You should read the following discussion and analysis in conjunction with our consolidated financial statements, included in the Accountants" Report in Appendix I, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with HKFRSs.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in "Risk Factors" and "Forward-Looking Statements" and elsewhere in this document.

OVERVIEW

We are a leader in industrial intelligent mobile robotic solutions, dedicated to empowering smart factories across a wide range of industrial scenarios. We are also an early mover in industrial embodied intelligence robotic solutions. Our tailored one-stop robotic solutions comprise our core robotic technology platform, our industrial intelligent multi-functional robotic products and our one-stop intelligent collaborative system, the RoboVerse system. We were the fourth largest provider of the industrial intelligent mobile robotic solutions in China by sales volume in 2025, with a market share of 4.0%, according to CIC. As of the Latest Practicable Date, our solutions had been recognized and adopted by over 400 customers worldwide, many of which are leaders in their respective sectors.

According to CIC, we are one of the few enterprises in the industry with self-developed full-stack technologies. We started as an early innovator of industrial intelligent robotic systems engineering and a proprietary robotic operating system in China. We were among the first companies to launch SLAM technology, according to CIC. Our leadership in localization, navigation, control, and perception and manipulation technologies equip our robots with intelligence, efficiency, and reliability and safety. Powered by world modeling and multi-robot coordination technologies, our robots possess collaborative intelligence. We were among the first in China to have achieved world modeling and collaborative intelligence in industrial robotic systems, according to CIC.

BASIS OF PRESENTATION

The historical financial information has been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (together, "**HKFRS**"), issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. All HKFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by us in the preparation of the historical financial information throughout each of the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026.

The historical financial information has been prepared under the historical cost convention except for certain financial instruments which have been measured at fair value. For ordinary shares issued to pre-**[REDACTED]** investors, pursuant to the supplemental agreements entered into between the Company and the pre-**[REDACTED]** Investors in relation to the termination of certain of special rights

granted by the Company, including redemption rights, liquidation preferences and anti-dilution rights, which are *void ab initio* as described in note 31 to the Accountants' Report, having taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the supplementary agreements, our Directors considered that it is appropriate to present the pre-**[REDACTED]** Investments as equity throughout the Track Record Periods. For details of the financial impacts, see note 31 to the Accountants' Report.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

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

Development of the global industrial intelligent robotics sector and the growth of the underlying industries of our customers

We operate in the rapidly growing industrial intelligent robotics market. Our business, financial performance, results of operations and future growth are affected by the development of the global industrial intelligent robotics sector and the growth of the industries in which our customers operate. Factors such as increasing smart manufacturing system upgrades demand, maturing supply chain and industrial ecosystem and strengthened policy support are driving demand and incentivizing the utilization of robots. As a provider of industrial robotic solution, our performance is closely tied to the industry trends. Slower-than-expected industry expansion, delays in customers' automation investments, or the emergence of alternative technologies could adversely affect demand for our robotic solutions. Conversely, accelerated adoption of robotic solutions in industrial settings may present growth opportunities, provided that we maintain our competitive positioning.

During the Track Record Period, our revenue was primarily generated from providing robotic solutions to enterprise customers in the 3C, automotive and semiconductor industries. Our results of operations are highly dependent on the development and performance of these underlying industries of our customers, which are subject to a wide range of factors such as fluctuations in capital expenditures, regulatory changes, supply chain efficiencies and macroeconomic conditions. Our strategies include deepening our expertise in industrial intelligent robotic solutions across a wide range of industry scenarios, where we identify specific industry challenges and tailor our robotic solutions to meet these unique needs. Our ability to adapt to sector-specific trends and expansion into new high-growth market or successful adaptation to emerging use cases will be critical to sustaining long-term growth.

Our ability to maintain technology leadership and product development

Our robotic solutions are subject to rapidly evolving technological advancements and customer demands. To maintain our leading position in the global industrial intelligent robotics market and achieve sustainable growth, it is imperative that we continuously enhance our robotic solutions to adapt to these changes in a timely and effective manner. Consequently, our ability to efficiently develop and launch advanced robot models, as well as improve our existing robotic solutions, is critical to our growth prospects. We have demonstrated a proven track record in this area, evidenced by the seamless integration of our intelligent robotic solutions into the complex manufacturing processes of high-tech industries. We aim to continue leveraging our existing strengths to fortify our technology leadership and product portfolio, thereby driving our growth.

Our R&D capabilities are the cornerstone of our ability to enhance and develop industrial intelligent robotic solutions. We have invested, and plan to continue investing, significant resources in our R&D efforts. During the Track Record Period, our R&D expenses were RMB56.1 million,

RMB36.6 million, RMB76.7 million, RMB13.5 million and RMB29.1 million in 2023, 2024, 2025 and four months ended April 30, 2025 and 2026, respectively. Given the R&D-intensive nature of the robotics industry, it requires substantial investments in developing proprietary core technologies, product development and upgrades and R&D talent to build competitiveness. We remain committed to investing in areas such as robotic systems engineering capabilities, SLAM technology, product upgrades and technology iterations, as well as talent acquisition and retention. Additionally, while we strive for efficiency in our R&D efforts, it is important to acknowledge that similar initiatives in the robotic solution industry are often associated with uncertainties in both process and outcome. We may experience fluctuations in R&D expenses, and the results and returns on such investments may be unpredictable.

Customer acquisition and commercialization capabilities

Our ability to reinforce relationship with existing customers and acquire new customers to broaden our customer base across both domestic and international markets, as well as effectively commercializing our robotic solutions, is crucial to our results of operations and continued growth.

We strategically focus on high-tech sectors such as 3C, automotive and semiconductor. These industries are characterized by complex processes, high precision requirements and rapid technological advancements, and demand intelligent robotic system that can operate autonomously and collaboratively in complex manufacturing scenarios. By aligning closely with the evolving needs of our existing customers, we have cultivated long-standing partnerships with key customers, driving significant business through repeat orders and large-scale deployments. We are dedicated to cultivating deeper relationships with existing customers through multiple expansion pathways, including the increasing deployment of robotic solutions in their production facilities and the upgrades of their legacy robotic solutions. In addition, the successful onboarding of new customers, particularly in emerging sectors and underserved geographic markets, serves as a critical growth driver that demonstrates the broadening applicability of our industrial intelligent robotic solutions.

In domestic markets, we benefit from established customer relationships, localized service networks, and a deep understanding of regional industry needs. Meanwhile, overseas markets present substantial growth potential, driven by rising automation adoption in emerging economies, global supply chain reconfiguration, and increasing labor costs worldwide. Our commercialization capabilities are essential for penetrating both domestic and international markets further. Rapidly deployable robotic solutions to meet varying industry demand, competitive products with measurable impact on customers' operation, critical technological breakthroughs, and well-managed commercialization costs are critical to successfully commercializing our products and solutions.

Competition and pricing

We operate in an increasingly competitive industrial intelligent robotic solution market. We face competition with international and domestic players with diverse capabilities, some of which may have longer operating history, greater business scale and resources, higher market recognition and more effective pricing strategies than us. We believe factors including strong R&D capabilities, in-depth understanding of application scenarios, ability to digitalize manufacturing settings and process and tailor robotic solutions are critical to our competitiveness in this market. We believe we have enjoyed certain competitive advantages as a result of our strong R&D capabilities, and will continue our development strategies to increase our competitiveness.

Our pricing strategy directly affects our revenue generation, gross margins and overall profitability. Our pricing approach is designed to reflect the technological sophistication and value proposition of our industrial intelligent robotic solutions while remaining competitive in both domestic and overseas markets. We employ a combination of value-based and cost-plus pricing model that considers factors such as product development, production and customization costs, after-sales service commitments, technological level involved, product competitiveness, market price and other market conditions. This strategy enables us to maintain healthy margins while ensuring our solutions remain economically attractive to customers across different industries and regions. However, our financial results could be adversely affected if we are unable to maintain appropriate pricing levels due to increased competition, market saturation, or customer price sensitivity. Conversely, our ability to implement premium pricing for technologically advanced robotic solutions may enhance our revenue quality and profitability. The effectiveness of our pricing strategy will remain a critical determinant of our future financial performance.

Our ability to manage our costs and achieve operational efficiency

Our ability to achieve profitability and sustainable growth depends in part on our management of cost of sales. In 2023, 2024, 2025 and four months ended April 30, 2025 and 2026, our cost of sales was RMB111.0 million, RMB153.4 million, RMB179.3 million, RMB24.8 million and RMB59.4 million, respectively, accounting for 68.4%, 61.2%, 59.5%, 55.3% and 55.5% of our revenue for the same periods, respectively. Our cost of sales primarily consists of cost of raw materials, production and deployment expenses, logistics expenses and inventory write-down. Changes in any major component of our cost of sales and our overall cost structure could have an impact on our gross profit and gross profit margin. For instance, our cost of raw materials accounted for 63.3%, 70.5%, 76.9%, 64.4% and 76.7% of our total cost of sales in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. The procurement costs for such raw materials may fluctuate due to a number of factors beyond our control, such as supply chain disruptions and inflation, and we are susceptible to significant changes in the availability, price and standard of key raw materials. We have implemented cost management measures against such potential disruptions to our supply chain. In addition, our cost of sales and gross margin may, from time to time, be affected by the write-down of obsolete or slow-moving inventories.

Our business and results of operations are also significantly affected by our operating expenses, which primarily comprised selling and marketing expenses, administrative expenses and R&D expenses during the Track Record Period. Our operating expenses ratio, defined as total operating expenses (consisting of selling and marketing expenses, administrative expenses and R&D expenses) divided by total revenue, was 85.7%, 49.8%, 101.4%, 148.2% and 93.1% in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. Our R&D, selling and marketing and administrative expenses may continue to increase as our business scale and together account for a significant portion of our revenue. For details of our measures to improve management of costs and expenses, see "Business — Path to Profitability."

In addition, our results of operations and financial position have been and are expected to be affected by the following general factors:

- **Chinese mainland's and global macroeconomic conditions:** The majority of our revenue was derived from Chinese mainland and we have expanded into overseas markets with increasing revenue amount and contribution during the Track Record Period. Chinese mainland's and global economic development and other economic factors would have a direct impact on our businesses, including the demand for our robotic solutions, the supply and prices of our requisite raw material, and our other costs. In addition, the PRC government has from time to time adjusted its monetary, financial and industry policies. Such adjustment in or implementation of economic policies and measures would also directly or indirectly affect our results of operations and financial condition.

- **Government policies supporting the robotics industry:** According to CIC, governments around the world are implementing policies to support the intelligent robotic solution industry, offering policy assurance and resource backing to advance R&D, manufacturing, and industrial

applications. For instance, the PRC government in recent years has been implementing a number of preferential policies and development plans to encourage the development of the robot industry, such as the 14th Five Year Plan for the Development of the Robot Industry and the Implementation Plan for "Robot+" Application Action. During the Track Record Period, we also received several government grants in connection with, among others, our R&D efforts, business achievements and our production facilities, which in turn facilitated our business expansion. However, to the extent that any such favorable government policies were discontinued or reduced in the future, the industrial intelligent robotics industry may be affected, which may also affect our financial performance and growth prospects.

MATERIAL ACCOUNTING POLICIEIS AND ESTIMATES

Note 2.3 to "Appendix I — Accountants' Report" to this document sets forth certain material accounting policy information, which are important for understanding our financial conditions and results of operations.

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions, and judgments based on past experiences and other factors, including industry practices and expectations of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future. See note 3 to "Appendix I — Accountants' Report."

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

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

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(unaudited)	
Revenue	162,166	250,522	301,493	44,747	106,940
Cost of sales	(110,997)	(153,364)	(179,250)	(24,751)	(59,384)
Gross profit	**51,169**	**97,158**	**122,243**	**19,996**	**47,556**
Other income and gains	7,080	7,920	3,324	751	2,819
Selling and marketing expenses	(57,358)	(64,595)	(114,203)	(20,217)	(41,985)
Administrative expenses	(25,466)	(23,575)	(114,695)	(32,551)	(28,496)
R&D expenses	(56,098)	(36,611)	(76,729)	(13,527)	(29,129)
Impairment losses on financial assets and contract assets	(14,709)	(22,853)	(18,371)	(10,112)	(10,408)
Other expenses	(2,634)	(1,208)	(2,506)	(5)	(2,089)
Finance costs	(2,332)	(1,380)	(1,084)	(421)	(103)
Loss before tax	**(100,348)**	**(45,144)**	**(202,021)**	**(56,086)**	**(61,835)**
Income tax expense	—	—	—	—	—
Loss for the year/period	**(100,348)**	**(45,144)**	**(202,021)**	**(56,086)**	**(61,835)**
Attributable to owners of the parent	**(100,348)**	**(45,144)**	**(202,021)**	**(56,086)**	**(61,835)**

NON-HKFRS FINANCIAL MEASURE

To supplement our consolidated financial statements, which are presented in accordance with HKFRSs, we also use adjusted net loss (non-HKFRS measure) as additional financial measure, which is not required by, or presented in accordance with HKFRSs. We believe this non-HKFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our combined results of operations in the same manner as they help our management. However, such non-HKFRS financial measure we presented may not be directly comparable to similar measures presented by other companies. The use of this non-HKFRS measure should not be considered as substitute for analysis of, our results of operations or financial condition as reported under HKFRSs.

We define adjusted net loss (non-HKFRS measure) as loss for the year/period adjusted by adding back equity-settled share-based payment expenses and **[REDACTED]** expenses. The following table reconciles our adjusted net loss (non-HKFRS measure) for the years/periods to loss for the years/periods, which is presented in accordance with HKFRSs.

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands, except for percentage)				
				(unaudited)	
Loss for the year/period	(100,348)	(45,144)	(202,021)	(56,086)	(61,835)
Add:					
— Equity-settled share-based payment expenses[(1)]	5,417	5,806	146,910	28,942	35,905
— **[REDACTED]** expenses	—	—	20,155	—	2,085
Adjusted net loss *(non-HKFRS measure)*	**(94,931)**	**(39,338)**	**(34,956)**	**(27,144)**	**(23,845)**
Adjusted net loss margin (non-HKFRS measure)	**(58.5)%**	**(15.7)%**	**(11.6)%**	**(60.7)%**	**(22.3)%**

Note:

(1) Equity-settled share-based payment expenses are non-cash in nature and represent the arrangement under which we receive services from employees as consideration for our equity instruments. Equity-settled share-based payment expenses are not expected to result in future cash payments.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

Revenue by Product Type

The following table sets forth our revenue breakdown by product type in absolute amount and as a percentage of our total revenue for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Robotic solutions[(1)]										
Standard Robots Solutions	18,521	11.4	20,249	8.1	26,718	8.9	3,177	7.1	8,142	7.6
Functional Robots Solutions	114,399	70.5	200,659	80.1	199,177	66.1	21,788	48.6	28,744	27.0
Embodied Robots Solutions	9,062	5.6	7,179	2.9	28,736	9.5	8,620	19.3	3,900	3.6
Subtotal	141,982	87.5	228,087	91.0	254,631	84.5	33,585	75.0	40,786	38.2
Robots and others										
Standard Robots	1,149	0.7	796	0.3	6,308	2.1	1,769	4.0	151	0.1
Functional Robots	16,461	10.2	17,754	7.1	28,594	9.5	7,372	16.5	58,967	55.1
Embodied Robots	—	—	—	—	610	0.2	—	—	2,548	2.4
Others[(2)]	2,574	1.6	3,886	1.6	11,350	3.7	2,021	4.5	4,488	4.2
Subtotal	20,184	12.5	22,435	9.0	46,862	15.5	11,162	25.0	66,154	61.8
Total	**162,166**	**100.0**	**250,522**	**100.0**	**301,493**	**100.0**	**44,747**	**100.0**	**106,940**	**100.0**

Notes:

(1) Robotic solutions are categorized based on the primary type of robot used in a contract. The entire contract amount will be classified as the type of robot that holds a simple majority in that contract.

(2) Include the revenue derived from the sales of related accessories, software and services, including the RoboVerse system software, technical support services and other parts, components and accessories which are required or essential for the functioning and/or enhancing the performance of our robots and robotic solutions.

Revenue by Geographic Location

In terms of geographical location, we generate a majority of our revenue from Chinese mainland and have been gradually expanding our overseas presence during the Track Record Period. The following table sets out a breakdown of our revenue by geographical location, in an absolute amount and as a percentage of our total revenue, for the periods indicated. Export sales requiring customs declaration are categorized under "Others".

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Chinese mainland[(1)]	141,883	87.5	190,123	75.9	225,239	74.7	36,570	81.7	34,338	32.1
Overseas										
Hong Kong	613	0.5	31,289	12.3	25,708	8.6	—	—	34,376	32.2
Japan	14,897	9.2	12,426	5.0	12,005	4.0	3,582	7.9	19,317	18.1
Others[(2)]	4,773	2.8	16,684	6.8	38,541	12.7	4,595	10.4	18,909	17.6
Subtotal	**20,283**	**12.5**	**60,399**	**24.1**	**76,254**	**25.3**	**8,177**	**18.3**	**72,602**	**67.9**
Total	**162,166**	**100.0**	**250,522**	**100.0**	**301,493**	**100.0**	**44,747**	**100.0**	**106,940**	**100.0**

Notes:

(1) Includes domestic sales subject to standard Chinese VAT invoicing and local delivery processes.

(2) Primarily consists of other Asia countries and regions such as Taiwan China, Vietnam and Thailand. In addition, sales to bonded warehouse and free trade zone of the PRC are also included in sales to other countries and regions as these transactions (i) require customs clearance procedures (similar to cross-border exports); and (ii) are exempt from PRC VAT invoicing, aligning them operationally with overseas sales, notwithstanding the relevant customers may still based within the geographical regions of the PRC. During the Track Record Period, our sales to bonded warehouse and free trade zone was RMB2.1 million, RMB3.0 million, RMB1.6 million, RMB0.1 million and RMB2.2 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively.

Revenue by Served Industry

The following table sets out a breakdown of our revenue by served industry, in an absolute amount and as a percentage of our total revenue, for the periods indicated.

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
3C	42,944	26.5	121,287	48.4	170,839	56.7	23,427	52.3	58,771	55.0
Automotive	29,616	18.3	53,134	21.2	28,133	9.3	2,676	6.0	12,570	11.8
Semiconductor	25,658	15.8	17,242	6.9	25,863	8.6	6,098	13.6	19,032	17.8
New energy	18,216	11.2	19,002	7.6	6,456	2.1	1,457	3.3	1,764	1.6
Biopharmaceutical	15,134	9.3	7,521	3.0	2,669	0.9	277	0.6	1,512	1.4
Others[(1)]	30,598	18.9	32,336	12.9	67,533	22.4	10,812	24.2	13,291	12.4
Total	**162,166**	**100.0**	**250,522**	**100.0**	**301,493**	**100.0**	**44,747**	**100.0**	**106,940**	**100.0**

Note:

(1) Primarily includes sales to integrators that are unable to categorize into specific industries, such as those covering multiple sectors or where we are unaware of the downstream customers' industries served by the integrators.

During the Track Record Period, our robotic solutions were primarily deployed in 3C manufacturing scenarios, representing our largest served industry and demonstrating significant growth momentum. The automotive and semiconductor sectors were our second and third largest served markets during the Track Record Period, respectively. We have also successfully expanded our customer base across other industries such as new energy and biopharmaceutical, which have meaningfully contributed to our customer diversification. The revenue contributions from each sector fluctuate as affected by various external factors such as the downstream industry trends, customers' factory expansion timelines and automation adoption rates. Notably, in 2025 (including the four months ended April 30, 2025), the revenue contribution from customers in the automotive sector was relatively low compared to other years/period during the Track Record Period, primarily due to the increased competitiveness in the automotive industry, coupled with the significant increased market demand and opportunities from the 3C industry in the same year, so that we devoted more resources in serving and developing customers in the 3C industry, which has impacted revenue growth in the automotive sector. Revenue contribution from customers in the new energy sector decreased period by period during the Track Record Period, primarily due to an overall industry trend and weakened market demand within the new energy sector. Revenue from customers in the biopharmaceutical sector decreased in 2024 and 2025, mainly because our customer base in this sector primarily consists of laboratory institutions, which typically place relatively small orders and have shown a low repeat purchasing orders in these periods.

Revenue by Customer Type

The following table sets out a breakdown of the revenue by customer type, in an absolute amount and as a percentage of our total revenue, for the periods indicated.

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Manufacturers	61,442	37.9	93,394	37.3	175,517	58.2	22,103	49.4	33,072	30.9
System Integrators	100,724	62.1	157,128	62.7	125,976	41.8	22,644	50.6	73,868	69.1
Total	**162,166**	**100.0**	**250,522**	**100.0**	**301,493**	**100.0**	**44,747**	**100.0**	**106,940**	**100.0**

During the Track Record Period, we has experienced sustained growth across both major customer types: manufacturers and system integrators. Our business model and pricing strategy do not significantly differ between these two customer types. We aim to increase the proportion of higher-margin manufacturer projects, which helps enhance customer loyalty and generate repeat orders. In 2025, the revenue contribution by manufacturers was relatively large, primarily attributed to our efforts in building relationship directly with manufacturers and the expansion of our business scale, which provided us with more opportunities to engage and transact directly with manufacturers. In the four months ended April 30, 2026, the revenue contribution from system integrators increased to 69.1%, primarily due to increased demands and sizable orders from overseas markets.

Cost of Sales

Our cost of sales consists primarily of:

- **Raw materials:** Mainly include power batteries, motors, LiDAR, structural components, and other materials and components.
- **Production and deployment expenses:** Expenses and labor costs associated with the production and deployment of our robots.
- **Logistics expenses:** Expenses associated with shipping and delivering robotic solutions to customers, including freight charges and handling fees.
- **Write-down of inventories:** Write-down of inventories represents the costs of inventories exceeding the net realizable value.

The following table sets forth our cost of sales breakdown by nature in absolute amount and as a percentage of our total cost of sales for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Raw materials	70,248	63.3	108,108	70.5	137,858	76.9	15,944	64.4	45,556	76.7
Production and deployment expenses	15,910	14.3	24,612	16.1	24,072	13.4	3,773	15.2	4,505	7.6
Logistics expenses	1,614	1.5	1,572	1.0	2,797	1.6	639	2.6	1,449	2.4
Inventory write-down	23,225	20.9	19,072	12.4	14,523	8.1	4,395	17.8	7,874	13.3
Total	**110,997**	**100.0**	**153,364**	**100.0**	**179,250**	**100.0**	**24,751**	**100.0**	**59,384**	**100.0**

The following table sets forth our cost of sales breakdown by product type in absolute amount and as a percentage of our total cost of sales for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Robotic solutions	105,182	94.8	147,409	96.1	160,720	89.7	20,946	84.6	25,535	43.0
Robots and others[(1)]	5,815	5.2	5,955	3.9	18,530	10.3	3,805	15.4	33,849	57.0
Total	**110,997**	**100.0**	**153,364**	**100.0**	**179,250**	**100.0**	**24,751**	**100.0**	**59,384**	**100.0**

Note:

(1) Represents the cost of sales with respect to robots sold individually and related accessories, software and services, including the RoboVerse system software, technical support services and other parts, components and accessories which are required or essential for the functioning and/or enhancing the performance of our robots and robotic solutions.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales, and our gross margin represents gross profit divided by our revenue, expressed as a percentage. The following table sets forth our gross profit and gross profit margin breakdown by product type:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB in thousands)	%	*(RMB in thousands)*	%	*(RMB in thousands)*	%	*(RMB in thousands)*	%	*(RMB in thousands)*	%
							(unaudited)			
Robotic solutions	36,800	25.9	80,678	35.4	93,911	36.9	12,638	37.6	15,251	37.4
Robots and others[(1)]	14,369	71.2	16,480	73.5	28,332	60.5	7,358	65.9	32,305	48.8
Total	**51,169**	**31.6**	**97,158**	**38.8**	**122,243**	**40.5**	**19,996**	**44.7**	**47,556**	**44.5**

Note:

(1) Represent the gross profit derived from the sales of robots sold individually and related accessories, software and services, including the RoboVerse system software, technical support services and other parts, components and accessories which are required or essential for the functioning and/or enhancing the performance of our robots and robotic solutions.

During the Track Record Period, our overall gross profit margin was primarily affected by the gross profit margin of robotic solutions, as it consistently represented a large majority of our total gross profit. During the Track Record Period, the gross profit margin for the sales of robots and other related products was typically much higher than that for our robotic solutions, primarily due to (i) differentiated pricing strategies for robotic solutions and sales of robots and related products: we typically provide more favorable pricing to our customers for robotic solutions, as a robotic solution typically involves large volume of robots, and also for the purpose of encouraging repeat purchases; and (ii) differences in delivery costs: robotic solutions typically incur higher delivery costs due to factors such as solutions planning, customized design, deployment and commissioning.

The gross profit margin for the sales of robotic solutions increased from 25.9% in 2023 to 35.4% in 2024, and continued to increase to 36.9% in 2025, primarily due to (i) an increased sales of overseas projects, which typically carry higher margins; (ii) our continuous product upgrades with reduced overall product costs, exemplified by approximately 40% reduction in the total bills of materials when comparing the 2024 version of Oasis 300E to its predecessor, the Oasis 300C in 2023; (iii) an increase in the proportion of our new Series E robots within the total number of robots in our robotic solutions sales, which rose from 41.7% in 2023 to 66.4% in 2024 and further increased to 76.5% in 2025; and (iv) improvement in our delivery efficiencies. The gross profit margin for the sales of robotic solutions remained broadly stable at 37.6% in the four months ended April 30, 2025 and 37.4% in the same period of 2026. The gross profit margin for the sales of robots and others decreased from 73.5% in 2024 to 60.5% in 2025, and further decreased from 65.9% in the four months ended April 30, 2025 to 48.8% in the same period of 2026, mainly because we offered more competitive pricing to support growth as order volumes increased.

The following table sets forth our gross profit and gross profit margin breakdown by geographical location in an order:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB in thousands, except for percentage)									
							(unaudited)			
Chinese mainland[(1)]	37,642	26.5	59,307	31.2	82,680	36.7	14,978	41.0	13,213	38.5
Others[(2)]	13,527	66.7	37,851	62.7	39,563	51.9	5,018	61.4	34,343	47.3
Total	**51,169**	**31.6**	**97,158**	**38.8**	**122,243**	**40.5**	**19,996**	**44.7**	**47,556**	**44.5**

Notes:

(1) Includes domestic sales subject to standard Chinese VAT invoicing and local delivery processes.

(2) Primarily consists of (i) Japan, (ii) Taiwan, China, (iii) Hong Kong, China and (iv) certain Southeast Asia countries such as Vietnam and Thailand. In addition, sales to bonded warehouse and free trade zone located in Chinese mainland are also included in sales to other countries and regions as these transactions (i) require customs clearance procedures (similar to cross-border exports); and (ii) are exempt from PRC VAT invoicing, aligning them operationally with overseas sales, notwithstanding the relevant customers may still based within the geographical regions of the PRC.

Overall, we achieved consistently higher gross profit margin overseas than in Chinese mainland market, primarily due to (i) a generally higher pricing of our products in overseas markets, as the overseas market is typically characterized by a higher recognition of the value provided by advanced automation, and a less saturated competitive environment leading to stronger customer willingness to pay a premium for reliable and technologically sophisticated robotic solutions, allowing for greater pricing flexibility and more favorable terms; and (ii) our sales to overseas markets primarily consist of sales of robots rather than robotic solutions, resulting in lower deployment costs. For the overseas market, our gross profit margin generally decreased slightly period by period during the Track Record Period, mainly because we incurred relatively large amount of costs for certain large-scale, high-complexity overseas projects, and we adopted a more competitive pricing strategy to expand the overseas market and strengthen our overall competitiveness. During the Track Record Period, our gross profit margin for Chinese mainland market generally increased, mainly due to our expanding operational scale and enhanced competitiveness with technology iterations and product upgrades.

Other Income and Gains

During the Track Record Period, our other income primarily consisted of (i) government grants, representing government subsidies and grants from Kunshan and Shenzhen authorities in relation to our business operation, certain R&D projects and incentives for technology innovation; (ii) investment income from financial assets at FVTPL, which consisted of interest income from structured deposits and (iii) bank interest income. The following table sets forth a breakdown of our other income and gains in absolute amount and as a percentage of our total other income and gains for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Other income										
Government grants	4,181	59.1	6,142	77.6	1,076	32.3	361	48.1	792	28.1
Bank interest income	416	5.9	181	2.3	578	17.4	91	12.1	37	1.3
Interest income from certificate of deposits	—	—	37	0.5	190	5.7	63	8.4	63	2.2
Investment income from financial assets at FVTPL	1,117	15.8	573	7.2	866	26.1	100	13.3	254	9.0
Compensation income from a lawsuit	—	—	—	—	—	—	—	—	1,491	52.9
Others	38	0.5	50	0.6	5	0.2	—	—	—	—
Gains										
Foreign exchange gains	—	—	734	9.3	—	—	136	18.1	—	—
Gains on disposal of property, plant and equipment, net	598	8.4	128	1.6	—	—	—	—	—	—
Gains on lease termination	730	10.3	67	0.8	—	—	—	—	—	—
Fair value gains on financial assets at FVTPL	—	—	8	0.1	609	18.3	—	—	182	6.5
Total	**7,080**	**100.0**	**7,920**	**100.0**	**3,324**	**100.0**	**751**	**100.0**	**2,819**	**100.0**

Selling and Marketing Expenses

The following table sets forth a breakdown of our selling and marketing expenses in absolute amount and as a percentage of our total selling and marketing expenses for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Employee compensation and benefits	31,090	54.2	30,705	47.5	31,282	27.5	10,932	54.2	14,946	35.7
After-sale services expenses[1]	7,756	13.5	15,708	24.3	12,995	11.4	1,680	8.3	6,480	15.4
Travel and business development expense	7,312	12.7	6,933	10.7	9,357	8.2	2,071	10.2	3,790	9.0
Advertising and promotion expenses	4,198	7.3	5,711	8.8	6,880	6.0	2,925	14.5	2,970	7.1
Depreciation and amortization	4,968	8.7	3,583	5.5	3,025	2.6	1,080	5.3	1,064	2.5
Share-based payment	1,504	2.6	1,594	2.5	49,487	43.3	1,445	7.1	12,278	29.2
Others[2]	530	0.9	361	0.6	1,177	1.0	84	0.4	457	1.1
Total	**57,358**	**100.0**	**64,595**	**100.0**	**114,203**	**100.0**	**20,217**	**100.0**	**41,985**	**100.0**

Notes:

(1) Related to after-sale services provided to our customers during the warranty period.

(2) Others primarily include office expenses and consultation fees.

Our after-sale services expenses increased by 102.5% from RMB7.8 million in 2023 to RMB15.7 million in 2024. These increases were primarily driven by the growth in our revenue and the expansion of our installed base of industrial robotics solutions. As our business expands, the absolute volume of after-sales services typically grows in tandem. Our after-sale services expenses decreased by 17.3% from RMB15.7 million in 2024 to RMB13.0 million in 2025, and then increased from RMB1.7 million in the four months ended April 30, 2025 to RMB6.5 million in the same period of 2026. After-sales service requirements exhibit a degree of randomness in their occurrence. Despite our stringent quality control measures, individual service cases can fluctuate due to factors such as normal wear-and-tear, variations in operating environments, and customer-specific usage patterns. Consequently, the rate of increase in after-sale services expenses does not necessarily align strictly with our revenue growth rate.

Administrative Expenses

The following table sets forth a breakdown of our administrative expenses in absolute amounts and as a percentage of our total administrative expenses for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Employee compensation	16,648	65.4	15,259	64.8	17,070	14.8	4,937	15.2	7,556	26.6
Consultation fees	1,328	5.2	1,727	7.3	6,417	5.6	602	1.8	777	2.7
Depreciation and amortization	2,394	9.4	3,021	12.8	1,233	1.1	591	1.8	484	1.7
Office and lease expenses	1,127	4.4	458	1.9	1,667	1.5	201	0.6	608	2.1
Share-based payment	1,726	6.8	1,315	5.6	64,218	56.0	25,179	77.4	14,867	52.2
[REDACTED] expenses	–	–	–	–	20,155	17.6	—	—	2,085	7.3
Others[1]	2,243	8.8	1,795	7.6	3,935	3.4	1,041	3.2	2,119	7.4
Total	**25,466**	**100.0**	**23,575**	**100.0**	**114,695**	**100.0**	**32,551**	**100.0**	**28,496**	**100.0**

Note:

(1) Others primarily include travel expenses, bank charges, and tax and surcharges.

R&D Expenses

The following table sets forth a breakdown of our R&D expenses in absolute amount and as a percentage of our total R&D expenses for the periods indicated:

	Year ended December 31,						Four months ended April 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(unaudited)			
Employee compensation and benefits	38,908	69.4	26,904	73.5	34,602	45.1	9,165	67.7	17,480	60.1
R&D materials expenses	9,517	17.0	3,333	9.1	7,089	9.2	1,391	10.3	1,871	6.4
Depreciation and amortization	4,678	8.3	3,454	9.4	3,416	4.5	865	6.4	1,114	3.8
Share-based payment	2,814	5.0	2,825	7.7	31,531	41.1	2,077	15.4	8,427	28.9
Others[(1)]	181	0.3	95	0.3	91	0.1	29	0.2	237	0.8
Total	**56,098**	**100.0**	**36,611**	**100.0**	**76,729**	**100.0**	**13,527**	**100.0**	**29,129**	**100.0**

Note:

(1) Others primarily include technical service expenses, intellectual property rights application fees and travel expenses.

Impairment Losses on Financial Assets and Contract Assets

During the Track Record Period, we recorded impairment losses on financial assets and contract assets of RMB14.7 million, RMB22.9 million, RMB18.4 million, RMB10.1 million and RMB10.4 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. Our impairment losses on financial assets and contract assets were primarily due to provision for trade and bills receivable and contract assets.

Other Expenses

During the Track Record Period, our other expenses primarily consist of loss related to early termination of lease contracts and foreign exchange losses. Our other expenses amounted to RMB2.6 million, RMB1.2 million, RMB2.5 million, RMB5,000 and RMB2.1 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively.

Finance Costs

During the Track Record Period, our finance costs primarily included interest expenses on bank borrowings and other loans and interest expenses on lease liabilities. Our finance costs amounted to RMB2.3 million, RMB1.4 million, RMB1.1 million, RMB0.4 million and RMB0.1 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively.

Income Tax Expense

During the Track Record Period, we did not incur any income tax expenses as we recorded loss before tax in our operation in 2023, 2024, 2025 and the four months ended April 30, 2026. We are subject to PRC income tax on an entity basis on profits arising in or derived from Chinese mainland. Under the EIT Law and the EIT Implementation Regulations, the EIT rate of our PRC subsidiaries is

25%. Our Company was qualified as high and new technology enterprises and entitled to a preferential EIT rate of 15% in 2023 and 2024. In 2025 and the four months ended April 30, 2026, the applicable tax rate of our Company was 25%. See Note 11 of the Accountants' Report in Appendix I to this document. During the Track Record Period and up to the Latest Practicable Date, we did not have any material dispute with any tax authority.

Loss for the Year/Period

During the Track Record Period, our loss for the year/period amounted to RMB100.3 million, RMB45.1 million, RMB202.0 million, RMB56.1 million and RMB61.8 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

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

Revenue

Our revenue increased by 139.1% from RMB44.7 million in the four months ended April 30, 2025 to RMB106.9 million in the same period of 2026, primarily attributable to the increased sales of robots and other related products. Our sales volume of robots increased from 353 units in the four months ended April 30, 2025 to 556 units in the same period of 2026, reflecting strong customer demand. This growth was mainly driven by increased orders for individual robots from overseas markets. Our revenue from markets outside Chinese mainland increased significantly from RMB8.2 million in the four months ended April 30, 2025 to RMB72.6 million in the same period of 2026, as we continued to expand our presence overseas and secured sizable orders for individual robots from system integrators in Asian markets including (i) Japan, (ii) Taiwan, China, and (iii) Thailand. As our overseas market development is still at an early stage, most of the large orders during this period were placed by overseas system integrators that concentrate on their respective local markets. From an industry perspective, the growth in the four months ended April 30, 2026 was mainly contributed by customers in our strategic focus industries, including 3C, automotive and semiconductor sectors.

Cost of Sales

Our cost of sales increased by 139.5% from RMB24.8 million in the four months ended April 30, 2025 to RMB59.4 million in the same period of 2026, which was generally consistent with the increase of our sales during the same periods. The cost of sales attributable to our robotic solutions increased from RMB20.9 million to RMB25.5 million, and the cost of sales attributable to our robots and others increased from RMB3.8 million to RMB33.8 million during the same periods, generally consistent with the trend of sales increase in respective segments.

Despite the significant growth in revenue, our production and deployment expenses increased by 18.4% from RMB3.8 million in the four months ended April 30, 2025 to RMB4.5 million in the same period of 2026, at a substantially slower rate than our revenue growth. This was mainly because the increase in revenue was primarily generated from sales of robots and related products, which inherently involve limited on-site deployment activities, while our enhanced modular design improved production efficiency and helped contain the growth in overall production costs.

Gross Profit and Gross Profit Margin

As a result of the above, our gross profit increased by 138.0% from RMB20.0 million in the four months ended April 30, 2025 to RMB47.6 million in the same period of 2026, with our gross profit margin remaining relatively stable at 44.7% and 44.5% during the same periods.

Other Income and Gains

Our other income and gains increased from RMB0.8 million in the four months ended April 30, 2025 to RMB2.8 million in the same period of 2026, primarily due to an increase in other income of RMB1.5 million, mainly consisting of compensation received by us pursuant to a court judgment.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 107.9% from RMB20.2 million in the four months ended April 30, 2025 to RMB42.0 million in the same period of 2026, primarily due to higher employee compensation, including share-based payment, for our sales and marketing personnel as we expanded our sales and marketing team, as well as increased after-sales service expenses in line with the growth of our sales.

Administrative Expenses

Our administrative expenses decreased by 12.6% from RMB32.6 million in the four months ended April 30, 2025 to RMB28.5 million in the same period of 2026, primarily due to decreased share-based payment of RMB10.3 million to our administrative personnel, partially offset by the incurring of **[REDACTED]** expenses of RMB2.1 million.

R&D Expenses

Our R&D expenses increased by 115.6% from RMB13.5 million in the four months ended April 30, 2025 to RMB29.1 million in the same period of 2026, primarily due to higher employee compensation, including share-based payment, for our R&D personnel as we expanded our R&D team.

Impairment Losses on Financial Assets and Contract Assets

Our impairment losses on financial assets and contract assets remained relatively stable at RMB10.4 million in the four months ended April 30, 2026 compared to RMB10.1 million in the same period of 2025.

Other Expenses

Our other expenses increased from RMB5,000 in the four months ended April 30, 2025 to RMB2.1 million in the same period of 2026, primarily due to foreign exchange losses of RMB1.8 million.

Finance Costs

Our finance costs decreased from RMB0.4 million in the four months ended April 30, 2025 to RMB0.1 million in the same period of 2026, primarily due to the full repayment of our interest-bearing bank borrowings, as a result of which no interest expense on bank and other borrowings was incurred during the four months ended April 30, 2026.

Loss for the Period

As a result of the foregoing, our loss for the period increased by 10.2% from RMB56.1 million in the four months ended April 30, 2025 to RMB61.8 million in the same period of 2026.

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

Revenue

Our revenue increased by 20.3% from RMB250.5 million in 2024 to RMB301.5 million in 2025, primarily attributable to the increased sales of our robotic solutions, robots and other related products, and the increased sales in overseas market. Our sales volume of robots increased from 1,932 units in 2024 to 2,284 units in 2025. In 2025, although our total revenue continued to increase year over year, the growth rate moderated as we strategically prioritized securing higher-margin orders over maximizing revenue expansion, which has been reflected in the improvement of our gross profit margin in 2025 compared to 2024.

The growth in the sales of our robotic solutions was primarily driven by the increased sales of robotic solutions that mainly include embodied robots featuring higher degree-of-freedom, mainly due to their ability to handle more complex and flexible automation tasks, which aligns with growing market demand for versatile and intelligent manufacturing solutions. The revenue growth was also attributable to a significant increase in sales of robots, driven by (i) repetitive purchase orders from existing customers for replacement or upgrade of older versions of robots, and (ii) increased overseas orders. Our revenue from markets outside Chinese mainland increased by 26.3% from RMB60.4 million in 2024 to RMB76.3 million in 2025. The increases were primarily attributable to our expanded sales efforts, and particularly in (i) Hong Kong, China, (ii) Japan and (iii) Vietnam for overseas markets, and primarily driven by strong demand in the 3C electronics industry.

Cost of Sales

Our cost of sales increased from RMB153.4 million in 2024 to RMB179.3 million in 2025, and specifically, the primary component, raw materials of costs increased from RMB108.1 million to RMB137.9 million, which was consistent with the increase of sales during the same periods.

Gross Profit and Gross Profit Margin

As a result of the above, our gross profit increased by 25.7% from RMB97.2 million in 2024 to RMB122.2 million in 2025, with the gross profit margin increased from 38.8% to 40.5% during the same periods.

Other Income and Gains

Our other income and gains decreased from RMB7.9 million in 2024 to RMB3.3 million in 2025, primarily due to the decrease of government grant, as we changed our registered address and was temporarily ineligible to apply for grants from the authorities in the previous registration location.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 76.8% from RMB64.6 million in 2024 to RMB114.2 million in 2025, primarily due to increased share-based payment of RMB47.9 million to our sales and marketing personnel.

Administrative Expenses

Our administrative expenses increased significantly from RMB23.6 million in 2024 to RMB114.7 million in 2025, primarily due to (i) increased share-based payment of RMB62.9 million to our administrative personnel, and (ii) the incurring of **[REDACTED]** expenses of RMB20.2 million.

R&D Expenses

Our R&D expenses increased by 109.6% from RMB36.6 million in 2024 to RMB76.7 million in 2025, primarily due to (i) increased share-based payment of RMB28.7 million to our R&D personnel, (ii) increased employee compensation and benefits due to increased R&D personnel, and (iii) increased R&D related materials expenses, primarily related to our continuous R&D for embodied robots and related fundamental technologies. During the same period, the percentage of R&D expenses to total operating expenses dropped from 29.3% in 2024 to 25.1% in 2025, primarily due to the increase in revenue outpaced the increase in R&D expenses.

Impairment Losses on Financial Assets and Contract Assets

Our impairment losses on financial assets and contract assets decreased from RMB22.9 million in 2024 to RMB18.4 in 2025, primarily due to reversals of certain provisions recorded in prior year as certain balances were collected.

Other Expenses

Our other expenses increased by 108.3% from RMB1.2 million in 2024 to RMB2.5 million in 2025, primarily due to our donation of RMB1.2 million to a university.

Finance Costs

Our finance costs decreased slightly from RMB1.4 million in 2024 to RMB1.1 million in 2025, due to decrease in bank borrowings.

Loss for the Year

As a result of the foregoing, our loss for the year increased significantly from RMB45.1 million in 2024 to RMB202.0 million in 2025.

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

Revenue

Our revenue increased by 54.5% from RMB162.2 million in 2023 to RMB250.5 million in 2024, primarily attributable to the increased sales of our robotic solutions and in both domestic and overseas market.

The growth in the sales of our robotic solutions and robots and other related products was primarily driven by increased customer demand and enhanced acceptance of our products and solutions. We recorded revenue growth from both manufacturer customers and system integrator customers, and acquired major new customers in the 3C and automotive industries in 2024. Our sales volume of robots increased from 1,212 units in 2023 to 1,932 units in 2024. From robot type perspective, our revenue growth was primarily attributable to the increased sales of robotic solutions that mainly include functional robots, which have lifting, drawing, and transporting functions and typically serve as versatile and essential components in a robotic solutions. Such increase reflects the market demand for cost-effective, specialized automation solutions.

Our revenue from Chinese mainland increased by 34.0% from RMB141.9 million in 2023 to RMB190.1 million in 2024. Our revenue from markets outside Chinese mainland increased significantly from RMB20.3 million in 2023 to RMB60.4 million in 2024, accounting for 12.5% and 24.1%, respectively, of our total revenue for the respective years. The increases were primarily attributable to an expanding customer base. For overseas markets, we achieved increased sales in (i) Hong Kong, China, (ii) Japan, (iii) Taiwan, China and (iv) Southeast Asia markets such as Thailand, with the addition of key overseas customers contributing to this growth as well.

Cost of Sales

Our cost of sales increased by 38.2% from RMB111.0 million in 2023 to RMB153.4 million in 2024, below the growth rate of our revenue growth, primarily due to less inventory write-down of RMB19.1 million in 2024, compared to a write-down of RMB23.2 million in 2023, benefited from our enhanced inventory management practices and improved delivery capabilities.

The growth rate of raw materials costs and production and deployment expenses at 53.9% and 54.7%, respectively, were generally in line with revenue growth. Our logistics expenses remained relatively stable at RMB1.6 million for both 2023 and 2024, despite the growth of revenue during the period, as logistics expenses are more correlated with the frequency of transportation and does not necessarily increase proportionately with revenue.

Gross Profit and Gross Profit Margin

As a result of the above, our gross profit increased by 89.9% from RMB51.2 million in 2023 to RMB97.2 million in 2024. Our gross profit margin increased from 31.6% in 2023 to 38.8% in 2024.

Other Income and Gains

Our other income and gains increased slightly from RMB7.1 million in 2023 to RMB7.9 million in 2024, primarily attributable to (i) increase in government grants of RMB2.0 million and (ii) foreign exchange gains of RMB0.7 million, partially offset by (i) decrease in net gains on early termination of lease contracts of RMB0.7 million, and (ii) decrease in investment income from financial assets at FVTPL of RMB0.5 million.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 12.6% from RMB57.4 million in 2023 to RMB64.6 million in 2024, primarily due to the increase of after-sale services expenses, which was consistent with the growth of our sales during the same period.

Administrative Expenses

Our administrative expenses decreased by 7.4% from RMB25.5 million in 2023 to RMB23.6 million in 2024, and at the same time, the percentage of administrative expenses to total revenue dropped significantly from 15.7% in 2023 to 9.4% in 2024, primarily attributable to our implementation of efficiency improvements, leading to a reduction in administrative personnel compensation and office lease expenses.

R&D Expenses

Our R&D expenses decreased by 34.7% from RMB56.1 million in 2023 to RMB36.6 million in 2024, and at the same time, the percentage of R&D expenses to total revenue dropped significantly from 34.6% in 2023 to 14.6% in 2024, primarily due to (i) the decrease in compensation primarily driven by a reduction in headcount, which resulted from our implementation of efficiency improvements and organizational realignment. Specifically, we advanced modular product design to materially improve R&D efficiency, which lowered the need for certain product design roles and led to the exit of some lower-performing staff. In parallel, to align with our business plan, we streamlined the team by phasing out most non-standard design R&D positions to concentrate resources on standard product development. These actions reduced overall R&D personnel compensation, with a significant impact on total costs given the relatively higher salaries associated with R&D roles; and (ii) the successful development and continuous optimization of our robots with improved product versatility and enhanced modularity in previous years, resulting in decreased R&D expenditure in 2024. For example, we have developed a set of standard physical interfaces and communication protocols for connecting standard robots with functional modules. This standard set of physical interfaces and communication protocols can support various forms of functional modules. When developing a new model of functional robot based on a standard robot, it is only necessary to adapt the functional module of the new robot to the standard physical interface and communication protocol. With the modular design, a large number of existing mature functional module components can be used when developing a new robot. This approach can reduce the time and costs required for new product development, resulting in a reduction in R&D expenses.

Impairment Losses on Financial Assets and Contract Assets

Our impairment losses on financial assets and contract assets increased from RMB14.7 million in 2023 to RMB22.9 million in 2024, primarily due to the increase in revenue, resulting in a larger amount of trade and bills receivables and contract assets.

Other Expenses

Our other expenses decreased from RMB2.6 million in 2023 to RMB1.2 million in 2024, primarily due to the decrease in losses related to early termination of lease contracts.

Finance Costs

Our finance costs decreased from RMB2.3 million in 2023 to RMB1.4 million in 2024, primarily due to (i) a reduction in loan scale in 2024, thereby decreasing the corresponding interest expenses, and (ii) the termination of leases for certain office space in 2024, which reduced our interest expenses on lease liabilities.

Loss for the Year

As a result of the foregoing, our loss for the year decreased significantly by 55.0% from RMB100.3 million in 2023 to RMB45.1 million in 2024.

DISCUSSION ON KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our summary consolidated balance sheet as of the dates indicated, which has been extracted from our audited consolidated financial statements included in Appendix I to this document.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Total current assets	216,331	277,442	430,025	440,160
Total non-current assets	18,545	28,337	22,123	32,607
Total assets	**234,876**	**305,779**	**452,148**	**472,767**
Total current liabilities	141,204	159,503	158,474	199,093
Total non-current liabilities	8,000	5,809	4,126	8,318
Total liabilities	**149,204**	**165,312**	**162,600**	**207,411**
Net current assets	**75,127**	**117,939**	**271,551**	**241,067**
Net assets	**85,672**	**140,467**	**289,548**	**265,356**
Paid-in capital	5,673	6,015	—	—
Share capital	—	—	22,105	22,105
Reserves	79,999	134,452	267,443	243,251
Total equity	**85,672**	**140,467**	**289,548**	**265,356**
Total liabilities and equity	**234,876**	**305,779**	**452,148**	**472,767**

For details on the accounting treatment of redemption rights of pre-**[REDACTED]** investments, see "— Pre-**[REDACTED]** Investments" and note 31 to the Accountants' Report set out in Appendix I to this document.

Current Assets and Liabilities

The following table sets forth our current assets and liabilities as of the dates indicated:

	As of December 31,			As of April 30,	As of May 31,
	2023	2024	2025	2026	
			(RMB in thousands)		(unaudited)
Current assets					
Inventories	110,460	59,432	63,577	122,454	144,987
Trade and bills receivables	51,817	93,422	162,683	172,446	159,298
Debt investments at fair value through other comprehensive income	1,896	697	1,257	1,746	1,746
Contract assets	8,464	12,834	14,707	12,279	12,279
Prepayments, other receivables and other assets	9,850	6,435	12,589	22,743	21,160
Financial assets measured at FVTPL	—	17,008	80,609	40,791	30,791
Restricted cash	390	3,256	17,463	18,015	17,096
Time deposits	—	1,000	—	—	—
Cash and cash equivalents	33,454	83,358	77,140	49,686	54,466
Total current assets	**216,331**	**277,442**	**430,025**	**440,160**	**441,823**
Current liabilities					
Trade payables	45,785	52,299	80,563	135,054	132,263
Other payables and accruals	23,608	20,171	33,464	28,657	25,038
Interest-bearing bank and other borrowings	25,028	42,881	—	—	—
Lease liabilities	4,565	4,286	2,908	6,971	6,806
Contract liabilities	34,054	16,111	25,375	10,808	14,747
Deferred income	—	8,000	—	—	-
Provisions	8,164	15,755	16,164	17,603	17,603
Total current liabilities	**141,204**	**159,503**	**158,474**	**199,093**	**196,457**
Net current assets	**75,127**	**117,939**	**271,551**	**241,067**	**245,366**

Our net current assets decreased slightly from RMB271.6 million as of December 31, 2025 to RMB241.1 million as of April 30, 2026, primarily due to (i) an increase in trade payables of RMB54.5 million, primarily driven by the growth of our business scale and correspondingly, the increase in our total purchase, (ii) a decrease in financial assets measured at FVTPL of RMB39.8 million, as we redeemed wealth management products to support our operating needs, (iii) a decrease in cash and cash equivalents of RMB27.5 million, primarily driven by operating cash outflows during the period, and (iv) an increase in lease liabilities of RMB4.1 million, due to the addition of new lease agreements for buildings during the period, partially offset by (i) an increase in inventories of RMB58.9 million, primarily driven by increased procurement in response to growing customer orders, (ii) an increase in prepayments, other receivables and other assets of RMB10.2 million, primarily attributable to increased prepayments for raw materials procurement, deferred **[REDACTED]** expenses and value-added tax recoverable, and (iii) a decrease in contract liabilities of RMB14.6 million, attributable to the fulfillment of obligations under existing contracts and the recognition of revenue from previously received advance payments during the period.

Our net current assets increased by 130.4% from RMB117.9 million as of December 31, 2024 to RMB271.6 million as of December 31, 2025, primarily due to (i) an increase in trade and bills receivables of RMB69.3 million, consistent with the growth of our business scale, (ii) increase in financial assets measured at FVTPL of RMB63.6 million, as we conducted a new round of financing in

May 2025 and purchased wealth management products in the form of structured deposit and certificate of deposits with spare funds, and (iii) decrease in interest-bearing bank and other borrowings of RMB42.9 million, due to reduced bank borrowings, partially offset by an increase in trade payables of RMB28.3 million, primarily due to the growth of our business scale, and correspondingly, the increase in our total purchase.

Our net current assets increased by 57.0% from RMB75.1 million as of December 31, 2023 to RMB117.9 million as of December 31, 2024, primarily due to (i) an increase in trade and bills receivables of RMB41.6 million, driven by our revenue growth, (ii) an increase in financial assets at FVTPL of RMB17.0 million, as we purchased wealth management product to fully utilize our spare funds, (iii) an increase in cash and cash equivalents of RMB49.9 million, driven by our revenue growth, coupled with funds from our financing in June 2024 and (iv) a decrease in contract liabilities of RMB17.9 million, attributable to our improved delivery efficiencies, partially offset by (i) a decrease in inventories of RMB51.0 million benefited from our enhanced inventory management practices, (ii) an increase in trade payables of RMB6.5 million, (iii) an increase in interest-bearing bank and other borrowings of RMB17.9 million, driven by the need to support business development, which led to the incurring of additional bank borrowings, (iv) an increase in deferred income of RMB8.0 million, and (v) an increase in provisions of RMB7.6 million.

Inventories

The following table sets out a breakdown of our inventories as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Raw materials	20,232	15,108	17,991	30,100
Work in progress	6,814	5,801	10,298	25,389
Finished goods	9,094	9,693	11,836	18,293
Contract fulfillment costs	74,320	28,830	23,452	48,672
Total	**110,460**	**59,432**	**63,577**	**122,454**

Our inventories consist of raw materials, work in process and finished goods and contract fulfillment costs. Contract fulfillment costs refer to the robotic solutions deployed at customer site during the delivery phase, which include on-site materials such as robotic products and accessories, delivery personnel salaries and other delivery expenses. Our contract fulfillment costs decreased from RMB74.3 million as of December 31, 2023 to RMB28.8 million as of December 31, 2024, and continued to decrease to RMB23.5 million as of December 31, 2025 largely attributable to our enhanced delivery capabilities, which enabled us to expedite product delivery. The amount of raw materials, work in process and finished goods fluctuated at period-end due to varying material states during inventory counts. However, the combined total amount of these categories decreased from 2023 to 2024, largely benefiting from our enhanced inventory management practices, including more procurement based on order demand, coupled with limited space following lease terminations, which reduced the stocking of materials and products. The increase from the year end of 2024 to 2025, and further increased to April 30, 2026 were primarily due to our increased procurement in response to an increase in orders.

The table below sets forth an aging analysis for our inventories, net of loss allowances as at the dates indicated.

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Within 1 year	98,282	57,798	63,240	124,516
1 to 2 years	42,122	15,139	7,364	8,017
Over 2 years	73	6,074	14,602	15,602
Less: Write-down of inventories	30,017	19,579	21,629	25,681
Total	**110,460**	**59,432**	**63,577**	**122,454**

Our management review the condition of our inventories at the end of each year and makes provisions against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use based on sales forecasts. Such sales forecasts are prepared based on agreements or orders on hand and estimated sales in the foreseeable future based on our historical experiences with customers and current market conditions of the industrial robotic solutions industry. Our management estimates the net realisable value for those obsolete and slow-moving inventories based primarily on the latest invoice prices and current market conditions. Inventories are stated at the lower of cost and net realisable value and provisions will be made as appropriate. During the Track Record Period, we recorded a substantial inventory write-down, primarily due to the rapid product iteration characteristic of the robotics industry. Given the low net realizable value of aged inventory items, we applied a high provision rate to long-term stored inventory. For example, we made a 100% provision for inventories older than two years. As of December 31, 2023, 2024 and 2025 and April 30, 2026, we had inventory write-down of RMB30.0 million, RMB19.6 million, RMB21.6 million and RMB25.7 million, respectively. Our management believes that sufficient provision has been made at the end of each of the reporting periods. Our management strategies for slow-moving and obsolete inventories include, but are not limited to: (i) the timely disposal of outdated raw materials; (ii) selling components of products that have been completely phased out of the market; and (iii) enhancing promotional efforts and implementing price reduction strategies for slow-moving products.

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

	Year Ended December 31,			Four Months Ended April 30,
	2023	2024	2025	2026
Inventory turnover days[(1)]	459.4	261.2	167.2	235.8

Note:

(1) Inventory turnover days are calculated using the average of opening balance and closing balance of inventories for a year/four months divided by cost of sales for the relevant year/period and multiplied by 365 or 120 days.

Our relatively long inventory turnover days are primarily a reflection of the nature of our project-based business model and the delivery cycle of our robotic solutions. Due to the customized nature of our solutions, the period from production completion to final customer acceptance is often extended, as it typically involves on-site deployment, system integration, testing, and formal acceptance procedures, particularly for projects for complex manufacturing environments. We recognize revenue only after fully deployment and formal acceptance of our robotic solutions. As a result, corresponding inventories remain on our balance sheet until revenue is recognized. We believe the relatively long inventory turnover days reflect our project-based business model rather than any issues with inventory recoverability.

Our inventory turnover days decreased from 459.4 days in 2023 to 261.2 days in 2024, and further decreased to 167.2 days in 2025. Our inventory turnover days was relatively long, at 459.4 days for 2023, primarily due to (i) the relatively high opening inventories balance for 2023, and (ii) the rise in customer orders prompted us to strategically acquire relatively large amount of new inventories to ensure fulfillment, resulting in a high ending inventories balance for 2023. The notable reduction in inventory turnover days in 2024 and subsequent decrease in 2025 were primarily due to (i) our enhanced inventory management practices, including more procurement based on order demand, coupled with limited space following lease terminations, which reduced the stocking of raw materials; and (ii) our improved delivery capabilities, beneficial from our new products with improved product versatility and enhanced modularity, as modular and universal product designs enable parallel production of standardized components, reducing manufacturing lead times, and simplify configuration changes, accelerating deployment at customer sites. With more shared components across products, we are able to lower safety stock requirements and achieve higher inventory utilization, which in turn accelerated the turnover of inventory. Our inventory turnover days increased from 167.2 days in 2025 to 235.8 days for the four months ended April 30, 2026, primarily due to (i) a high opening inventories balance for this period and (ii) our increased procurement in response to the growth of our business scale and an increase in orders, which resulting in a notably high ending inventory balance for the four-month period of 2026.

As of the Latest Practicable Date, RMB60.0 million, or 40.5% of our inventories as of April 30, 2026, had been consumed.

Trade and Bills Receivables

The following table sets forth a breakdown of our trade and bills receivables as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Bill receivables	9,764	5,503	6,393	7,589
Trade receivables	78,604	145,461	233,043	252,566
Allowance for credit losses	(36,551)	(57,542)	(76,753)	(87,709)
Total	**51,817**	**93,422**	**162,683**	**172,446**

We typically require payment in installments: an initial portion of the purchase amount is paid upon the signing of agreement, a second portion upon shipment of the ordered products, a third portion upon receipt and acceptance, and the final installment upon the expiration of the warranty period, which typically lasts one year. However, at the request of certain major customers, this practice may vary; for example, some customers may opt to pay the full lump sum upon receipt and acceptance. Our trade and bills receivables increased from RMB51.8 million as of December 31, 2023 to RMB93.4 million as of December 31, 2024 and further increased to RMB162.7 million as of December 31, 2025, which is generally in line with the increase in our business scale. Our trade and bills receivables remained relatively stable at RMB172.4 million as of April 30, 2026.

The following table sets forth the aged analysis of our trade and bill receivables as of the dates indicated, based on the revenue recognition date and net of allowance for ECLs:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Within 1 year	51,040	90,093	147,885	154,408
1 to 2 years	777	3,329	13,260	16,371
Over 2 years	—	—	1,538	1,667
Total	**51,817**	**93,422**	**162,683**	**172,446**

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

	Year Ended December 31,			Four Months Ended April 30,
	2023	2024	2025	2026
Trade and bills receivables turnover days[(1)]	144.2	163.2	229.1	272.5

Note:

(1) Trade receivables turnover days are calculated using the average of opening balance and closing balance of trade receivables (excluding provision for impairment) for a year/four months divided by revenue for the relevant year/period and multiplied by 365/120 days.

Our trade receivables turnover days during the Track Record Period were longer than the standard credit period of up to 90 days that we offered to our customers, primarily due to (i) as a company in a rapid growth stage, we have strategically focused more resources on business expansion and new orders acquisition rather than receivables collections; (ii) given our high-quality customer base and high customer retention rate and net dollar retention rate, we believe the risks associated with receivables recoverability are low. Therefore, we historically adopted a more lenient approach to receivables collection, and we occasionally extend payment terms to accommodate specific customer needs, particularly for key customers and strategic customers, to foster long-term relationships.

Our trade and bills receivables turnover days increased from 144.2 days in 2023 to 163.2 days in 2024, and further increased to 229.1 days in 2025 and 272.5 days for the four months ended April 30, 2026. The increase in trade and bills receivables turnover days in 2024 was in line with our increased sales, which led to an increase in trade and bill receivables, leaving a higher average trade and bill receivables balance for this year, and our allocation of more resources to support business expansion, coupled with influence by payment delays from certain major customers. The significant increase in the trade and bills receivables turnover days in 2025 were driven by (i) a high year-end balance of trade and bills receivables as of December 31, 2024, which resulting in a correspondingly high opening balance for 2025 calculation base, mechanically elevating the average receivables and lengthening the turnover days in the period, (ii) as we continued to scale our business, the outstanding receivables continued to increase, (iii) we allocated more resources to business expansion, which temporarily diverted collection manpower and extended certain collection cycles, (iv) payment delays from several major customers contributed to higher period-end receivable balances, and (v) we changed our Company name during the period, which resulted in a temporary extension of payment processing times with some major customers as the name change triggered certain internal updates within our clients'

systems, which further prolonged the trade and bills receivables turnover days. The significant increase in trade and bills receivables turnover days for the four months ended April 30, 2026 was primarily due to: (i) a high year-end balance of trade and bills receivables as of December 31, 2025, which resulted in a correspondingly high opening balance for the calculation base; and (ii) an even higher ending balance of trade and bills receivables for this period as we continued to scale our business and outstanding receivables increased. These factors together mechanically increased the average receivables and lengthened the turnover days for the period. In addition, in response to our continued business growth, we allocated more resources to business expansion, which diverted collection manpower and extended collection cycles, further prolonging trade and bills receivables turnover days.

We are highly focused on maintaining healthy cash flow and minimizing credit risk. To that end, we plan to strengthen our collections efforts and take a proactive approach to collections. We have already established a dedicated collection team regularly monitors receivables, meets internally to review outstanding balances, and actively follow-ups with customers through multiple channels to remind them of upcoming payments. Additionally, we plan to conduct credit assessments of our customers and incorporate credit dimensions into the review of new business contracts. We plan to refine our customer base to focus on those who consistently deliver sustainable growth, while applying more rigorous credit standards across both new and existing customers. We also plan to pursue more favorable payment terms, allowing us to collect a larger proportion of prepayments, thereby reducing the pressure of collecting remaining balances, and to implement more rigorous payment collection procedures to ensure timely payments from our customers. To address the cash flow mismatch arising from the longer inventory turnover days and trade receivable turnover days compared to trade payable turnover days and improve our liquidity position moving forward, we also plan to engage with our suppliers to negotiate extended payment terms and flexible payment approaches, reducing the pressure on our working capital, and to further refine our inventory management practices such as improving demand forecasting and enhancing supplier collaboration to ensure optimal stock levels and reduce inventory turnover days.

As of the Latest Practicable Date, RMB87.4 million, or 33.6% of our trade and bills receivables as of April 30, 2026, had been settled, among which, (i) RMB75.2 million, or 39.7% of our trade and bills receivables due within one year, (ii) RMB10.0 million, or 23.1% of our trade and bills receivables due within one to two years, and (iii) RMB2.2 million, or 8.2% of our trade and bills receivables due over two years, had been settled.

Contract Assets

Our contract assets comprise warranty retention receivables, which will be collected upon the completion of warranty period and typically amount to 10 percent of the contract value for our robotic solutions. Our contract assets increased from RMB8.5 million as of December 31, 2023 to RMB12.8 million as of December 31, 2024, and continued to increase to RMB14.7 million as of December 31, 2025. These increases align with the growth in our revenue over the same periods. Our contract assets then decreased to RMB12.3 million as of April 30, 2026, primarily due to the collection of the warranty retention receivables upon expiry of warranty periods.

Prepayments, Other Receivables and Other Assets

The following table sets out a breakdown of the current portion of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Prepayments	6,568	3,650	4,526	9,795
Value-added tax recoverable	175	362	2,603	4,984
Other receivables and deposit[(1)]	3,107	2,423	2,252	4,396
Deferred **[REDACTED]** expenses	—	—	3,208	3,568
Total	**9,850**	**6,435**	**12,589**	**22,743**

Note:

(1) Represents bid security, lease security and outstanding damages.

The current portion of our prepayments, other receivables and other assets decreased from RMB9.9 million as of December 31, 2023 to RMB6.4 million as of December 31, 2024, primarily due to the decrease of our prepayments from RMB6.6 million to RMB3.7 million, mainly attributable to our refined procurement policies, which focus on procuring raw materials based on order demands rather than maintaining large stockpiles. Additionally, as our business operations have scaled up, our bargaining power has strengthened, allowing us to negotiate longer payment terms and reduced prepayment requirements. We adhere to a strict policy on prepayment management and aim to maintain a relatively low level of prepayments as a percentage of our total purchase amount.

The current portion of our prepayments, other receivables and other assets increased by 96.9% from RMB6.4 million as of December 31, 2024 to RMB12.6 million as of December 31, 2025, primarily due to (i) the incurring of deferred **[REDACTED]** expenses of RMB3.2 million; (ii) increased prepayments for and value-added tax recoverables relating to raw materials procurement in light of increased orders and (iii) increased bid security.

The current portion of our prepayments, other receivables and other assets further increased by 80.2% from RMB12.6 million as of December 31, 2025 to RMB22.7 million as of April 30, 2026, primarily due to (i) an increase in prepayments of RMB5.3 million, primarily attributable to increased procurement of raw materials and services in response to growing customer orders during the period; (ii) an increase in deferred **[REDACTED]** expenses of RMB0.4 million in connection with the **[REDACTED]**; (iii) an increase in value-added tax recoverable of RMB2.4 million, consistent with the increase in our procurement activities relating to raw materials and (iv) an increase in other receivables and deposits of RMB2.1 million, primarily attributable to outstanding damages from a defendant in a lawsuit.

Financial Assets Measured at FVTPL

Our financial assets measured at FVTPL consisted of wealth management products issued by commercial banks in the PRC with variable interest rates. We did not have any wealth management products as of December 31, 2023. We recorded financial assets measured at FVTPL at an amount of RMB17.0 million, RMB80.6 million and RMB40.8 million as of December 31, 2024 and 2025 and April 30, 2026, respectively, as we purchased wealth management product to fully utilize and enhance returns on our spare funds from the consideration for issue of shares of RMB200.0 million during the

period, after reserving sufficient working capital to support our business operations and growth. These wealth management products generally have terms of less than three months and are relatively flexible, so that we can quickly redeem and convert them into working capital to meet any additional operating needs.

Our investment strategy prioritizes liquidity, safety and returns to ensure the availability of funds while maintaining a conservative risk profile. During the Track Record Period, we primarily invested in low-risk wealth management products, typically with terms ranging from 30 to 90 days and featuring automatic redemption upon maturity. To regulate and control risks associated with structured deposits and wealth management product portfolios, we have established a robust set of internal risk management policies and guidelines. These outline clear approval processes, periodic monitoring and reporting procedures to ensure that investments align with our liquidity and risk requirements. After the **[REDACTED]**, our investments in financial assets at FVTPL will be subject to compliance with Chapter 14 of the Listing Rules.

Trade Payables

Our trade payables primarily consisted of the amount payables to our suppliers. Our trade payables increased by 14.2% from RMB45.8 million as of December 31, 2023 to RMB52.3 million as of December 31, 2024 and continue to increase by 54.1% to RMB80.6 million as of December 31, 2025 and increase by 67.6% to RMB135.1 million as of April 30, 2026, primarily driven by the growth of our business and sales, leading to a rise in trade payables.

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

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Within 1 year	35,469	42,853	72,977	127,423
Over 1 year	10,316	9,446	7,586	7,631
Total	**45,785**	**52,299**	**80,563**	**135,054**

The following table sets forth our trade payables turnover days for the Track Record Period:

	Year Ended December 31,			Four Months Ended April 30,
	2023	2024	2025	2026
Trade payables turnover days[(1)]	180.8	116.7	135.3	217.9

Note:

(1) Trade payables turnover days are calculated using the average of opening balance and closing balance of trade payables for a year/four months divided by cost of sales used for the relevant year/period and multiplied by 365/120 days.

Our trade payables turnover days decreased from 180.8 days in 2023 to 116.7 days in 2024, primarily because we expedited the settlement of our trade payables due to our improved cash flow. Our trade payables turnover days increased to 135.3 days in 2025 and 217.9 days for the four months ended April 30, 2026, primarily because of our strategic approach to working capital management, aimed at optimizing cash flow stability and maintain a healthy balance between cash inflows and outflows, supporting sustainable operational growth.

As of the Latest Practicable Date, RMB51.1 million, or 37.8% of our trade payables as of April 30, 2026, had been settled.

Other Payables and Accruals

Our other payables and accruals decreased from RMB23.6 million as of December 31, 2023 to RMB20.2 million as of December 31, 2024, primarily attributable to the decreases in the combined amount of payroll payables and cash settled share-based payments to our employees during the same period. Our other payables and accruals then increased to RMB33.5 million as of December 31, 2025, primarily attributable to the increase of other payables, mainly due to the accounting treatment of a government grant pending fulfillment of its conditions. Our other payables and accruals then decreased to RMB28.7 million as of April 30, 2026, primarily attributable to the decreases of other tax payables mainly consisting of value added tax payable.

The following table sets out a breakdown of our other payables and accruals as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Payroll payables	11,018	9,494	12,362	14,714
Cash settled share-based payments	3,625	3,709	—	—
Output value added tax to be transferred	4,209	1,889	1,218	1,251
Other tax payables	3,150	1,443	6,985	413
Other payables and accruals	1,606	3,636	2,678	2,796
[REDACTED] expenses payables	—	—	2,221	1,483
Government grants to be refunded	—	—	—	8,000
Total	**23,608**	**20,171**	**33,464**	**28,657**

Contract Liabilities

Our contract liabilities primarily represent advances from customers for our sale of robotic solutions. Our contract liabilities decreased by 52.7% from RMB34.1 million as of December 31, 2023 to RMB16.1 million as of December 31, 2024. This reduction was primarily driven by the enhancement of our delivery capabilities, which enabled us to complete projects more swiftly and recognize revenue more promptly. Our contract liabilities increased by 57.5% from RMB16.1 million as of December 31, 2024 to RMB25.4 million as of December 31, 2025, primarily due to increased advance payments from customers under newly signed sales contracts. Our contract liabilities decreased by 57.4% from RMB25.4 million as of December 31, 2025 to RMB10.8 million as of April 30, 2026, primarily due to our enhanced project delivery efficiencies, which enabled us to complete projects more swiftly and recognize revenue more promptly.

As of the Latest Practicable Date, RMB1.4 million, or 12.9% of our contract liabilities as of April 30, 2026, had been subsequently recognized as revenue.

Provisions

We generally provide warranties of one year to our customers for our robotic solutions for general repairs of defects occurring during the warranty period. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. We recorded provisions for the warranties of RMB8.2 million, RMB15.8 million, RMB16.2 million and RMB17.6 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively.

Non-Current Assets and Liabilities

The following table sets forth our non-current assets and liabilities as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Non-current assets				
Property, plant and equipment	13,289	7,312	4,595	5,514
Right-of-use assets	4,035	10,011	5,567	13,603
Other intangible assets	807	490	267	277
Prepayments, other receivables and other assets	414	10,524	11,694	13,213
Total non-current assets	**18,545**	**28,337**	**22,123**	**32,607**
Non-current liabilities				
Lease liabilities	—	5,809	2,901	7,249
Deferred income	8,000	—	1,225	1,069
Total non-current liabilities	**8,000**	**5,809**	**4,126**	**8,318**

Property, Plant and Equipment

Our property, plant and equipment consisted of (i) machinery and equipment, (ii) office equipment and fixtures, (iii) motor vehicles, (iv) other equipment and (v) leasehold improvement. Our property, plant and equipment decreased by 45.1% from RMB13.3 million as of December 31, 2023 to RMB7.3 million as of December 31, 2024, primarily due to (i) disposal of office equipment and fixtures after our termination of some office leases and (ii) depreciation provided during the year. Our property, plant and equipment then decreased by 37.1% to RMB4.6 million as of December 31, 2025, primarily due to depreciation provided during the period. Our property, plant and equipment then increased to RMB5.5 million as of April 30, 2026, primarily due to the addition of other production, R&D and business operation-related equipment.

Right-of-Use Assets

Our right-of-use assets consisted of lease for buildings. Our right-of-use assets increased by 148.1% from RMB4.0 million as of December 31, 2023 to RMB10.0 million as of December 31, 2024, primarily due to the renewal of leasing agreement. Our right-of-use assets then decreased by 44.4% to RMB5.6 million as of December 31, 2025, primarily due to depreciation charge for the period. Our right-of-use assets then increased by 144.4% to RMB13.6 million as of April 30, 2026, primarily due to we entered into new lease contracts for our new Wuxi factory and the expansion of office area in Shenzhen.

Prepayments, Other Receivables and Other Assets

The following table sets out a breakdown of the non-current portion of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,			As of April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Prepayments	414	68	1,048	956
Other receivables and deposits	—	419	419	1,967
Certificate of deposits	—	10,037	10,227	10,290
Total	**414**	**10,524**	**11,694**	**13,213**

The increase in the non-current portion of our prepayments, other receivables and other assets from RMB0.4 million as of December 31, 2023 to RMB10.5 million as of December 31, 2024 was primarily due to our purchase of certificate of deposits of RMB10.0 million to fully utilize our spare funds. The non-current portion of our prepayments, other receivables and other assets then remained relatively stable at RMB11.7 million as of December 31, 2025 and RMB13.2 million as of April 30, 2026.

PRE-[REDACTED] INVESTMENTS

Pursuant to the shareholders agreements entered into between us and our shareholders (collectively the "**Agreements**"), we issued 12,697,000 ordinary shares (representing the number of shares after conversion into a joint stock company) to certain shareholders (collectively the "**Pre-[REDACTED] Investors**") for a total net cash proceed of approximately RMB540,854,000 (collectively the "**Pre-[REDACTED] Investments**"). Pursuant to the Agreements, the Pre-**[REDACTED]** Investors were granted by us with special rights ("**Special Rights**") which included redemption rights, liquidation preferences and anti-dilution rights. There was no exercise of such Special Rights during the Track Record Periods.

In June 2025, we and the Pre-**[REDACTED]** Investors subsequently entered into supplemental agreements, agreeing that certain of the Special Rights, including redemption rights, liquidation preferences and anti-dilution rights, have been irrecoverably terminated and shall be *void ab initio*. Taking into account the applicable legal and regulatory framework and the governing law of the supplemental agreements, our Directors considered that it is appropriate to present the Pre-**[REDACTED]** Investments as equity throughout the Track Record Periods.

Had the Special Rights been accounted for as financial liabilities measured at present value of the redemption amount prior to entering into the supplemental agreements, the redemption financial liabilities, total current liabilities and net deficits would have been:

	As of December 31,	
	2023	2024
	(RMB in thousands)	
Redemption financial liabilities	563,192	720,678
Total current liabilities	704,396	880,181
Net deficits	(477,520)	(580,211)

The finance costs associated with the redemption financial liabilities, the total net losses, basic and dilutive loss per share would have been:

	Year ended December 31,			Four months ended April 30,
	2023	2024	2025	2025
	(RMB in thousands)			
Finance costs associated with the redemption financial liabilities	48,037	62,598	29,376	20,580
Total net losses	(148,385)	(107,742)	(231,397)	(76,666)
Basic and dilutive loss per share (RMB per share)	(0.87)	(0.60)	(1.11)	(0.40)

LIQUIDITY AND CAPITAL RESOURCES

Our Directors are of the opinion that, taking into account the estimated net **[REDACTED]** from the **[REDACTED]** and other capital resources available to us, including cash flow from operating activities and cash and cash equivalents, we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document.

Our cash burn rate refers to the average monthly aggregate amount of (i) net cash used in operating activities, (ii) purchase of property, plant and equipment and purchase of intangible assets, and (iii) lease payment and lease interests. Our historical cash burn rate was RMB11.2 million, RMB2.8 million, RMB7.8 million and RMB17.1 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively. In 2023, our cash burn rate was relatively high, primarily because of (i) significant outflows for settling outstanding supplier payables accumulated in prior years and (ii) an expansion in the scale of trade receivables corresponding to the substantial growth in revenue. In 2024, we observe a notable reduction in the cash burn rate, mainly attributable to (i) the delayed benefits of prior cost-saving measures materializing through leaner operations, such as downsizing our workforce which lowered our monthly payroll outflows and refined procurement management which reduced our overall payments to suppliers, and (ii) strategic business mix optimization, with increased share of high-margin orders from customers with strong payment performance, which facilitated faster cash conversion and reduced our net operating cash outflows. Our cash burn rate then increased to RMB7.8 million in 2025 primarily driven by our continued business scale-up, when we incurred (i) increased payments to suppliers due to the increased procurement, (ii) increased payroll and related personnel costs as our headcount grown, and (iii) higher travel and other international operating expenses as our overseas operations expanded. In addition, the outpace of our payments to suppliers over the collection of trade and bill receivables also resulted in an increase in our net operating cash outflows. Our cash burn in the four months ended April 30, 2026 is relatively high because we incurred substantial expenses for overseas business expansion, which is not representative of the full-year operating profile.

We had cash and cash equivalents, and financial assets at FVTPL of RMB102.4 million in aggregate as of May 31, 2026. We estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** after deducting the estimated **[REDACTED]** and other fees and expenses paid and payable by us in connection with the **[REDACTED]**, assuming no **[REDACTED]** is exercised and assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the low-end of the indicative **[REDACTED]** range as set out in this document. Assuming that the average cash burn rate going forward will be RMB7.8 million, similar to the cash burn rate level in 2025, based on the underlying assumptions that (i) it represents the most recent and operationally relevant data, reflecting

our latest business operations; (ii) our workforce growth will generally align with our business expansion, and (iii) prior to the completion of the **[REDACTED]**, no substantial capital investment or significant acquisition of fixed assets are expected, although such assumptions are subject to change due to various factors including but not limited to the business development, industry trend and customers' requirement, we estimate that our cash and cash equivalents and financial assets at FVTPL as of May 31, 2026 will be able to maintain our financial viability for approximately 13.2 months; or, if we take into account 10% of the estimated net **[REDACTED]** from the **[REDACTED]** (namely, the portion allocated for our working capital and other general corporate purposes), approximately **[REDACTED]** months; or, if we take into account 100% of the estimated net **[REDACTED]** from the **[REDACTED]**, approximately **[REDACTED]** months.

We have no concrete plan for future financing after the **[REDACTED]** for purpose of our commercialization plan as disclosed in this document taking into account our available cash, **[REDACTED]** from the **[REDACTED]** and based on our cash burn rate. However, with the continuing expansion of our business and development of our solutions or services, or if we discover suitable targets for acquisition or business collaboration, we could not exclude the possibility to require further funding through public or private equity **[REDACTED]**, debt financing and other sources. Solely on the basis that our cash and cash equivalents, financial assets at FVTPL and unutilized banking facilities as of the Latest Practicable Date will be able to maintain our financial viability for approximately 14.8 months assuming an average cash burn rate of RMB13.1 million, we expect to raise the next round of financing around October 2027. However, this timeline may be adjusted earlier if market conditions are favorable, or postponed, or potentially foregone if we achieve breakeven or profitability in the near future, contingent upon prevailing capital market conditions and our actual business operations and financial performance at that time. We will comply with applicable laws and regulations, including requirements under the Listing Rules, when we proceed with such financings.

Consolidated Statements of Cash Flow

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

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
Net cash flows used in operating activities	(120,123)	(27,184)	(86,656)	(2,781)	(64,531)
Net cash flows (used in)/from investing activities	(2,980)	(28,038)	(63,203)	(13,453)	38,200
Net cash flows from/(used in) financing activities	126,415	105,094	144,132	(11,471)	(517)
Net increase/(decrease) in cash and cash equivalents	**3,312**	**49,872**	**(5,727)**	**(27,705)**	**(26,848)**

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
			(RMB in thousands)		
Cash and cash equivalents at beginning of year	30,129	33,454	83,358	83,358	77,140
Effect of foreign exchange rate changes, net	13	32	(491)	5	(606)
Cash and cash equivalents at end of year/period	**33,454**	**83,358**	**77,140**	**55,658**	**49,686**

Net Cash Used in Operating Activities

We had net operating cash outflows throughout the Track Record Period. However, we believe we are able to improve our operating cash flows position based on the following grounds:

- **Positive trend in inventory balance and inventory turnover days.** As of December 31, 2023, 2024 and 2025, the balance of our inventories was RMB110.5 million, RMB59.4 million and RMB63.6 million, respectively. Our inventory turnover days was 459.4 days, 261.2 days and 167.2 days, respectively, for the year of 2023, 2024 and 2025. These positive trends highlight the positive impact of our scaling operations on improving efficiency and managing liquidity.

- **Refined inventory management practices.** We are transitioning to a more demand-driven inventory model by aligning procurement with orders to reduce excess stock and establishing minimum safety stock levels by product category based on lead times and demand volatility.

- **Strengthen collections efforts.** We are establishing a dedicated collection team regularly monitors receivables, meets internally to review outstanding balances, and follow-ups with customers through multiple channels to remind them of upcoming payments. We are also refining our customer base to focus on those who consistently deliver sustainable growth, while applying more rigorous credit standards across both new and existing customers. We may also consider provide early payment incentives for customers who settle invoices ahead of schedule.

- **Supplier payment management.** We plan to engage with our suppliers to negotiate (i) extended payment terms where feasible, (ii) flexible payment approaches such as instalment payment or staggered payment schedules aligned with our cash inflow patterns, and (iii) early payment discounts where our cash position permits.

In the four months ended April 30, 2026, we had net cash flows used in operating activities of RMB64.5 million, as compared to loss before tax of RMB61.8 million. The principal items accounting for the difference were the adjustments of: (i) share-based payment compensation of RMB35.9 million; (ii) write-down of inventories to net realizable value of RMB7.9 million; (iii) impairment of financial assets and contract assets of RMB10.4 million; (iv) depreciation of right-of-use assets of RMB2.1 million; (v) depreciation of property, plant and equipment of RMB1.1 million; and (vi) foreign exchange losses of RMB1.8 million. The amount was further adjusted by changes in itemized balances of operating assets and liabilities, which primarily consisted of (i) an increase in inventories of RMB66.8 million, and (ii) an increase in prepayments, other receivables and other assets of RMB11.1 million, partially offset by (i) an increase in trade payables of RMB54.5 million, (ii) an increase in trade and bills receivables of RMB21.4 million, (iii) a decrease in contract assets of RMB2.4 million, and (iv) a decrease in other payables and accruals of RMB4.8 million.

In 2025, we had net cash flows used in operating activities of RMB86.7 million, as compared to loss before tax of RMB202.0 million. The principal items accounting for the difference were the adjustments of: share-based payment compensation of RMB147.2 million; impairment of financial assets and contract assets, net of RMB18.4 million and write-down of inventories to net realizable value of RMB14.5 million. The amount was further adjusted by changes in itemized balances of operating assets and liabilities, which primarily consisted of increase in trade payables of RMB25.7 million and increase in other payables and accruals of RMB14.0 million, partially offset by (i) increase in trade and bills receivables of RMB85.7 million, (ii) increase in inventories of RMB18.7 million, and (iii) increase in restricted bank deposits of RMB14.2 million.

In 2024, we had net cash flows used in operating activities of RMB27.2 million, as compared to loss before tax of RMB45.1 million. The principal items accounting for the difference were the adjustments of: (i) depreciation of property, plant and equipment expenses of RMB6.6 million; (ii) depreciation of right-of-use assets of RMB5.1 million; (iii) write-down of inventories to net realizable value of RMB19.1 million; (iv) impairment of financial assets and contract assets of RMB22.9 million; and (v) share-based payments of RMB5.9 million. The amount was further adjusted by changes in itemized balances of operating assets and liabilities, which primarily consisted of (i) decrease in inventories of RMB32.0 million, (ii) increase in trade and bills receivables of RMB63.3 million, (iii) increase in trade payables of RMB6.0 million, (iv) decrease in contract liabilities of RMB17.9 million, and (v) increase in provisions of RMB7.6 million.

In 2023, we had net cash flows used in operating activities of RMB120.1 million, as compared to loss before tax of RMB100.3 million. The principal items accounting for the difference were the adjustments of: (i) depreciation of property, plant and equipment expenses of RMB7.8 million; (ii) depreciation of right-of-use assets of RMB8.1 million; (iii) impairment of financial assets and contract assets of RMB14.7 million, (iv) write-down of inventories to net realizable value of RMB23.2 million; and (v) share-based payment compensation of RMB6.1 million. The amount was further adjusted by changes in itemized balances of operating assets and liabilities, which primarily consisted of (i) increase in inventories of RMB22.2 million, (ii) increase in trade receivables of RMB36.7 million, (iii) decrease in trade payables of RMB19.3 million, and (iv) decrease in contract liabilities of RMB10.2 million.

Net Cash Flows Used in/from Investing Activities

In the four months ended April 30, 2026, our net cash flows from investing activities were RMB38.2 million, which was primarily attributable to proceeds from redemption of wealth management products of RMB50.3 million, partially offset by (i) the purchase of wealth management products of RMB10.0 million and (ii) the purchase of items of property, plant and equipment of RMB2.0 million.

In 2025, our net cash flows used in investing activities were RMB63.2 million, which was primarily attributable to purchase of wealth management products of RMB300.0 million, partially offset by the proceeds from redemption of wealth management products of RMB237.9 million.

In 2024, our net cash flows used in investing activities were RMB28.0 million, which was primarily attributable to (i) the purchase of certificate of deposits of RMB10.0 million, (ii) the purchases of wealth management products of RMB17.0 million, and (iii) the purchase of time deposits of RMB1.0 million.

In 2023, our net cash flows used in investing activities were RMB3.0 million, which was attributable to the purchase of items of property, plant and equipment of RMB4.7 million, and offset by (i) proceeds from redemption of wealth management products of RMB1.1 million and (ii) proceeds from disposal of items of property, plant and equipment of RMB0.6 million.

Net Cash Flows Used in Financing Activities

In the four months ended April 30, 2026, our net cash flows from financing activities were RMB0.5 million, attributable to (i) payment for **[REDACTED]** expenses of RMB0.5 million, and (ii) principal payments of lease liabilities of RMB1.7 million, offset by capital contribution by shareholders of RMB1.7 million.

In 2025, our net cash flows from financing activities were RMB144.1 million, attributable to the issuance of shares of RMB200 million, partially offset by repayment of bank loans of RMB51.9 million.

In 2024, our net cash flows from financing activities were RMB105.1 million, attributable to (i) new bank borrowings of RMB68.0 million and (ii) capital contribution of RMB94.9 million, and partially offset by (i) repayment of bank loans of RMB50.2 million, (ii) principal payments of lease liabilities of RMB5.5 million, and (iii) interest paid of RMB1.4 million.

In 2023, our net cash flows from financing activities were RMB126.4 million, attributable to (i) new bank borrowings of RMB45.0 million and (ii) capital contribution of RMB179.2 million, and offset by (i) repayment of bank loans of RMB79.7 million, (ii) principal payments of lease liabilities of RMB8.6 million, (iii) interest paid of RMB2.4 million and (iv) cash-settled share based payments of RMB7.1 million.

CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
		(RMB in thousands)	
Direct production costs, including materials[(1)]	98,008	148,402	159,238
Workforce employment[(2)]	90,341	82,963	93,235
Product marketing[(3)]	21,300	30,307	79,896
R&D costs[(4)]	15,198	8,270	41,251
Non-income taxes and other charge	4,062	12,766	14,048
Contingency allowances	—	—	—
Total	**228,909**	**282,708**	**387,668**

Notes:

(1) Represents the costs of sales (excluding employee benefit expenses and non-cash items under contract fulfillment costs) adjusted by changes in working capital relating to production as of the previous and current year end.

(2) Represent the sum of employee compensation and benefits expenses under costs of sales, R&D expenses, administrative expenses, and selling and marketing expenses (excluding equity-settled share-based payments expenses) adjusted by changes in working capital relating to employee compensation and benefit expenses as of previous and current year end under the costs of sales and operating expenses.

(3) Represents the selling and marketing expenses (excluding employee compensation and benefits and non-cash items under selling and distribution expenses) adjusted by changes in working capital relating to sales and marketing activities as of the previous and current year end.

(4) Represents R&D expenses (excluding employee compensation and benefit expenses and non-cash items under R&D expenses) adjusted by changes in working capital relating to R&D activities as of the previous and current year end.

INDEBTEDNESS

As of December 31, 2023, 2024 and 2025 and April 30 and May 31, 2026, our indebtedness included lease liabilities and interest-bearing bank borrowings. The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of April 30,	As of May 31,
	2023	2024	2025	2026	
			(RMB in thousands)		
					(unaudited)
Current:					
Lease liabilities	4,565	4,286	2,908	6,971	6,806
Interest-bearing bank and other borrowings	25,028	42,881	—	—	—
Non-current:					
Lease liabilities	—	5,809	2,901	7,249	6,725
Total	**29,593**	**52,976**	**5,809**	**14,220**	**13,351**

Lease Liabilities

As of December 31, 2023, 2024 and 2025 and April 30, 2026, our total lease liabilities (including current and non-current portions) amounted to RMB4.6 million, RMB10.1 million, RMB5.8 million and RMB14.2 million, respectively.

Our total lease liabilities increased from RMB4.6 million as of December 31, 2023 to RMB10.1 million as of December 31, 2024, primarily due to renewal of existing leases. Our total lease liabilities decreased from RMB10.1 million as of December 31, 2024 to RMB5.8 million as of December 31, 2025, primarily due to lease payment made during the period. Our total lease liabilities increased to RMB14.2 million as of April 30, 2026, primarily because we entered into new lease contracts for our new Wuxi factory and the expansion of office area in Shenzhen.

Interest-Bearing Bank and Other Borrowings

As of December 31, 2023, 2024 and 2025 and April 30, 2026, our interest-bearing bank loans amounted to RMB25.0 million, RMB42.9 million, nil and nil, respectively. We did not have any unutilized banking facilities as of April 30, 2026, and had an amount of RMB80.0 million of unutilized banking facilities as of the Latest Practicable Date. During the Track Record Period, Mr. Wang provided guarantees over certain loans for the benefit of our Group which were applied in our ordinary course of business. As of December 31, 2025, these bank loans had been fully repaid and such guarantee had been released.

Our interest-bearing bank loans increased by 71.6% from RMB25.0 million as of December 31, 2023 to RMB42.9 million as of December 31, 2024, primarily driven by the need to support business development, which led to the incurring of additional bank borrowings. Our interest-bearing bank loans decreased from RMB42.9 million as of December 31, 2024 to nil as of December 31, 2025, primarily because we repaid the bank loans and borrowings after our equity financing in 2025.

No Other Outstanding Indebtedness

Our Directors confirm that as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and that we did not experience any difficulty in obtaining bank loans and other borrowings, material default in payment of trade and non-trade payables, bank loans and other borrowings or breach of covenants during the Track Record Period and up to the date of this document.

Except as disclosed above, as of May 31, 2026, being the most recent practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there has been no material change in our indebtedness from May 31, 2026 to the date of this document.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and 2025 and April 30, 2026, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against us or any member of our Group that is likely to have a material and adverse effect on our business, financial condition and result of operations.

R&D EXPENDITURE AND TOTAL OPERATING EXPENDITURE

In 2023, 2024 and 2025 our R&D expenditure is consistent with our R&D expenses and we did not capitalize any R&D expenses. The following table sets forth our annual and total R&D expenditure for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Annual R&D expenditure	56,098	36,611	76,729
Total R&D expenditure for the three financial years prior to [REDACTED]			**169,438**

The following table sets forth our annual and total operating expenditure for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
R&D expenses	56,098	36,611	76,729
Selling and marketing expenses	57,358	64,595	114,203
Administrative expenses	25,466	23,575	114,695
Annual operating expenditure	**138,922**	**124,781**	**305,627**
Total operating expenditure for the three financial years prior to [REDACTED]			**569,330**

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

	Year ended December 31,		
	2023	2024	2025
Annual R&D expenditure ratio[(1)]	**40.4%**	**29.3%**	**25.1%**
Total R&D expenditure ratio[(2)]			**29.8%**

Notes:

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

(2) Calculated by dividing total R&D expenditure for the three financial years prior to **[REDACTED]** by total operating expenditure for the three financial years prior to **[REDACTED]**.

CAPITAL EXPENDITURES AND COMMITMENTS

The table below sets forth the breakdown of our capital expenditure for the periods indicated:

	Year ended December 31,			Four months ended April 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Purchase of property, plant and equipment	4,739	896	2,066	1,992
Purchase of intangible assets	—	—	33	62
Total	**4,739**	**896**	**2,099**	**2,054**

Following the **[REDACTED]**, we will continue to incur capital expenditure to grow our business. We plan to fund our planned capital expenditure primarily with cash flows generated from our operations, bank borrowings, and the net **[REDACTED]** received from the **[REDACTED]**. See "Future Plans and Use of **[REDACTED]**". We may adjust our capital expenditure for any given year according to our development plans or in light of market conditions and other factors we believe to be appropriate.

As of December 31, 2023, 2024 and 2025 and April 30, 2026, our capital commitments were RMB0.6 million, RMB0.1 million, RMB0.1 million and RMB1.4 million, respectively, which comprised of purchases of items of property, plant and equipment that had been contracted but not provided for.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods indicated:

	As of/For the year ended December 31,			As of/For the four months ended April 30,	
	2023	2024	2025	2025	2026
Gross profit margin[(1)]	31.6%	38.8%	40.5%	44.7%	44.5%
Net loss margin[(2)]	(61.9)%	(18.0)%	(67.0)%	(125.3%)	(57.8%)
Current ratio[(3)]	1.5	1.7	2.7	1.6	2.2
Quick ratio[(4)]	0.7	1.4	2.3	1.1	1.6
Gearing ratio[(5)]	0.3	0.4	0.0	0.4	0.1

Notes:

(1) Calculated by dividing gross profit by revenue for the period multiplied by 100%.

(2) Calculated by dividing net loss by revenue for the period multiplied by 100%.

(3) Calculated by dividing total current assets by total current liabilities as of the end of the period.

(4) Calculated by dividing total current assets minus inventory by total current liabilities as of the end of the period.

(5) Calculated by dividing total interest-bearing bank and other borrowings and lease liabilities divided by total equity as of the end of the period.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details of our related party transactions, see Note 36 to the Accountants' Report included in Appendix I to this document.

Our Directors are of the view that each of the related party transactions set out in Note 36 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.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

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

FINANCIAL RISKS DISCLOSURE

Our principal financial instruments comprise cash and cash equivalents, restricted cash and financial assets at FVTPL. The main purpose of these financial instruments is to raise finance for our operations. We have various other financial assets and liabilities such as trade and bills receivables and trade payables, which arise directly from our operations. See Note 40 of the Accountants' Report in Appendix I to this document.

The main risks arising from our financial instruments are foreign currency risk, credit risk and liquidity risk. Our Board of Directors reviews and agrees policies for managing each of these risks. For details of our risk exposure and sensitivity analysis, see note 40 to "Appendix I — Accountants' Report."

DIVIDENDS

During the Track Record Period, no dividend has been paid or declared by our Company. Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. We currently do not have any dividend policy or fixed dividend pay-out ratio. As confirmed by the PRC Legal Advisor, according to relevant PRC laws, when a company distributes its after-tax profit for the current year, 10% of the profit shall be accrued and included in the company's statutory reserve. Such accrual is no longer required when the accumulated amount of the company's statutory reserve is 50% or more of the company's registered capital. Where the accumulative amount of the company's statutory reserve is not enough to make up for the losses of the previous year, the current year's profits shall first be used to make up for the losses before the statutory reserve is accrued. 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 had no distributable reserves.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, **[REDACTED]** and other fees incurred in connection with the **[REDACTED]**. We estimate that our **[REDACTED]** expenses will be approximately HK$**[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]** range) and no exercise of the **[REDACTED]**), representing **[REDACTED]** of the gross **[REDACTED]** (based on the mid-point of our indicative price range for the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised) of the **[REDACTED]**. During the Track Record Period, an amount of HK$**[REDACTED]** and HK$**[REDACTED]** for the **[REDACTED]** expenses has been expensed through the statement of profit or loss in 2025 and the four months ended April 30, 2026, respectively, and no **[REDACTED]** expenses has been incurred for the two years ended December 31, 2024. We expect the remaining estimated amount of HK$**[REDACTED]** is expected to be recognized in the consolidated statements of profit or loss as administrative expenses and HK$**[REDACTED]** is expected to be recognized as a deduction in equity directly upon the **[REDACTED]**. By nature, our **[REDACTED]** expenses are composed of (i) **[REDACTED]** of HK$**[REDACTED]**, and (ii) **[REDACTED]** related expenses of HK$**[REDACTED]**, which consist of fees and expenses of legal advisors and Reporting Accountants of HK$**[REDACTED]** and other fees and expenses of HK$**[REDACTED]**.

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

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

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this document there has been no material adverse change in our financial or **[REDACTED]** position or prospects since April 30, 2026, being the end date of the periods reported in Appendix I to this document, and there is no event since April 30, 2026 that would materially affect the information as set out in the Accountants" Report in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm 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.