The following discussion and analysis should be read in conjunction with our consolidated financial statements included in the Accountants' Report in Appendix I, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRSs. The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis that we make in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in "Risk Factors" and "Forward-Looking Statements" and elsewhere in this document.

OVERVIEW

We are a robotics technology company with direct drive technology as our core capability. We primarily develop and sell robotic actuator modules, including robotic direct drive actuator modules and embodied joint modules, as well as robots. From our inception to December 31, 2025, our robotics technology has empowered over 5.0 million robots, covering consumer, industrial and commercial applications, as well as embodied intelligence robots. We ranked first in the PRC consumer robotic direct drive actuator module industry with a market share of 61.1% by revenue in 2025, according to Frost & Sullivan.

We have achieved significant revenue growth and improved profitability during the Track Record Period. Our revenue increased from RMB17.5 million in 2023 to RMB79.8 million in 2024, and further to RMB281.7 million in 2025, with a CAGR of 300.8% from 2023 to 2025. Our gross profit increased from RMB2.4 million in 2023 to RMB15.4 million in 2024, and further to RMB60.6 million in 2025. Our gross profit margin improved from 13.5% in 2023 to 19.3% in 2024 and further to 21.5% in 2025.

BASIS OF PRESENTATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations as issued by the International Accounting Standards Board ("**IASB**"). All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been adopted by our Group in the preparation of the Historical Financial Information throughout the Track Record Period. The Historical Financial Information has been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value at the end of each year during the Track Record Period.

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the management to make judgments, estimates and assumptions in the process of applying our Group's accounting policies. Judgments made by the management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3 to the Accountants' Report included in Appendix I.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Development of the Global Robot Industry and Penetration of Downstream Markets

Our business, financial performance, results of operations and future growth depend on factors including customer demand for robotic actuator modules and for downstream applications, market acceptance of robotics technologies, competitive dynamics, robotics technological advancements, global economic conditions and the regulatory environment. According to Frost & Sullivan, the market size of global robotic actuator module industry by revenue increased from RMB83.8 billion in 2021 to RMB110.0 billion in 2025, with a CAGR of 7.0% and is expected to increase to RMB206.3 billion in 2030, with a CAGR of 13.9% from 2026 to 2030. This is driven by upgrading downstream requirements, advances in materials and control technologies, continued domestic supply-chain development and policy support for core component innovation. Industry trends, including wider adoption of direct drive technology actuators, broader penetration of robotics across consumer, industrial and commercial applications and increasing demand for standardized yet flexible module products, directly shape overall demand for robotic actuator modules and, in turn, affect our market opportunities and financial performance.

According to Frost & Sullivan, the market size of global robot industry by shipment volume increased from 17.1 million units in 2021 to 33.9 million units in 2025, with a CAGR of 18.7%, and is expected to increase to 81.2 million units in 2030, with a CAGR of 19.1%. This is driven by advancements in rising consumer-grade robotics demand, progress in integrated power-module development, enhanced software–hardware co-evolution, and continued product miniaturization and efficiency. These trends are expected to accelerate the penetration of wheel-legged robots, reinforcing demand for both robotic actuator modules and robots.

With our product portfolio spanning both robotic actuator modules and robots, the pace of downstream adoption, evolving locomotion and control architectures and the degree of commercialization across consumer, industrial and commercial applications directly influence customer demand for our products and, our business performance and growth prospects. To capture these market opportunities and meet evolving customer requirements, we continued to enhance our core technologies and expand our product portfolio, aligning our offerings with increasing performance, reliability and integration needs of downstream applications.

Relationship with Key Customers and Expansion of Customer Base

Our ability to strengthen relationships with existing customers and expand our customer base is critical to our results of operations and future growth. As demand for robotic actuator modules and robots evolves, our performance is influenced by customers' technology requirements, procurement strategies, and product development cycles.

We have established stable relationships with major customers in the global robot industry by consistently delivering reliable products and aligning our technological capabilities, including direct drive technologies and modular reconfiguration systems, with customer needs. We continue to support existing customers through product iteration, design upgrades and expanded module offerings, which strengthen customer retention and deepen cooperation over time. This is shown in our revenue concentration, where our five largest customers in each year during the Track Record Period accounted for RMB11.7 million, RMB66.5 million and RMB241.4 million in each year during the Track Record Period, representing 67.0%, 83.4% and 85.7% of our total revenue in the same periods, respectively. This concentration demonstrates our success in positioning ourselves as a significant partner to the industry's influential players, whose demand expanded rapidly during the growth of global consumer robot market.

Our financial performance also depends on our ability to acquire and retain new customers. The applicability of our products across consumer, industrial and commercial applications enables us to reach a broad range of downstream users. We actively expand into emerging application sectors to capture new opportunities. By deepening existing relationships while securing new end customers, we aim to grow our market share and strengthen our competitive position.

Impact of Product Mix and Corresponding Cost Structure

Our profitability is influenced by the mix of products we sell and their respective cost structures. As we expand our portfolio across robotic actuator modules and robots, differences in technological complexity, integration levels and component requirements among product categories directly affect our gross profit margin and, in turn, our financial performance.

During the Track Record Period, our various product lines exhibited differing gross profit margins due to variations in design sophistication, production processes and material and labor cost structures. The gross profit margin of our robotic direct drive actuator modules was 8.3%, 15.6% and 20.0%, the gross profit margin of our embodied joint modules was 33.3%, 53.6% and 35.6% and the gross profit margin of robots was 35.4%, 57.3% and 64.3% in 2023, 2024 and 2025, respectively. Our robotic actuator modules and embodied joint modules generally reflect margin profiles associated with precision components, while our robots, which incorporate higher system integration and software content, typically generate higher margins.

We will continue to expand our product portfolio, improve profitability by enhancing our technological capabilities, broaden market penetration of high-performance products, and build sustainable growth momentum.

R&D Investments and Technological Innovation

Our success depends on continuous technological innovation. We continuously invest in research and development to retain our competitive edge. Our long-term competitiveness and business performance depend on our ability to sustain technological innovation and respond to evolving customer and industry requirements. We continue to invest in research and development to enhance our core technologies in direct drive actuation and modular reconfiguration technologies to support the development of new robotic actuator modules and robots. In 2023, 2024 and 2025, our research and development expenses amounted to RMB39.0 million, RMB42.9 million and RMB55.4 million, accounting for 222.6%, 53.8% and 19.7% of our total revenue, respectively.

Our R&D activities align closely with technological progress and downstream customer needs. We define technical requirements jointly with customers, collaborate with research institutions on advanced control and simulation technologies and coordinate internally across design, engineering and production teams to accelerate development cycles and support efficient transition from prototype to mass production. Our sustained R&D efforts have enabled us to develop foundational technologies for robotic actuator modules and embodied joint modules and to continuously upgrade our product offerings in line with industry trends. For further details, see "Business — Our Core Technologies" and "Business — Intellectual Property."

We plan to continuously improve direct drive technologies and explore emerging technologies to support greater autonomy, energy efficiency and reliability. Effective investment in R&D and talent will remain critical to our ability to deliver innovative, cost-effective products, improve our product performance and support future revenue growth.

Cost Management and Operational Efficiency

Our profitability and sustainable growth largely depend on our ability to manage costs effectively and enhance operational efficiency. Our cost of sales, primarily cost of raw materials, directly affects our gross profit margin. In 2023, 2024 and 2025, our cost of sales amounted to RMB15.2 million, RMB64.4 million and RMB221.1 million, accounting for 86.5%, 80.7% and 78.5% of our total revenue, respectively. Fluctuations in raw material pricing may materially impact our results of operations, and we manage such risks through supply chain planning, procurement optimization and ongoing production improvements. For further details, see "Business — Our Supply Chain."

Effective management of our operating expenses also improves our financial performance. Our operating expenses mainly include research and development expenses, selling and distribution expenses and administrative expenses. During the Track Record Period, operating expenses amounted to RMB64.4 million, RMB89.4 million and RMB167.1 million in 2023, 2024 and 2025, accounting for 367.0%, 112.0% and 59.3% of our total revenue during the same periods, respectively. The decline in operating expenses as a percentage of revenue during the Track Record Period exhibits improving operational efficiency.

Looking forward, we will continue refining our cost structure and improving operating efficiency across our supply chain, production and internal management processes.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies material to the preparing of our consolidated financial statements. Some of our accounting policies require us to apply estimates and assumptions and complex judgments related to accounting items. The estimates and assumptions we use and judgments we make when applying accounting policies significantly affect our financial position and operational results. Our management evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events deemed reasonable under the circumstances. There has not been any material deviation between our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future. For details, see Notes 2.3 and 3 to the Accountants' Report in Appendix I.

PRINCIPAL COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Revenue

We generate revenues from sales of (i) robotic actuator modules, comprising (a) direct drive actuator modules, which consist of consumer applications and industrial and commercial applications, and (b) embodied joint modules, and (ii) robots.

Cost of sales

Our cost of sales stems from (i) cost of materials, (ii) labor costs, (iii) outsourced processing costs, (iv) manufacturing overhead, (v) provision for impairment on inventories, and (vi) others.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales, and our gross profit margin represents our gross profit divided by our revenue, expressed as a percentage.

Other Income and Gains

Our other income and gains primarily comprise (i) other income, including (a) government grants and (b) bank interest income, and (ii) gains, including (a) gains on financial assets at FVTPL and (b) scrap sales.

Selling and Distribution Expenses

Our selling and distribution expenses primarily comprise (i) marketing and promotion expenses, (ii) staff costs, (iii) travel expenses, (iv) share-based payment expenses and (v) others, primarily including depreciation and amortization, rental expenses and utilities expenses.

Administrative Expenses

Our administrative expenses mainly comprise (i) staff costs, (ii) office expenses, (iii) professional service fees, (iv) travel expenses, (v) depreciation and amortization, (vi) share-based payment expenses, (vii) tax and surcharges and (viii) others, mainly including rental expenses and bank charges.

Research and Development Expenses

Our research and development expenses represent (i) staff costs, (ii) raw materials, (iii) share-based payment expenses, (iv) outsourced R&D expenses, (v) IP and patent fees and (vi) others, mainly including depreciation and amortization and utilities expenses.

Impairment Losses under Expected Credit Loss Model, Net

Our net impairment losses under expected credit loss model represents expected credit losses on our financial assets, primarily including (i) trade receivables, and (ii) financial assets included in deposits and other receivables. See Note 36 to the Accountants' Report in Appendix I.

Other Expenses

Our other expenses mainly comprise non-operating expenses.

Finance Costs

Our finance costs comprise interest expenses on (i) bank borrowings and other loans, (ii) amounts due to related parties, and (iii) lease liabilities.

Changes in the Carrying Amount of the Redemption Liabilities

Changes in the carrying amount of the redemption liabilities represent fair value changes in the carrying amount of certain special rights we granted to the Pre-**[REDACTED]** Investors, including the right of redemption (put option) and liquidation preference. We recognized the financial liabilities arising from our obligation to redeem the Pre-**[REDACTED]** Investors' investments upon the occurrence of any specified contingent redemption events, as not all redemption events are within our control. We measure the financial liabilities at fair value. The change in fair value of the financial liabilities on series shares is charged to profit or loss except for the portion attributable to credit risk change that shall be charged to other comprehensive income. Management considered that the fair value change in the financial liabilities on series shares attributable to changes of own credit risk is not significant.

Income Tax Expense

Our income tax expense represented income tax payable by us at the applicable tax rates in accordance with the relevant laws and regulations in each tax jurisdiction in which we operate or are domiciled. See Note 10 to the Accountants' Report in Appendix I for more details.

RESULTS OF OPERATIONS

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Revenue	**17,538**	**100.0**	**79,802**	**100.0**	**281,715**	**100.0**
Cost of sales	(15,176)	(86.5)	(64,406)	(80.7)	(221,130)	(78.5)
Gross profit	**2,362**	**13.5**	**15,396**	**19.3**	**60,585**	**21.5**
Other income and gains	1,413	8.1	1,922	2.4	4,152	1.5
Selling and distribution expenses	(10,662)	(60.8)	(11,651)	(14.6)	(12,934)	(4.6)
Administrative expenses	(14,656)	(83.6)	(34,786)	(43.6)	(98,685)	(35.0)
Research and development expenses	(39,040)	(222.6)	(42,924)	(53.8)	(55,437)	(19.7)
Impairment losses under expected credit loss model, net	(918)	(5.2)	(2,875)	(3.6)	(585)	(0.2)
Other expenses and losses	(110)	(0.6)	(465)	(0.6)	(6,251)	(2.2)
Finance costs	(1,663)	(9.5)	(1,561)	(2.0)	(1,726)	(0.6)
Changes in the carrying amount of the redemption liabilities	(12,311)	(70.2)	(16,791)	(21.0)	(770,096)	(273.4)
Loss before tax	**(75,585)**	**(431.0)**	**(93,735)**	**(117.5)**	**(880,977)**	**(312.7)**
Income tax expense	—	—	—	—	—	—
Loss for the year	**(75,585)**	**(431.0)**	**(93,735)**	**(117.5)**	**(880,977)**	**(312.7)**
Attributable to:						
Owners of the parent	(75,585)	(431.0)	(93,735)	(117.5)	(880,977)	(312.7)

Non-IFRS Measures

To supplement our consolidated financial statements prepared under IFRS, we use adjusted net loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe this measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items including (i) share-based payment expenses, non-cash in nature; (ii) changes in the carrying amount of redemption liabilities arising from series shares with special rights, and such redemption liabilities will be re-designated from liabilities to equity upon the automatic conversion of redeemable preferred shares into ordinary shares upon **[REDACTED]**; and (iii) **[REDACTED]**, which are expenses incurred in connection with the **[REDACTED]**.

We believe this measure helps **[REDACTED]** and others understand and evaluate our consolidated results of operations in the same way it helps our management. However, other companies may calculate similarly titled non-IFRS measures differently, limiting their comparability. This measure has analytical limitations, and you should not consider it in isolation, or as a substitute for analyzing, our results of operations or financial condition as reported under IFRS. We encourage **[REDACTED]** and others to review our financial information in its entirety and not rely on a single financial measure.

	Year Ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net loss	**(75,585)**	**(93,735)**	**(880,977)**
Add:			
Share-based payment expenses[1]	2,051	15,350	58,758
Changes in the carrying amount of the redemption liabilities[2]	12,311	16,791	770,096
[REDACTED]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Adjusted net loss (non-IFRS measure)	**(61,223)**	**(61,594)**	**(43,247)**

Notes:

(1) Non-cash expenses arising from shares granted to qualified directors and employees under our Group's share-based incentive scheme. For further details, see Note 31 to the Accountants' Report in Appendix I.

(2) Non-cash fair value changes arising from redemption liabilities, which arose from the financing with special rights received from Pre-**[REDACTED]** Investors. For further details, see Note 20 to the Accountants' Report in Appendix I.

Revenue

In 2023, 2024 and 2025, our revenue amounted to RMB17.5 million, RMB79.8 million and RMB281.7 million, respectively.

Revenue by Product Categories

The following table sets forth a breakdown of our revenue by product categories, in absolute amounts and as percentages of the total revenue, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Robotic Actuator Modules						
Robotic direct drive actuator modules						
Consumer applications	3,206	18.3	63,985	80.2	247,756	88.0
Industrial and commercial applications	10,996	62.7	8,496	10.6	19,854	7.0
Industrial applications	992	5.7	2,313	2.9	2,856	1.0
Commercial applications	10,004	57.0	6,183	7.7	16,998	6.0
Subtotal	14,202	81.0	72,481	90.8	267,610	95.0
Embodied joint modules						
Commercial applications	15	0.1	2,641	3.3	6,679	2.4
Research applications	—	—	40	0.1	119	0.0
Subtotal	15	0.1	2,681	3.4	6,798	2.4
Subtotal	14,217	81.1	75,162	94.2	274,408	97.4
Robots						
Commercial applications	3,035	17.3	4,044	5.1	6,890	2.5
Research applications	286	1.6	596	0.7	417	0.1
Subtotal	3,321	18.9	4,640	5.8	7,307	2.6
Total	**17,538**	**100.0**	**79,802**	**100.0**	**281,715**	**100.0**

The table below sets out a breakdown of our revenue by type of customers for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Robot providers	17,149	97.8	78,577	98.5	281,120	99.8
Research institutions	389	2.2	1,225	1.5	595	0.2
Total	**17,538**	**100.0**	**79,802**	**100.0**	**281,715**	**100.0**

The table below sets out a breakdown of our shipment volume and average selling price by product categories for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Shipment Volume	ASP	Shipment Volume	ASP	Shipment Volume	ASP
	(#)	*RMB*	*(#)*	*RMB*	*(#)*	*RMB*
Robotic actuator modules						
Robotic direct drive actuator modules	185,591	77	2,143,030	34	8,497,883	31
Consumer applications	115,237	28	2,104,298	30	8,424,819	29
Industrial applications	15,248	65	9,833	235	19,596	146
Commercial applications	55,106	182	28,899	214	53,468	318
Embodied joint modules	58	259	10,278	261	12,276	521
Subtotal	**185,649**		**2,153,308**		**8,510,159**	
Robots	**257**	**12,922**	**125**	**37,120**	**240**	**30,446**
Total	**185,906**		**2,153,433**		**8,510,399**	

Comparison between 2024 and 2025. Our revenue increased by 253.0% from RMB79.8 million in 2024 to RMB281.7 million in 2025, which was primarily attributable to an increase in revenue generated from robotic direct drive actuator modules.

Robotic Actuator Modules

Robotic direct drive actuator modules

Revenue generated from robotic direct drive actuator modules used in consumer applications increased by 287.2% from RMB64.0 million in 2024 to RMB247.8 million in 2025. The increase was primarily driven by a significant expansion in our shipment volumes from approximately 2.2 million units to approximately 8.5 million units in the same periods, as 2024 marked the first year of large-scale commercial adoption of our direct drive actuator modules in consumer robots, and the rapid growth of the consumer robot market led to a substantial increase in demand from our customers, alongside broader adoption of our products across multiple downstream applications.

Revenue generated from robotic direct drive actuator modules used in industrial and commercial applications increased by 133.7% from RMB8.5 million in 2024 to RMB19.9 million in 2025, which was primarily attributable to (i) the expanded deployment of our direct drive actuator modules for service robots, and (ii) improved customer mix with increased sales to customers in higher-value applications.

Embodied joint modules

Revenue generated from embodied joint modules increased by 153.6% from RMB2.7 million in 2024 to RMB6.8 million in 2025, which was primarily attributable to surges in market demand for embodied joint modules driven by the introduction of new robot products by leading embodied intelligence robot providers.

Robots

Revenue generated from robots increased by 57.5% from RMB4.6 million in 2024 to RMB7.3 million in 2025. As the robots market remains at an early stage of commercialization, we have focused on product development and long-term market cultivation rather than near-term volume expansion. The increase was primarily attributable to (i) an expanded product portfolio with additional accessories and configuration options, (ii) an enlarged customer base driven by our broader product offerings, and (iii) improved efficiency in our sales and marketing activities as our revenue base continued to grow.

Comparison between 2023 and 2024. Our revenue increased by 355.0% from RMB17.5 million in 2023 to RMB79.8 million in 2024, which was primarily attributable to an increase in revenue generated from robotic direct drive actuator modules.

Robotic Actuator Modules

Robotic direct drive actuator modules

Revenue generated from robotic direct drive actuator modules used in consumer applications increased by 1,895.8% from RMB3.2 million in 2023 to RMB64.0 million in 2024, which was primarily attributable to (i) our commercial scale-up in direct drive actuator modules for consumer robots, in which we hold a leading market position in PRC and have driven the broader industry adoption of consumer robotic direct drive technologies, according to Frost & Sullivan, and (ii) the expansion of our product portfolio and market penetration, including broader deployment of our robotic direct drive actuator modules in robot vacuums and wet-dry vacuums, as indicated by a significant increase in our shipment volume from approximately 0.2 million units in 2023 to approximately 2.1 million units in 2024.

Revenue generated from robotic direct drive actuator modules used in industrial and commercial applications decreased by 22.7% from RMB11.0 million in 2023 to RMB8.5 million in 2024, which was primarily attributable to reduced orders from certain customers due to changes in customer product lifecycles.

Embodied joint modules

Revenue generated from embodied joint modules increased by 17,773.3% from RMB15 thousand in 2023 to RMB2.7 million in 2024. Given the minimal revenue base in 2023, the percentage change is not meaningful. The increase in 2024 was primarily attributable to (i) the transition from early-stage sample orders in 2023 to small-batch commercial production in 2024, and (ii) our successful engagement with strategic customers in the embodied intelligence robot industry.

Robots

Revenue generated from robots increased by 39.7% from RMB3.3 million in 2023 to RMB4.6 million in 2024, which was primarily attributable to (i) our introduction of TITA robot into the market, and (ii) increased market penetration and demand for our wheel-legged robots, driven by broader industry engagement, as the new modular options provided diversified product configurations to meet the growing market demand for algorithms and enhanced collaboration in complex terrains.

Revenue by Sales Channel

During the Track Record Period, we sold our products through our (i) direct sales channel, including offline direct sales and online direct sales, and (ii) distributorship channel. We sold robotic actuator modules through our direct sales channel, while we sold robots through both direct sales and distributorship channels. The following table sets forth a breakdown of our revenue by sales channel, in absolute amounts and as percentages of the total revenue, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Robotic Actuator Modules						
Offline direct sales	14,161	80.8	74,844	93.8	273,900	97.2
Online direct sales	56	0.3	318	0.4	508	0.2
Subtotal	14,217	81.1	75,162	94.2	274,408	97.4
Robots						
Offline direct sales	1,622	9.2	3,363	4.2	6,390	2.3
Distributorship	525	3.0	1,277	1.6	917	0.3
Online direct sales	1,174	6.7	—	—	—	—
Subtotal	3,321	18.9	4,640	5.8	7,307	2.6
Total	**17,538**	**100.0**	**79,802**	**100.0**	**281,715**	**100.0**

Comparison between 2024 and 2025. Our revenue increased by 253.0% from RMB79.8 million in 2024 to RMB281.7 million in 2025, primarily attributable to an increase in revenue from direct sales across both product categories.

Robotic Actuator Modules

Revenue generated from robotic actuator modules through offline direct sales increased by 266.0% from RMB74.8 million in 2024 to RMB273.9 million in 2025, consistent with the overall growth in revenue from robotic actuator modules driven by the rapid expansion of consumer applications.

Revenue generated from robotic actuator modules through online direct sales increased by 59.7% from RMB0.3 million in 2024 to RMB0.5 million in 2025, primarily attributable to an expanded range of standardized products available through e-commerce platforms.

Robots

Revenue generated from robots through offline direct sales increased by 90.0% from RMB3.4 million in 2024 to RMB6.4 million in 2025, primarily attributable to an expanded product portfolio with additional product series and configuration options, which attracted both existing and new customers.

Revenue generated from robots through distributorship channel remained relatively stable at RMB1.3 million in 2024 and RMB0.9 million in 2025.

Comparison between 2023 and 2024. Our revenue increased by 355.0% from RMB17.5 million in 2023 to RMB79.8 million in 2024, primarily attributable to an increase in revenue from direct sales.

Robotic Actuator Modules

Revenue generated from robotic actuator modules through offline direct sales increased by 428.5% from RMB14.2 million in 2023 to RMB74.8 million in 2024, consistent with the commencement of commercial-scale mass production of our direct drive actuator modules for consumer robots.

Revenue generated from robotic actuator modules through online direct sales increased by 467.9% from RMB56 thousand in 2023 to RMB0.3 million in 2024, primarily attributable to an increase in standardized products sold through e-commerce platforms.

Robots

Revenue generated from robots through offline direct sales increased by 107.3% from RMB1.6 million in 2023 to RMB3.4 million in 2024, primarily attributable to the commercial launch of TITA robot in late 2024, which carries a higher average selling price.

Revenue generated from robots through distributorship channel increased by 143.2% from RMB0.5 million in 2023 to RMB1.3 million in 2024, primarily attributable to the transition of sales from online direct sales to the distributorship channel.

Revenue generated from robots through online direct sales decreased from RMB1.2 million in 2023 to nil in 2024, as we discontinued online direct sales for robots and consolidated sales through the distributorship channel to streamline our sales operational efficiency.

The following table sets forth a breakdown of our revenue by customer types, in absolute amounts and as percentages of the total revenue, for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Robot providers	17,149	97.8	78,577	98.5	281,120	99.8
Research institutions	389	2.2	1,225	1.5	595	0.2
Total	**17,538**	**100.0**	**79,802**	**100.0**	**281,715**	**100.0**

The table below sets out a breakdown of our shipment volume and average selling price by customer types for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Shipment Volume	ASP	Shipment Volume	ASP	Shipment Volume	ASP
	(#)	*RMB*	*(#)*	*RMB*	*(#)*	*RMB*
Robotic actuator modules						
- Robot providers	185,603	76	2,150,853	35	8,510,106	32
- Research institutions	46	2,244	2,455	256	53	2,052
Subtotal	**185,649**		**2,153,308**		**8,510,159**	
Robots						
- Robot providers	231	13,137	97	41,691	234	29,444
- Research institutions	26	10,999	28	21,270	6	50,059
Subtotal	**257**	**12,922**	**125**	**37,120**	**240**	**30,446**
Total	**185,906**		**2,153,433**		**8,510,399**	

Cost of Sales

The following table sets forth a breakdown of the components of our cost of sales, in absolute amount and as a percentage of our total cost of sales, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Cost of materials	7,152	47.0	41,972	65.1	150,297	67.9
Labor costs	880	5.8	8,119	12.6	23,400	10.6
Outsourced processing costs	1,013	6.7	6,991	10.9	34,257	15.5
Manufacturing overhead	2,529	16.7	4,472	6.9	9,279	4.2
Provision for impairment on inventories	2,909	19.2	1,601	2.5	1,278	0.6
Others[(1)]	693	4.6	1,251	2.0	2,619	1.2
Total	**15,176**	**100.0**	**64,406**	**100.0**	**221,130**	**100.0**

Note:

(1) Others primarily include freight charges and warranty costs.

Cost of materials was the largest component of our cost of sales, accounting for 47.0%, 65.1% and 67.9% of our cost of sales in 2023, 2024 and 2025, respectively.

Comparison between 2024 and 2025. Our cost of sales increased by 243.3% from RMB64.4 million in 2024 to RMB221.1 million in 2025, which was primarily attributable to increased material, labor and outsourced processing costs driven by higher production volume.

Comparison between 2023 and 2024. Our cost of sales increased by 324.4% from RMB15.2 million in 2023 to RMB64.4 million in 2024, which was primarily attributable to increased material, labor and outsourced processing costs driven by higher production volume.

Gross Profit and Gross Profit Margin

As a result of the foregoing, we recorded gross profit of RMB2.4 million, RMB15.4 million and RMB60.6 million in 2023, 2024 and 2025, respectively, representing gross profit margin of 13.5%, 19.3% and 21.5%, respectively, during the same periods. Our gross profit and gross profit margin were primarily driven by our direct drive actuator modules for consumer applications, which accounted for the majority of our revenue throughout the Track Record Period. The year 2024 marked the commencement of commercial-scale mass production of our direct drive actuator modules, after which our gross profit margin began to normalize and exhibit an upward trend. The improvement in our gross profit margin from 2024 onwards was primarily attributable to enhanced cost management, including (i) continuous optimization of our product designs, through iterative refinement of motor electromagnetic architecture, component integration and thermal management, which reduced material complexity and improved production yield, (ii) lower unit material costs through enhanced supply chain bargaining power and improved procurement efficiency, achieved as our procurement volumes scaled significantly in line with revenue growth, enabling more commercially favorable pricing from suppliers under stable supply arrangements, and (iii) reduced unit manufacturing overhead costs driven by economies of scale and improved operational efficiency, as evidenced by the decrease in manufacturing overhead as a percentage of cost of sales from 16.7% in 2023 to 6.9% in 2024 and further to 4.2% in 2025, and labor costs as a percentage of cost of sales decreasing from 12.6% in 2024 to 10.6% in 2025 as production scale expanded.

Gross Profit and Gross Profit Margin by Product Categories

The following table sets forth a breakdown by product categories of our gross profit, in absolute amounts and as percentages of revenue, or gross profit margins, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%
Robotic Actuator Modules						
Robotic direct drive actuator modules						
Consumer applications	110	3.4	8,213	12.8	47,582	19.2
Industrial and commercial applications	1,072	9.7	3,089	36.4	5,885	29.6
Industrial applications	(70)	(7.1)	1,290	55.8	1,265	44.3
Commercial applications	1,142	11.4	1,799	29.1	4,620	27.3
Subtotal	1,182	8.3	11,302	15.6	53,467	20.0
Embodied joint modules	5	33.3	1,437	53.6	2,423	35.6
Subtotal	1,187	8.3	12,739	16.9	55,890	20.4
Robots	1,175	35.4	2,657	57.3	4,695	64.3
Total	**2,362**	**13.5**	**15,396**	**19.3**	**60,585**	**21.5**

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

	Year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%
Robot providers	2,170	12.7	14,521	18.5	60,174	21.4
Research institutions	192	49.4	875	71.4	411	69.1
Total	**2,362**	**13.5**	**15,396**	**19.3**	**60,585**	**21.5**

Comparison between 2024 and 2025. Our gross profit increased by 293.5% from RMB15.4 million in 2024 to RMB60.6 million in 2025, while our gross profit margin increased from 19.3% to 21.5%, primarily due to the increase in the gross profit of robotic direct drive actuator modules.

Robotic Actuator Modules

Robotic direct drive actuator modules

Gross profit of robotic direct drive actuator modules used in consumer applications increased by 479.3% from RMB8.2 million in 2024 to RMB47.6 million in 2025. Gross profit margin of robotic direct drive actuator modules used in consumer applications increased from 12.8% to 19.2% in the same periods, primarily due to (i) continuous optimization of our product designs, (ii) lower unit material cost through enhanced supply chain bargaining power and procurement efficiency under stable pricing, and (iii) lower unit labor and manufacturing overhead costs attributable to increased production scale and improved productivity.

Gross profit of robotic direct drive actuator modules used in industrial and commercial applications increased by 90.5% from RMB3.1 million in 2024 to RMB5.9 million in 2025. Gross profit margin of robotic direct drive actuator modules used in industrial and commercial applications decreased from 36.4% to 29.6% in the same periods, primarily due to variations in the mix of use cases during the period, which carry different margin profiles.

Embodied joint modules

Gross profit of embodied joint modules increased by 68.6% from RMB1.4 million in 2024 to RMB2.4 million in 2025. Gross profit margin of embodied joint modules decreased from 53.6% to 35.6% in the same periods. As the embodied intelligence robot industry ramped up, we explored new applications for embodied joint modules, driving higher sales volume and gross profit, while the change in gross profit margin reflects our evolving product offerings.

Robots

Gross profit of robots increased by 76.7% from RMB2.7 million in 2024 to RMB4.7 million in 2025. Gross profit margin of robots increased from 57.3% to 64.3% in the same periods, primarily due to (i) an expanded product portfolio with additional accessories and configuration options, which enhanced our pricing flexibility, and (ii) cost reduction in the direct drive actuator modules used in our robots.

Comparison between 2023 and 2024. Our gross profit increased by 551.8% from RMB2.4 million in 2023 to RMB15.4 million in 2024, and our gross profit margin increased from 13.5% to 19.3% in the same periods, primarily due to the increase in the gross profit of robotic direct drive actuator modules.

Robotic Actuator Modules

Robotic direct drive actuator modules

Gross profit of robotic direct drive actuator modules used in consumer applications increased by 7,366.4% from RMB0.1 million in 2023 to RMB8.2 million in 2024. Gross profit margin of robotic direct drive actuator modules used in consumer applications increased from 3.4% to 12.8% in the same periods, primarily due to (i) the completion of our first major design optimization initiative, which reduced unit costs, and (ii) our transition from sample order production to commercial-scale mass production, which improved our cost structure through economies of scale.

Gross profit of direct drive actuator modules used in industrial and commercial applications increased by 188.2% from RMB1.1 million in 2023 to RMB3.1 million in 2024. Gross profit margin of direct drive actuator modules used in industrial and commercial applications increased from 9.7% to 36.4% in the same periods, primarily as our production line for this product line was at an early stage in 2023 with higher unit costs and labor costs due to limited volume, which improved through our continuous optimization of production processes in 2024.

Embodied joint modules

Gross profit of embodied joint modules increased from RMB5 thousand in 2023 to RMB1.4 million in 2024. Gross profit margin of embodied joint modules increased from 33.3% to 53.6% in the same periods. As the embodied intelligence robotic industry was at an early stage of development in 2023 and 2024, our product line operated at a limited scale, and gross profit and gross profit margin during these periods were subject to variations in product mix.

Robots

Gross profit of robots increased by 126.1% from RMB1.2 million in 2023 to RMB2.7 million in 2024. Gross profit margin of robots increased from 35.4% to 57.3% in the same periods, primarily due to (i) the expansion and upgrade of our product portfolio with the introduction of TITA robot, a higher-priced product, and (ii) an increase in the selling price of Diablo robot in the same periods.

Gross Profit and Gross Profit Margin by Sales Channel

The following table sets forth a breakdown by sales channel of our gross profit, in absolute amounts and as percentages of revenue, or gross profit margins, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%
Robotic Actuator Modules						
Offline direct sales	1,157	8.2	12,592	16.8	55,571	20.3
Online direct sales	30	53.6	147	46.2	319	62.7
Subtotal	1,187	8.3	12,739	17.0	55,890	20.4
Robots						
Offline direct sales	340	21.0	1,989	59.1	4,196	65.7
Distributorship	189	36.0	668	52.3	499	54.4
Online direct sales	646	55.0	—	—	—	—
Subtotal	1,175	35.4	2,657	57.2	4,695	64.2
Total	**2,362**	**13.5**	**15,396**	**19.3**	**60,585**	**21.5**

Comparison between 2024 and 2025. Our gross profit increased by 293.5% from RMB15.4 million in 2024 to RMB60.6 million in 2025, while our gross profit margin increased from 19.3% to 21.5% in the same periods, primarily due to the increase in gross profit of robotic actuator modules.

Robotic Actuator Modules

Gross profit of robotic actuator modules sold through offline direct sales increased by 341.3% from RMB12.6 million in 2024 to RMB55.6 million in 2025. Gross profit margin increased from 16.8% to 20.3% in the same periods, primarily due to (i) lower unit material cost through enhanced supply chain bargaining power and procurement efficiency, and (ii) lower unit labor and manufacturing overhead costs resulting from economies of scale and improved operational efficiency.

Gross profit of robotic actuator modules sold through online direct sales increased by 117.0% from RMB0.1 million in 2024 to RMB0.3 million in 2025. Gross profit margin increased from 46.2% to 62.7% in the same periods, primarily due to improved product mix and the realization of scale efficiencies as our standardized product offerings matured. The gross profit margin of online direct sales was generally higher than that of offline direct sales, as retail pricing for individual consumers online is generally higher than volume-based pricing for enterprise customers offline.

Robots

Gross profit of robots sold through offline direct sales increased by 111.1% from RMB2.0 million in 2024 to RMB4.2 million in 2025. Gross profit margin increased from 59.1% to 65.7% in the same periods, primarily due to an expanded product portfolio with additional accessories and configuration options, which enhanced our pricing flexibility.

Gross profit of robots sold through distributorship channel remained relatively stable at RMB0.7 million in 2024 and RMB0.5 million in 2025. Gross profit margin increased from 52.3% to 54.4% in the same periods. The lower gross profit margin in 2024 reflected a transitional period as we consolidated online direct sales into the distributorship channel. Following the commercial launch of TITA robot in the fourth quarter of 2024 and the completion of such consolidation, product mix and gross profit margin of the distributorship channel normalized.

Comparison between 2023 and 2024. Our gross profit increased by 551.8% from RMB2.4 million in 2023 to RMB15.4 million in 2024, and our gross profit margin increased from 13.5% to 19.3% in the same periods, primarily due to the increase in gross profit of robotic actuator modules.

Robotic Actuator Modules

Gross profit of robotic actuator modules sold through offline direct sales increased by 988.5% from RMB1.2 million in 2023 to RMB12.6 million in 2024. Gross profit margin increased from 8.2% to 16.8% in the same periods, primarily due to (i) the transition from small-batch production to volume manufacturing, and (ii) lower unit costs achieved through the commencement of commercial-scale mass production.

Gross profit of robotic actuator modules sold through online direct sales increased by 390.0% from RMB30 thousand in 2023 to RMB0.15 million in 2024. Gross profit margin decreased from 53.6% to 46.2% in the same periods, primarily due to changes in product mix as we expanded our range of standardized products at varying prices.

Robots

Gross profit of robots sold through offline direct sales increased by 484.4% from RMB0.3 million in 2023 to RMB2.0 million in 2024. Gross profit margin increased from 21.0% to 59.1% in the same periods, primarily due to the introduction of TITA robot in late 2024.

Gross profit of robots sold through distributorship channel increased by 253.4% from RMB0.2 million in 2023 to RMB0.7 million in 2024. Gross profit margin increased from 36.0% to

52.3% in the same periods, primarily due to an improved product mix following the consolidation of sales from the online channel.

Gross profit of robots sold through online direct sales decreased from RMB0.6 million in 2023 to nil in 2024, as we consolidated our online direct sales for robots and redirected sales to the distributorship channel.

Gross Profit and Gross Profit Margin by Customer Types

The following table sets forth a breakdown by customer types of our gross profit, in absolute amounts and as percentages of revenue, or gross profit margins, for the periods indicated.

	Year ended December 31,					
	2023		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%
Robot providers	2,170	12.7	14,521	18.5	60,174	21.4
Research institutions	192	49.4	875	71.4	411	69.1
Total	**2,362**	**13.5**	**15,396**	**19.3**	**60,585**	**21.5**

Other Income and Gains

The following table sets forth a breakdown of our other income and gains for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Other income						
Government grants	862	61.0	1,346	70.0	2,708	65.2
Bank interest income	61	4.3	21	1.1	100	2.4
Gains						
Gains on financial assets at FVTPL	271	19.2	246	12.8	—	—
Non-operating income	219	15.5	309	16.1	1,344	32.4
Foreign exchange gains, net	—	—	—	—	—	—
Total	**1,413**	**100.0**	**1,922**	**100.0**	**4,152**	**100.0**

Comparison between 2024 and 2025. Our other income and gains increased by 116.0% from RMB1.9 million in 2024 to RMB4.2 million in 2025, which is primarily attributable to (i) an increase in government grants of RMB1.4 million, and (ii) an increase in non-operating income of RMB1.0 million, consistent with higher production volume, partially offset by a decrease in gains on financial assets at FVTPL from RMB0.2 million to nil in the same periods, as we no longer held structured deposits.

Comparison between 2023 and 2024. Our other income and gains increased by 36.0% from RMB1.4 million in 2023 to RMB1.9 million in 2024, primarily attributable to one-time R&D-related government grants of RMB0.5 million.

Selling and Distribution Expenses

The following table sets forth a breakdown of our selling and distribution expenses for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Marketing and promotion expenses	4,711	44.1	5,921	50.7	5,015	38.8
Staff costs	3,952	37.1	3,997	34.3	6,187	47.8
Travel expenses	1,293	12.1	1,324	11.4	1,083	8.4
Share-based payment expenses	464	4.4	6	0.1	283	2.2
Others(1)	242	2.3	403	3.5	366	2.8
Total	**10,662**	**100.0**	**11,651**	**100.0**	**12,934**	**100.0**

Note:

(1) Others primarily include depreciation and amortization, rental expenses and utilities expenses.

Our selling and distribution expenses remained relatively stable at RMB10.7 million in 2023, RMB11.7 million in 2024 and RMB12.9 million in 2025, as our established sales team and infrastructure supported revenue growth without a proportionate increase in costs.

Administrative Expenses

The following table sets forth a breakdown of our administrative expenses for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Staff costs	7,298	49.9	9,569	27.5	17,021	17.2
Office expenses	1,581	10.8	1,833	5.3	2,887	2.9
Professional service fees	3,625	24.7	5,090	14.6	13,318	13.5
[REDACTED]	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Travel expenses	870	5.9	370	1.1	777	0.8
Depreciation and amortization	615	4.2	1,946	5.6	1,776	1.8
Share-based payment expenses	266	1.8	14,839	42.6	52,196	52.9
Tax and surcharges	45	0.3	239	0.7	772	0.8
Others(1)	356	2.4	900	2.6	1,062	1.1
Total	**14,656**	**100.0**	**34,786**	**100.0**	**98,685**	**100.0**

Note:

(1) Others primarily include rental expenses and bank charges.

During the Track Record Period, our administrative expenses increased from RMB14.7 million in 2023 to RMB34.8 million in 2024, and further increased to RMB98.7 million in 2025, primarily due to (i) higher share-based payment expenses recognized under our Employee Stock Ownership Scheme, mainly as a result of additional equity incentive grants made to directors and employees and the higher fair value of the equity interests granted during the Track Record Period (see Note 31 to "Appendix I - Accountants' Report"), and (ii) higher staff costs, office expenses and professional service fees in line with our business expansion, and (iii) non-recurring **[REDACTED]** in connection with the **[REDACTED]** incurred in 2025.

Research and Development Expenses

Research and Development Expenses by Nature

The following table sets forth a breakdown by nature of our research and development expenses for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Staff costs	23,902	61.3	29,678	69.0	35,605	64.2
Raw materials	9,952	25.5	8,743	20.4	9,407	17.0
Share-based payment expenses	1,320	3.4	506	1.2	6,278	11.3
Outsourced R&D expenses	827	2.1	627	1.5	158	0.3
IP and patent fees	798	2.0	1,071	2.5	775	1.4
Others(1)	2,241	5.7	2,299	5.4	3,214	5.8
Total	**39,040**	**100.0**	**42,924**	**100.0**	**55,437**	**100.0**

Note:

(1) Others primarily include depreciation and amortization and utilities expenses.

Research and Development Expenses by Product Categories

Our Directors confirmed that all R&D expenses incurred during the Track Record Period were solely related to our Specialist Technology Products. The following table sets forth a breakdown by product categories of our research and development expenses for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Robotic actuator module						
Robotic direct drive actuator modules						
Consumer applications	8,431	21.6	13,057	30.4	14,448	26.1
Industrial and commercial applications	9,628	24.7	7,609	17.7	11,486	20.7
Subtotal	18,059	46.3	20,666	48.1	25,934	46.8
Embodied joint modules	7,191	18.4	4,904	11.5	10,186	18.4
Subtotal	25,250	64.7	25,570	59.6	36,120	65.2
Robot	13,790	35.3	17,354	40.4	19,317	34.8
Total	**39,040**	**100.0**	**42,924**	**100.0**	**55,437**	**100.0**

Comparison between 2024 and 2025. Our research and development expenses increased by 29.2% from RMB42.9 million in 2024 to RMB55.4 million in 2025, reflecting our continuous R&D efforts, which was primarily attributable to (i) an increase in staff costs of RMB5.9 million, (ii) an increase in share-based payment expenses of RMB5.8 million, and (iii) an increase in others of RMB0.9 million, all in line with our ongoing expansion and upgrade of product offerings.

Comparison between 2023 and 2024. Our research and development expenses increased by 9.9% from RMB39.0 million in 2023 to RMB42.9 million in 2024, primarily attributable to an increase in staff costs of RMB5.8 million in line with our expanded R&D activities, partially offset by a decrease in share-based payment expenses of RMB0.8 million.

Outsourced R&D expenses primarily consisted of fees paid to universities, research institutes, and specialized third-party developers for specific projects involving robotics algorithms, simulation systems, motor designs, and controller and driver solutions. We used these arrangements to access specialized expertise, supplement our internal resources, resolve specific technical issues, and accelerate development.

IP and patent fees primarily consisted of patent filing agency fees, grant fees, and annual maintenance fees for technologies we developed in-house, rather than payments to acquire or license third-party intellectual property.

Impairment Losses under Expected Credit Loss Model, Net

We recorded net impairment losses under expected credit loss model of RMB0.9 million, RMB2.9 million and RMB0.6 million in 2023, 2024 and 2025, respectively. Net impairment losses of financial assets or the reversal thereof during the Track Record Period were in line with the fluctuation in trade receivables.

Other Expenses and Losses

Our other expenses and losses remained relatively stable at RMB0.1 million and RMB0.5 million in 2023 and 2024, and such expenses and losses increased to RMB6.3 million in 2025, primarily due to fair value losses on derivative financial liabilities in relation to warrants granted to certain lenders as part of the Group's borrowing arrangements, the fair value of which increased as our Company's equity value grew during the Track Record Period. See Note 21 to the Accountants' Report in Appendix I. Both warrants were exercised or terminated by the end of 2025 and no further fair value losses are expected to be incurred.

Finance Costs

We recorded finance costs of RMB1.7 million, RMB1.6 million and RMB1.7 million in 2023, 2024 and 2025, respectively. The following table sets forth a breakdown of our finance costs, in absolute terms and as percentages of our total finance costs, for the periods indicated.

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Interest expenses on:						
Bank borrowings and other loans	1,582	95.1	1,402	89.8	1,621	93.9
Amounts due to related parties	—	—	66	4.2	—	—
Lease liabilities	81	4.9	93	6.0	105	6.1
Total	**1,663**	**100.0**	**1,561**	**100.0**	**1,726**	**100.0**

Our finance costs remained relatively stable throughout the Track Record Period, decreasing slightly from RMB1.7 million in 2023 to RMB1.6 million in 2024, increasing slightly to RMB1.7 million in 2025. Interest expenses on amounts due to related parties represent interest on a short-term loan from Mr. Zhang, our executive Director and one of the Controlling Shareholders, which was fully paid in January 2025. See Note 35 to the Accountants' Report in Appendix I.

Changes in the Carrying Amount of the Redemption Liabilities

Changes in the carrying amount of the redemption liabilities amounted to a loss of RMB12.3 million, RMB16.8 million and RMB770.1 million in 2023, 2024 and 2025, respectively. See "— Selected Balance Sheet Items — Current Assets/Liabilities — Redemption Liabilities."

Income Tax Expenses

We did not record income tax expenses in 2023, 2024 and 2025, respectively, as we were loss making in the same periods. During the Track Record Period and up to the Latest Practicable Date, we did not have any outstanding tax obligations or unresolved tax disputes.

Loss for the Year

As a result of the foregoing, our loss for the year increased by 23.9% from RMB75.6 million in 2023 to RMB93.7 million in 2024, and further increased by 840.2% from RMB93.7 million in 2024 to RMB881.0 million in 2025.

LIQUIDITY AND CAPITAL RESOURCES

Overview

We have historically funded our cash requirements mainly from operating activities, equity and debt financing. After the **[REDACTED]** we intend to finance our future capital requirements through cash generated from our business operations, the net **[REDACTED]** from the **[REDACTED]** and other future equity or debt financings. We currently do not anticipate any changes to the availability of financing to fund our operations in the near future. We had cash and cash equivalents of RMB0.4 million, RMB15.8 million and RMB353.9 million as of December 31, 2023, 2024 and 2025, respectively.

Working Capital Sufficiency

Taking into account our available resources, including cash and cash equivalents on hand and the net estimated **[REDACTED]** from the **[REDACTED]** our Directors are of the view, and the Sole Sponsor concurs, that we have sufficient working capital for our present requirements and to cover at least 100% of our costs for the next twelve months from the date of this document. These costs primarily comprise research and development expenses, selling and distribution expenses, and administrative expenses. Our Directors confirm that we had no material defaults on trade and non-trade payables and borrowings, nor did we breach any covenants during the Track Record Period and up to the date of this document. Our cash burn refers to the average monthly aggregate amount of (i) net cash used in operating activities, (ii) payments for property and equipment, (iii) payments for intangible assets, and (iv) lease payments. We regard these items as key indicators of our operational efficiency, reflecting payments which can significantly impact our cash flow, such as our capital expenditures representing significant cash outflows, our investment in intellectual property or technology, and the costs of lease obligations, all of which may arise on a recurring basis.

Our historical average monthly cash burn was RMB5.1 million, RMB6.1 million, and RMB7.4 million in 2023, 2024 and 2025, respectively. The increase in our cash burn during the Track Record Period primarily reflects our transition from early-stage commercialization to large-scale commercial operations, including (i) our continued investment in research and development activities to enhance our product offerings, (ii) expansion of our operational infrastructure to support business growth, and (iii) increased working capital requirements as our revenue scale expanded. We have achieved significant revenue growth during the Track Record Period, from RMB17.5 million in 2023 to RMB79.8 million in 2024 and further to RMB281.7 million in 2025, while our gross profit margin improved from 13.5% in 2023 to 19.3% in 2024 and 21.5% in 2025, primarily due to economies of scale in procurement and production. With a substantial portion of our operating expenses being fixed in nature and our ongoing cost control initiatives, we expect to benefit from operating leverage as revenue continues to scale.

We had cash and cash equivalents of RMB353.9 million as of December 31, 2025. We estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** (equivalent of approximately

RMB**[REDACTED]** after deducting the **[REDACTED]** fees and expenses payable by us in the **[REDACTED]**, assuming no **[REDACTED]** is exercised and an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the low-point of the indicative **[REDACTED]** range stated in this document). Assuming that our average monthly cash burn going forward will be RMB11.1 million, approximately 1.5 times the cash burn level in 2025 to account for increased operating expenses in line with our business expansion, and considering that (i) we do not expect a material increase in the number of our employees; (ii) we do not expect substantial capital investment; and (iii) we do not expect significant acquisitions or investments, we estimate that our cash and cash equivalents as of December 31, 2025 will be able to maintain our financial viability for approximately **[REDACTED]** months from **[REDACTED]**, or approximately **[REDACTED]** months from **[REDACTED]** if we take into account **[REDACTED]**% of the estimated net **[REDACTED]** from the **[REDACTED]**, or approximately **[REDACTED]** months from **[REDACTED]** if we take into account **[REDACTED]**% of such **[REDACTED]**. We will continue to monitor our cash flows from operations closely and maintain our financial viability through a variety of means, including, among others, banking facilities and external financings. See "— Indebtedness."

We do not have any immediate plans to seek future financing after the **[REDACTED]** considering our available cash, **[REDACTED]** from the **[REDACTED]** and based on our cash burn. However, with the ongoing expansion of our business and development of our products and services, or if we discover suitable targets for acquisition or business collaboration, we could not exclude the possibility that we may require further funding through public or private equity offerings, debt financing and other sources. We will comply with applicable laws and regulations, including requirements under the Listing Rules, when we proceed with such financings.

Cash Flows Analysis

The following table sets forth selected cash flow statement information for the periods indicated.

	Year Ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net cash flows used in operating activities	(52,960)	(66,687)	(69,563)
Net cash flows used in investing activities	(2,950)	(4,787)	(16,389)
Net cash flows generated from financing activities	17,536	86,902	424,220
Net (decrease)/increase in cash and cash equivalents	**(38,374)**	**15,428**	**338,268**
Cash and cash equivalents at the beginning of the year	38,786	412	15,840
Cash and cash equivalents at the end of the year	**412**	**15,840**	**353,871**

Net Cash Flows Used in Operating Activities

In 2025, we had net cash flows used in operating activities of RMB69.6 million, which was primarily attributable to our loss before tax of RMB881.0 million, adjusted by items mainly including (i) non-cash and non-operating items, mainly changes in the carrying amount of the redemption liabilities of RMB770.1 million, share-based payment expenses of RMB58.8 million, and depreciation of property, plant and equipment of RMB4.3 million, and (ii) changes in working capital, primarily relating to an increase in trade and bills receivables of RMB39.1 million and an increase in debt investment at FVOCI of RMB22.7 million, partially offset by an increase in other payables and accruals of RMB24.2 million.

In 2024, we had net cash flows used in operating activities of RMB66.7 million, which was primarily attributable to our loss before tax of RMB93.7 million, adjusted by items mainly including

(i) non-cash and non-operating items, primarily comprising changes in the carrying amount of the redemption liabilities of RMB16.8 million, share-based payment expenses of RMB15.4 million, and (ii) changes in working capital, primarily relating to an increase in trade receivables of RMB34.6 million and an increase in inventories of RMB14.0 million, which were partially offset by an increase in trade payables of RMB27.1 million.

In 2023, we had net cash flows used in operating activities of RMB53.0 million, which was primarily attributable to our loss before tax of RMB75.6 million, adjusted by items mainly including (i) non-cash and non-operating items, primarily comprising changes in the carrying amount of the redemption liabilities of RMB12.3 million, share-based payment expenses of RMB2.1 million and write-down of inventories to net realizable value of RMB2.9 million, and (ii) changes in working capital, primarily relating to an increase in inventories of RMB12.0 million and an increase in trade receivables of RMB6.3 million, which were partially offset by an increase in trade payables of RMB9.1 million and an increase in other payables and accruals of RMB8.1 million.

Net Cash Flows Used in Investing Activities

In 2025, our net cash flows used in investing activities was RMB16.4 million, primarily consisting of purchases of items of property, plant and equipment.

In 2024, our net cash flows used in investing activities was RMB4.8 million, primarily consisting of purchases of items of property, plant and equipment, partially offset by disposal of financial assets at fair value through profit or loss. In 2023, our net cash flows used in investing activities was RMB3.0 million, primarily consisting of purchases of items of property, plant and equipment, partially offset by disposal of financial assets at fair value through profit or loss.

Net Cash Flows Generated from Financing Activities

In 2025, our net cash flows generated from financing activities was RMB424.2 million, primarily comprising (i) proceeds from redemption liabilities and (ii) new bank loans, partially offset by (i) repayment of bank loans and (ii) redemption liabilities issue expenses. In 2024, our net cash flows generated from financing activities was RMB86.9 million, primarily comprising (i) proceeds from issue of shares and (ii) new bank loans, partially offset by (i) repayment of bank loans and (ii) repayment of other loans. In 2023, our net cash flows generated from financing activities was RMB17.5 million, primarily comprising (i) proceeds from issue of shares and (ii) new bank loans, partially offset by (i) repayment of other loans and (ii) repayment of bank loans.

We have taken measures to improve our cash flow position, including (i) completing our Series C financing in December 2025, raising aggregate proceeds of RMB185.4 million, (ii) increasing our bank credit facilities in December 2025, and (iii) strengthening our working capital management, including enhancing our trade receivables collection efficiency and optimizing our inventory management.

Cash Operating Costs

The following table sets forth a breakdown of our cash operating costs for the periods indicated.

	Year Ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Workforce employment[(1)]	37,756	48,015	68,256
Research and development costs[(2)]	12,814	11,702	11,742
Direct production costs, including materials[(3)]	7,152	41,971	150,297
Products marketing[(4)]	5,242	6,610	4,652
Total	**62,964**	**108,298**	**234,947**

Notes:

(1) Workforce employment expenses under cash operating costs represent the sum of employee benefit expenses under our cost of sales, research and development expenses, administrative expenses, and selling and marketing expenses, excluding non-cash share-based compensation expenses. This amount is then adjusted for changes in working capital related to employee benefit expenses between the previous and current period ends.

(2) Research and development costs under cash operating costs represent our research and development expenses, excluding employee benefit expenses and other non-cash items such as depreciation and amortization. This amount is then adjusted for changes in working capital related to research and development activities between the previous and current period ends.

(3) Direct production costs under cash operating costs represent our cost of sales, excluding employee benefit expenses and other non-cash items. This amount is then adjusted for changes in working capital related to production activities between the previous and current period ends.

(4) Selling and marketing expenses under cash operating costs represent our selling and marketing expenses, excluding employee benefit expenses and other non-cash items. This amount is then adjusted for changes in working capital related to sales and marketing activities between the previous and current period ends.

SELECTED BALANCE SHEET ITEMS

Current Assets/Liabilities

The following table sets out 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	13,834	26,222	32,120	56,510
Trade and bills receivables	9,098	40,794	79,439	117,554
Debt investments at fair value through other comprehensive income	—	—	22,725	20,882
Prepayments, other receivables and other assets	2,847	3,680	22,404	40,127
Cash and cash equivalents	412	15,840	353,871	312,481
Total current assets	**26,191**	**86,536**	**510,559**	**547,554**
Current liabilities				
Trade payables	9,589	36,681	62,397	104,375
Contract liabilities	344	642	1,751	697
Other payables and accruals	11,364	16,969	37,126	35,049
Interest-bearing bank borrowings	16,313	23,952	40,528	28,120
Lease liabilities	1,986	2,244	3,353	5,012
Provisions	61	217	357	498
Redemption liabilities	115,759	202,550	1,409,488	1,718,463
Financial liabilities measured at fair value through profit or loss	2,411	2,856	—	—
Total current liabilities	**157,827**	**286,111**	**1,555,000**	**1,892,214**
Net current liabilities	**(131,636)**	**(199,575)**	**(1,044,441)**	**(1,344,660)**

Comparison between December 31, 2025 and April 30, 2026. Our net current liabilities increased by 28.7% from RMB1,044.4 million as of December 31, 2025 to RMB1,344.7 million as of

April 30, 2026, primarily due to (i) an increase in redemption liabilities of RMB309.0 million, (ii) an increase in trade payables of RMB42.0 million, and (iii) a decrease in cash and cash equivalents of RMB41.4 million, partially offset by an increase in trade and bills receivables of RMB38.1 million.

Comparison between December 31, 2024 and December 31, 2025. Our net current liabilities increased by 423.3% from RMB199.6 million as of December 31, 2024 to RMB1,044.4 million as of December 31, 2025, primarily due to (i) an increase in redemption liabilities of RMB1,206.9 million, which was mainly attributable to new pre-**[REDACTED]** investments received during the year and the increase in fair value of existing redemption liabilities in line with the growth in the equity value of our Group and (ii) an increase in trade payables of RMB25.7 million, partially offset by (i) an increase in cash and cash equivalents of RMB338.0 million, and (ii) an increase in trade and bills receivables of RMB38.6 million.

Comparison between December 31, 2023 and December 31, 2024. Our net current liabilities increased by 51.6% from RMB131.6 million in 2023 to RMB199.6 million in 2024, primarily due to (i) an increase in redemption liabilities of RMB86.8 million, and (ii) an increase in trade payables of RMB27.1 million, partially offset by (i) an increase in trade and bills receivables of RMB31.7 million, (ii) an increase in cash and cash equivalents of RMB15.4 million, and (iii) an increase in inventories of RMB12.4 million.

We have taken measures to improve our net current liabilities position, including (i) optimizing our debt structure by refinancing short-term borrowings into longer-term facilities; (ii) enhancing cash flow generation by expanding our customer base and accelerating accounts receivable collection; and (iii) managing capital expenditure in line with project pipeline and revenue visibility.

Inventories

Our inventories consist of (i) raw materials, (ii) work in progress, (iii) finished goods and (iv) goods in transit. The following table sets forth our inventories as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Raw materials	7,299	13,164	22,127
Work in progress	1,490	4,454	6,551
Finished goods	4,666	7,315	3,442
Goods in transit	379	1,289	—
Total	**13,834**	**26,222**	**32,120**

Our inventories increased by 22.5% from RMB26.2 million as of December 31, 2024 to RMB32.1 million as of December 31, 2025, primarily due to (i) an increase in raw materials of RMB9.0 million, and (ii) an increase in work in progress of RMB2.1 million, reflecting our strategic inventory buildup in line with the business growth. Our inventories increased by 89.5% from RMB13.8 million as of December 31, 2023 to RMB26.2 million as of December 31, 2024, primarily due to (i) an increase in raw materials of RMB5.9 million, (ii) an increase in work in progress of RMB3.0 million, and (iii) an increase in finished goods of RMB2.6 million, primarily driven by our strategic inventory buildup to support the commencement of commercial-scale mass production of our direct drive actuator modules for consumer robots in the fourth quarter of 2024. We believe that by maintaining optimal inventory levels, we can meet our consumer demand and ensure their satisfaction without compromising our liquidity. To this end, we have established a set of policies and procedures to manage our inventories. See "Business — Logistics and Warehousing."

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	15,684	25,760	30,576
One year to two years	1,073	1,992	2,309
Two years to three years	—	83	584
Over three years	—	—	8
Inventory write-downs	(2,923)	(1,613)	(1,357)
Total	**13,834**	**26,222**	**32,120**

The following table sets forth our inventory turnover days for the periods indicated.

	Year Ended December 31,		
	2023	2024	2025
Inventory turnover days(1)	221	112	47

Note:

(1) Inventory turnover days are calculated based on the average of the beginning and closing balances of inventories, net of inventory write-downs, of the relevant period, divided by cost of sales for the same period and multiplied by 360 days for 2023 and 2024 and 2025.

Our inventory turnover days decreased from 221 days in 2023 to 112 days in 2024 and further to 47 days in 2025, driven by (i) the acceleration of the robot industry with rapid growth in demand and significant increase in shipment volumes of our products, and (ii) our continued optimization of inventory management alongside the expansion of commercial-scale production.

As of April 30, 2026, RMB24.7 million, or 73.9%, of our inventories as of December 31, 2025 had been sold or utilized.

Trade and Bills Receivables

Our trade and bills receivables represent bills receivables and trade receivables, generally settled within one year. See "Business — Sales and Marketing — Our Sales Channel — Our Direct Sales" for details. The following table sets forth our trade and bills receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bills receivables	—	—	2,206
Trade receivables	10,147	44,698	81,628
Less: Allowance for credit losses	(1,049)	(3,904)	(4,395)
Total	**9,098**	**40,794**	**79,439**

Our trade and bills receivables increased by 94.7% from RMB40.8 million as of December 31, 2024 to RMB79.4 million as of December 31, 2025, primarily attributable to our business growth. Our trade and bills receivables increased by 348.4% from RMB9.1 million as of December 31, 2023 to RMB40.8 million as of December 31, 2024, primarily attributable to (i) our business growth, and (ii) concentrated sales in the fourth quarter of 2024, resulting in higher year-end balances.

The following table sets forth an aging analysis of our trade and bills receivables based on revenue recognition date and net of loss allowance as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	8,891	40,593	79,080
1 year to 2 years	207	201	341
2 years to 3 years	—	—	18
Total	**9,098**	**40,794**	**79,439**

The following table sets forth our trade and bills receivables turnover days during the periods indicated.

	Year Ended December 31,		
	2023	2024	2025
Trade and bills receivable turnover days(1)	131	113	77

Note:

(1) Trade and bills receivables turnover days are calculated based on the average of opening and closing balance of trade receivables less allowance for credit losses for the relevant period, divided by revenue for the same period and multiplied by 360 days for 2023, 2024 and 2025.

Our trade and bills receivables turnover days decreased from 131 days in 2023 to 113 days in 2024 and further to 77 days in 2025. The relatively higher turnover days in 2023 was primarily attributable to a low opening balance of trade receivables at the beginning of 2023, as our business was at an early stage of commercialization in 2022. As our revenue base expanded and stabilized throughout the Track Record Period, the turnover days normalized to levels more reflective of our standard credit terms, and continued to improve as a result of our enhanced collection efficiency.

Our trade and bills receivables turnover days exceeded our standard credit terms of 30 to 60 days in 2023 and 2024. The relatively longer turnover days in 2023 was primarily due to extended customer testing and evaluation cycles as our business was at an early stage of commercialization. In 2024, our turnover days was primarily affected by a concentration of sales orders in the fourth quarter, resulting in a higher year-end trade receivables balance. Our turnover days decreased to 77 days in 2025, consistent with our standard credit terms.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant losses associated with our trade receivables, and the fluctuation in our trade receivables did not have any material adverse impact on our liquidity or cash flows.

As of April 30, 2026, RMB74.7 million, or 89.1%, of our trade and bills receivables as of December 31, 2025, had been settled. We do not believe there is any material recoverability issue on our trade receivables. Our management team periodically assesses the recoverability based on historical settlement records, past experience, as well as forward-looking information. As of December 31, 2023, 2024, 2025, we recognized provisions for impairment of trade receivables of RMB1.0 million, RMB3.9 million, and RMB4.4 million, respectively. The provisions recognized during the Track Record Period reflect our assessment of expected credit losses on outstanding receivables at the respective dates. We consider that the provisions made are sufficient and that no material recoverability risk remains unaddressed as of the respective dates.

Prepayments, Deposits and Other Receivables

Our prepayments, deposits and other receivables primarily consist of (i) prepayment, (ii) value-added tax recoverable, (iii) other receivables, and (iv) provision for impairment. The following table sets forth our prepayments, deposits and other receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments	291	337	6,111
Value-added tax recoverable	2,173	2,663	10,443
Other receivables	355	689	2,167
Due from related party	31	1	1,292
[REDACTED]	(3)	(10)	(71)
Deferred **[REDACTED]**	**[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**2,847**	**3,680**	**22,404**

Our prepayments, deposits and other receivables increased by 508.8% from RMB3.7 million as of December 31, 2024 to RMB22.4 million as of December 31, 2025. The increase was primarily due to (i) an increase in prepayments of RMB5.8 million, driven by initial progress payments made in the third quarter of 2025 for long-term outsourced development projects with university partners, (ii) an increase in amounts due from a related party of RMB1.3 million, and (iii) an increase in other receivables of RMB1.5 million, primarily from deposits paid for expanded production and R&D facilities. See Note 35 to the Accountants' Report in Appendix I for details of related party balances.

Our prepayments, deposits and other receivables increased by 29.3% from RMB2.8 million as of December 31, 2023 to RMB3.7 million as of December 31, 2024. The increase was primarily due to (i) an increase in value-added tax recoverable of RMB0.5 million, driven by increased procurement of raw materials and fixed assets to support surging production, and (ii) an increase in other receivables of RMB0.3 million, driven by deposits paid for expanded production and R&D facilities.

Cash and Cash Equivalents

Our cash and cash equivalents primarily consist of (i) cash and cash balances, and (ii) cash held at third party payment platforms. The following table sets forth our cash and cash equivalents as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	397	15,840	353,217
Cash held at third party payment platforms	15	—	654
Total	**412**	**15,840**	**353,871**

Our cash and cash equivalents increased by 2,134.0% from RMB15.8 million as of December 31, 2024 to RMB353.9 million as of December 31, 2025. The increase was primarily due to an increase in cash and bank balances of RMB337.4 million, which was primarily attributable to the completion of multiple rounds of equity financing in 2025 to support our business growth. Our cash and cash equivalents increased by 3,744.7% from RMB0.4 million as of December 31, 2023 to RMB15.8 million as of December 31, 2024. The increase was primarily due to an increase in cash and bank balances of RMB15.4 million, which was primarily attributable to an increase in our bank loans in support of operating cash flows in line with our business growth.

Trade Payables

Our trade payables primarily represent amounts owed to our suppliers for procurement of goods. Our trade payables increased by 70.1% from RMB36.7 million as of December 31, 2024 to RMB62.4 million as of December 31, 2025, primarily due to (i) our sales growth, and (ii) our increased bargaining power to obtain more favorable credit terms from our suppliers with an increase in our procurement volume. Our trade payables increased by 282.5% from RMB9.6 million as of December 31, 2023 to RMB36.7 million as of December 31, 2024, primarily because of a surge in procurement volume in raw materials in the fourth quarter of 2024 in line with our sales growth.

The following table sets forth an aging analysis of our trade payables based on invoice date as of the dates indicated.

	As of December 31,		
	2023	2024	2025
Within 1 year	9,589	36,681	62,397
Total	**9,589**	**36,681**	**62,397**

Our trade payables are non-interest-bearing and are normally settled on terms of two to three months. See Note 24 to the Accountants' Report in Appendix I.

The following table sets forth our trade payables turnover days for the periods indicated.

	Year Ended December 31,		
	2023	2024	2025
Trade payable turnover days(1)	119	129	81

Note:

(1) Trade payables turnover days are calculated based on the average of opening and closing balance of trade payables for the relevant period, divided by our cost of sales for the same period and multiplied by 360 days for 2023, 2024 and 2025.

Our trade payables turnover days increased from 119 days in 2023 to 129 days in 2024, primarily due to more favorable credit terms obtained from suppliers as our procurement volume scaled up in line with business expansion. Our trade payables turnover days decreased from 129 days in 2024 to 81 days in 2025, primarily due to the significant increase in cost of sales in line with our revenue growth. Our trade payables turnover days generally exceeded our standard payment terms during the Track Record Period. The relatively longer turnover days in 2023 was primarily due to the lower and less frequent procurement volume at the early stage of our commercialization. In 2024, our turnover days was primarily affected by the concentration of procurement in the fourth quarter in line with our sales growth, resulting in a higher year-end trade payables balance. Our trade payables turnover days decreased to 81 days in 2025 as our procurement volume scaled and normalized, which was within our payment terms with our suppliers. In addition, turnover days may generally be longer than contractual credit terms as turnover days reflect the period from goods receipt to actual payment, which includes processing time before the credit period commences. As discussed above, during the Track Record Period, the aggregate of our inventory turnover days and trade and bills receivables turnover days exceeded our trade payables turnover days, primarily due to longer inventory and collection cycles at the early stage of our commercialization. Our cash conversion cycle improved significantly as our business scaled, and we managed our working capital requirements through negotiating payment terms with our suppliers, optimizing our payment methods, and utilizing bank credit facilities.

As of April 30, 2026, RMB59.7 million, or 95.7%, of total trade payables as of December 31, 2025, had been subsequently settled.

Contract Liabilities

Our current contract liabilities primarily include advances from customers for the sale of products. Our contract liabilities increased by 86.6% from RMB0.3 million as of December 31, 2023 to RMB0.6 million as of December 31, 2024, primarily due to an increase in advances received from a customer in 2024. Our contract liabilities increased by 172.7% from RMB0.6 million as of December 31, 2024 to RMB1.8 million as of December 31, 2025, primarily due to an increase in advances from a customer in 2025 under a prepaid arrangement for developing a new robotic product.

As of April 30, 2026, RMB1.5 million, or 84.3%, of our contract liabilities as of December 31, 2025 had been subsequently recognized as revenue.

Other Payables and Accruals

Our other payables and accruals primarily consist of (i) payroll payables, (ii) taxes payable, and (iii) other accrued expenses. Our other payables and accruals increased by 118.8% from RMB17.0 million as of December 31, 2024 to RMB37.1 million as of December 31, 2025, primarily due to (i) an increase in payroll payables, and (ii) an increase in payables for share issue expenses, in line with our business growth. Such balance increased by 49.3% from RMB11.4 million as of December 31, 2023 to RMB17.0 million as of December 31, 2024, primarily due to (i) an increase in payroll payables, and (ii) an increase in taxes payable, in line with our business expansion.

Redemption Liabilities on Equity Shares

Our redemption liabilities on equity shares primarily represent the financing with special rights (including the right of redemption (put option), liquidation preference and anti-dilution) received from the Pre-**[REDACTED]** Investors. Our redemption liabilities increased by 75.0% from RMB115.8 million as of December 31, 2023 to RMB202.6 million as of December 31, 2024, and further increased by 595.9% to RMB1,409.5 million as of December 31, 2025, primarily due to (i) the increase in fair value of existing redemption liabilities as the value of our Group grew, and (ii) new Pre-**[REDACTED]** Investments. See "History, Development and Corporate Structure — Pre-**[REDACTED]** Investments."

Provision

Our provision primarily consists of product warranty provision. Our provision increased by 255.7% from RMB0.06 million as of December 31, 2023 to RMB0.2 million as of December 31, 2024, and further increased by 64.5% to RMB0.4 million as of December 31, 2025, primarily due to the expansion in our business scale and the corresponding increase in expected repair and maintenance costs for our products.

Non-current Assets and Liabilities

The following table sets out our non-current assets and liabilities 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	7,182	10,110	23,041
Right-of-use assets	3,418	2,090	8,347
Prepayments, deposits and other non-current assets	2,751	2,447	3,784
Total non-current assets	**13,351**	**14,647**	**35,172**
Non-current liabilities			
Interest-bearing bank loans	—	13,200	4,250
Lease liabilities	2,081	481	5,838
Total non-current liabilities	**2,081**	**13,681**	**10,088**

Property, Plant and Equipment

Our property, plant and equipment consist of (i) office equipment and fixtures, (ii) machinery and equipment, (iii) leasehold improvements, and (iv) construction in progress. The following table sets forth our property, plant and equipment as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Office equipment and fixtures	1,453	1,019	1,081
Machinery and equipment	3,237	6,591	17,315
Leasehold improvements	2,492	1,337	182
Construction in progress	—	1,163	4,463
Total	**7,182**	**10,110**	**23,041**

The carrying amount of our property, plant and equipment increased by 127.9% from RMB10.1 million as of December 31, 2024 to RMB23.0 million as of December 31, 2025, primarily attributable to (i) an increase in machinery and equipment of RMB10.7 million, primarily for the addition of automated production lines, and (ii) an increase in construction in progress of RMB3.3 million, primarily for the ongoing construction of automated production lines, partially offset by a decrease in leasehold improvements of RMB1.2 million, mainly due to regular amortization of earlier renovation costs. The carrying amount of our property, plant and equipment increased by 40.8% from RMB7.2 million as of December 31, 2023 to RMB10.1 million as of December 31, 2024, primarily attributable to (i) an increase in machinery and equipment of RMB3.4 million, to support the scaling up of production capacity for robotic direct drive actuator modules, and (ii) an increase in construction in progress of RMB1.2 million, primarily for the construction of automated production lines, partially offset by a decrease in leasehold improvements of RMB1.2 million, mainly due to regular amortization of earlier renovation costs.

Right-of-use Assets

Our right-of-use assets represent carrying amount of our leased offices and factories for our operations. Such leases typically have a term of one to three years. Our right-of-use assets decreased by 38.9% from RMB3.4 million as of December 31, 2023 to RMB2.1 million as of December 31, 2024, primarily due to regular depreciation of existing leased assets. Our right-of-use assets increased by 299.4% from RMB2.1 million as of December 31, 2024 to RMB8.3 million as of December 31, 2025, primarily due to new leases entered into for additional manufacturing facilities.

Prepayments, Deposits and Other Non-Current Assets

Our prepayments, deposits and other non-current assets primarily consist of (i) prepayments for property, plant and equipment, (ii) other receivables and deposits, and (iii) provision for impairment. The following table sets forth our prepayments, deposits and other non-current assets as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments for property, plant and equipment	2,325	1,773	2,488
Other receivables and deposits	448	710	1,364
Provision for impairment	(22)	(36)	(68)
Total	**2,751**	**2,447**	**3,784**

Note:

(1) We conducted impairment assessments on our non-current assets, in accordance with IAS 36 as of December 31, 2023, 2024 and 2025. Based on these assessments, the recoverable amount of our assets exceeded their carrying amounts, and accordingly no impairment loss was recognized during the Track Record Period. For details, see Note 13 to the Accountants' Report in Appendix I.

Our prepayments, deposits and other non-current assets decreased by 11.1% from RMB2.8 million as of December 31, 2023 to RMB2.4 million as of December 31, 2024. The decrease was primarily attributable to the transfer of prepayments for property, plant and equipment of RMB0.6 million to property, plant and equipment upon delivery of the relevant equipment. Our prepayments, deposits and other non-current assets increased by 54.6% from RMB2.4 million as of December 31, 2024 to RMB3.8 million as of December 31, 2025. The increase was primarily due to an increase in prepayments for property, plant and equipment of RMB0.7 million as certain deposits were reclassified from non-current portion to current portion.

INDEBTEDNESS

The table below sets out the details of our indebtedness 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				
Interest-bearing bank borrowings	16,313	23,952	40,528	28,120
Lease liabilities	1,986	2,244	3,353	5,012
Amounts due to a related party	727	1,742	—	—
Redemption Liabilities	115,759	202,550	1,409,488	1,718,463
Non-current				
Interest-bearing bank borrowings	—	13,200	4,250	4,250
Lease liabilities	2,081	481	5,838	7,736
Total	**136,866**	**244,169**	**1,463,457**	**1,763,581**

Interest-Bearing Bank Borrowings

As of December 31, 2023, 2024, 2025 and April 30, 2026, our interest-bearing bank borrowings, including current and non-current portion, amounted to RMB16.3 million, RMB37.2 million, RMB44.8 million and RMB32.4 million, respectively, representing both short-term and long-term bank loans. During the Track Record Period, our interest-bearing bank loans and other loans were all denominated in RMB with effective interest rates ranging from 2.30% to 6.00%. Our bank loans and other loans during the Track Record Period were guaranteed by Mr. Zhang, our Director and Chief Executive Officer. As of December 31, 2025, the guarantee provided by Mr. Zhang for a bank loan of RMB4.8 million had been released, and the remaining guarantee provided by Mr. Zhang was expected to be released upon **[REDACTED]**. As of the Latest Practicable Date, we did not have any unutilized banking facilities. See Note 26 to the Accountants' Report in Appendix I for further information regarding our interest-bearing bank loans and other loans. Our Directors confirm that there was no default in payments of our liabilities, and/or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease Liabilities

Our lease liabilities are in relation to properties that we lease primarily for our offices and factories. As of December 31, 2023, 2024, 2025 and April 30, 2026, our lease liabilities, including current and non-current portion, amounted to RMB4.1 million, RMB2.7 million, RMB9.2 million and RMB12.7 million, respectively, mainly representing lease liabilities under leases for our offices and factories. The decrease in our lease liabilities from RMB4.1 million as of December 31, 2023 to RMB2.7 million as of December 31, 2024 was primarily attributable to the termination of certain leased premises ahead of schedule. The increase in our lease liabilities from RMB2.7 million as of December 31, 2024 to RMB9.2 million as of December 31, 2025 was primarily due to our entry into new leases for premises to support our business expansion.

Amounts Due to a Related Party

As of December 31, 2023, 2024, 2025 and April 30, 2026, we had amounts due to Mr. Zhang, our executive Director and one of the Controlling Shareholders, of RMB0.7 million, RMB1.7 million, nil and nil, respectively. The balance as of December 31, 2024 included a short-term loan of RMB1.0 million which was fully paid in January 2025. Other balances were non-trade in nature and interest-free, and were fully paid in December 2025. See Note 35 to the Accountants' Report in Appendix I.

Contingent Liabilities or Guarantees

During the Track Record Period and up to the Latest Practicable Date, we did not have any material contingent liabilities that would have a material impact on our financial position or results of operations.

No Other Outstanding Indebtedness

Except as disclosed above, as of April 30, 2026, being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. After due and careful consideration, our Directors confirm that, up to the Latest Practicable Date, there has been no material adverse change in our indebtedness since April 30, 2026.

CAPITAL EXPENDITURE

Our capital expenditures consisted of purchases of items of property, plant and equipment. Our capital expenditures in 2023, 2024 and 2025 were RMB8.2 million, RMB5.0 million and RMB16.4 million, respectively.

We funded our capital expenditure requirements during the Track Record Period mainly from cash flow generated from operating activities, equity and debt financing. We expect to incur capital expenditure in the near future, primarily to support the growth of our business. We expect to fund these capital expenditures with a combination of cash flow generated from operating activities, equity and debt financing and net **[REDACTED]** from the **[REDACTED]**. See "Business — Our Strategies" and "Future Plans and Use of **[REDACTED]** — Use of **[REDACTED]**" for further details about our planned capital expenditure. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors we believe to be appropriate.

CAPITAL COMMITMENTS

As of December 31, 2023, 2024 and 2025, our capital commitments amounted to RMB1.4 million, RMB4.1 million and RMB11.1 million, respectively, primarily in connection with the purchase of items of property, plant and equipment.

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios for the periods indicated.

	As of/For the Year Ended December 31,		
	2023	**2024**	**2025**
Revenue growth rate (%)(1)	N/A	355.0	253.0
Gross profit margin (%)(2)	13.5	19.3	21.5
Gross profit growth rate (%)(3)	N/A	551.8	293.5
Net loss margin (%)(4)	(431.0)	(117.5)	(312.7)
Adjusted net loss margin(non-IFRS measure) (%)(5)	(349.1)	(77.2)	(15.4)
Current ratio(6)	0.2	0.3	0.3
Quick ratio(7)	0.1	0.2	0.3

Notes:

(1) Revenue growth rate equals the difference between the revenue for the year indicated and the revenue for the prior year, divided by the revenue for the prior year, and multiplied by 100%.

(2) Gross profit margin equals gross profit divided by revenue and multiplied by 100%. See "— Results of Operations — Gross Profit and Gross Profit Margin."

(3) Gross profit growth rate represents the year-over-year percentage change in gross profit.

(4) Net loss margin equals net loss divided by revenue for the year indicated and multiplied by 100%.

(5) Adjusted net loss margin (non-IFRS measure) equals adjusted net loss (non-IFRS measure) divided by revenue and multiplied by 100%. See "— Non-IFRS Measures" for details of adjusted net loss (non-IFRS measure).

(6) Current ratio is calculated based on total current assets divided by total current liabilities as of the end of the relevant year.

(7) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities as of the end of the relevant year.

R&D EXPENDITURE AND TOTAL OPERATING EXPENDITURE

During the Track Record Period, our research and development expenditure primarily consisted of research and development expenses. We did not capitalize any research and development costs as intangible assets. The following table sets forth our annual and total R&D expenditure for the periods indicated.

	Year Ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Research and development expenses	39,040	42,924	55,437
Adjustments:			
Add: intangible assets acquired from third parties and capitalized	—	—	—
Less: amortization expense of capitalized intangible assets included in R&D expenditure	—	—	—
Annual R&D expenditure	**39,040**	**42,924**	**55,437**
Total R&D expenditure			**137,401***

Notes:

* Represents total R&D expenditure over the Track Record Period.

The table below sets forth our annual and total operating expenditure for the periods indicated.

	Year Ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Research and development expenses	39,040	42,924	55,437
Selling and distribution expenses	10,662	11,651	12,934
Administrative expenses	14,656	34,786	98,685
Adjustments:			
Add: intangible assets acquired from third parties and capitalized	—	—	—
Less: amortization expense of capitalized intangible assets included in R&D expenditure	—	—	—
Annual total operating expenditure	**64,358**	**89,361**	**167,056**
Total operating expenditure			**320,775**(*)

Notes:

* Represents total operating expenditure over the Track Record Period.

The following table sets forth our annual R&D expenditure ratio and total R&D expenditure ratio for the periods indicated.

	Year Ended December 31,		
	2023	2024	2025
Annual R&D expenditure ratio (%)(1)	60.7	48.0	33.2
Total R&D expenditure ratio (%)			42.8(2)

Notes:

(1) Calculated by dividing annual R&D expenditure by annual total operating expenditure.

(2) Calculated by dividing total R&D expenditure over the Track Record Period by total operating expenditure over the Track Record Period.

OFF-BALANCE SHEET ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us.

MATERIAL RELATED PARTY TRANSACTIONS

Related party transactions are set out in Note 35 to the Accountants' Report in Appendix I. Our Directors confirm that these transactions were conducted in the ordinary and usual course of business and 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.

FINANCIAL RISKS DISCLOSURE

The main risks arising from our financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. Our board of directors reviews and agrees policies for managing each of these risks. See Note 38 to the Accountants' Report in Appendix I for details.

Interest Rate Risk

Our exposure to the risk of changes in market interest rates relates primarily to our short-term and long-term borrowings. We currently do not enter into any hedging instrument for both of the fair value interest rate risk and cash flow interest rate risk. See Note 38 to the Accountants' Report in Appendix I for details.

Foreign Currency Risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which we conduct business may affect our financial condition and results of operations. See Note 38 to the Accountants' Report in Appendix I for details.

Credit Risk

We trade only with recognized and creditworthy parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant. The credit risk of our other financial assets, which comprise cash and cash equivalents, time deposits, and financial assets included in prepayments, deposits and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. See Note 38 to the Accountants' Report in Appendix I for details.

Liquidity Risk

We monitor our risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both our financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations. See Note 38 to the Accountants' Report in Appendix I for details.

Capital Management

The primary objectives of our capital management are to safeguard our ability to continue as a going concern and to maintain healthy capital ratios in order to support our business and maximize shareholders' value.

We manage our capital structure and make adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, we may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. We are not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Track Record Period. See Note 38 to the Accountants' Report in Appendix I for details.

DIVIDENDS

No dividend was paid or declared by our Company during the Track Record Period.

We do not maintain a formal dividend policy or have a fixed dividend distribution ratio, and we may distribute dividends by way of cash or by other means that our Board considers appropriate. Any proposed distribution of dividends is subject to the discretion of our Board and the approval of our Shareholders. We cannot assure you that we will be able to distribute dividends of the above amount or any amount, or at all, in any year. The declaration and payment of dividends may also be limited by legal restrictions and by loan or other agreements that our Company and our subsidiaries have entered into or may enter into in the future. Under applicable PRC laws, dividends may be paid only out of distributable profits, which refer to after-tax profits less any recovery of accumulated losses and required allocations to statutory capital reserve funds. As advised by our PRC Legal Adviser, we cannot pay dividends to our Shareholders as there are no distributable profits in view of the accumulated losses. Furthermore, in the future, we may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in years in which we are profitable. See "Risk Factors—Risks Relating to the **[REDACTED]**—We may not be able to pay any dividends on our H Shares." In addition, our ability to distribute dividends in the future also depends on whether we can receive dividends from our subsidiaries.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we did not have any distributable reserves.

[REDACTED] EXPENSES

Our **[REDACTED]** mainly include (i) **[REDACTED]**-related expenses, such as **[REDACTED]** fees and **[REDACTED]**, and (ii) non-**[REDACTED]**-related expenses, comprising professional fees paid to our legal advisors and Reporting Accountants for their services rendered in relation to the **[REDACTED]** and the **[REDACTED]**, and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total **[REDACTED]** (based on the mid-point of the **[REDACTED]** Range and assuming that the **[REDACTED]** is not exercised) for the **[REDACTED]** are approximately HK$**[REDACTED]**, accounting for approximately **[REDACTED]**% of our gross **[REDACTED]**. Among such estimated total **[REDACTED]**, we expect to pay **[REDACTED]**-related expenses of HK$**[REDACTED]** professional fees for our legal advisors and Reporting Accountants of HK$**[REDACTED]** and other fees and expenses of HK$**[REDACTED]**. An estimated amount of HK$**[REDACTED]** for our **[REDACTED]** expenses, accounting for approximately **[REDACTED]**% of our gross **[REDACTED]** was or is expected to be expensed through the statement of profit or loss and the remaining amount of HK$**[REDACTED]** is expected to be recognized directly as a deduction from equity upon the **[REDACTED]**. We recognized **[REDACTED]** of RMB**[REDACTED]** in our consolidated financial statements during the Track Record Period.

UNAUDITED [REDACTED] ADJUSTED COMBINED NET TANGIBLE ASSETS

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

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 which would materially affect the information shown in the Accountants' Report in Appendix I.

DISCLOSURE REQUIRED UNDER LISTING RULES

Except as otherwise disclosed in this document, our Directors confirm that, as of the Latest Practicable Date, they were not aware of any circumstances which would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.