SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in the section headed "Risk Factors" in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

We are a leading provider in the PRC of intelligent equipment and solutions to lithium-ion battery manufacturers, enabled by our machine vision and AI algorithms technologies. According to Frost & Sullivan, in terms of revenue in 2025, we ranked second in the Chinese domestic market for lithium-ion battery machine vision inspection solutions and ranked first in the global market for integrated wide electrode calendering & slitting machines. Our history can be traced back to 2014 and since our founding, we have been accumulating underlying vision algorithms and precision transmission control technology capabilities. Through years of development, we have become one of the few solution providers in the industry that can deeply embed machine vision technology into integrated intelligent equipment in controlling the manufacturing process. As lithium-ion battery manufacturing enters a "lean" stage with the market focusing more on safety, consistency and overall production line yield, intelligent equipment and process control capabilities have become a key focus to ensure the stability of large-scale mass production of battery cells.

Through deep integration of AI algorithms and core process equipment, we are able to realize real-time closed-loop control over the course of all stages of the lithium-ion battery manufacturing process, namely the stages of perception, judgment, execution and traceability, and have gradually formed a process control system integrating optics, mechanics, electronics, algorithms and software capabilities. According to Frost & Sullivan, we are the only solution provider in China that has all machine vision inspection deployment capabilities across the whole process of lithium-ion battery manufacturing, the capabilities to embed machine vision into core process equipment, and cross-process data closed-loop management capabilities, and we are gradually upgrading to an AI-driven process control capability platform which we believe will be increasingly important in this lean manufacturing stage of lithium-ion battery production.

Our business primarily includes manufacture and sale of: (i) lithium-ion battery machine vision inspection solutions; and (ii) lithium-ion battery integrated intelligent equipment.

OUR COMPETITIVE STRENGTHS

We believe the following competitive advantages have contributed to our success and will help drive our growth in the future:

- Technological advantages: Integration of optics, mechanics, electronics, algorithms and software capabilities with machine vision as our core enabling technology;
- Data advantages: Robust data accumulation and AI algorithm capabilities;
- Process advantages: In-depth understanding of the lithium-ion battery manufacturing process;
- Customer advantages: In-depth cooperation with leading customers and global delivery capabilities; and
- Team and governance advantages: Professional and experienced management team and strong shareholder support.

For details, see "Business — Our Competitive Strengths" in this document.

OUR BUSINESS STRATEGIES

We will continue to pursue the following strategies:

- Continue to expand our business in relation to lithium-ion battery core process equipment;
- Expand our production capabilities in relation to lithium-ion battery intelligent equipment to support business growth;
- Strategically focus on next generation battery technology innovation and potential applications in other fields;
- Expand our global footprint and build our global delivery and service capabilities;
- Promote digital transformation to improve operational efficiency and delivery capabilities; and
- Explore strategic investment and merger and acquisition opportunities to achieve growth, expand the supply chain and strengthen our capabilities.

For details, see "Business — Our Business Strategies" in this document.

OUR BUSINESS MODEL

We work closely with top clients to offer machine vision capabilities across the entire lithium-ion battery manufacturing process through a wide range of customized solutions and intelligent equipment offerings, including single process inspection systems, stand-alone machines, and multi-function, fully-integrated intelligent equipment. According to Frost & Sullivan, as of December 31, 2025, we were the only machine vision company in China providing comprehensive coverage of machine vision inspection solutions across the whole process of lithium-ion battery manufacturing.

We have developed two flagship product lines:

(i) Lithium-ion battery integrated intelligent equipment; and

(ii) Lithium-ion battery machine vision inspection solutions, including machine vision inspection systems and Automatic Optical Inspection (AOI) equipment.

For details, see "Business — Our Business Model" in this document.

OUR PRODUCTS AND SOLUTIONS

Intelligent Equipment

We have developed a series of intelligent equipment for lithium-ion battery manufacturing. In 2023, 2024 and 2025, revenue generated from our intelligent equipment was RMB96.2 million, RMB181.0 million, and RMB461.5 million, respectively, representing 32.7%, 45.9% and 83.6%, respectively, of our total revenue for those years.

We focus on the core processes of lithium-ion battery manufacturing and are dedicated to integrating the functions of lithium-ion intelligent equipment, aiming to create integrated intelligent equipment capable of simultaneously completing multiple core processes, to replace traditional equipment that is limited to a single process. In this way, we can help our customers improve the efficiency of lithium-ion battery manufacturing. Our integrated intelligent equipment includes (i) integrated electrode calendering & slitting machines (輥壓分切一體機), and (ii) integrated laser notching & winding machines (激光模切捲繞一體機). Moreover, we completed the sale and delivery of our first high-speed automated assembly line for full-tab cylindrical cells (全極耳圓柱電芯高速自動裝配線) in 2025.

Machine Vision Inspection Solutions

Our machine vision inspection solutions use optical devices and sensors to capture images of the target, which are then converted into digital signals by a dedicated image processing system. These signals are processed to extract key features such as area, quantity, position, and length. Based on preset tolerance levels and other criteria, the system outputs results that control actions of on-site equipment. We have machine vision inspection capabilities covering the entire lithium-ion battery production process from (i) electrode sheet manufacturing, to (ii) battery cell assembly, to (iii) module and PACK assembly.

Our vision inspection solutions include two main categories: (i) lithium-ion battery machine vision inspection systems; and (ii) lithium-ion battery AOI equipment. The former category is designed to integrate into lithium-ion battery intelligent equipment, while the latter is stand-alone equipment which can be integrated into lithium-ion battery production lines or designed as offline units for spot-checking or re-inspection.

In 2023, 2024 and 2025, revenue generated from our machine vision inspection solutions amounted to RMB173.6 million, RMB182.7 million, and RMB71.5 million, respectively, representing 59.1%, 46.4%, and 12.9%, respectively, of our total revenue for those years.

The following table sets forth a breakdown of our revenue by business line, 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*	*%*
Types of goods or services						
Lithium-ion Battery Intelligent Equipment	96,161	32.7	180,958	45.9	461,499	83.6
Machine Vision Inspection Solutions	173,647	59.1	182,714	46.4	71,479	12.9
Services and others	24,240	8.2	30,267	7.7	19,118	3.5
Total	**294,048**	**100.0**	**393,939**	**100.0**	**552,096**	**100.0**

The following table sets forth units sold and average selling price of our products by business line for the years indicated.

	For the year ended December 31,								
	2023			2024			2025		
	Revenue *RMB'000*	**Quantity** *(Units)*	**Average Unit Price** *RMB'000*	**Revenue** *RMB'000*	**Quantity** *(Units)*	**Average Unit Price** *RMB'000*	**Revenue** *RMB'000*	**Quantity** *(Units)*	**Averae Unit Price** *RMB'000*
Lithium-ion battery intelligent equipment	96,161	80	1,202	180,958	116	1,560	461,499	309	1,494
— Core parts	2,760	6	460	28,612	51	561	107,070	162	661
— Equipment	93,401	74	1,262	152,346	65	2,344	354,429	147	2,411
Machine vision inspection solutions	173,647	1,103	157	182,714	610	300	71,479	281	254
— AOI equipment	8,699	19	458	77,450	46	1,684	19,123	17	1,125
— Machine vision inspection systems	164,948	1084	152	105,264	564	187	52,356	264	198
Services and others	24,240	7,621	3	30,267	10,783	3	19,118	4,142	5
Total	**294,048**	**8,804**		**393,939**	**11,509**		**552,096**	**4,732**	

RESEARCH & DEVELOPMENT

As of December 31, 2025, our R&D team comprised 191 professionals, with deep expertise in optics, mechanics, electronics, algorithms, software and product design. We retain key technical staff with competitive remuneration packages and welfare benefits. We also invest in continuing education and training programs to upskill our key technical staff.

Our R&D team's expertise covers specialized fields including machine vision, artificial intelligence, precision mechanical engineering, automation control, and process engineering. We have invested substantial manpower and resources into R&D, and we believe that our success depends on the outcomes of our continuous R&D efforts. We incurred R&D expenditure of RMB37.6 million, RMB41.5 million and RMB49.4 million in 2023, 2024 and 2025, respectively, representing 12.8%, 10.5% and 8.9% of our total revenue for the same years, respectively.

The following table provides a breakdown of our R&D expenditure by nature for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Research and development expenses						
Employee Compensation	32,505	86.6	31,517	76.0	33,607	68.1
Materials	2,612	7.0	6,094	14.7	11,967	24.2
Amortization & Depreciation	1,371	3.7	1,600	3.9	1,489	3.0
Other Expenses	1,065	2.7	2,252	5.4	2,302	4.7
Total	**37,553**	**100.0**	**41,463**	**100.0**	**49,365**	**100.0**

We focus on machine vision technology as the core, and develop an R&D framework centered on quality perception and process control for key stages in lithium-ion battery manufacturing. The framework covers algorithm development, equipment development, and system integration.

Our core technologies comprise our EHolly AI platform along with other technologies that we apply across our products and solutions.

For details, see "Business — Research and Development" in this document.

OUR CUSTOMERS AND SUPPLIERS

Our customers primarily include lithium-ion battery manufacturers. For the years ended December 31, 2023, 2024 and 2025, revenue attributable to our five largest customers amounted to RMB290.2 million, RMB382.8 million and RMB521.2 million, respectively, accounting for approximately 98.7%, 97.2% and 94.4% of our revenue for the respective periods. Revenue attributable to our largest customer in each year in the Track Record Period amounted to RMB252.8 million, RMB264.4 million and RMB418.6 million, respectively, accounting for approximately 86.0%, 67.1% and 75.8% of our total revenue for the respective periods.

During each year in the Track Record Period, we made significant sales to our largest customer, CATL, and their revenue contribution to us was significant. However, our Directors are of the view that such high level of revenue contribution by CATL is unlikely to have a material adverse effect on us.

During the Track Record Period, our suppliers primarily consisted of mechanical components manufacturers. Our top five qualified suppliers have remained relatively consistent. For the years ended December 31, 2023, 2024 and 2025, purchases from our top five suppliers accounted for 31.5%, 22.4%, and 29.8%, respectively, of our total purchases for the year. Purchases from our largest supplier for each year during the Track Record Period accounted for 11.3%, 7.2% and 12.1% of our total purchases for the respective year.

For details, see "Business — Our Customers" and "— Procurement and Supply Chain Management" in this document.

PRODUCTION FACILITIES AND PRODUCTION PROCESS

Production Facilities

As of the Latest Practicable Date, we had two production facilities in the PRC, among which, one production facility was located in Yixing, Jiangsu Province, China, and one production facility was located in Changzhou, Jiangsu Province, China. During the Track Record Period, we had not put into use our Changzhou Phase I production base. As of the Latest Practicable Date, such base was still under continuing construction and was engaging in limited pilot production. For details about the construction of our Changzhou Phase I production base, see "Future Plans and [REDACTED]" in this document.

Planned Production Facilities

We plan to establish a new production facility at a plot adjacent to our Changzhou Phase I production base, in Changzhou, Jiangsu Province, China. For details about the investment and construction plan of our Changzhou Phase II production base, see "Future Plans and [REDACTED]" in this document.

Production Process

The production processes for AOI inspection equipment and machine vision inspection systems for lithium-ion batteries are broadly similar, both involving the integration of optical, mechanical, electrical, algorithms and software functions. We design tailored optical solutions based on specific product requirements and procure compatible cameras, lenses, light sources, and image processing cards to develop the required functions accordingly. Upon completion, we carry out deployment and commissioning at the customer's site to ensure seamless implementation.

For production of lithium-ion intelligent equipment, we begin by completing the mechanical, electrical, and software solution designs based on customer requirements. This process results in a comprehensive bill of materials that specifies both in-house manufactured and outsourced components. The in-house manufacturing process encompasses raw material inspection, component processing, and component inspection, with certain procedures subcontracted to external parties as needed. Any purchased components undergo rigorous incoming inspection before being assembled alongside in-house manufactured parts. Once assembly is complete, the equipment proceeds to commissioning, during which its functionality and performance are thoroughly verified. This is followed by a final inspection to ensure that all specifications and quality standards are met. Upon passing final inspection, the equipment is transferred to our finished goods warehouse for storage. It is then shipped to the customer's designated location, where on-site installation and acceptance are carried out to ensure smooth handover and operational readiness.

SALES AND MARKETING

Sales and marketing play a key role in driving our business growth. Our branding efforts are led by our marketing and product center, while our sales team reinforces this positioning through direct customer engagement, working together to strengthen brand recognition and communicate our product advantages. As of December 31, 2025, our marketing team consisted of 23 professionals.

Under our direct sales network, after receiving customer requirements, the sales representatives coordinate with our R&D team to discuss technical and equipment details. The R&D team then designs a product solution, producing product manuals and technical specification sheets. Based on pricing guidelines, they provide a quotation to the customer. Once the customer places an order, an internal contract or order review process is initiated.

For details, see "Business — Sales and Marketing" in this document.

SUMMARY OF KEY RISK FACTORS

Our operations involve certain risks and uncertainties, some of which are beyond our control and may affect your decision to [REDACTED] in us and/or the value of your [REDACTED]. See "Risk Factors" in this document for details of our risk factors, which we strongly urge you to read in full before making an [REDACTED] in our H Shares. Some of the major risks we face include:

- We generate a significant share of our revenue from a limited number of key customers, especially our largest customer.
- We are exposed to credit risks related to defaults of and recoverability of our trade and bills receivable from our customers.
- We have recorded a net operating cash outflow for the year ended December 31, 2023, and there can be no assurance that we will not experience net cash outflows in future periods.
- We are subject to inventory management risk.
- We are subject to risks related to our long cash conversion cycle and significant working capital requirements.
- We may experience cost increases or supply disruptions in the procurement of equipment, raw materials and parts required for our operations.
- Any unexpected disruption to our production facilities could materially and adversely affect our business, results of operations and financial condition.
- We operate in the highly competitive lithium-ion battery intelligent equipment and machine vision inspection solution markets and we may not be able to effectively compete with existing and new competitors.
- The development of regulations, policies and regulatory requirements in the PRC and overseas regarding lithium-ion battery intelligent equipment and new energy vehicles and the industries in which our customers operate may affect our business operations and prospects.
- Our historical performance during the Track Record Period may not be indicative of our future prospects.
- We experience seasonal fluctuations in our sales.

COMPETITIVE LANDSCAPE

According to Frost & Sullivan, against the backdrop of accelerated industrial transformation toward automation and digitalization, machine vision, as a key technology for achieving high-precision and high-efficiency quality inspection, is continuously penetrating various advanced manufacturing scenarios. Driven by this, the market size of global advanced manufacturing machine vision inspection solutions grew rapidly from RMB2.9 billion in 2015 to RMB25.9 billion in 2025, representing a CAGR of 24.7%. As the intelligent upgrading of manufacturing continues to progress, the market size is projected to further expand to RMB53.9 billion by 2030, with a CAGR of 15.8% between 2025 and 2030. For downstream applications, the importance of machine vision inspection in the field of lithium-ion battery manufacturing is rising rapidly. Its share of applications within advanced manufacturing machine vision inspection solutions is expected to increase from 5.4% in 2025 to 8.2% in 2030, with a CAGR exceeding 25%.

SUMMARY

From 2015 to 2025, the market size for global lithium-ion battery intelligent equipment surged from RMB6.4 billion in 2015 to RMB58.3 billion in 2025, representing a CAGR of 24.7%. In 2024, the market size experienced slight fluctuations due to the phased destocking of the battery industry chain and the slowdown in certain capacity investment plans. With the continuous growth of global lithium-ion battery demand, industry capacity utilization recovered significantly in 2025. In 2025, the capacity utilization rate of the top three lithium-ion battery manufacturers in China by shipment volume approached 90%, while the largest lithium-ion battery manufacturer in China experienced a capacity shortage. As equipment investment demand recovers, the market is expected to maintain growth in the future.

China remains the largest lithium-ion battery intelligent equipment market globally, with its market size expected to increase from RMB34.0 billion in 2025 to RMB80.0 billion by 2030. Meanwhile, the European and North American markets are expected to record more significant growth, maintaining CAGRs of approximately 28.3% and 25.9% from 2025 to 2030, respectively. This growth is mainly driven by the localization of the battery value chain and the expansion of demand from NEVs, energy storage and other downstream applications, providing important market opportunities for Chinese lithium-ion battery intelligent equipment enterprises in overseas production line supporting services and project implementation.

For details, see "Industry Overview" in this document.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary of financial information should be read together with the historical financial information set out in the Accountants' Report in Appendix I to this document, including the accompanying notes, and the information set out in the section headed "Financial Information" in this document.

Summary of Consolidated Statements of Profit or Loss

	For the year ended 31 December,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
REVENUE	294,048	393,939	552,096
Cost of sales	(236,439)	(272,081)	(407,534)
Gross profit	57,609	121,858	144,562
Other income and gains	21,035	4,370	19,394
Selling and marketing expenses	(11,929)	(10,594)	(13,230)
Administrative expenses	(35,411)	(28,997)	(28,877)
Research and development expenses	(37,553)	(41,463)	(49,365)
(Impairment)/reversal of impairment losses on financial and contract assets under expected credit loss model ("ECL"), net	1,357	(1,881)	1,799
Fair value gains on investments measured at FVTPL, net	167	13,218	8,345
Other expenses	(700)	(2,071)	(1,226)
Finance costs	(2,752)	(2,316)	(2,053)
(LOSS)/PROFIT BEFORE TAX	**(8,177)**	**52,124**	**79,349**
Income tax credit/(expense)	8,886	(849)	(9,683)
PROFIT FOR THE YEAR	**709**	**51,275**	**69,666**

Revenue

Our revenue increased RMB158.2 million, or 40.1%, from RMB393.9 million in 2024 to RMB552.1 million in 2025, primarily driven by an increase in revenue generated from sales of lithium-ion battery intelligent equipment of RMB280.5 million, or 155.0%, from RMB181.0 million in 2024 to RMB461.5 million in 2025, primarily due to a significant increase in unit sales of such intelligent equipment from 116 units in 2024 to 309 in 2025 as more types of key pieces of equipment were qualified by our customers, allowing for increased sales, while prices remained relatively stable. Such increase was partially offset by decrease in revenue generated from sales of machine vision inspection solutions of RMB111.2 million, or 60.9%, from RMB182.7 million in 2024 to RMB71.5 million in 2025, primarily due to (i) a decrease in units sold from 610 units in 2024 to 281 units in 2025, consistent with a change in our strategic focus away from selling solutions and towards selling comprehensive pieces of intelligent equipment and (ii) a decrease in average selling price from RMB300 thousand in 2024 to RMB254 thousand in 2025, driven by intensified competition in the machine vision market, particularly in relation to AOI equipment.

Our revenue increased RMB99.9 million, or 34.0%, from RMB294.0 million in 2023 to RMB393.9 million in 2024, primarily due to an increase in revenue from sales of lithium-ion battery intelligent equipment of RMB84.8 million, or 88.1%, derived increased from RMB96.2 million in 2023 to RMB181.0 million in 2024, primarily due to a significant increase in average selling price as we upgraded from selling smaller, single-process pieces of equipment, to selling larger, more integrated equipment. Our revenue generated from sales of lithium-ion battery machine vision inspection solutions remained relatively stable, increasing RMB9.1 million, or 5.2%, from RMB173.6 million in 2023 to RMB182.7 million in 2024. This reflected an increase in average selling price from RMB157 thousand in 2023 to RMB300 thousand in 2024 primarily due to increased prices in connection with solutions provided overseas partially offset by a decrease in units sold from 1,103 units in 2023 to 610 units in 2024, consistent with the change in our strategic focus away from solutions and towards comprehensive pieces of equipment.

Gross Profit and Gross Profit Margin

Our gross profit increased by RMB22.7 million, or 18.6%, from RMB121.9 million in 2024 to RMB144.6 million in 2025. This increase was primarily driven by a significant increase in revenue, particularly related to our intelligent equipment business. Our gross profit margin decreased from 30.9% in 2024 to 26.2% in 2025, primarily due to (i) a decline in revenue contribution from our machine vision inspection solutions business, which had comparatively higher margins in 2024 and (ii) a decrease in gross profit margin from that business line, partially offset by margin improvement in our lithium-ion battery intelligent equipment business.

With respect to our key individual product lines: (i) Gross profit derived from our lithium-ion battery intelligent equipment business increased by RMB87.9 million, or 240.5%, from RMB36.5 million in 2024 to RMB124.4 million in 2025, primarily due to a change in our strategic focus to high-end intelligent equipment. Our gross profit margin from our lithium-ion battery intelligent equipment business increased significantly from 20.2% in 2024 to 27.0% in 2025. This was primarily due to increased economies of scale and improvement in capacity utilization and personnel utilization as we scaled up this business in line with the shift in our strategic focus, as well as improvement in our bargaining power because of our development of our high-end intelligent equipment; and (ii) Gross profit from our lithium-ion battery machine vision inspection solutions business decreased by RMB64.2 million, or 86.2%, from RMB74.5 million in 2024 to RMB10.3 million in 2025, primarily due to decreased sales in line with the change in our strategic focus to high-end intelligent equipment as well as a decrease in average selling price driven by intensified competition in the machine vision market. The gross profit margin from our lithium-ion battery machine vision inspection solutions business decreased from 40.8% in 2024 to 14.4% in 2025. This was primarily due the decrease in average selling price driven by intensified competition in the market. Gross profit from services and others business decreased by RMB0.9 million, or 8.3%, from RMB10.8 million in 2024 to RMB9.9 million in 2025.

Our gross profit increased by RMB64.3 million, or 111.6%, from RMB57.6 million in 2023 to RMB121.9 million in 2024. This increase was primarily driven by expansion in our intelligent equipment business and the overseas orders we received in 2024. Our gross profit margin increased from 19.6% in 2023 to 30.9% in 2024, primarily driven by a significant improvement in gross profit margins for both of our intelligent equipment and machine vision inspection solutions businesses.

With respect to our key individual product lines: (i) Gross profit derived from our lithium-ion battery intelligent equipment business increased by RMB33.6 million, or 1,158.6%, from RMB2.9 million in 2023 to RMB36.5 million in 2024, primarily due to a change in our strategic focus to high-end intelligent equipment. Gross profit margin from our lithium-ion battery intelligent equipment business increased from 3.1% in 2023 to 20.2% in 2024, primarily due to gradual improvements in capacity utilization and personnel utilization as initial start-up inefficiencies were overcome and we scaled up this business in line with the shift in our strategic focus; and (ii) Gross profit from our lithium-ion battery machine vision inspection solutions business increased by RMB26.8 million, or 56.2%, from RMB47.7 million in 2023 to RMB74.5 million in 2024, and gross profit margin from such business increased from 27.5% in 2023 to 40.8% in 2024. This was primarily due to the higher prices and profit margin in relation to our overseas orders.

Summary of Consolidated Statements of Balance Sheet

	As at December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Total current assets	749,362	793,496	1,347,861
Total current liabilities	458,977	495,340	1,007,245
Net current assets	290,385	298,156	340,616
Total non-current assets	157,986	192,932	336,194
Total non-current liabilities	49,054	40,496	156,587
Net assets	399,317	450,592	520,223

Summary of Consolidated Statement of Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated.

	For the Year Ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Net cash flows (used in)/generated from operating activities	(136,868)	58,953	201,399
Net cash flows generated from/(used in) investing activities	43,565	(39,730)	(162,984)
Net cash flows (used in)/generated from financing activities	(2,971)	(6,485)	114,069
Net (decrease)/increase in cash and cash equivalents	(96,274)	12,738	152,484
Cash and cash equivalents at beginning of year	192,801	96,527	109,265
Effect of foreign exchange rate changes, net	—	—	(50)
Cash and cash equivalents at end of year	96,527	109,265	261,699

Key Financial Ratios

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

	As of/for the Year Ended December 31,		
	2023	2024	2025
Current ratio[(1)]	1.6	1.6	1.3
Gearing ratio[(2)]	14.4%	10.2%	31.1%
Quick ratio[(3)]	0.5	0.6	0.7

Notes:

(1) Current ratio equals our current assets divided by current liabilities as of the end of the year.

(2) Gearing ratio equals total debt as of the end of the year divided by total equity as of the end of the same year. Total debt includes all interest-bearing borrowings and lease liabilities.

(3) Quick ratio equals our current assets less inventories divided by current liabilities as of the end of the year.

For details, see "Financial Information — Key Financial Ratios" in this document.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Wang Gang and Mr. Zhang Quan, our Controlling Shareholders, by virtue of the acting-in-concert arrangement, are entitled to exercise or control the exercise of an aggregate of 32.43% voting rights at the general meeting of our Company. Immediately after completion of the [REDACTED], our Controlling Shareholders, by virtue of the acting-in-concert arrangement, will be entitled to exercise or control the exercise of an aggregate of [REDACTED]% voting rights at the general meeting of our Company. Therefore, immediately after completion of the [REDACTED], Mr. Wang Gang and Mr. Zhang Quan will cease to be our controlling shareholders (as defined under the Listing Rules), but will become the single largest group of Shareholders of our Company.

OUR [REDACTED] INVESTORS

There are certain share transfers and subscription of increased share capital of the Company by the then existing Shareholders which are categorized as the [REDACTED] Investors, including, among others, Series Angel, Series A, Series B, Series C, Series D and Series D+ financing rounds. Our [REDACTED] Investors include state-owned enterprises which are ultimately owned by the local governments, professional investment companies, professional funds and individual investors.

As of the Latest Practicable Date, the [REDACTED] Investors held 62.68% of total issued share capital of our Company. Immediately upon the completion of the [REDACTED], the [REDACTED] Investors will hold [REDACTED]% of our Company (assuming the [REDACTED] is not exercised, and no further Shares are issued under the [REDACTED] Share Option Scheme). For further details, see "History and Corporate Structure — [REDACTED] Investments" in this document.

LEGAL PROCEEDINGS AND COMPLIANCE

From time to time, we may become involved in non-compliance incidents or legal proceedings in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition, and results of operations.

DIVIDENDS

No dividend was declared or paid by our Company during the Track Record Period, nor has any dividend been proposed since the end of the Track Record Period. Our Group currently does not have a pre-determined dividend policy. The Board may declare, and our Company may pay, dividends after taking into account our results of operations, financial condition, cash flow, operating and capital expenditure requirements, future business development strategies and estimates and other factors as it may deem relevant. We may distribute dividends by way of cash, or warrant. We may distribute stock dividends if our Directors consider that our stock price and equity scale do not match and that distribution of stock dividends is beneficial to all Shareholders' interest. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the Companies Act. Any proposed distribution of dividends shall be determined by our Board and must be approved by our shareholders at a general meeting. In addition, we may declare interim dividends as our Board considers to be justified by our profits and overall financial requirements. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the discretion of our Board and subject to the approval of Shareholders' meeting.

[REDACTED]

	Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]	**Based on an [REDACTED] of HK$[REDACTED] per [REDACTED]**
Market capitalization(1)	HK$[REDACTED] million	HK$[REDACTED] million
Unaudited [REDACTED] adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share(2)	HK$[REDACTED]	HK$[REDACTED]

Notes:

(1) The calculation of the market capitalization is based on [REDACTED] Shares expected to be in issue immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised).

(2) The unaudited [REDACTED] adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share has been arrived at after adjustments referred to in "Appendix II — Unaudited [REDACTED] Financial Information" to this document and on the basis that [REDACTED] Shares were in issue immediately following the [REDACTED], assuming that the [REDACTED] had been completed on December 31, 2025 without taking into account of the Shares which may be issued upon exercise of the [REDACTED].

[REDACTED]

Our [REDACTED] mainly include [REDACTED] fees and [REDACTED] and professional fees paid to legal advisers and service providers for their services rendered in relation to the [REDACTED]. We expect to incur a total of RMB[REDACTED] million of [REDACTED] (assuming an [REDACTED] of HK$[REDACTED], being the mid-point of the indicative [REDACTED] range between HK$[REDACTED] and HK$[REDACTED], and assuming that the [REDACTED] is not exercised) until the completion of the [REDACTED], which accounts for [REDACTED]% of the [REDACTED] from the [REDACTED]. We estimate that approximately RMB[REDACTED] million will be charged to our consolidated income statement for the year ended December 31, 2026, and the remaining balance of approximately RMB[REDACTED] million is expected to be capitalized. Among such estimated total [REDACTED], we expect to pay [REDACTED]-related expenses of RMB[REDACTED] million, fees and expenses of Sponsors, legal advisers and reporting accountants of RMB[REDACTED] million and other expenses of RMB[REDACTED] million. The [REDACTED] above are the best estimate as at the Latest Practicable Date and are for reference only. The actual amount may differ from this estimate.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to 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 end date of our latest consolidated financial statements, and there has been no event since December 31, 2025 that would materially affect the information shown in the Accountants' Report in Appendix I to this document.

FUTURE PLANS AND [REDACTED]

Based on an [REDACTED] of HK$[REDACTED] per [REDACTED], we estimate that we will receive [REDACTED] of approximately HK$[REDACTED] million from the [REDACTED] after deducting the [REDACTED] and other estimated expenses in connection with the [REDACTED], assuming that the [REDACTED] is not exercised. In line with our strategies, we intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED]%, or HK$[REDACTED] million, is expected to be used for the upgrade and expansion of our East China headquarters (Changzhou) manufacturing base;
- Approximately [REDACTED]%, or HK$[REDACTED] million, is expected to be used for the construction of our R&D center and the research and development of intelligent equipment for next-generation battery technologies;
- Approximately [REDACTED]%, or HK$[REDACTED] million, is expected to be used for the expansion of our sales and delivery network;
- Approximately [REDACTED]%, or HK$[REDACTED] million, is expected to be used for the investments or acquisitions that are complementary to our business and strategies;
- Approximately [REDACTED]%, or HK$[REDACTED] million, is expected to be used for working capital and general corporate purposes.