,508	8,306	8,589
Less: loss allowance on other receivables	—	—	—
	2,508	8,306	8,589
Value-added tax ("**VAT**") recoverable	4,485	9,215	3,700
Prepayments to suppliers	2,273	42,527	32,432
	10,558	**72,372**	**130,230**

Our trade and other receivables increased from RMB10.6 million as of December 31, 2023 to RMB72.4 million as of December 31, 2024 and further to RMB130.2 million as of December 31, 2025, primarily reflecting the overall growth of our business and increased sales activities.

The following table sets forth the aging analysis of our trade and bills receivables presented based on the invoice date and net of loss allowance as of the dates indicated:

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
0 to 90 days	1,292	10,928	101,527
91 to 180 days	—	1,396	1,590
181 to 360 days	—	—	448
	1,292	12,324	103,565

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

	As of December 31,		
	2023	2024	2025
Trade receivables turnover days[1]	200	19	37

Note:

(1) Calculated as the average of the opening and ending balance of trade receivables for the year divided by revenue for the relevant year and multiplied by 360 days.

Our trade receivables turnover days decreased from 200 days in 2023 to 19 days in 2024, primarily because 2023 represented our pilot sales stage during which we delivered only two vehicles in December 2023 with payment received in 2024, resulting in a disproportionately high receivables balance relative to the minimal revenue recognised during the year. Our trade receivables turnover days further increased to 37 days in 2025, primarily attributable to a timing effect, as we received a significantly higher volume of orders in November and December 2025 compared to prior months, resulting in a higher outstanding balance at year-end, with the growth rate of trade receivables being much higher than that of revenue.

As of April 30, 2026, RMB67.7 million, or approximately 65.3%, of our trade and bills receivables as of December 31, 2025 had been subsequently collected.

Financial assets measured at FVTPL

Our financial assets measured at FVTPL represented our investments in wealth management products with variable returns. Such investments were classified as Level 2 fair value measurements. In accordance with our risk management and investment strategy, we manage and evaluate the performance of these investments on a fair value basis and therefore these investments are designated as financial assets at FVTPL. For details, see Note 18 to the Accountants' Report set out in Appendix I to this document.

Our financial assets measured at FVTPL decreased from RMB50.0 million as of December 31, 2023 to nil as of December 31, 2024 and 2025, respectively, as we redeemed all the wealth management products with outstanding balances in 2024.

We adopted a comprehensive set of internal policies and guidelines to monitor and control the investment risks regarding our financial assets measured at FVTPL. We devise investment decisions based on our estimated capital requirements and our annual budget, taking into account the duration, expected returns and risks of the wealth management product to better utilize excess cash when our cash sufficiently covers our ordinary course of business. We generally limit our purchases to short-term products with stable interest rates, which are redeemable on demand from reputable commercial banks.

After **[REDACTED]**, we may continue our investments strictly in accordance with our internal policies and measures and the requirements under Chapter 14 of the Listing Rules.

Trade and Other Payables

Our trade and other payables consisted of (i) trade payables, representing the outstanding amounts due to our suppliers in relation to the production of our vehicles, (ii) bills payable for our procurement of raw materials, (iii) payroll payables, (iv) other payables and accruals, mainly representing accrued sales rebates, (v) VAT and sundry taxes payable, and (vi) financial guarantee issued, representing our guarantee obligations for certain customers who finance their vehicle purchases through third-party finance leases. The following table sets forth details of our trade and other payables as of the dates indicated:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	13,166	63,745	205,496
Bills payable	—	—	165,542
Payroll payables	15,094	22,237	35,176
Other payables and accruals	1,019	23,123	26,727
VAT and sundry taxes payable	451	873	1,316
Financial guarantee issued	—	868	544
	29,730	110,846	434,801

Our trade and other payables increased from RMB29.7 million as of December 31, 2023 to RMB110.8 million as of December 31, 2024 and further to RMB434.8 million as of December 31, 2025, in line with our expanded procurement scale to support the production of vehicles.

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

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within one year	12,612	63,737	205,464
Over one years	554	8	32
Total	**13,166**	**63,745**	**205,496**

The following table sets forth our trade payables turnover days for the years indicated:

	As of December 31,		
	2023	2024	2025
Trade payables turnover days(1)	533	83	91

Note:

(1) Calculated as the average of the opening and ending balance of trade payables for the year divided by cost of sales for the relevant year and multiplied by 360 days.

Our trade payables turnover days were 533 days in 2023, primarily because our cost of sales was minimal at RMB4.5 million corresponding to pilot sales of only two vehicles, while our trade payables balance as of December 31, 2023 reflected the initial procurement of raw materials and components in preparation for the commercial launch and mass production of our vehicle models in 2024. Our trade payables turnover days subsequently decreased to 83 days in 2024 and 91 days in 2025, generally in line with the credit terms granted by suppliers to us.

As of April 30, 2026, RMB138.7 million, or approximately 67.5%, of our payables as of December 31, 2025 had been subsequently settled.

Contract Liabilities

Our contract liabilities represented advances from our customers for the procurement of our vehicles, which amounted to nil, RMB1.4 million and RMB11.0 million as of December 31, 2023, 2024 and 2025.

As of April 30, 2026, RMB7.8 million, or approximately 70.7%, of our contract liabilities as of December 31, 2025 had been subsequently recognized as revenue.

Ordinary Shares With Redemption Rights

Our ordinary shares with redemption rights increased from RMB215.1 million as of December 31, 2023, to RMB356.1 million as of December 31, 2024, and further to RMB723.9 million as of December 31, 2025. For ordinary shares with redemption rights granted to certain investors, upon the occurrence of specified trigger events, the investors have right to request us to redeem the invested capital held by them. The redemption liabilities reflect our obligations to purchase back the invested capital, i.e. our equity instruments under the preferential rights. For more information, see "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments — Special Rights of the Pre-**[REDACTED]** Investors."

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, our primary use of cash was to fund our R&D activities and other working capital requirements during our business operations. We financed our operations and other capital requirements mainly through equity financing, cash generated from our business operations and bank borrowings.

We expect to fund our future working capital and cash requirements with existing cash and cash equivalents, revenue generated from sales of our vehicles and solution, the **[REDACTED]** from the **[REDACTED]**, and, when necessary, bank borrowings and other financing activities. We will closely monitor the level of our working capital and diligently review future cash flow requirements and adjust our operation and expansion plans, if necessary, to ensure that we maintain sufficient working capital to support our business operations.

As of April 30, 2026, the most recent practicable date for determining our indebtedness, we had cash and cash equivalent of RMB659.9 million. As of April 30, 2026, we had unutilized banking facilities of RMB1,262.9 million. Considering our internal resources, the anticipated cash flow from operations, available banking facilities and the estimated **[REDACTED]** from the **[REDACTED]**, our Directors confirm that the working capital available to us is sufficient at present and for at least the next 12 months from the date of this document.

Current Assets and Liabilities

The following table sets forth our current assets and liabilities 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* (Unaudited)
Current assets				
Inventories	5,982	33,566	142,450	284,781
Trade and other receivables	10,558	72,372	130,230	127,749
Financial assets measured at FVTPL	50,000	—	—	550,000
Cash and cash equivalents	32,089	12,970	154,637	659,903
Pledged bank deposits	—	—	180,208	200,802
Total current assets	**98,629**	**118,908**	**607,525**	**1,823,235**
Current liabilities				
Trade and other payables	29,730	110,846	434,801	621,664
Contract liabilities	—	1,401	10,992	20,586
Loans and borrowings	—	43,460	120,953	85,951
Lease liabilities	3,356	2,639	4,772	5,106
Provisions	4	519	2,318	4,666
Ordinary shares with redemption rights	215,073	356,088	723,912	1,898,719
Total current liabilities	**248,163**	**514,953**	**1,297,748**	**2,636,692**
Net current liabilities	**(149,534)**	**(396,045)**	**(690,223)**	**(813,457)**

Our net current liabilities increased from RMB690.2 million as of December 31, 2025 to RMB813.5 million as of April 30, 2026, primarily due to (i) an increase of RMB1,174.8 million in ordinary shares with redemption rights; and (ii) an increase of RMB186.9 million in trade and other payables; partially offset by (i) an increase of RMB550.0 million in financial assets measured at FVTPL; and (ii) an increase of RMB505.3 million in cash and cash equivalents.

Our net current liabilities increased from RMB396.0 million as of December 31, 2024 to RMB690.2 million as of December 31, 2025, primarily due to (i) an increase of RMB367.8 million in ordinary shares with redemption rights; and (ii) an increase of RMB324.0 million in trade and other payables; partially offset by (i) an increase of RMB180.2 million in pledged bank deposits and (ii) an increase of RMB141.7 million in cash and cash equivalents.

Our net current liabilities increased from RMB149.5 million as of December 31, 2023 to RMB396.0 million as of December 31, 2024, primarily due to (i) an increase of RMB141.0 million in ordinary shares with redemption rights; (ii) an increase of RMB81.1 million in trade and other payables; and (iii) a decrease of RMB50.0 million in financial assets measured at FVTPL; partially offset by an increase of RMB61.8 million in trade and other receivables.

Cash Flows

The following table sets forth the components of our consolidated cash flows statements for the years indicated:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash used in operating activities	(84,244)	(212,708)	(232,616)
Net cash (used in) / generated from investing activities	(31,109)	34,315	(25,537)
Net cash generated from financing activities	140,806	159,274	399,820
Net increase / (decrease) in cash and cash equivalents	**25,453**	**(19,119)**	**141,667**
Cash and cash equivalents at beginning of the year	6,636	32,089	12,970
Cash and cash equivalents at end of the year	**32,089**	**12,970**	**154,637**

Net Cash Used in Operating Activities

We had cash used in operating activities of RMB232.6 million in 2025, primarily attributable to our loss before taxation of RMB280.7 million adjusted by certain non-cash and non-operating items, including financial costs of RMB45.1 million; and (i) changes in working capital negatively affected our cash flows, primarily including an increase in pledged bank deposits of RMB170.2 million, an increase in inventories of RMB108.9 million and an increase in trade and other receivables of RMB75.9 million, and (ii) changes in working capital that positively affected our cash flows, primarily including an increase in trade and other payables of RMB324.0 million.

We had net cash used in operating activities of RMB212.7 million in 2024, primarily attributable to our loss before taxation of RMB240.8 million adjusted by certain non-cash and non-operating items, including financial costs of RMB21.8 million; and (i) changes in working capital negatively affected our cash flows, primarily including an increase in trade and other receivables of RMB61.8 million and an increase in inventories of RMB27.6 million, and (ii) changes in working capital that positively affected our cash flows, primarily including an increase in trade and other payables of RMB81.1 million.

We had net cash used in operating activities of RMB84.2 million in 2023, primarily attributable to our loss before taxation of RMB114.3 million adjusted by certain non-cash and non-operating items, including financial costs of RMB12.6 million; and (i) changes in working capital negatively affected our cash flows, primarily including an increase in trade and other receivables of RMB10.5 million, and (ii) changes in working capital that positively affected our cash flows, primarily including an increase in trade and other payables of RMB25.2 million.

Net Cash (Used in)/Generated from Investing Activities

We had net cash used in investing activities of RMB25.5 million in 2025, which was primarily due to the payments for purchase of property, plant and equipment, construction in progress and intangible assets of RMB15.5 million and proceeds from sale of financial assets measured at FVTPL of RMB5.0 million.

We had net cash generated from investing activities of RMB34.3 million in 2024, which was primarily due to the proceeds from sale of financial assets measured at fair value through profit or loss of RMB81.1 million, partially offset by the payment for purchase of financial assets measured at fair value through profit or loss of RMB30.8 million and the payments for purchase of property, plant and equipment, construction in progress and intangible assets of RMB16.0 million.

We had net cash used in investing activities of RMB31.1 million in 2023, which was primarily due to the payment for purchase of financial assets measured at fair value through profit or loss of RMB50.0 million and the payments for purchase of property, plant and equipment, construction in progress and intangible assets of RMB22.3 million, partially offset by the proceeds from sale of financial assets measured at fair value through profit or loss of RMB41.1 million.

Net Cash Flow Generated from Financing Activities

We had net cash generated from financing activities of RMB399.8 million in 2025, which was primarily due to the issuance of ordinary shares with redemption rights of RMB326.0 million and the proceeds from loans and borrowings of RMB130.9 million, partially offset by the repayment of loans and borrowings of RMB53.4 million.

We had net cash generated from financing activities of RMB159.3 million in 2024, which was primarily due to the issuance of ordinary shares with redemption rights of RMB120.5 million and the proceeds from loans and borrowings of RMB43.4 million.

We had net cash generated from financing activities of RMB140.8 million in 2023, which was primarily due to the issuance of ordinary shares with redemption rights of RMB141.0 million.

INDEBTEDNESS

As of December 31, 2023, 2024, 2025, and April 30, 2026, being the most recent practicable date for determining our indebtedness, except as disclosed in the table below, we did not have any material indebtedness:

	As of December 31,			As of April 30,
	2023	**2024**	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (unaudited)
Current				
Loans and borrowings	—	43,460	120,953	85,951
Lease liabilities	3,356	2,639	4,772	5,106
Non-current				
Lease liabilities	14,435	11,796	11,835	9,545
Total	**17,791**	**57,895**	**137,560**	**100,602**

Loans and Borrowings

Our loans and borrowings comprised short-term bank loans and obligations arising from sales and leaseback transactions. For the interest rate profile of our loans and borrowings during the Track Record Period, see Note 22 to the Accountants' Report set out in Appendix I to this document. Our loans and borrowings increased from nil as of December 31, 2023 to RMB43.5 million as of December 31, 2024 and further increased to RMB121.0 million as of December 31, 2025, reflecting the higher working capital demands and expanded credit facilities amid business growth. Our bank loans subsequently decreased to RMB86.0 million as of April 30, 2026 to support our operational needs.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material defaults or breaches of covenants in repayment of indebtedness. Our Directors further confirm that, during the Track Record Period and up to the Latest Practicable Date, we did not experience any difficulty in obtaining bank loans and other borrowings, difficulties in obtaining credit facilities, or withdrawal of facilities or requests for repayment.

Lease Liabilities

During the Track Record Period, our lease liabilities were primarily in relation to leases of our office premises. As of December 31, 2023, 2024 and 2025, our lease liabilities (current and non-current portion) amounted to RMB17.8 million, RMB14.4 million and RMB16.6 million, respectively. As of April 30, 2026, our lease liabilities amounted to RMB14.7 million.

Except as disclosed above and as otherwise disclosed in this document, as of April 30, 2026, being our indebtedness statement date, 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 is no material change in our indebtedness since April 30, 2026 and up to the Latest Practicable Date.

CAPITAL EXPENDITURE

Our capital expenditures during the Track Record Period primarily relates to payments for purchase of property, plant and equipment, construction in progress and intangible assets, which amounted to RMB22.3 million, RMB16.0 million and RMB15.5 million in 2023, 2024 and 2025, respectively. We plan to fund our future capital expenditure with our existing cash and cash equivalents, cash generated from our operations, the **[REDACTED]** from the **[REDACTED]**, and, when necessary, bank borrowings.

CAPITAL COMMITMENTS

Our capital commitments are related to contractual commitments in relation to the acquisition and upgrade of property, plant and equipment. As of December 31, 2023, 2024, and 2025, our capital commitments amounted to RMB5.5 million, RMB4.9 million, and RMB7.3 million, respectively.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details about our related party transactions during the Track Record Period, see Note 31 to the Accountants' Report set out in Appendix I to this document. Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm's-length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025, and April 30, 2026, being the Latest Practicable Date for the purpose of the indebtedness statement, 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 date of this document.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the years/as of the dates indicated.

	As of / For the Year ended December 31,		
	2023	2024	2025
Revenue growth rate (%)(1)	N/A	10,569.9	320.8
Gross loss margin (%)(2)	287.2	34.7	2.5
Adjusted net loss margin (non-IFRS measure) (%)(3)	8,474.5	174.4	44.2
Current ratio (4)	0.4	0.2	0.5
Quick ratio (5)	0.4	0.2	0.4

Note:

(1) Revenue growth rate is calculated as the year-on-year growth rate of revenue.

(2) Gross profit/(gross loss) margin is calculated as gross profit/gross loss divided by revenue, expressed as a percentage

(3) Adjusted net loss margin (non-IFRS measure) is calculated as adjusted net loss (non-IFRS measure) divided by revenue, expressed as a percentage

(4) Current ratio represents current assets divided by current liabilities as of the relevant year end.

(5) Quick ratio represents current assets excluding inventories divided by current liabilities as of the relevant year end.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISKS

We are exposed to a variety of market and other financial risks, including credit risk, liquidity risk, interest rate risk, and currency risk. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. For details of our financial risk management, see Note 28 to the Accountants' Report set out in Appendix I to this document.

DIVIDENDS

We did not declare or pay dividends on our Shares during the Track Record Period. We currently expect to retain all future earnings for use in operation and expansion of our business, and do not anticipate paying cash dividends in the foreseeable future. The declaration and payment of any dividends in the future will be determined by our Board of Directors and subject to our Articles of Association and the PRC Company law. Currently, we do not have a dividend policy or pre-determined dividend payout ratio in place. As confirmed by our PRC Legal Advisor, any future net profit that we make will have to be applied to make up for our historically accumulated losses in accordance with the PRC laws, after which we will be obliged to allocate 10% of our profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient profit to our statutory common reserve fund as described above.

DISTRIBUTABLE RESERVES

As of December 31, 2025, the Company did not have any reserves available for distribution to our Shareholders.

[REDACTED] EXPENSES

[REDACTED] expenses to be borne by us are estimated to be approximately HK$**[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per Share, being the **[REDACTED]** of the indicative **[REDACTED]** range of HK$**[REDACTED]** to HK$**[REDACTED]** per Share), representing approximately **[REDACTED]**% of the estimate gross **[REDACTED]** from the **[REDACTED]** assuming no Shares are issued pursuant to the **[REDACTED]**. The **[REDACTED]** expenses consist of (i) **[REDACTED]**-related expenses, including **[REDACTED]** commission, of approximately HK$**[REDACTED]**, and (ii) non-**[REDACTED]**-related expenses of approximately HK$**[REDACTED]**, comprising (a) fees and expenses of our legal advisors and reporting accountants of approximately HK$**[REDACTED]**, and (b) other fees and expenses of approximately HK$**[REDACTED]**. During the Track Record Period, no **[REDACTED]** expenses were charged to our consolidated statements of profit or loss and other comprehensive income, and no issue costs were prepaid. Approximately HK$**[REDACTED]** is expected to be charged to our consolidated statements of profit or loss and other comprehensive income, and approximately HK$**[REDACTED]** is expected to be accounted for as a deduction from equity upon the **[REDACTED]**. We do not believe any of the above fees or expenses are material or are unusually high to us. The **[REDACTED]** expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

See "Appendix II — Unaudited **[REDACTED]** Financial Information."

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work that our Directors consider appropriate and after due and careful consideration, our Directors confirm that, as of the date of this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the latest balance sheet date of our consolidated financial statements as set out in the Accountants' Report in Appendix I to this document, and there was no event since December 31, 2025 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.