

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with consolidated financial information included in “Appendix I — Accountants’ Report” to this document, together with the accompanying notes. Our consolidated financial information has been prepared in accordance with IFRSs, which may differ in material aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountants’ Report and not merely rely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect the current views with respect to future events and financial performance. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, whether the actual outcome and developments will meet our expectations and predictions depends on a number of risks and uncertainties over which we do not have control. For details, see “Forward-looking Statements” and “Risk Factors” in this document.

OVERVIEW

We are an established participant in China’s battery-swapping industry, committed to building a comprehensive suite of products and services across the battery-swapping ecosystem. Through our self-developed smart energy service platform, we manage battery-swapping equipment, vehicles and batteries, which enables us to better serve the user needs. During the Track Record Period, our revenue was primarily generated from the following businesses:

- **Battery-Swapping Operational Solutions.** We provide battery-swapping operational solutions, primarily including the following:
 - o **Sales of Equipment.** Our battery-swapping equipment products primarily comprised of battery-swapping stations and battery-swapping modules. We sell battery-swapping stations customers that operate or plan to operate battery-swapping businesses, such as local urban investment companies, energy investment companies, transportation enterprises, grid companies and other customers. In addition, we supply battery-swapping modules to EV OEMs and battery manufacturers for their production of battery-swapping packs. During the Track Record Period, our revenue from sales of equipment amounted to RMB519.2 million, RMB268.0 million, RMB150.1 million and RMB82.8 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, accounting for 44.9%, 28.9%, 22.2% and 35.2% of our total revenue for the respective periods.
 - o **Battery-Swapping Operational Services.** Leveraging our proprietary smart energy service platform, we provide professional operational services for battery-swapping stations, including but not limited to daily operation management, maintenance, customer service support and/or platform services. During the Track Record Period, our revenue from battery-swapping operational services amounted to RMB86.9 million, RMB84.7 million, RMB66.7 million and RMB20.2 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, accounting for 7.5%, 9.1%, 9.9% and 8.6% of our total revenue in each respective period.
 - o **Others.** During the Track Record Period, we also generated miscellaneous revenue, primarily including those from mold sales and battery usage.

FINANCIAL INFORMATION

- ***Battery-swapping Services through Self-owned Stations.*** We operate our own battery-swapping stations and generate revenue by providing battery-swapping services for drivers and their vehicles. During the Track Record Period, our revenue from battery-swapping services amounted to RMB528.6 million, RMB546.8 million, RMB435.5 million and RMB127.2 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, accounting for 45.8%, 59.0%, 64.3% and 54.1% of our total revenue in each of the respective periods.

Our revenue declined by 19.8% from RMB1,155.4 million in 2023 to RMB926.3 million in 2024, and further declined by 26.9% to RMB677.1 million in 2025. For the four months ended April 30, 2026, our revenue increased by 1.9% to RMB235.1 million as compared to RMB230.8 million for the same period of 2025. In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our net loss was RMB655.5 million, RMB418.9 million, RMB307.4 million, RMB103.3 million and RMB91.4 million, respectively.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe that the major factors affecting our results of operations and financial condition include the following:

Growth and Competitive Landscape of Energy Replenishment Industry

Our business is closely tied to the growth and development of China’s energy replenishment industry, in particular, the battery-swapping industry. The increasing acceptance of battery-swapping among private vehicles and operational vehicles, such as ride-hailing and taxi operators, as well as the gradual adoption of battery-swapping in commercial vehicles such as heavy-duty trucks, significantly expanded the addressable market for battery-swapping infrastructure. According to CIC, the number of battery-swapping vehicles in China grew from 66 thousand in 2020 to 415 thousand units in 2025, at a CAGR of 44.3%, and is expected to reach 1,267 thousand by 2030, at a CAGR of 25.0% from 2025 to 2030. Over the same period, the number of battery-swapping stations grew from 0.6 thousand in 2020 to 6.4 thousand in 2025, representing a CAGR of 63.1% from 2020 to 2025, and is expected to reach 26.1 thousand stations in 2030, at a CAGR of 32.5% from 2025 to 2030.

The battery-swapping industry remains in a formative stage and is subject to evolving market structures, technological standards, and competitive dynamics. Our business performance is also directly influenced by the speed of adoption of battery-swapping solutions across different vehicle types and use cases. Any deceleration in the growth of the battery-swapping industry, intensified competition from existing market players or new entrants, or a shift in industry preferences toward fast-charging or other energy replenishment models, could adversely affect our ability to maintain growth.

Our Ability to Attract Business Partners and Promote the Battery-Swapping Services

We expect to shift from a self-owned, asset-heavy model to a scalable, service-based model. Instead of relying primarily on the operation of self-owned battery-swapping stations, which entail substantial upfront capital expenditure and high depreciation, we expect to expand our revenue base by selling battery-swapping stations and providing value-added operational services, such as daily operation management, station maintenance, customer service support and/or platform services. This transformation will allow us to unlock recurring service revenue, enhance capital efficiency and reduce fixed-cost burden, all of which are critical for improving margins and supporting future expansion.

FINANCIAL INFORMATION

In addition, we continue to collaborate with EV OEMs to develop battery-swapping-compatible models across passenger vehicles and commercial vehicles. By expanding the number and type of compatible EV models, we expect to provide stronger assurance to third-party station investors and help accelerate market adoption. Our performance will therefore depend on our ability to maintain robust OEM relationships, ensure efficient vehicle-station integration, and deliver reliable operational services across a growing station footprint.

Our Ability to Maintain Cost-effective Manufacturing Capacity and Increase Operational Efficiency

Our results are affected by our ability to maintain stable and cost-effective production capacity, particularly for battery-swapping cabinets, mechanical systems and energy storage modules, as well as our operational capability. During the Track Record Period, we scaled up equipment supply through a mix of in-house manufacturing and qualified third-party partners to meet our station deployment needs, incurring cost of revenue of RMB1,195.2 million, RMB960.4 million, RMB711.0 million and RMB231.0 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively.

Going forward, as we expand our customer base and continue to upgrade our product offerings, our ability to control the construction and maintenance cost per station will be essential to improving profitability. We expect to achieve further cost savings through modular design, standardization of components, and digitalized production and quality control system, which will allow us to reduce per-unit production costs and enhance gross margin performance.

Fluctuation in Electricity Prices

Electricity costs constitute a significant portion of our cost of revenue, particularly in connection with the operations of our self-owned battery-swapping stations. During the Track Record Period, we procured electricity primarily from local utility providers and benefitted from off-peak pricing schemes or preferential rates in certain regions. Any electricity shortage, reductions in preferential pricing, or regional disparity in electricity supply or grid stability could adversely affect our operating costs and station profitability. Moreover, as we explore the application of V2S2G systems to reduce energy costs and enhance grid compatibility, the cost and timing of such deployments may also affect our margin profile.

Our Ability to Operate the Battery-swapping Footprint

Our battery-swapping footprint consists of self-owned battery-swapping stations as well as stations for which we provide operational services. As of April 30, 2026, 531 battery-swapping stations had been connected to our smart energy service platform, including 214 self-owned stations, 79 stations that engages our battery-swapping operational services, and 238 stations that engages our platform services. When operating our self-owned stations, we have full control over such stations. In a service-based model, we provide our technology and support to battery-swapping station owners for maintaining their daily service.

As we transition toward a service-oriented business model, our ability to support a broader battery-swapping footprint has become a key performance driver. To meet this challenge, we are focused on strengthening back-end infrastructure, ensuring operational reliability and enhancing system-wide integration. To support this shift, we have continued to enhance our smart energy service platform and station control system to provide real-time, data-driven support to both self-owned and third-party stations. We have also invested in our service teams and automation technologies to improve operating efficiency and reduce marginal service costs. Our future results of operations will therefore increasingly depend on our ability to provide comprehensive battery-swapping operational services, manage our resources across battery-swapping stations in our footprint efficiently and continue to expand our service network.

FINANCIAL INFORMATION

Government Grants and Preferential Tax Scheme

Our financial results are also affected by government subsidies, grants, and applicable tax incentives. The government grants we received in cash amounted to RMB71.0 million, RMB49.8 million, RMB13.5 million and RMB4.3 million, respectively, in 2023, 2024, 2025 and the four months ended April 30, 2026. The availability and amount of such support depend on prevailing government policies, our qualification status, and local fiscal conditions. Any reduction, delay or cancellation of government subsidies, or any failure to meet the criteria for tax preferential treatment, could adversely affect our profitability and cash flow.

BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with applicable IFRSs issued by the IASB. The measurement basis used in the preparation of the historical financial information is the historical cost basis, except for certain financial instruments which have been measured at fair value at the end of each year during the Track Record Period.

MATERIAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

We have identified certain accounting policies that are significant to the preparation of our financial statements. Material accounting policies that are significant for understanding our financial condition and results of operations are set forth in detail in Note 2 of the Accountants’ Report in Appendix I to this document. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. Actual results could differ from those estimates. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and other factors that we believe to be relevant under the circumstances. Our management has discussed the development, selection and disclosure of these estimates with our Board of Directors. Since our financial reporting process inherently relies on the use of estimates and assumptions, actual results may differ from these estimates under different assumptions or conditions. When reviewing our financial statements, you should consider (i) our selection of key accounting policies, (ii) the judgment and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions. We believe that the material accounting policy information, estimates and judgments as detailed in Note 2 and Note 3 of the Accountants’ Report in Appendix I to this document are critical and involve the most important estimates and judgments we used in preparing our historical financial information.

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	For the Year ended December 31,						For the Four Months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(Unaudited)									
	(RMB in thousands, except for percentages)									
Revenue	1,155,368	100.0	926,292	100.0	677,105	100.0	230,794	100.0	235,134	100.0
Cost of revenue	(1,195,222)	(103.4)	(960,394)	(103.7)	(710,998)	(105.0)	(244,597)	(106.0)	(231,011)	(98.2)
Gross (loss)/profit	(39,854)	(3.4)	(34,102)	(3.7)	(33,893)	(5.0)	(13,803)	(6.0)	4,123	1.8
Other net income/(losses)	30,773	2.7	40,717	4.4	18,474	2.7	(4,620)	(2.0)	10,716	4.6
Selling and marketing expenses	(68,702)	(5.9)	(65,789)	(7.1)	(45,840)	(6.8)	(18,045)	(7.8)	(13,226)	(5.6)
Administrative expenses	(133,036)	(11.5)	(122,977)	(13.3)	(101,313)	(15.0)	(30,584)	(13.3)	(35,470)	(15.1)

FINANCIAL INFORMATION

	For the Year ended December 31,						For the Four Months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)									
Research and development expenses	(76,356)	(6.6)	(67,093)	(7.2)	(36,997)	(5.5)	(18,659)	(8.1)	(12,950)	(5.5)
(Impairment losses)/reversal of impairment on trade and other receivables and contract assets . .	(1,481)	(0.1)	4,411	0.5	(16,424)	(2.4)	(1,549)	(0.7)	(2,434)	(1.0)
Impairment losses on property, plant and equipment	(41,851)	(3.6)	(12,821)	(1.4)	(64,009)	(9.5)	(4,497)	(1.9)	(28,747)	(12.2)
Loss from operations	(330,507)	(28.6)	(257,654)	(27.8)	(280,002)	(41.4)	(91,757)	(39.8)	(77,988)	(33.2)
Finance costs	(35,418)	(3.1)	(32,449)	(3.5)	(24,378)	(3.6)	(9,462)	(4.1)	(7,178)	(3.1)
Changes in the carrying amount of redemption liabilities	(281,027)	(24.3)	(121,079)	(13.1)	–	–	–	–	–	–
Share of results of joint ventures and associates	(5,577)	(0.5)	(7,158)	(0.8)	(2,337)	(0.3)	(2,071)	(0.9)	(2,543)	(1.1)
Loss before taxation	(652,529)	(56.5)	(418,340)	(45.2)	(306,717)	(45.3)	(103,290)	(44.8)	(87,709)	(37.3)
Income tax	(2,939)	(0.3)	(583)	(0.1)	(707)	(0.1)	(43)	(0.0)	(3,723)	(1.6)
Loss for the year/period	(655,468)	(56.7)	(418,923)	(45.2)	(307,424)	(45.4)	(103,333)	(44.8)	(91,432)	(38.9)

Revenue

During the Track Record Period, our principal activities included battery-swapping operational solutions and battery-swapping services through self-owned stations in China. The following table sets forth a breakdown of our revenue for the periods indicated:

	Year ended December 31,						Four Months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	% of total revenue	Amount	% of total revenue	Amount	% of total revenue	Amount	% of total revenue	Amount	% of total revenue
	(RMB in thousands, except for percentages)									
Battery-swapping operational solutions										
– Sales of equipment	519,174	44.9	267,999	28.9	150,083	22.2	43,185	18.7	82,818	35.2
– Battery-swapping operational services	86,925	7.5	84,728	9.1	66,702	9.9	26,171	11.3	20,235	8.6
– Others	20,686	1.8	26,804	3.0	24,844	3.7	5,564	2.4	4,858	2.1
	626,785	54.2	379,531	41.0	241,629	35.7	74,920	32.5	107,911	45.9
Battery-swapping services through self-owned stations	528,583	45.8	546,761	59.0	435,476	64.3	155,874	67.5	127,223	54.1
Total revenue	1,155,368	100.0	926,292	100.0	677,105	100.0	230,794	100.0	235,134	100.0

FINANCIAL INFORMATION

Battery-swapping Operational Solutions

Our battery-swapping operational solutions consist of sales of equipment, battery-swapping operational services and others. We generate revenue from sales of battery-swapping stations and battery-swapping modules. During the Track Record Period, our revenue from sales of equipment amounted to RMB519.2 million, RMB268.0 million, RMB150.1 million and RMB82.8 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, accounting for 44.9%, 28.9%, 22.2% and 35.2% of our total revenue for the respective periods.

We provide professional operational services for battery-swapping stations, including but not limited to daily operation management, maintenance, customer service support and/or platform services. During the Track Record Period, our revenue from battery-swapping operational services amounted to RMB86.9 million, RMB84.7 million, RMB66.7 million and RMB20.2 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, accounting for 7.5%, 9.1%, 9.9% and 8.6% of our total revenue in each respective period.

During the Track Record Period, we also generated miscellaneous revenue, primarily including those from mold sales and battery usage.

Battery-swapping Services through Self-owned Stations

We operate battery-swapping stations by ourselves and generate revenue by providing battery-swapping services through self-owned stations for drivers and their vehicles. During the Track Record Period, our revenue from battery-swapping services amounted to RMB528.6 million, RMB546.8 million, RMB435.5 million and RMB127.2 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively, accounting for 45.8%, 59.0%, 64.3% and 54.1% of our total revenue in each of the respective periods.

Cost of Revenue

Our cost of revenue primarily consisted of inventory costs, utilities, depreciation and amortization and employee costs. The inventory costs primarily included material costs for the sales of equipment, including battery-swapping stations and battery-swapping modules. We incurred utilities, depreciation and amortization, and employee costs primarily for the operations of battery-swapping stations.

In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our cost of revenue amounted to RMB1,195.2 million, RMB960.4 million, RMB711.0 million, RMB244.6 million and RMB231.0 million, respectively, representing 103.4%, 103.7%, 105.0%, 106.0% and 98.2% of our revenue for each of the corresponding periods, respectively. The following table sets forth a breakdown of our cost of revenue by nature for the periods indicated:

	For the Year ended December 31,						For the Four Months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	% of total cost of revenue	Amount	% of total cost of revenue	Amount	% of total cost of revenue	Amount	% of total cost of revenue	Amount	% of total cost of revenue
	(Unaudited)									
	(RMB in thousands, except for percentages)									
Inventory costs	461,100	38.6	197,296	20.5	111,612	15.7	29,174	11.9	52,112	22.6
Utilities	274,309	23.0	301,286	31.4	252,756	35.5	88,224	36.1	75,765	32.8
Depreciation and amortization	221,094	18.5	240,663	25.1	195,694	27.5	73,427	30	58,489	25.3
Employee costs	190,208	15.9	169,552	17.7	119,999	16.9	44,998	18.4	38,982	16.9
Operation and maintenance costs ⁽¹⁾	43,722	3.7	41,370	4.3	21,885	3.1	7,875	3.2	4,913	2.1
Others ⁽²⁾	4,789	0.3	10,227	1.0	9,052	1.3	899	0.4	750	0.3
Total cost of revenue . . .	1,195,222	100.0	960,394	100.0	710,998	100.0	244,597	100.0	231,011	100.0

FINANCIAL INFORMATION

- (1) Operation and maintenance costs primarily included miscellaneous expenses for routine maintenance for our self-owned stations and stations that purchased our operational services.
- (2) Others included mold sales costs, transportation and handling fees, and production equipment maintenance fees, among others.

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

	For the Year ended December 31,						For the Four Months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	% of total cost of revenue	Amount	% of total cost of revenue	Amount	% of total cost of revenue	Amount	% of total cost of revenue	Amount	% of total cost of revenue
	(Unaudited)									
	(RMB in thousands, except for percentages)									
Battery-swapping operational solutions										
– Sales of equipment . . .	515,584	43.1	239,742	25.0	137,236	19.3	36,179	14.8	67,987	29.4
– Battery-swapping operational services . . .	51,994	4.4	36,392	3.8	25,330	3.6	11,626	4.8	8,420	3.6
– Others	13,482	1.1	27,789	2.8	19,748	2.8	4,760	1.9	3,678	1.6
	581,060	48.6	303,923	31.6	182,314	25.6	52,566	21.5	80,084	34.7
Battery-swapping services through self-owned stations	614,162	51.4	656,471	68.4	528,684	74.4	192,032	78.5	150,926	65.3
Total cost of revenue . . .	1,195,222	100.0	960,394	100.0	710,998	100.0	244,597	100.0	231,011	100.0

Gross (Loss)/Profit and Gross Margin

The following table sets forth the breakdown of our gross profit/loss in absolute amounts and gross margin in percentages for the periods indicated:

	For the Year ended December 31,						For the Four Months ended April 30,			
	2023		2024		2025		2025		2026	
	Gross profit/(loss)	Gross margin	Gross profit/(loss)	Gross margin	Gross profit/(loss)	Gross margin	Gross profit/(loss)	Gross margin	Gross profit/(loss)	Gross margin
	(Unaudited)									
	(RMB in thousands, except for percentages)									
Battery-swapping operational solutions										
– Sales of equipment . . .	3,590	0.7	28,257	10.5	12,847	8.6	7,006	16.2	14,831	17.9
– Battery-swapping operational services . . .	34,931	40.2	48,336	57.0	41,372	62.0	14,545	55.6	11,815	58.4
– Others	7,204	34.8	(985)	(3.7)	5,096	20.5	804	14.5	1,180	24.3
	45,725	7.3	75,608	19.9	59,315	24.5	22,355	29.8	27,826	25.8
Battery-swapping services through self-owned stations	(85,579)	(16.2)	(109,710)	(20.1)	(93,208)	(21.4)	(36,158)	(23.2)	(23,703)	(18.6)
Total gross (loss)/profit and overall gross margin	(39,854)	(3.4)	(34,102)	(3.7)	(33,893)	(5.0)	(13,803)	(6.0)	4,123	1.8

FINANCIAL INFORMATION

Our gross loss decreased from RMB39.9 million in 2023 to RMB34.1 million in 2024, and further decreased to RMB33.9 million in 2025. For the four months ended April 30, 2026, we recorded gross profit of RMB4.1 million as compared to gross loss of RMB13.8 million for the same period of 2025. Our gross loss margin was 3.4%, 3.7% and 5.0% in 2023, 2024, 2025, respectively, and our gross profit margin was 1.8% for the four months ended April 30, 2026.

For details of the fluctuations of our gross loss and gross loss margin, see “Business — Business Sustainability.”

Other Net Income/Losses

Our other net income/losses primarily consisted of (i) government grants; (ii) interest income and investment income; (iii) loss on disposal of plant, property and equipment, which were primarily related to disposals of our self-owned stations; (iv) gains on disposal of subsidiaries, which reflected gains from liquidation of our loss-making subsidiaries; and (v) net exchange gains or losses. We recorded other net income of RMB30.8 million, RMB40.7 million and RMB18.5 million in 2023, 2024, 2025, respectively. We recorded other net losses of RMB4.6 million for the four months ended April 30, 2025, and other net income of RMB10.7 million for the four months ended April 30, 2026. The following table sets forth a breakdown of our other income/losses for the periods indicated:

	For the Year ended December 31,			For the Four Months ended April 30,	
	2023	2024	2025	2025	2026
	(Unaudited)				
	(RMB in thousands)				
Government grants ⁽¹⁾	19,941	37,106	14,347	2,232	4,693
Interest income and investment income	17,403	9,824	5,222	2,447	784
(Losses)/gains on disposal of plant, property and equipment and right-of-use assets, net	(4,882)	(7,336)	(4,992)	(9,702)	5,563
Impairment losses on joint ventures	—	—	(510)	—	(686)
Gain/(loss) disposal or liquidation of subsidiaries	28	735	(1)	—	—
Net foreign exchange (losses)/gains	(124)	8	7	12	—
Others	(1,593)	380	4,401	391	362
Total other net income/losses	30,773	40,717	18,474	(4,620)	10,716

(1) Government grants included various forms of incentives and subsidies granted by the local government authorities. There were no unfulfilled conditions and other contingencies related to subsidies that had been recognized during the Track Record Period.

Selling and Marketing Expenses

Our selling and marketing expenses primarily consisted of (i) employee costs, (ii) advertising and promotion expenses, (iii) travelling, office and business development expenses, and (iv) service fees including bidding fees and consulting service fees incurred for business expansion. In 2023, 2024 and 2025, our selling and marketing expenses were RMB68.7 million, RMB65.8 million and RMB45.8 million, respectively, representing 5.9%, 7.1% and 6.8% of our total revenue for the corresponding periods. Selling and marketing expenses for the four months ended April 30, 2025

FINANCIAL INFORMATION

and 2026 were RMB18.0 million and RMB13.2 million, respectively, representing 7.8% and 5.6% of our total revenue for the corresponding periods. The following table sets forth a breakdown of our selling and marketing expenses for the periods indicated:

	For the Year ended December 31,						For the Four Months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	% of total selling and marketing expenses	Amount	% of total selling and marketing expenses	Amount	% of total selling and marketing expenses	Amount (Unaudited)	% of total selling and marketing expenses	Amount	% of total selling and marketing expenses
(RMB in thousands, except for percentages)										
Employee costs	42,527	61.9	45,300	68.9	34,026	74.2	15,505	85.9	10,699	80.9
Advertising and promotion expenses	11,760	17.1	4,013	6.1	1,961	4.3	838	4.6	134	1.0
Travelling, office and business development expenses	6,569	9.6	6,823	10.4	4,539	9.9	1,070	5.9	1,264	9.6
Service fees	3,911	5.7	4,601	7.0	1,887	4.1	436	2.4	659	5.0
Depreciation and amortization	430	0.6	190	0.3	81	0.2	14	0.1	13	0.1
Others ⁽¹⁾	3,505	5.1	4,862	7.3	3,346	7.3	182	1.1	457	3.5
Total selling and marketing expenses	68,702	100.0	65,789	100.0	45,840	100.0	18,045	100.0	13,226	100.0

(1) Others included transfer shipping costs and vehicle usage fees, among others.

Administrative Expenses

Our administrative expenses primarily consisted of (i) employee costs, (ii) depreciation and amortization, (iii) service fees, and (iv) travelling, office and business development expenses. We incurred service fees primarily for financing consulting, auditing and intellectual property annual fees. In 2023, 2024 and 2025, our administrative expenses were RMB133.0 million, RMB123.0 million and RMB101.3 million, respectively, representing 11.5%, 13.3% and 15.0% of our revenue for the corresponding periods. Our administrative expenses for the four months ended April 30, 2025 and 2026 were RMB30.6 million and RMB35.5 million, respectively, representing 13.3% and 15.1% of our total revenue for the corresponding periods. The following table sets forth a breakdown of our administrative expenses for the periods indicated:

	For the Year ended December 31,						For the Four Months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	% of total administrative expenses	Amount	% of total administrative expenses	Amount	% of total administrative expenses	Amount (Unaudited)	% of total administrative expenses	Amount	% of total administrative expenses
(RMB in thousands, except for percentages)										
Employee costs	78,314	58.9	69,130	56.2	61,435	60.6	23,837	77.9	25,119	70.8
Depreciation and amortization	22,549	16.9	21,978	17.9	6,662	6.6	2,384	7.8	1,950	5.5
Service fees	8,396	6.3	6,395	5.2	4,087	4.0	1,084	3.5	632	1.8
Travelling, office and business development expenses	11,895	8.9	6,885	5.6	4,290	4.2	1,429	4.7	1,495	4.2
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others ⁽¹⁾	11,882	9.0	12,857	10.4	13,001	12.8	505	1.7	4,078	11.5
Total administrative expenses	133,036	100.0	122,977	100.0	101,313	100.0	30,584	100.0	35,470	100.0

(1) Others included conference expenses, vehicle usage fees, electricity charges, and safety expenses, among others.

FINANCIAL INFORMATION

Research and Development Expenses

Our research and development expenses primarily consisted of (i) employee costs and (ii) intellectual property application, maintenance and consulting fees. We also recorded material costs for our R&D projects. In 2023, 2024 and 2025, our research and development expenses were RMB76.4 million, RMB67.1 million and RMB37.0 million, respectively, representing 6.6%, 7.2% and 5.5% of our revenue for the corresponding periods. Our research and development expenses for the four months ended April 30, 2025 and 2026 were RMB18.7 million and RMB13.0 million, respectively, representing 8.1% and 5.5% of our revenue for the corresponding periods. The following table sets forth a breakdown of our research and development expenses for the periods indicated:

	For the Year ended December 31,						For the Four Months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	% of total research and development expenses	Amount	% of total research and development expenses	Amount	% of total research and development expenses	Amount	% of total research and development expenses	Amount	% of total research and development expenses
(Unaudited)										
(RMB in thousands, except for percentages)										
Employee costs	53,666	70.3	47,871	71.4	24,880	67.3	14,671	78.6	7,888	60.9
Intellectual property application, maintenance and consulting fees	13,943	18.3	7,586	11.3	2,681	7.2	898	4.8	601	4.6
R&D material costs	2,570	3.4	2,891	4.3	2,318	6.3	648	3.5	916	7.1
Depreciation and amortization	1,655	2.2	2,139	3.2	2,080	5.6	688	3.7	612	4.7
Others ⁽¹⁾	4,522	5.8	6,606	9.8	5,038	13.6	1,754	9.4	2,933	22.6
Total research and development expenses . .	76,356	100.0	67,093	100.0	36,997	100.0	18,659	100.0	12,950	100.0

(1) Others included office expenses, travel expenses and design fees, among others.

Impairment Losses/Reversal of Impairment on Trade and Other Receivables and Contract Assets

We recorded impairment losses/reversal of impairment on trade and other receivables and contracts assets primarily due to changes in the expected recoverability of trade and other receivables and contract assets arising from the sale of goods and provision of services. We recorded impairment losses on trade and other receivables and contract assets of RMB1.5 million in 2023, a reversal of impairment of RMB4.4 million in 2024 and impairment losses of RMB16.4 million in 2025. For the four months ended April 30, 2025 and 2026, we recorded a reversal of impairment of RMB1.5 million and impairment losses of RMB2.4 million, respectively.

Impairment Losses on Property, Plant and Equipment

At the end of each year/period during the Track Record Period, we assessed whether there was any impairment indication of the non-financial assets of our battery-swapping business in each city (“CGU”) that include property, plant and equipment and right-of-use assets. In view of the unfavorable future prospects of battery-swapping business in certain cities, our Group’s management estimated the recoverable amount of each such CGU based on fair value less cost of disposal or the value-in-use calculations, which is higher, with the assistance of Jones Lang LaSalle Corporate Appraisal and Advisory Limited. For those CGUs with carrying amounts exceed their recoverable amounts, we recognized impairment losses of RMB41.9 million, RMB12.8 million,

FINANCIAL INFORMATION

RMB64.0 million, RMB4.5 million and RMB28.7 million for the year ended December 31, 2023, 2024, 2025 and for the four months ended April 30, 2025 and 2026, respectively, in the consolidated statements of profit or loss in the respective year/period. Details of the impairment assessment have been disclosed in Note 11 of the Accountants’ Report in Appendix I to this document.

Finance Costs

Our finance costs primarily consisted of (i) interest on lease liabilities primarily for self-owned stations; (ii) interest on loans and borrowings; (iii) interest on trade payables; and (iv) interest on provisions for restoration costs. In 2023, 2024 and 2025, our finance costs were RMB35.4 million, RMB32.4 million and RMB24.4 million, respectively, representing 3.1%, 3.5% and 3.6% of our revenue for the corresponding periods. Our finance costs for the four months ended April 30, 2025 and 2026 were RMB9.5 million and RMB7.2 million, respectively, representing 4.1% and 3.1% of our revenue for the corresponding periods. The following table sets forth a breakdown of our finance costs for the periods indicated:

	For the Year Ended December 31,			For the Four Months ended April 30,	
	2023	2024	2025	2025	2026
	(Unaudited)				
	(RMB in thousands)				
Interest on lease liabilities .	18,639	17,777	13,853	5,185	2,769
Interest on loans and borrowings	8,887	6,806	2,619	1,642	1,818
Interest on trade payables .	7,412	7,412	7,412	2,470	2,470
Interest on provisions for restoration costs ⁽¹⁾	480	454	494	165	121
	35,418	32,449	24,378	9,462	7,178

- (1) Pursuant to the terms of certain tenancy agreements, we are required to restore the leased land and buildings to the conditions as stipulated in the tenancy agreements at the expiration of the corresponding lease term. The provision for restoration costs was estimated based on certain assumptions and estimates made by our management with reference to historical restoration costs and/ or other available market information. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

Changes in the Carrying Amount of Redemption Liabilities

The financial instruments were primarily the redemptions rights that we granted to our investors, for which we recorded redemption liabilities. Losses from changes in the carrying amount of redemption liabilities decreased from RMB281.0 million in 2023 to RMB121.1 million in 2024, primarily because we entered into a termination agreement for the redemptions rights in May 2024. We did not record losses from changes in the carrying amount of redemption liabilities in the four months ended April 30, 2025 and 2026.

Share of Results of Joint Ventures and Associates

In 2023, 2024 and 2025, we recorded share of losses of RMB5.6 million, RMB7.2 million and RMB2.3 million, respectively. For the four months ended April 30, 2025 and 2026, we recorded share of losses of RMB2.1 million and RMB2.5 million, respectively. Such share of losses fluctuated during the Track Record Period, primarily due to the fluctuation in losses of our joint ventures and associates.

FINANCIAL INFORMATION

Income Tax

We recorded income tax expenses of RMB2.9 million, RMB0.6 million and RMB0.7 million in 2023, 2024 and 2025, respectively. For the four months ended April 30, 2025 and 2026, we recorded income tax benefits of RMB43.0 thousand and income tax expenses of RMB3.7 million, respectively.

The provision for current income tax in China is based on a statutory tax rate of 25% of the assessable profits of our PRC subsidiaries as determined in accordance with the Corporate Income Tax Law of China and the respective regulations except for our Company and Shanghai Dianba New Energy Technology Co., Ltd. (“**Shanghai Dianba**”). Our Company and Shanghai Dianba were certified as “High and New Technology Enterprises” and entitled to a preferential enterprise income tax rate of 15% for three calendar years, commencing on November 12, 2020 and November 18, 2020, respectively, and were certified for another three calendar years since December 28, 2023 and December 12, 2023, respectively.

Certain of our subsidiaries have been qualified as Small and Low-profit Enterprises and were entitled to a preferential effective tax rate of 5% in 2023, 2024 and 2025 and the four months ended April 30, 2025 and 2026.

An additional 100% of the qualified research and development expenses incurred was allowed to be deducted from taxable income under the PRC Income Tax Law and relevant regulations.

We did not make any provision for Hong Kong profits tax as we did not generate any assessable profits in Hong Kong during the Track Record Period.

During the Track Record Period and as of the Latest Practicable Date, we had fulfilled all our tax obligations and did not have any unresolved tax disputes.

NON-IFRS MEASURE

To supplement our historical financial information which are presented in accordance with IFRS, we also use adjusted loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe that this measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of items. We believe that this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted loss for the period (non-IFRS measure) by excluding changes in the carrying amount of redemption liabilities, share-based payment expenses and [REDACTED] expenses. We recorded changes in the carrying amount of redemption liabilities, which primarily represent the redemptions rights that we granted to our investors. Share-based payment expenses are non-cash expenses arising from share awards granted to certain general management personnel and employees and do not result in cash outflow. [REDACTED] expenses are expenses in relation to the [REDACTED] and the [REDACTED].

FINANCIAL INFORMATION

The following table sets forth a reconciliation of our adjusted loss (non-IFRS measure) for the periods indicated from the most directly comparable financial measure calculated and presented under IFRS and our adjusted loss margin (as a percentage of our revenue) (non-IFRS measure) for the respective periods:

	For the Year ended December 31,			For the Four Months ended April 30,	
	2023	2024	2025	2025	2026
<i>(Unaudited)</i>					
<i>(RMB in thousands)</i>					
Loss for the year/period	(655,468)	(418,923)	(307,424)	(103,333)	(91,432)
Add:					
Changes in the carrying amount of redemption liabilities	281,027	121,079	—	—	—
Share-based payment expenses	4,494	2,478	15,014	2,798	16,171
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted loss for the period (non-IFRS measure)	(369,947)	(289,634)	(280,572)	(99,190)	(73,065)
Adjusted loss margin (non-IFRS measure) (%)	(32.0)	(31.3)	(41.4)	(43.0)	(31.1)

Notes:

- (1) Changes in the carrying amount of redemption liabilities represent the changes in carrying amount of our shares with redemption rights. Following the termination of the redemption rights pursuant to the relevant termination agreements entered into in May 2024, no redemption liabilities were recognized thereafter. This item is adjusted as it is non-cash in nature and is not expected to result in future cash outflows.
- (2) Share-based payment expenses represent non-cash expenses arising from equity incentive arrangements, measured based on the fair value of the equity interests granted at the grant date, taking into account the consideration paid by the grantees for the subscription of such equity interests. This item is adjusted as it is non-cash in nature and is not expected to result in future cash outflows.
- (3) **[REDACTED]** expenses represent expenses incurred in connection with the **[REDACTED]**. This item is adjusted as it relates to non-recurring expenses associated with the **[REDACTED]** and is not indicative of our ongoing operating performance.

FINANCIAL INFORMATION

RESULTS OF OPERATIONS

Four Months Ended April 30, 2026 Compared with Four Months Ended April 30, 2025

Revenue

Our revenue increased by 1.9% from RMB230.8 million for the four months ended April 30, 2025 to RMB235.1 million for the four months ended April 30, 2026, primarily due to the increase in the revenue generated from sales of equipment as a result of the increase in sales of battery-swapping stations as we continued to implement our business transition toward serving third-party station owners and expand sales to external customers; partially offset by the decrease in revenue generated from battery-swapping services through self-owned stations as we made strategic adjustments to the deployment of our self-owned battery-swapping stations in certain cities.

Cost of Revenue

Our cost of revenue decreased by 5.6% from RMB244.6 million for the four months ended April 30, 2025 to RMB231.0 million for the four months ended April 30, 2026. The decrease was primarily due to the decrease in cost of revenue in connection with battery-swapping services through self-owned stations, primarily as a result of our continued optimization of self-owned battery-swapping stations and the corresponding decrease in electricity usage, depreciation and amortization and relevant employee costs; partially offset by the increase in cost of revenue in connection with sales of equipment, which was generally in line with the increase in sales of battery-swapping stations.

Gross Profit/Loss and Gross Margin

As a result of the changes in our revenue and cost of revenue described above, we recorded gross profit of RMB4.1 million for the four months ended April 30, 2026, compared with gross loss of RMB13.8 million for the four months ended April 30, 2025. Our gross loss margin was 6.0% for the four months ended April 30, 2025, while we recorded a gross profit margin of 1.8% for the four months ended April 30, 2026.

Other Net Income/Losses

We recorded other net income of RMB10.7 million for the four months ended April 30, 2026, compared with other net losses of RMB4.6 million for the four months ended April 30, 2025, primarily due to the increase in government grants and the turnaround from net loss to net gain on disposal of plant, property and equipment and right-of-use assets. The increase in government grants was primarily due to the recognition of certain operating incentives for taxi battery-swapping stations during the four months ended April 30, 2026. The turnaround in disposal gain or loss was primarily because we incurred disposal losses in connection with station closures during the four months ended April 30, 2025, whereas in the four months ended April 30, 2026 we recognized a net gain primarily from the disposal of aged batteries.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 26.7% from RMB18.0 million for the four months ended April 30, 2025 to RMB13.2 million for the four months ended April 30, 2026, primarily due to the decrease in employee costs as a result of our continued optimization of sales personnel structure and remuneration structure.

FINANCIAL INFORMATION

Administrative Expenses

Our administrative expenses increased by 16.0% from RMB30.6 million for the four months ended April 30, 2025 to RMB35.5 million for the four months ended April 30, 2026, primarily due to the increase in employee costs, mainly attributable to higher share-based payment expenses resulting from additional option grants made in late 2025.

Research and Development Expenses

Our research and development expenses decreased by 30.5% from RMB18.7 million for the four months ended April 30, 2025 to RMB13.0 million for the four months ended April 30, 2026, primarily attributable to the decrease in employee costs as a result of our continued optimization of R&D personnel structure and remuneration structure, and, to a lesser extent, the decrease in intellectual property application, maintenance and consulting fees.

Impairment Losses/Reversal of Impairment on Trade and Other Receivables and Contract Assets

We recorded Impairment Losses on trade and other receivables and contract assets of RMB1.5 million for the four months ended April 30, 2025, compared with impairment losses of RMB2.4 million for the four months ended April 30, 2026, primarily due to the recognition of impairment losses on certain other receivables as a result of the increased credit risk of a third party.

Impairment Losses on Property, Plant and Equipment

Our impairment losses on property, plant and equipment significantly increased from RMB4.5 million for the four months ended April 30, 2025 to RMB28.7 million for the four months ended April 30, 2026, primarily because certain assets relating to our self-owned battery-swapping stations had lower expected recoverable amounts as a result of our strategic optimization of the deployment of such stations.

Finance Costs

Our finance costs decreased by 24.2% from RMB9.5 million for the four months ended April 30, 2025 to RMB7.2 million for the four months ended April 30, 2026, primarily because the interest on lease liabilities decreased as a result of the reduction in lease liabilities following our station portfolio optimization.

Share of Results of Joint Ventures and Associates

Our share of results of joint ventures and associates increased from a loss of RMB2.1 million for the four months ended April 30, 2025 to a loss of RMB2.5 million for the four months ended April 30, 2026, primarily due to the increase in losses recorded by certain joint ventures and associates.

Income Tax

We recorded income tax benefits of RMB43.0 thousand for the four months ended April 30, 2025 and income tax expenses of RMB3.7 million the four months ended April 30, 2026.

Loss for the Period

As a result of the above, our loss for the period decreased by 11.5% from RMB103.3 million for the four months ended April 30, 2025 to RMB91.4 million for the four months ended April 30, 2026.

FINANCIAL INFORMATION

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

Revenue

Our revenue decreased by 26.9% from RMB926.3 million in 2024 to RMB677.1 million in 2025, mainly due to the decrease in revenue generated from sales of equipment and the decrease in revenue generated from battery-swapping services through self-owned stations. Such decreases were primarily attributable to our strategic adjustments to the deployment of self-owned battery-swapping stations in certain cities as part of our transition toward a more asset-light operating model, together with the decrease in customer demand for battery-swapping stations and battery-swapping modules as customers adopted a more cautious approach toward capital expenditure and procurement amid a more competitive market environment.

Cost of Revenue

Our cost of revenue decreased by 26.0% from RMB960.4 million in 2024 to RMB711.0 million in 2025, primarily due to the decreases in cost of revenue for sales of equipment and battery-swapping services through self-owned stations. The decrease in cost of revenue for sales of equipment was primarily due to the decrease in relevant sales. The decrease in cost of revenue for battery-swapping services through self-owned stations was primarily due to our strategic adjustments to the deployment of self-owned battery-swapping stations in certain cities as part of our transition toward a more asset-light operating model, which resulted in decreased electricity usage, depreciation and amortization and relevant employee costs.

Gross Loss and Gross Loss Margin

As a result of the changes in our revenue and cost of revenue described above, our gross loss decreased by 0.6% from RMB34.1 million in 2024 to RMB33.9 million in 2025. Our gross loss margin widened from 3.7% in 2024 to 5.0% in 2025.

Other Net Income

Our other net income decreased by 54.5% from RMB40.7 million in 2024 to RMB18.5 million in 2025, primarily due to the decrease in government grants and interest income and investment income, partially offset by a decrease in the net loss on disposal of plant, property and equipment and right-of-use assets. The decrease in government grants was primarily because certain one-off government subsidies and operating incentives recognized in 2024 did not recur in 2025, while the decrease in net loss on disposal was primarily because the increase in gains from the early termination of leases exceeded the increase in losses arising from the disposal of property, plant and equipment in 2025 compared with 2024.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 30.4% from RMB65.8 million in 2024 to RMB45.8 million in 2025, primarily because we continued to optimize our sales personnel structure and control sales-related expenditures, resulting in decreases in employee costs, service fees, advertising and promotion expenses, and travelling, office and business development expenses.

Administrative Expenses

Our administrative expenses decreased by 17.6% from RMB123.0 million in 2024 to RMB101.3 million in 2025, primarily due to the decrease in depreciation and amortization following the reduction in the relevant asset base, and the decrease in employee costs as we continued to streamline our administrative personnel and optimize our management structure, partially offset by the increases in [REDACTED] expenses as the [REDACTED] progressed and share-based payment expenses included in employee costs following additional grants under our equity incentive scheme.

FINANCIAL INFORMATION

Research and Development Expenses

Our research and development expenses decreased by 44.9% from RMB67.1 million in 2024 to RMB37.0 million in 2025, primarily attributable to the decrease in employee costs as a result of our continued optimization of R&D personnel structure and remuneration structure, and the decrease in intellectual property application, maintenance and consulting fees as our core patents and foundational patents had been substantially established in earlier periods.

Impairment Losses/Reversal of Impairment on Trade and Other Receivables and Contract Assets

We recorded a reversal of impairment on trade and other receivables and contract assets of RMB4.4 million in 2024, compared with impairment losses of RMB16.4 million in 2025, primarily due to impairment losses recognized on certain other receivables in 2025 as a result of the increased credit risk of a third party.

Impairment Losses on Property, Plant and Equipment

Our impairment losses on property, plant and equipment significantly increased from RMB12.8 million in 2024 to RMB64.0 million in 2025, primarily because certain assets relating to our self-owned battery-swapping stations had lower expected recoverable amounts as a result of our strategic optimization of the deployment of such stations.

Finance Costs

Our finance costs decreased by 24.7% from RMB32.4 million in 2024 to RMB24.4 million in 2025, primarily due to the decrease in the interest on lease liabilities as a result of the reduction in lease liabilities following our station portfolio optimization and the decrease in interest on loans and borrowings as a result of the reduction in the principal amount of our short-term borrowings.

Changes in the Carrying Amount of Redemption Liabilities

Changes in the carrying amount of redemption liabilities decreased by 100% from RMB121.1 million in 2024 to nil in 2025, primarily because the relevant redemption rights under the equity financing arrangements were terminated pursuant to termination agreements entered into with the relevant investors in May 2024, and no redemption liabilities were recognized thereafter.

Share of Results of Joint Ventures and Associates

Our share of results of joint ventures and associates narrowed from a loss of RMB7.2 million in 2024 to a loss of RMB2.3 million in 2025, primarily due to the improved operating results of certain joint ventures and associates.

Income Tax

We recorded income tax benefits of RMB0.6 million in 2024 and income tax expenses of RMB0.7 million in 2025.

Loss for the Year

As a result of the above, our loss for the year decreased by 26.6% from RMB418.9 million in 2024 to RMB307.4 million in 2025.

FINANCIAL INFORMATION

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

Revenue

Our revenue decreased by 19.8% from RMB1,155.4 million in 2023 to RMB926.3 million in 2024, mainly due to the decrease in the revenue generated from sales of equipment. Such decrease was primarily attributable to a more cautious purchasing decision-making process for customers, partially offset by the increase in the revenue generated from battery-swapping services through self-owned stations as a result of the increase in the number of self-owned stations and registered EVs in Chongqing and Wuhan.

Cost of Revenue

Our cost of revenue decreased by 19.6% from RMB1,195.2 million in 2023 to RMB960.4 million in 2024, primarily due to the decrease in cost of revenue for sales of equipment, partially offset by the increase in cost of revenue for battery-swapping services through self-owned stations. The decrease in cost of revenue for sales of equipment was primarily due to the decrease in relevant sales. The decrease in cost of revenue for battery-swapping services through self-owned stations was primarily due to increased electricity usage and increased depreciation of our new self-owned stations.

Gross Loss and Gross Loss Margin

As a result of the changes in our revenue and cost of revenue described above, our gross loss decreased by 14.5% from RMB39.9 million in 2023 to RMB34.1 million in 2024. Our gross loss margin remained stable at 3.4% and 3.7% in 2023 and 2024, respectively.

Other Net Income

Our other net income increased by 32.1% from RMB30.8 million in 2023 to RMB40.7 million in 2024, primarily due to the increase in government grants, partially offset by a decrease in interest income and investment income and an increase in the loss on disposal of plant, property and equipment and right-of-use assets. The increase in government grants was primarily because we received increased grants due to our improved operational scales and standards. The increase in the loss on disposal of plant, property and equipment and right-of-use assets was primarily because we made strategic adjustments to the deployment of our self-owned battery-swapping stations in certain cities.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 4.2% from RMB68.7 million in 2023 to RMB65.8 million in 2024, remaining stable from 2023 to 2024.

Administrative Expenses

Our administrative expenses decreased by 7.5% from RMB133.0 million in 2023 to RMB123.0 million in 2024, primarily due to our implementation of various cost-reduction measures to reduce employee costs and travelling, office and business development expenses.

Research and Development Expenses

Our research and development expenses decreased by 12.2% from RMB76.4 million in 2023 to RMB67.1 million in 2024, primarily attributable to our implementation of various cost-reduction measures to reduce employee costs, and our streamlined intellectual property application strategy to reduce intellectual property application, maintenance and consulting fees.

FINANCIAL INFORMATION

Impairment Losses/Reversal of Impairment on Trade and Other Receivables and Contract Assets

Our impairment losses/reversal of impairment on trade and other receivables and contract assets turned from a loss of RMB1.5 million in 2023 to a reversal of RMB4.4 million in 2024, primarily because long-aged trade receivable balance at the end of 2024 decreased compared to the end of 2023, resulting in the reversal of previously accrued credit impairment provisions in 2024.

Impairment Losses on Property, Plant and Equipment

Our impairment losses on property, plant and equipment decreased by 69.5% from RMB41.9 million in 2023 to RMB12.8 million in 2024, primarily because the number of our self-owned stations decreased from 322 as of December 31, 2023 to 291 as of December 31, 2024.

Finance Costs

Our finance costs remained stable at RMB35.4 million in 2023 and RMB32.4 million in 2024.

Changes in the Carrying Amount of Redemption Liabilities

Changes in the carrying amount of redemption liabilities decreased by 56.9% from RMB281.0 million in 2023 to RMB121.1 million in 2024, primarily because we entered into a termination agreement for the redemptions rights in May 2024.

Share of Results of Joint Ventures and Associates

Our share of results of joint ventures and associates widened from a loss of RMB5.6 million in 2023 to a loss of RMB7.2 million in 2024, primarily due to the increase in losses of our joint ventures and associates.

Income Tax

We recorded income tax expenses of RMB2.9 million and RMB0.6 million in 2023 and 2024, respectively.

Loss for the Year

As a result of the above, our loss for the year decreased by 36.1% from RMB655.5 million in 2023 to RMB418.9 million in 2024.

FINANCIAL INFORMATION

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,			As of April 30, 2026
	2023	2024	2025	
	(RMB in thousands)			
Non-current assets				
Property, plant and equipment	1,170,057	968,789	804,316	755,801
Right-of-use assets	406,999	349,232	256,537	237,887
Intangible assets	6,037	5,646	4,218	3,716
Interests in joint ventures and associates	19,259	31,833	28,097	25,163
Other non-current financial assets	24,732	25,444	45,958	51,261
Other non-current assets	22,324	16,249	112,156	58,643
Deferred tax assets	67	83	44	35
Total non-current assets	1,649,475	1,397,276	1,251,326	1,132,506
Current assets				
Inventories	220,246	204,325	138,896	125,916
Contract assets	20,520	1,296	2,690	2,608
Trade and other receivables	363,083	214,753	223,571	264,236
Prepayments	9,377	10,090	12,948	14,943
Other financial assets	27,581	5,955	2,339	1,908
Financial assets measured at fair value through profit or loss (“FVPL”)	–	200,000	–	–
Restricted bank deposits	66,697	91,185	62,125	19,112
Cash and cash equivalents	586,718	391,378	268,555	298,107
Total current assets	1,294,222	1,118,982	711,124	726,830
Current liabilities				
Contract liabilities	45,369	17,080	14,472	10,763
Trade and other payables	580,007	584,524	497,510	452,927
Loans and other borrowings	378,617	312,943	232,500	262,249
Redemption liabilities	3,793,869	–	–	–
Lease liabilities	72,514	65,071	65,988	61,482
Provisions	20,419	24,461	20,600	21,050
Current taxation	1,854	209	1,492	6,480
Total current liabilities	4,892,649	1,004,288	832,562	814,951
Net current (liabilities)/assets	(3,598,427)	114,694	(121,438)	(88,121)
Total assets less current liabilities	(1,948,952)	1,511,970	1,129,888	1,044,385
Non-current liabilities				
Lease liabilities	318,715	279,957	198,080	184,577
Provisions	11,224	10,791	7,642	7,574
Deferred income	4,000	4,000	–	–
Deferred tax liabilities	5,620	5,078	3,918	1,944
Total non-current liabilities	339,559	299,826	209,640	194,095

FINANCIAL INFORMATION

	As of December 31,			As of
	2023	2024	2025	April 30, 2026
	(RMB in thousands)			
NET (LIABILITIES)/				
ASSETS	(2,288,511)	1,212,144	920,248	850,290
CAPITAL AND RESERVES				
Paid-in capital/share capital . .	951,208	951,208	951,208	951,208
Reserves	(3,182,595)	353,923	105,645	46,854
Total equity attributable to				
equity shareholders	(2,231,387)	1,305,131	1,056,853	998,062
Non-controlling interests	(57,124)	(92,987)	(136,605)	(147,772)
TOTAL (DEFICIT)/				
EQUITY	(2,288,511)	1,212,144	920,248	850,290

Property, Plant and Equipment

Our property, plant and equipment primarily consisted of (i) plants and buildings, (ii) machineries for battery-swapping stations, including battery-swapping equipment and electrical power facilities, (iii) batteries, (iv) other machineries, and (v) construction in progress primarily for our self-owned stations. The table below sets forth a breakdown of the net carrying amount of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	April 30, 2026
	(RMB in thousands)			
Plants and buildings	69,541	67,464	65,387	64,695
Machineries for battery-				
swapping stations	476,152	425,724	376,291	352,638
Batteries ⁽¹⁾	364,199	257,238	179,396	199,119
Other machineries	62,650	42,526	34,502	32,438
Vehicles	1,223	1,266	3,195	2,622
Office equipment and others . .	16,654	12,659	7,389	6,634
Construction in progress	179,638	161,912	138,156	97,655
	<u>1,170,057</u>	<u>968,789</u>	<u>804,316</u>	<u>755,801</u>

(1) Batteries primarily included spare EV batteries at our self-owned battery-swapping stations.

Our property, plant and equipment decreased from RMB1,170.1 million as of December 31, 2023 to RMB968.8 million as of December 31, 2024, RMB804.3 million as of December 31, 2025, and further to RMB755.8 million as of April 30, 2026, primarily due to ongoing depreciation and limited new capital expenditure during the periods.

Right-of-use Assets

Our right-of-use assets primarily represented the carrying amounts of plants, buildings and land use rights for office space and battery-swapping stations. Our right-of-use assets decreased from RMB407.0 million as of December 31, 2023 to RMB349.2 million as of December 31, 2024, RMB256.5 million as of December 31, 2025, and further to RMB237.9 million as of April 30, 2026, primarily due to the lease amortization and the expiration or termination of certain lease agreements.

FINANCIAL INFORMATION

Intangible Assets

Our intangible assets primarily included software. Our intangible assets were RMB6.0 million as of December 31, 2023, and our intangible assets remained relatively stable at RMB5.6 million as of December 31, 2024. Our intangible assets decreased from RMB4.2 million as of December 31, 2025 to RMB3.7 million as of April 30, 2026, primarily due to amortization.

Other Non-current Financial Assets

Our other non-current financial assets primarily consisted of investments in unlisted equity securities and long-term certificates of deposit. We held unlisted equity investment in an entity. This entity is incorporated in China. We designated our investment in unlisted equity securities at non-recycling FVOCI, as the investment is held for strategic purposes.

Our other non-current financial assets increased from RMB24.7 million as of December 31, 2023 to RMB25.4 million as of December 31, 2024, and further to RMB46.0 million as of December 31, 2025 and RMB51.3 million as of April 30, 2026, primarily due to the placement and subsequent increase in long-term certificates of deposit, as well as changes in the fair value of our unlisted equity securities based on valuation reports issued by an independent valuer, Guangdong Zhongqi Huazhengcheng Asset Real Estate Land Appraisal and Cost Consulting Co., Ltd. (廣東中企華正誠資產房地產土地評估造價諮詢有限公司).

Other Non-current Assets

Our other non-current assets primarily included (i) prepayment for long-term assets, which primarily included prepayment for EV batteries; (ii) non-current portion of rental deposits; and (iii) other long-term prepayments, which represent refundable funds used for joint development for battery-swapping EVs with EV OEMs and battery manufacturers. The table below sets forth a breakdown of the other non-current assets as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	April 30, 2026
	(RMB in thousands)			
Prepayment for long-term assets	8,560	7,823	90,528	33,506
Rental deposits – non-current . .	7,764	8,426	7,142	6,579
Other long-term prepayments .	6,000	–	14,486	18,558
	<u>22,324</u>	<u>16,249</u>	<u>112,156</u>	<u>58,643</u>

Our other non-current assets decreased from RMB22.3 million as of December 31, 2023 to RMB16.2 million as of December 31, 2024, primarily because we did not recognize any other long-term prepayments as of December 31, 2024. Our other non-current assets then increased to RMB112.2 million as of December 31, 2025, primarily due to the increase in prepayments for long-term assets in connection with spare battery purchases and station construction projects, as well as the increase in other long-term prepayments for the joint development of new battery-swapping EVs with an EV OEM. Our other non-current assets then decreased to RMB58.6 million as of April 30, 2026, primarily due to the decrease in prepayments for long-term assets following the completion of certain spare battery purchase projects.

Inventories

Our inventories primarily comprised of (i) raw materials, including containers, charging systems, shuttles, speed reducers, connectors, container bodies and covers, sensors, cables, among others; (ii) work in progress, including enclosures and chassis being processed, as well as modular

FINANCIAL INFORMATION

assemblies, such as unlocking mechanisms, charging connector assemblies, and lift assemblies; (iii) finished goods, such as battery swapping stations and battery packs; and (iv) goods in transit, which represented equipment that had been shipped but were awaiting customers’ acceptance after equipment commissioning. The following table sets forth our inventories (net of impairment) as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	April 30, 2026
	<i>(RMB in thousands)</i>			
Raw materials	116,125	104,417	82,975	84,883
Work in progress	8,064	7,993	10,459	8,957
Finished goods	48,280	58,953	27,675	23,464
Goods in transit	47,777	32,962	17,787	8,612
	<u>220,246</u>	<u>204,325</u>	<u>138,896</u>	<u>125,916</u>

Our inventories decreased from RMB220.2 million as of December 31, 2023 to RMB204.3 million as of December 31, 2024, primarily due to the optimization of our internal production and sales coordination mechanisms. Our inventories further decreased to RMB138.9 million as of December 31, 2025 and RMB125.9 million as of April 30, 2026, primarily due to our continued enhancement of inventory management and reduced stocking of raw materials to improve inventory turnover and reduce working capital occupation.

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

	For the Year ended December 31,			For the Four Months ended April 30, 2026
	2023	2024	2025	
Inventory turnover days*	80	81	88	69

* Inventory turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of inventories (net of impairment) in that period by relevant cost of revenue for the corresponding period and then multiplying by the number of days in the year/period, which were 365 days for the years ended December 31, 2023 and 2025, 366 days for the year ended December 31, 2024, and 120 days for the four months ended April 30, 2026.

Our inventory turnover days remained relatively stable at 80 days in 2023 and 81 days in 2024. Our inventory turnover days increased from 81 days for 2024 to 88 days in 2025, primarily due to the decrease in cost of revenue as a result of lower sales in 2025. Our inventory turnover days decreased from 88 days in 2025 to 69 days for the four months ended April 30, 2026, primarily because we maintained a lower average inventory balance through enhanced inventory management and better alignment of procurement and production arrangements with customer demand and delivery schedules.

The following table sets forth our aged inventories (net of impairment) for the periods indicated:

	As of December 31,			As of
	2023	2024	2025	April 30, 2026
	<i>(RMB in thousands)</i>			
Within 1 year	161,191	139,899	68,062	54,628
1 to 2 years	45,104	17,413	13,752	15,668
2 to 3 years	13,403	43,027	16,236	1,896
Over 3 years	548	3,986	40,846	53,724
	<u>220,246</u>	<u>204,325</u>	<u>138,896</u>	<u>125,916</u>

FINANCIAL INFORMATION

As of May 31, 2026, approximately RMB14.4 million, or 11.0%, of our inventories as of April 30, 2026, had been subsequently used or sold. The relatively low subsequent utilization or sales ratio was primarily attributable to the nature of our business and inventory composition, as a significant portion of our inventories consisted of battery-swapping station equipment, components and related materials held for future station deployment, project installation and operational needs, which generally involve relatively longer deployment and utilization cycles.

During the Track Record Period, we regularly reviewed the aging, condition and expected usage or sale of our inventories and assessed whether any inventories were carried in excess of their net realizable value. Based on such assessment and taking into account, among others, subsequent utilization and sales, expected project deployment schedules and operational needs, our Directors are of the view that no material impairment indicators were identified in respect of our inventories during the Track Record Period, and the provisions made for inventory write-down were sufficient and adequate.

Trade and Other Receivables

Our trade and other receivables primarily consisted of trade receivables, other receivables and deposits, and value-added tax recoverable. The following table sets forth the details of our trade and other receivables as of the dates indicated:

	As of December 31,			As of April 30, 2026
	2023	2024	2025	
	(RMB in thousands)			
Trade receivables, net of loss allowance	302,912	166,037	154,187	194,970
Bills receivable	–	100	10	10
Other receivables and deposits, net of loss allowance	36,595	21,991	50,646	46,270
Value-added tax recoverable . .	23,576	20,625	18,728	22,986
Other current assets	–	6,000	–	–
	<u>363,083</u>	<u>214,753</u>	<u>223,571</u>	<u>264,236</u>

Our trade and other receivables decreased from RMB363.1 million as of December 31, 2023 to RMB214.8 million as of December 31, 2024, primarily due to the decrease in trade receivables as a result of lower sales of equipment and our enhanced efforts to collect receivables. Our trade and other receivables increased to RMB223.6 million as of December 31, 2025, primarily due to the increase in other receivables and deposits relating to a collaboration project with a third-party ride-hailing company to promote battery-swapping EVs, partially offset by the decrease in trade receivables as a result of lower revenue in 2025 and our continued collection efforts. Our trade and other receivables further increased to RMB264.2 million as of April 30, 2026, primarily due to the increase in trade receivables arising from new equipment sales during the four months ended April 30, 2026.

Customers generally prepay for our battery-swapping services through self-owned stations. For our battery-swapping operational services, customers generally pay relevant fees on a monthly basis. Customers for our battery-swapping stations generally make payments to us in installments, and we generally grant a credit period of 30 to 90 days to customers for our battery-swapping modules. We maintain strict control over outstanding receivables and operate a dedicated financial department tasked with minimizing credit risk. Senior management regularly reviews overdue balances to ensure timely follow-up and resolution.

FINANCIAL INFORMATION

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

	For the Year ended December 31,			For the Four Months ended April 30, 2026
	2023	2024	2025	
Trade receivables turnover days*	97	93	86	89

* Trade receivables turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of trade receivables (net of loss allowance) in that period by revenue for the corresponding period and then multiplying by the number of days in the relevant year/period, which were 365 days for the years ended December 31, 2023 and 2025, 366 days for the year ended December 31, 2024, and 120 days for the four months ended April 30, 2026.

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

	As of December 31,			As of April 30, 2026
	2023	2024	2025	
	<i>(RMB in thousands)</i>			
Within 1 year	299,755	128,448	113,696	161,418
Over 1 year but within 2 years	261	35,782	38,364	28,404
Over 2 years but within 3 years	2,627	171	1,921	5,148
Over 3 years but within 4 years	269	1,636	206	—
	<u>302,912</u>	<u>166,037</u>	<u>154,187</u>	<u>194,970</u>

As of May 31, 2026, approximately RMB28.4 million, or 14.0%, of our trade receivables as of April 30, 2026, had been settled.

Prepayments

During the Track Record Period, we made prepayments primarily to suppliers for raw materials. As of December 31, 2023, 2024 and 2025 and April 30, 2026, our prepayments were RMB9.4 million, RMB10.1 million, RMB12.9 million and RMB14.9 million, respectively.

Trade and Other Payables

Our trade and other payables included trade payables and bills payables related to raw material and asset purchases, staff cost payables, other tax payables, amounts received on behalf of battery-swapping station operators, accrued interest of trade payables, advances from government authorities, and other payables and accrued charges.

	As of December 31,			As of April 30, 2026
	2023	2024	2025	
	<i>(RMB in thousands)</i>			
Trade payables				
– Third parties	387,675	322,058	272,035	241,488

FINANCIAL INFORMATION

	As of December 31,			As of April 30, 2026
	2023	2024	2025	
	<i>(RMB in thousands)</i>			
– Related parties	1,636	1,827	2,929	2,780
Staff cost payables	389,311	323,885	274,964	244,268
Other tax payables	42,193	30,506	18,762	14,820
Other tax payables	22,201	7,910	10,344	7,150
Amounts received on behalf of battery-swapping station operators	79,783	68,824	35,369	25,450
Accrued interest of trade payables	25,638	32,814	39,989	42,381
Advances from government authorities	–	97,000	97,000	97,000
Other payables and accrued charges	20,881	23,585	21,082	21,858
	<u>580,007</u>	<u>584,524</u>	<u>497,510</u>	<u>452,927</u>

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

	For the Year ended December 31,			For the Four Months ended April 30, 2026
	2023	2024	2025	
Trade payables turnover days*	143	136	154	135

* Trade payables turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of trade payables in that period by cost of revenue for the corresponding period and then multiplying by the number of days in the relevant year/period, which were 365 days for the years ended December 31, 2023 and 2025, 366 days for the year ended December 31, 2024, and 120 days for the four months ended April 30, 2026.

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

	As of December 31,			As of April 30, 2026
	2023	2024	2025	
	<i>(RMB in thousands)</i>			
Within 1 year	215,126	138,983	93,777	57,187
1 to 2 years	47,373	23,145	28,333	19,002
2 to 3 years	49,315	38,315	7,072	15,669
Over 3 years	77,497	123,442	145,782	152,410
	<u>389,311</u>	<u>323,885</u>	<u>274,964</u>	<u>244,268</u>

As of May 31, 2026, approximately RMB26.2 million, or 10.2%, of our trade payables as of April 30, 2026, had been settled.

FINANCIAL INFORMATION

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash are to fund the daily operations of our business. During the Track Record Period, we financed our capital expenditures and working capital requirements principally with cash generated from our operations, bank borrowings and financing activities. Going forward, we believe that our liquidity requirements will be satisfied with a combination of cash flows generated from our operating activities, bank loans and other borrowings, net proceeds from the [REDACTED] and other funds raised from the capital markets from time to time. Any significant decrease in the demand or market prices of our battery-swapping solutions, or a significant decrease in the availability of bank loans or other financing may adversely impact our liquidity. As of December 31, 2023, 2024, 2025 and April 30, 2026, we had cash and cash equivalents of RMB586.7 million, RMB391.4 million, RMB268.6 million and RMB298.1 million, respectively.

Net Current Liabilities/Assets

	As of December 31,			As of	As of
	2023	2024	2025	April 30, 2026	May 31, 2026
					(Unaudited)
	(RMB in thousands)				
Current assets					
Inventories	220,246	204,325	138,896	125,916	118,951
Contract assets	20,520	1,296	2,690	2,608	2,854
Trade and other receivables	363,083	214,753	223,571	264,236	267,996
Prepayments	9,377	10,090	12,948	14,943	18,998
Other financial assets	27,581	5,955	2,339	1,908	741
Financial assets measured at					
FVPL	—	200,000	—	—	—
Restricted bank deposits	66,697	91,185	62,125	19,112	19,112
Cash and cash equivalents	586,718	391,378	268,555	298,107	290,253
Total current assets	1,294,222	1,118,982	711,124	726,830	718,905
Current liabilities					
Contract liabilities	45,369	17,080	14,472	10,763	14,187
Trade and other payables	580,007	584,524	497,510	452,927	459,333
Loans and other borrowings	378,617	312,943	232,500	262,249	262,496
Redemption liabilities	3,793,869	—	—	—	—
Lease liabilities	72,514	65,071	65,988	61,482	58,152
Provisions	20,419	24,461	20,600	21,050	21,164
Current taxation	1,854	209	1,492	6,480	3,748
Total current liabilities	4,892,649	1,004,288	832,562	814,951	819,080
Net current (liabilities)/					
assets	(3,598,427)	114,694	(121,438)	(88,121)	(100,175)

Our net current liabilities of RMB3,598.4 million as of December 31, 2023 turned into net current assets of RMB114.7 million as of December 31, 2024, primarily due to (i) the derecognition of RMB3,793.9 million in redemption liabilities, (ii) a decrease of RMB65.7 million in loans and other borrowings, and (iii) a decrease of RMB28.3 million in contract liabilities; partially offset by (i) a decrease of RMB195.3 million in cash and cash equivalents, and (ii) a decrease of RMB148.3 million in trade and other receivables.

FINANCIAL INFORMATION

Our net current assets of RMB114.7 million as of December 31, 2024 turn into net current liabilities of RMB121.4 million as of December 31, 2025, primarily due to (i) the disposal of RMB200.0 million in financial assets measured at FVPL, and (ii) a decrease of RMB122.8 million in cash and cash equivalents; partially offset by (i) a decrease of RMB80.4 million in loans and other borrowings, and (ii) a decrease of RMB87.0 million in trade and other payables.

Our net current liabilities decreased from RMB121.4 million as of December 31, 2025 to RMB88.1 million as of April 30, 2026, primarily due to (i) an increase of RMB40.7 million in trade and other receivables, and (ii) an increase of RMB29.6 million in cash and cash equivalents; partially offset by (i) an increase of RMB29.7 million in loans and other borrowings, and (ii) a decrease of RMB13.0 million in inventories.

Our net current liabilities increased from RMB88.1 million as of April 30, 2026 to RMB100.2 million as of May 31, 2026, primarily due to (i) a decrease of RMB7.0 million in inventories, and (ii) a decrease of RMB7.9 million in cash and cash equivalents; partially offset by a decrease of RMB6.4 million in trade and other payables.

Taking into account the financial resources available to us, including our operating cash flows, cash and cash equivalents on hand and the estimated net proceeds of the [REDACTED], the Directors are of the view that we will have sufficient funds to meet our working capital requirements and financial requirements for capital expenditure for at least the next 12 months from the date of this document.

Cash Flows

The following table sets forth our cash flows for the periods indicated:

	For the Year ended December 31,			For the Four Months ended April 30,	
	2023	2024	2025	2025	2026
	(Unaudited)				
	(RMB in thousands)				
Net cash generated from/ (used in) operating activities	164,233	292,447	(60,344)	(55,191)	10,873
Net cash (used in)/ generated from investing activities	(183,678)	(346,674)	62,064	130,497	9,072
Net cash flows (used in)/ from financing activities	(27,221)	(141,121)	(124,550)	(17,250)	9,607
Net (decrease)/increase in cash and cash equivalents	(46,666)	(195,348)	(122,830)	58,056	29,552
Cash and cash equivalents at beginning of the year/period	633,508	586,718	391,378	391,378	268,555
Effect of foreign exchange rate changes,	(124)	8	7	12	—
Cash and cash equivalents at end of the year/period	586,718	391,378	268,555	449,446	298,107

FINANCIAL INFORMATION

Net Cash Flows Used in/From Operating Activities

Net cash generated from operating activities was RMB10.9 million in the four months ended April 30, 2026. This primarily reflected loss before taxation of RMB87.7 million, adjusted for certain non-cash and non-operating items — primarily depreciation and amortisation of RMB57.1 million, impairment losses on property, plant and equipment of RMB28.7 million, finance costs of RMB7.2 million and equity-settled share-based payment expenses of RMB16.2 million — and movements in working capital, after adding interest received from bank deposits of RMB0.3 million and deducting income tax paid of RMB0.7 million. The largest positive working-capital contributor was a decrease in restricted bank deposits of RMB43.0 million. This was partially offset by an increase in trade and other receivables of RMB40.4 million and a decrease in trade and other payables of RMB19.4 million.

Net cash used in operating activities was RMB60.3 million in 2025. This primarily reflected loss before taxation of RMB306.7 million, adjusted for certain non-cash and non-operating items — primarily depreciation and amortization of RMB211.4 million, impairment losses on property, plant and equipment of RMB64.0 million, finance costs of RMB24.4 million, impairment losses on trade and other receivables and contract assets of RMB16.4 million and equity-settled share-based payment expenses of RMB15.0 million — and movements in working capital, after adding interest received from bank deposits of RMB3.4 million and deducting income tax paid of RMB0.5 million. The principal positive working-capital contributors were decreases in inventories of RMB65.4 million and trade and other receivables of RMB28.9 million. These were more than offset by a decrease in trade and other payables of RMB125.8 million.

Net cash generated from operating activities was RMB292.4 million in 2024. This primarily reflected loss before taxation of RMB418.3 million, adjusted for certain non-cash and non-operating items — primarily depreciation and amortization of RMB275.2 million, changes in the carrying amount of redemption liabilities of RMB121.1 million, finance costs of RMB32.4 million and impairment losses on property, plant and equipment of RMB12.8 million — and movements in working capital, after adding interest received from bank deposits of RMB7.3 million and deducting income tax paid of RMB2.8 million. The principal positive working-capital contributors were a decrease in trade and other receivables of RMB171.3 million and an increase in trade and other payables of RMB44.9 million. These were partially offset by a decrease in contract liabilities of RMB28.3 million.

Net cash generated from operating activities was RMB164.2 million in 2023. This primarily reflected loss before taxation of RMB652.5 million, adjusted for certain non-cash and non-operating items — primarily changes in the carrying amount of redemption liabilities of RMB281.0 million, depreciation and amortization of RMB273.8 million, finance costs of RMB35.4 million and impairment losses on property, plant and equipment of RMB41.9 million — and movements in working capital, after adding interest received from bank deposits of RMB13.2 million and deducting income tax paid of RMB2.6 million. The principal positive working-capital contributors were a decrease in inventories of RMB85.0 million and an increase in asset-related government grants of RMB47.1 million. These were partially offset by a decrease in trade and other payables of RMB5.6 million.

Net Cash Flows Used in/From Investing Activities

Net cash generated from investing activities for the four months ended April 30, 2026 was RMB9.1 million, primarily attributable to proceeds from disposal of property, plant and equipment of RMB11.6 million, partially offset by payment for purchase of property, plant and equipment of RMB5.8 million.

Net cash generated from investing activities for 2025 was RMB62.1 million, mainly due to proceeds from disposal of financial assets measured at FVPL of RMB2,139.5 million and a decrease in restricted bank deposit of RMB60.0 million, partially offset by payment for purchase of financial assets measured at FVPL of RMB1,939.5 million and payment for purchase of property, plant and equipment of RMB143.8 million.

FINANCIAL INFORMATION

Net cash used in investing activities for 2024 was RMB346.7 million, mainly due to payment for purchase of financial assets measured at FVPL of RMB2,160.0 million, partially offset by proceeds from disposal of financial assets measured at FVPL of RMB1,960.0 million.

Net cash used in investing activities for 2023 was RMB183.7 million, primarily attributable to payment for purchase of financial assets measured at FVPL of RMB1,199.8 million, partially offset by proceeds from disposal of financial assets measured at FVPL of RMB1,319.8 million.

Net Cash Flows Used in/From Financing Activities

Net cash generated from financing activities for the four months ended April 30, 2026 was RMB9.6 million, primarily attributable to proceeds from bank loans of RMB125.5 million, partially offset by repayment of bank loans of RMB96.6 million and payment of capital element of lease liabilities of RMB14.2 million.

Net cash used in financing activities in 2025 was RMB124.6 million, primarily attributable to repayment of bank loans of RMB324.5 million, and payment of capital element of lease liabilities of RMB40.5 million, partially offset by proceeds from bank loans of RMB245.0 million.

Net cash used in financing activities in 2024 was RMB141.1 million, primarily attributable to repayment of bank loans of RMB377.5 million, and payment of capital element of lease liabilities of RMB61.6 million, partially offset by proceeds from bank loans of RMB312.0 million.

Net cash used in financing activities in 2023 was RMB27.2 million, primarily attributable to repayment of bank loans of RMB337.8 million and payment of capital element of lease liabilities of RMB69.3 million, partially offset by proceeds from bank loans of RMB377.5 million.

INDEBTEDNESS

Our indebtedness during the Track Record Period primarily consisted of redemption liabilities, loans and other borrowings and lease liabilities. The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of	As of
	2023	2024	2025	April 30, 2026	May 31, 2026
					(Unaudited)
	(RMB in thousands)				
Current					
Redemption liabilities . . .	3,793,869	—	—	—	—
Loans and other					
borrowings	378,617	312,943	232,500	262,249	262,496
Lease liabilities	72,514	65,071	65,988	61,482	58,152
Total current	4,245,000	378,014	298,488	323,731	320,648
Non-current					
Lease liabilities	318,715	279,957	198,080	184,577	179,873
Total non-current	318,715	279,957	198,080	184,577	179,873
Total indebtedness	4,563,715	657,971	496,568	508,308	500,521

Redemption Liabilities

Our redemption liabilities primarily arose from our grant of redemption rights to investors. Our redemption liabilities were RMB3,793.9 million as of December 31, 2023. We entered into a termination agreement for the redemptions rights in May 2024 and no longer recorded redemption liabilities thereafter.

FINANCIAL INFORMATION

Loans and Other Borrowings

Our loans and other borrowings during the Track Record Period were primarily used for business development and working capital purpose. During the Track Record Period, our loans bore interest at rates ranging from 1.11% to 4.75% per year. As of May 31, 2026, we had loans and other borrowings of RMB262.5 million. All secured bank loans and related banking facilities as of December 31, 2023, 2024 and 2025 and April 30, 2026 were secured by our bank deposits of RMB37.5 million, RMB26.4 million, RMB12.5 million and RMB12.5 million, respectively. Bank loans amounted to RMB50.0 million, RMB50.0 million, RMB40.0 million and RMB50.0 million as of December 31, 2023, 2024 and 2025 and April 30, 2026 were subject to the fulfilment of covenants relating to certain of our Group’s or our subsidiaries’ financial ratios, as are commonly found in lending arrangements with financial institutions. If we were to breach the covenants, the drawn down facilities would become payable on demand. We regularly monitor our compliance with these covenants. As of December 31, 2023, 2024 and 2025 and April 30, 2026, none of the covenants relating to drawn down loans or facilities had been breached. As of May 31, 2026, we had committed unutilized bank facilities of RMB120.0 million. Our Directors confirmed that we did not experience any difficulty in obtaining bank loans or other borrowings, default in payment of bank loans or other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease Liabilities

Our lease liabilities amounted to RMB391.2 million, RMB345.0 million, RMB264.1 million and RMB246.1 million as of December 31, 2023, 2024, 2025 and April 30, 2026, respectively, which were primarily in relation to the properties we leased for self-owned stations.

Save as disclosed above, as of May 31, 2026, being the most recent practicable date for purposes of the indebtedness disclosures in this document, we had no bank loans or other borrowings, or any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, borrowings or similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchases, guarantees or other material contingent liabilities. Since May 31, 2026 and up to the date of this document, there had been no material change to our indebtedness.

CAPITAL EXPENDITURES

We regularly incur capital expenditures to expand our operations, upgrade our facilities, enhance our development capabilities and increase our operating efficiency. Our capital expenditures primarily consisted of expenditures on purchases of property, plant and equipment and intangible assets during the Track Record Period. In 2023, 2024, 2025 and the four months ended April 30, 2026, we incurred capital expenditure of RMB289.4 million, RMB167.2 million, RMB143.9 million and RMB5.8 million, respectively. We funded these expenditures primarily with our operating cash flow and bank borrowings. Going forward, we expect to fund our capital expenditures with our operating cash flow and proceeds from the [REDACTED]. The following table sets forth our capital expenditures for the periods indicated:

	As of December 31,			As of
	2023	2024	2025	April 30, 2026
	(RMB in thousands)			
Payment for purchase of property, plant and equipment and right-of-use-assets	(289,128)	(166,269)	(143,809)	(5,833)
Payment for purchase of intangible assets	(237)	(966)	(92)	–
	<u>(289,365)</u>	<u>(167,235)</u>	<u>143,901</u>	<u>(5,833)</u>

FINANCIAL INFORMATION

CAPITAL COMMITMENTS

As of December 31, 2023, 2024, 2025 and April 30, 2026, we had capital commitments of RMB5.4 million, RMB15.6 million, RMB26.8 million and RMB25.9 million, respectively, primarily in connection with our purchase of property, plant and equipment.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and April 30, 2026, we did not have any material contingent liabilities. We confirm that as of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

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

KEY FINANCIAL RATIOS

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

	As of December 31,			As of April 30, 2026
	2023	2024	2025	
Current ratio ⁽¹⁾	0.3	1.1	0.9	0.9
Quick ratio ⁽²⁾	0.2	0.9	0.7	0.7
Liability-to-asset ratio ⁽³⁾	177.7%	51.8%	53.1%	54.3%

(1) Current ratio represents current assets divided by current liabilities as of the same date.

(2) Quick ratio represents current assets less inventories, divided by total current liabilities as of the same date.

(3) Calculated by dividing total liabilities by total assets.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. Our Directors are of the view that each of the related party transactions set out in Note 35 to the Accountants' Report included in Appendix I to this document was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance. For details of the related party transactions, see Note 35 to the Accountants' Report included in Appendix I to this document.

MARKET RISK DISCLOSURE

We are exposed to credit, liquidity, interest rate and currency risks arising from the normal course of our business. Our overall risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. For details of our financial risks, please refer to Note 33 to the Accountants' Report included in Appendix I to this document.

FINANCIAL INFORMATION

DIVIDEND

No dividend has been paid or declared by us during the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not intend to declare or pay any dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors subject to our Articles of Association and the PRC Company Law and any other applicable laws and regulations, and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits as determined in accordance with its articles of association and the accounting standards and regulations in China. As confirmed by our PRC Legal Adviser, according to the PRC law, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate at least 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

DISTRIBUTABLE RESERVES

As of April 30, 2026, we did not have any distributable reserves.

[REDACTED] EXPENSES

Our [REDACTED] expenses represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. Assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the mid-point of the indicative [REDACTED] range, we estimated that the total [REDACTED] expenses for the [REDACTED] are approximately HK\$[REDACTED], accounting for approximately [REDACTED]% of the [REDACTED] from the [REDACTED] (assuming no H Shares are issued pursuant to the [REDACTED]), of which approximately HK\$[REDACTED] is expected to be charged to our consolidated statements of profit or loss, and approximately HK\$[REDACTED] is expected to be accounted for as a deduction from equity upon the completion of [REDACTED].

As of April 30, 2026, we incurred [REDACTED] expenses of HK\$[REDACTED] expensed through the statements of profit or loss and expected HK\$[REDACTED] to be charged to the statement of profit or loss after the Track Record Period. The total [REDACTED] expenses comprise of (i) [REDACTED] expenses, including [REDACTED] and other expenses, of HK\$[REDACTED]; and (ii) [REDACTED] expenses of HK\$[REDACTED], including (a) fee paid and payable to legal advisers and reporting accountants of HK\$[REDACTED], and (b) other fees and expenses of HK\$[REDACTED]. The [REDACTED] expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See “Unaudited [REDACTED] Financial Information” in Appendix II to this document for details.

FINANCIAL INFORMATION

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that up to the date of this document, other than as disclosed under the “Recent Development and No Material Adverse Change” in the “Summary” section in this document, there had been no material adverse change in our financial, operational or prospects since April 30, 2026, being the latest end date of the periods reported in the Accountants’ Report included in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.