FINANCIAL INFORMATION

The following discussion and analysis should be read in conjunction with our Historical Financial Information, including the notes thereto, defined in the accountants' report in Appendix IA and Appendix IB to this document. Our Historical Financial Information has been prepared in accordance with IFRS.

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, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this document, including, but not limited to, the sections headed "Risk Factors," "Forward-Looking Statements" and "Business."

For the purpose of this section, unless the context otherwise requires, references to 2023, 2024 and 2025 refer to our financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a provider of industrial intelligence products and solutions, comprising Internet of Things ("**IoT**") products (variable-frequency controllers and system controllers) and data intelligence solutions. Our products and solutions are dedicated to the intelligent transformation of our customers in various industrial sectors.

BASIS OF PREPARATION

Our Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("**IASB**"). See Note 2.1 to the Accountants' Report in Appendix IA to this document for material accounting policy information. The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing our Historical Financial Information, we have adopted all applicable new and revised IFRS Accounting Standards for the Track Record Period, except for any new or revised standards or interpretations that are not yet effective for the Track Record Period. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Period are set out in Note 2.2 to the Accountants' Report in Appendix IA to this document. Our Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Key Factors

Our results of operations and financial condition have been, and will continue to be, materially affected by a number of factors, some of which are outside our control, including:

Our Ability to Sustain Technological Innovation and Competitive Edge

Research and development are crucial to our sustained business growth as our competitiveness depends on our ability to develop and implement new technologies and production techniques to address the evolving needs of our customers. Our long-term research and development foundation and continuous innovation efforts not only strengthen our ability to respond to evolving customer needs with agility and innovation but also enable us to maintain our related expenses at a reasonable level. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our research and development expenses amounted to RMB422.4 million, RMB373.2 million, RMB420.5 million, RMB90.6 million and RMB104.2 million, respectively, which accounted for 8.5%, 7.4%, 6.6%,

7.2% and 7.1% of our total revenue for the same years/periods, respectively. Our research and development expenses over time reflect our sustained commitment to innovation and our strategic decision to continuously invest in strengthening our technological capabilities, as well as our ongoing efforts to optimize our operational management system, refine research and development processes and balance innovation with cost discipline.

Our Solution Offerings

During the Track Record Period, we derived our revenue primarily from the provision of IoT products and data intelligence solutions. Revenue growth during the Track Record Period was primarily driven by continuous upgrades to our products and solutions with enhanced features, improved commercialization of proprietary technologies and deeper penetration into existing customers and verticals. As our products and solutions become more sophisticated and our brand recognition strengthens, we are able to offer customized solutions tailored to industry-specific needs, further expanding our market share. Our future success will depend on our ability to broaden industry coverage, enhance the scalability and intelligence of our platform and deliver cost-efficient solutions that empower customers to achieve sustainable growth in the era of industrial digitalization.

Our Ability to Expand Customer Base and to Enhance Long-term Relationships with Existing Customers

Our growth depends significantly on our ability to expand our customer base and to enhance long-term relationships with existing customers. The expansion of our customer base is a key driver of our revenue growth. During the Track Record Period, we primarily sold our solutions to customers across sectors such as home appliances, machinery equipment, electronics, automotive and energy and chemicals. We strive to maintain stable and long-term business relationships with our customers by delivering customer-centric solutions. We have been and will continue to provide end-to-end services to our benchmark customers, where we typically deploy dedicated expert teams and make longer-term resource commitments. While such engagements require higher upfront investment, they enable us to accumulate deep industry know-how, refine our methodologies and strengthen our capabilities across full-process scenarios. As our experience and technical capabilities deepen, we are able to progressively standardize and modularize certain service components, allowing us to scale these solutions more efficiently to a broader customer base. This dynamic drives both the expansion of our customer coverage and the sustainable development of our business. Furthermore, our scalable platform architecture and solution design allow us to replicate successful models across different customers and verticals efficiently. This capability accelerates customer acquisition and supports rapid expansion into new industries, reinforcing our position as a trusted partner in intelligent transformation.

Our Ability to Grow Our Overseas Business and to Deepen Our Market Penetration

International markets form an integral part of our long-term growth strategy. While continuing to capture growth opportunities in China, we actively develop our business in overseas markets by leveraging our rapid response capabilities and cost-efficient solutions to tap into regional market potential. During the Track Record Period, revenue from customers outside Chinese Mainland accounted for 12.5%, 14.0% and 12.1% of our total revenue in 2023, 2024 and 2025, respectively. Revenue from customers outside Chinese Mainland accounted for 14.1% and 11.6% of our total revenue in the three months ended March 31, 2025 and 2026, respectively. Looking ahead, we plan to accelerate our global expansion, with a particular focus on overseas markets such as the Americas and Asia. Building on our factory in Thailand, we intend to explore asset-light partnership models to establish solution delivery capabilities in new countries and regions, serving both local customers and Chinese customers with overseas operations. Through these initiatives, we aim to enhance product competitiveness in overseas markets, strengthen brand reputation and drive sustainable growth in our international business.

Our Ability to Maintain and Improve Operating Efficiency

Our profitability depends in part on our ability to manage costs and optimize our operating efficiency. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, we incurred selling and distribution expenses of RMB315.4 million, RMB285.0 million, RMB311.5 million, RMB65.2 million and RMB75.6 million, respectively, representing 6.3%, 5.6%, 4.9%, 5.2% and 5.1% of our total revenue during the same years/periods, respectively. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our administrative expenses amounted to RMB396.2 million, RMB340.7 million, RMB305.7 million, RMB68.7 million and RMB79.2 million, representing 7.9%, 6.7%, 4.8%, 5.5% and 5.4% of our total revenue during the same years/periods, respectively. We have managed to improve operational efficiency by maintaining a streamlined operational workforce and implementing cost management practices. Simultaneously, we have sought to enhance the management of our operating expenses through detailed budget management and performance monitoring, enabling us to manage overhead costs effectively. While we expect that the absolute amounts of our research and development expenses, selling and distribution expenses and administrative expenses will continue to increase along with our business growth in the future, we are committed to further enhancing our operational efficiency through economies of scale, optimized resource allocation and continuous investment in employee training and development.

General Factors

Our business and results of operations have been, and are expected to continue to be, materially affected by a number of factors, many of which are beyond our control, including (i) the development of macroeconomic conditions in the Chinese Mainland and overseas markets; (ii) the evolution of industrial intelligence technologies; (iii) the ongoing market demand among industrial enterprises for intelligent transformation; (iv) relevant laws and regulations, government policies and initiatives; and (v) international trade policies, geopolitical developments, trade protection measures, export controls and economic or trade sanctions.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

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 historical experiences and other factors, including 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 Notes 2.3 and 3 to the Accountants' Report in Appendix IA to this document for details of our material accounting policy information and key sources of estimation uncertainty, which are critical and/or involve the most important estimates and judgments we have used in preparing our Historical Financial Information.

FINANCIAL INFORMATION

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

The following table sets forth a summary of our results of operations for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
Continuing operations										
Revenue	4,993,539	100.0	5,069,457	100.0	6,351,148	100.0	1,252,618	100.0	1,474,914	100.0
Cost of sales	(4,103,086)	(82.2)	(4,150,308)	(81.9)	(5,223,222)	(82.2)	(1,032,404)	(82.4)	(1,215,491)	(82.4)
Gross profit	**890,453**	**17.8**	**919,149**	**18.1**	**1,127,926**	**17.8**	**220,214**	**17.6**	**259,423**	**17.6**
Other income and gains	242,681	4.9	184,514	3.7	164,827	2.6	29,639	2.4	29,902	2.0
Selling and distribution expenses	(315,419)	(6.3)	(284,980)	(5.6)	(311,515)	(4.9)	(65,190)	(5.2)	(75,613)	(5.1)
Administrative expenses	(396,220)	(7.9)	(340,729)	(6.7)	(305,735)	(4.8)	(68,698)	(5.5)	(79,169)	(5.4)
Research and development expenses	(422,398)	(8.5)	(373,191)	(7.4)	(420,517)	(6.6)	(90,639)	(7.2)	(104,215)	(7.1)
Impairment losses on financial and contract assets, net	(4,655)	(0.1)	(16,468)	(0.3)	(35,858)	(0.6)	(3,367)	(0.3)	(2,169)	(0.1)
Other expenses	(15,036)	(0.3)	(8,413)	(0.2)	(19,543)	(0.3)	(1,578)	(0.1)	(4,863)	(0.4)
Finance costs	(8,856)	(0.2)	(9,349)	(0.2)	(10,932)	(0.2)	(2,384)	(0.2)	(3,294)	(0.2)
Share of profits of associates	27,534	0.6	14,829	0.3	14,129	0.2	4,098	0.3	5,737	0.4
(Loss)/Profit before tax from continuing operations	**(1,916)**	**(0.0)**	**85,362**	**1.7**	**202,782**	**3.2**	**22,095**	**1.8**	**25,739**	**1.7**
Income tax expense	(18,903)	(0.4)	(10,603)	(0.2)	(29,667)	(0.5)	(6,370)	(0.5)	(6,348)	(0.4)
(LOSS)/PROFIT FOR THE YEAR/PERIOD FROM CONTINUING OPERATIONS	**(20,819)**	**(0.4)**	**74,759**	**1.5**	**173,115**	**2.7**	**15,725**	**1.3**	**19,391**	**1.3**
Discontinued Operation										
(Loss)/profit for the year/period from a discontinued operation	(61,902)	(1.3)	(9,623)	(0.2)	47,386	0.7	47,386	3.7	—	—
(LOSS)/PROFIT FOR THE YEAR/PERIOD	**(82,721)**	**(1.7)**	**65,136**	**1.3**	**220,501**	**3.5**	**63,111**	**5.0**	**19,391**	**1.3**
Attributable to:										
Owners of the parent	(74,752)		61,827		175,389		61,670		18,735	
Non-controlling interests	(7,969)		3,309		45,112		1,441		656	
	(82,721)		65,136		220,501		63,111		19,391	

Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS Accounting Standards, we also use adjusted profit for the year/period from continuing operations (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS Accounting Standards.

The following table reconciles our (loss)/profit for the year/period from continuing operations presented in accordance with IFRS Accounting Standards to adjusted profit from continuing operations for the year/period (non-IFRS measure):

	Year ended December 31,			Three Months ended March 31,	
	2023	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
				(Unaudited)	
(Loss)/profit for the year/period from continuing operations	(20,819)	74,759	173,115	15,725	19,391
Adjusted by:					
Equity-settled share-based payment expenses	28,654	31,685	39,316	8,656	11,115
[REDACTED] expenses	—	—	8,357	—	8,661
Adjusted profit for the year/period from continuing operations (non-IFRS measure)	**7,835**	**106,444**	**220,788**	**24,381**	**39,167**

We define adjusted profit for the year/period from continuing operations (non-IFRS measure) as profit for the year/period from continuing operations, excluding equity-settled share-based payment expenses and **[REDACTED]** expenses. Equity-settled share-based payment expenses are non-cash in nature and mainly represent the arrangement that we receive services from employees and others providing similar services as consideration for our equity instruments. Equity-settled

share-based payment expenses are not expected to result in future cash payments. The **[REDACTED]** expenses are composed of (i) **[REDACTED]** and (ii) non **[REDACTED]**-related expenses, which consist of fees and expenses of legal advisers and Reporting Accountants and other fees and expenses. We believe that adjusted profit for the year/period from continuing operations (non-IFRS measure) provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. We also believe that this non-IFRS measure facilitates comparisons of operating performance from year to year and period to period, as well as company to company, by eliminating potential impacts of certain items. However, our non-IFRS measure does not have a standardized meaning prescribed by IFRS Accounting Standards, and our presentation of adjusted profit for the year/period from continuing operations (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted profit for the year/period from continuing operations (non-IFRS measure) has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

Revenue

Revenue by Business Segment

The following table sets forth a breakdown of our revenue by business segment for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
IoT Products	**4,080,361**	**81.7**	**3,920,069**	**77.3**	**4,417,776**	**69.6**	**979,441**	**78.2**	**1,088,702**	**73.8**
Variable-frequency controllers	930,591	18.6	1,197,763	23.6	1,409,049	22.2	282,195	22.5	330,211	22.4
System controllers	3,149,770	63.1	2,722,306	53.7	3,008,727	47.4	697,246	55.7	758,491	51.4
Data Intelligence Solutions	**913,178**	**18.3**	**1,149,388**	**22.7**	**1,933,372**	**30.4**	**273,177**	**21.8**	**386,212**	**26.2**
Intelligent manufacturing solutions	580,936	11.6	701,153	13.8	838,703	13.2	156,425	12.5	140,210	9.5
Green manufacturing solutions	18,839	0.4	74,982	1.5	705,779	11.1	27,556	2.2	132,537	9.0
Regional industrial internet solutions	63,241	1.3	89,818	1.8	75,023	1.2	19,939	1.6	25,810	1.7
Enterprise value-added services	250,162	5.0	283,435	5.6	313,867	4.9	69,257	5.5	87,655	6.0
Total	**4,993,539**	**100.0**	**5,069,457**	**100.0**	**6,351,148**	**100.0**	**1,252,618**	**100.0**	**1,474,914**	**100.0**

The following table sets forth the sales volume and average selling price by types of our IoT products, primarily our intelligent controllers for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price
	('000 Units)	*(RMB/ Unit)*	*('000 Units)*	*(RMB/ Unit)*	*('000 Units)*	*(RMB/ Unit)*	*('000 Units)*	*(RMB/ Unit)*	*('000 Units)*	*(RMB/ Unit)*
Variable-frequency controllers	14,234	65.4	18,966	63.2	21,354	66.0	3,805	74.2	4,791	68.9
System controllers	81,714	38.5	73,836	36.9	91,741	32.8	19,499	35.8	21,257	35.7
Total	**95,948**		**92,802**		**113,095**		**23,304**		**26,048**	

During the Track Record Period, the sales volume of our variable-frequency controllers continued to increase, reflecting our efforts in maintaining customer orders and advancing product upgrades. The average selling price of variable-frequency controllers decreased from RMB65.4 per unit in 2023 to RMB63.2 per unit in 2024, primarily due to our strategic pricing initiatives aimed at strengthening relationships with major customers and driving sales volume growth. The average selling price increased from RMB63.2 per unit in 2024 to RMB66.0 per unit in 2025, mainly due to a higher contribution from upgraded products with enhanced functionalities. These upgraded products generally featured stronger durability, more stable operation, better energy efficiency,

faster response to changes in operating conditions and broader compatibility with different end-products and usage scenarios, which better addressed customer needs and resulted in a more favourable product mix. The average selling price decreased from RMB74.2 per unit as of March 31, 2025 to RMB68.9 per unit as of March 31, 2026, mainly because certain major customers in the household appliances industry adjusted their procurement based on the application requirements in their end products, which led to a higher proportion of sales of certain lower-priced controllers. To a lesser extent, the decrease also reflected strategic pricing initiatives of certain products to drive sales volume growth.

The average selling price of system controllers decreased from RMB38.5 per unit in 2023 to RMB36.9 per unit in 2024, and further decreased to RMB32.8 per unit in 2025, primarily driven by (i) our proactive expansion of our independent customer base in 2024, during which initial pricing offered to new customers was relatively lower to facilitate market penetration and customer acquisition, and (ii) the increased contribution in 2025 from newly acquired customers in the small home appliance sector, whose demand was mainly for relatively lower-priced controllers with simpler specifications and lower functional requirements, thereby diluting the overall average selling price. The average selling price of system controllers remained relatively stable at RMB35.8 per unit and RMB35.7 per unit as of March 31, 2025 and 2026, respectively. During the same period, the sales volume of system controllers experienced a slight decrease from 2023 to 2024, mainly because newly acquired customers in 2024 were still in the initial cooperation stage and had not yet reached large sales scale. The sales volume subsequently rebounded from 2024 to 2025 and continued to increase for the three months ended March 31, 2026 as compared to the same period in 2025, reflecting increased order volumes from customers in the small home appliance sector as their demand ramped up.

Revenue by Geographical Region

The following table sets forth a breakdown of our revenue by geographical locations of customers for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
Chinese Mainland	4,369,170	87.5	4,360,500	86.0	5,582,071	87.9	1,075,775	85.9	1,304,350	88.4
Overseas	624,369	12.5	708,957	14.0	769,077	12.1	176,843	14.1	170,564	11.6
Total	**4,993,539**	**100.0**	**5,069,457**	**100.0**	**6,351,148**	**100.0**	**1,252,618**	**100.0**	**1,474,914**	**100.0**

The following table sets forth a breakdown of our revenue from IoT products and data intelligence solutions by geographical locations of customers for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
IoT Products	**4,080,361**	**81.7**	**3,920,069**	**77.3**	**4,417,776**	**69.6**	**979,441**	**78.2**	**1,088,702**	**73.8**
Chinese Mainland	3,561,146	71.3	3,269,960	64.5	3,729,068	58.8	838,512	67.0	928,569	62.9
Overseas	519,215	10.4	650,109	12.8	688,708	10.8	140,929	11.2	160,133	10.9
Data Intelligence Solutions	**913,178**	**18.3**	**1,149,388**	**22.7**	**1,933,372**	**30.4**	**273,177**	**21.8**	**386,212**	**26.2**
Chinese Mainland	808,024	16.2	1,090,540	21.5	1,853,003	29.1	237,263	18.9	375,781	25.5
Overseas	105,154	2.1	58,848	1.2	80,369	1.3	35,914	2.9	10,431	0.7
Total	**4,993,539**	**100.0**	**5,069,457**	**100.0**	**6,351,148**	**100.0**	**1,252,618**	**100.0**	**1,474,914**	**100.0**

Revenue by Type of Customers

The following table sets forth a breakdown of our revenue from IoT products and data intelligence solutions by Haier Group versus independent customers for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
IoT Products	**4,080,361**	**81.7**	**3,920,069**	**77.3**	**4,417,776**	**69.6**	**979,441**	**78.2**	**1,088,702**	**73.8**
Customers within Haier Group	3,251,926	65.1	2,882,042	56.9	3,044,204	47.9	698,043	55.7	717,006	48.6
Independent Customers	828,435	16.6	1,038,027	20.4	1,373,572	21.7	281,398	22.5	371,696	25.2
Data Intelligence Solutions	**913,178**	**18.3**	**1,149,388**	**22.7**	**1,933,372**	**30.4**	**273,177**	**21.8**	**386,212**	**26.2**
Customers within Haier Group	355,426	7.1	539,023	10.6	424,645	6.7	84,414	6.7	111,704	7.6
Independent Customers	557,752	11.2	610,365	12.1	1,508,727	23.7	188,763	15.1	274,508	18.6
Total	**4,993,539**	**100.0**	**5,069,457**	**100.0**	**6,351,148**	**100.0**	**1,252,618**	**100.0**	**1,474,914**	**100.0**

During the Track Record Period, sales of our IoT products are primarily conducted to customers in the Chinese Mainland, with overseas markets representing a smaller but consistent portion, and are mainly generated from customers within the Haier Group, while sales to independent customers have increased in recent years. By contrast, during the Track Record Period, our data intelligence solutions were mainly sold to customers in the Chinese Mainland, with revenue largely derived from independent customers, and overseas sales currently accounting for a relatively limited portion of this business line.

During the Track Record Period, revenue generated from customers outside the Haier Group increased both in absolute amount and as a proportion of our IoT products revenue while revenue from customers within the Haier Group accounted for a decreasing proportion of our IoT products revenue, declining from 79.7% in 2023 to 73.5% in 2024, further to 68.9% in 2025 and further to 65.9% in the three months ended March 31, 2026. Such changes were primarily attributable to our proactive business strategy to expand our independent customer base, which resulted in a gradual dilution of the revenue contribution from customers within the Haier Group.

Cost of Sales

The following table sets forth a breakdown of our cost of sales by business segment for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
IoT Products	**3,524,564**	**85.9**	**3,409,231**	**82.1**	**3,874,573**	**74.2**	**855,608**	**82.9**	**956,871**	**78.7**
Variable-frequency controllers	793,244	19.3	1,033,423	24.9	1,235,354	23.7	245,027	23.7	287,017	23.6
System controllers	2,731,320	66.6	2,375,808	57.2	2,639,219	50.5	610,581	59.2	669,854	55.1
Data Intelligence Solutions	**578,522**	**14.1**	**741,077**	**17.9**	**1,348,649**	**25.8**	**176,796**	**17.1**	**258,620**	**21.3**
Intelligent manufacturing solutions	453,957	11.1	565,507	13.7	668,045	12.9	127,127	12.3	99,855	8.3
Green manufacturing solutions	16,018	0.4	62,129	1.5	567,606	10.8	23,758	2.3	114,853	9.4
Regional industrial internet solutions	47,592	1.2	52,482	1.3	43,332	0.8	10,533	1.0	12,714	1.0
Enterprise value-added services	60,955	1.4	60,959	1.4	69,666	1.3	15,378	1.5	31,198	2.6
Total	**4,103,086**	**100.0**	**4,150,308**	**100.0**	**5,223,222**	**100.0**	**1,032,404**	**100.0**	**1,215,491**	**100.0**

The following table sets forth a breakdown of our cost of sales by nature for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
Raw materials	3,082,459	75.1	2,946,146	71.0	3,357,696	64.3	745,256	72.1	845,489	69.5
Hardware and software costs	381,349	9.3	589,093	14.2	1,147,251	22.0	138,842	13.4	187,659	15.4
Employee salaries and benefits	366,770	8.9	331,346	8.0	332,080	6.4	78,453	7.6	79,322	6.5
Depreciation and amortization expenses	79,099	1.9	94,822	2.3	96,422	1.8	22,587	2.2	26,467	2.2
Others[(1)]	193,409	4.8	188,901	4.5	289,773	5.5	47,266	4.7	76,554	6.4
Total	**4,103,086**	**100.0**	**4,150,308**	**100.0**	**5,223,222**	**100.0**	**1,032,404**	**100.0**	**1,215,491**	**100.0**

Note:

(1) Others primarily include outsourced processing fees, energy and power costs, transportation costs, repair and maintenance expenses and lease expenses.

Gross Profit and Gross Profit Margin

Gross Profit and Gross Profit Margin by Business Segment

The following table sets forth a breakdown of our gross profit and gross profit margin by business segment for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Gross Profit *(RMB'000)*	Gross Profit Margin *%*	Gross Profit *(RMB'000)*	Gross Profit Margin *%*	Gross Profit *(RMB'000)*	Gross Profit Margin *%*	Gross Profit *(RMB'000)*	Gross Profit Margin *%*	Gross Profit *(RMB'000)*	Gross Profit Margin *%*
							(Unaudited)			
IoT Products	**555,797**	**13.6**	**510,838**	**13.0**	**543,203**	**12.3**	**123,833**	**12.6**	**131,831**	**12.1**
Variable-frequency controllers	137,347	14.8	164,340	13.7	173,695	12.3	37,168	13.2	43,194	13.1
System controllers	418,450	13.3	346,498	12.7	369,508	12.3	86,665	12.4	88,637	11.7
Data Intelligence Solutions	**334,656**	**36.6**	**408,311**	**35.5**	**584,723**	**30.2**	**96,381**	**35.3**	**127,592**	**33.0**
Intelligent manufacturing solutions	126,979	21.9	135,646	19.3	170,658	20.3	29,298	18.7	40,355	28.8
Green manufacturing solutions	2,821	15.0	12,853	17.1	138,173	19.6	3,798	13.8	17,684	13.3
Regional industrial internet solutions	15,649	24.7	37,336	41.6	31,691	42.2	9,406	47.2	13,096	50.7
Enterprise value-added services	189,207	75.6	222,476	78.5	244,201	77.8	53,879	77.8	56,457	64.4
Total	**890,453**	**17.8**	**919,149**	**18.1**	**1,127,926**	**17.8**	**220,214**	**17.6**	**259,423**	**17.6**

Gross Profit and Gross Profit Margin by Geographical Region

The following table sets forth a breakdown of our gross profit and gross profit margin from IoT products and data intelligence solutions by geographical locations of customers for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	Gross Profit *(RMB'000)*	Gross Profit Margin *%*	Gross Profit *(RMB'000)*	Gross Profit Margin *%*	Gross Profit *(RMB'000)*	Gross Profit Margin *%*	Gross Profit *(RMB'000)*	Gross Profit Margin *%*	Gross Profit *(RMB'000)*	Gross Profit Margin *%*
							(Unaudited)			
IoT Products	**555,797**	**13.6**	**510,838**	**13.0**	**543,203**	**12.3**	**123,833**	**12.6**	**131,831**	**12.1**
Chinese Mainland	471,687	13.2	364,585	11.1	418,435	11.2	92,118	11.0	102,565	11.0
Overseas	84,110	16.2	146,253	22.5	124,768	18.1	31,715	22.5	29,266	18.3
Data Intelligence Solutions	**334,656**	**36.6**	**408,311**	**35.5**	**584,723**	**30.2**	**96,381**	**35.3**	**127,592**	**33.0**
Chinese Mainland	329,710	40.8	400,760	36.7	576,174	31.1	91,074	38.4	125,056	33.3
Overseas	4,946	4.7	7,551	12.8	8,549	10.6	5,307	14.8	2,536	24.3
Total	**890,453**	**17.8**	**919,149**	**18.1**	**1,127,926**	**17.8**	**220,214**	**17.6**	**259,423**	**17.6**

The gross profit margin of our IoT products sold to customers in Chinese Mainland decreased from 13.2% in 2023 to 11.1% in 2024 and remained relatively stable at 11.2% in 2025, primarily due to strategic pricing initiatives implemented in 2024, under which relatively lower pricing was offered to strengthen relationships with key customers in Chinese Mainland and drive sales volume growth, thereby resulting in a lower overall gross profit margin. The gross profit margin of our IoT products sold to customers in Chinese Mainland remained relatively stable at 11.0% in the three months ended March 31, 2025 and 2026, respectively.

The gross profit margin of our IoT products sold to customers located overseas increased from 16.2% in 2023 to 22.5% in 2024, primarily due to increased procurement by our existing overseas customers and a decrease in pilot production costs for products supplied to such customers as cooperation deepened. The gross profit margin subsequently decreased to 18.1% in 2025, and decreased from 22.5% in the three months ended March 31, 2025 to 18.3% in the three months ended March 31, 2026, mainly attributable to our further expansion into new overseas customer base and new industries, including small home appliances, where initial production and market development costs were relatively higher and sales volumes had not yet scaled up.

The gross profit margin of our data intelligence solutions provided to customers located in Chinese Mainland decreased from 40.8% in 2023 to 36.7% in 2024, primarily driven by the strong contribution from our intelligent manufacturing solutions in the relevant period, which generally carry a relatively lower gross margin compared to our regional industrial internet solutions and enterprise value-added services, which was mainly attributable to higher customer requirements for customized solutions associated with additional costs in acquiring industry know-how and developing customized components. The gross profit margin decreased from 36.7% in 2024 to 31.1% in 2025, and decreased from 38.4% in the three months ended March 31, 2025 to 33.3% in the three months ended March 31, 2026, primarily due to an increase in revenue from provision of green manufacturing solutions, which generally have lower gross profit margin in line with the continued development of our solutions.

The gross profit margin of our data intelligence solutions provided to customers located overseas was relatively lower than that of customers in the Chinese Mainland, primarily because our overseas data intelligence solutions business was still at a relatively earlier expansion stage, which required the accumulation of industry-specific experience and localized market and operational capabilities, resulting in relatively higher costs compared to our more mature domestic operations. As we continue to expand our overseas data intelligence solutions business, we intend to improve cost efficiency through the accumulation of industry know-how and regional experience, which may in turn support an improvement in gross profit margin over time.

Gross Profit and Gross Profit Margin by Type of Customers

The following table sets forth a breakdown of our gross profit and gross profit margin from IoT products and data intelligence solutions by Haier Group versus independent customers for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	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'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
IoT Products	**555,797**	**13.6**	**510,838**	**13.0**	**543,203**	**12.3**	**123,833**	**12.6**	**131,831**	**12.1**
Customers within Haier Group	441,576	13.6	373,459	13.0	372,115	12.2	86,815	12.4	84,309	11.8
Independent Customers	114,221	13.8	137,379	13.2	171,088	12.5	37,018	13.2	47,522	12.8
Data Intelligence Solutions	**334,656**	**36.6**	**408,311**	**35.5**	**584,723**	**30.2**	**96,381**	**35.3**	**127,592**	**33.0**
Customers within Haier Group	166,861	46.9	197,569	36.7	134,549	31.7	31,118	36.9	40,616	36.4
Independent Customers	167,795	30.1	210,742	34.5	450,174	29.8	65,263	34.6	86,976	31.7
Total	**890,453**	**17.8**	**919,149**	**18.1**	**1,127,926**	**17.8**	**220,214**	**17.6**	**259,423**	**17.6**

Gross profit margin of our IoT products provided to customers within the Haier Group decreased from 13.6% in 2023 to 13.0% in 2024 and 12.2% in 2025. Gross profit margin of our IoT products provided to customers within the Haier Group decreased from 12.4% in the three months ended March 31, 2025 to 11.8% in the three months ended March 31, 2026, primarily due to the adoption of relatively competitive pricing offered to existing customers. Gross profit margin of our IoT products provided to independent customers decreased from 13.8% in 2023 to 13.2% in 2024 and 12.5% in 2025, primarily due to our proactive expansion of the customer base. In particular, for newly acquired customers, we typically adopt an initial cooperation approach involving small-batch pilot projects during the early stage of engagement, which generally carry lower margins. Gross profit margin of our IoT products provided to independent customers remained relatively stable at 13.2% and 12.8% in the three months ended March 31, 2025 and 2026, respectively.

Gross profit margin of our data intelligence solutions provided to customers within the Haier Group decreased from 46.9% in 2023 to 36.7% in 2024, and further decreased to 31.7% in 2025, primarily driven by the strong contribution from our intelligent manufacturing solutions in the relevant period, which generally carry a relatively lower gross margin compared to our regional industrial internet solutions and enterprise value-added services. The relatively lower gross margin of intelligent manufacturing was mainly attributable to higher customer requirements for customized solutions, which required us to incur additional costs in acquiring industry-specific know-how and developing and producing customized components. Gross profit margin of our data intelligence solutions provided to customers within the Haier Group remained relatively stable at 36.9% and 36.4% in the three months ended March 31, 2025 and 2026, respectively.

Other Income and Gains

Our other income and gains mainly consisted of (i) government grants, which mainly represented asset-related and income-related grants, (ii) bank interest income, (iii) finance lease interest income, (iv) dividend income from equity investments at fair value through other comprehensive income, (v) investment income from financial assets at fair value through profit or loss, (vi) gains on lease modification/termination, (vii) fair value gains on financial assets at fair value through profit or loss and (viii) foreign exchange gains, net. Our government grants primarily comprise (i) asset-related government grants and (ii) income-related government grants. Asset-related grants refer to grants obtained by us for the purpose of purchasing, constructing, or otherwise forming long-term assets. The specific criterion for classifying a grant as asset-related is that it is used for the acquisition or formation of long-term assets. Income-related grants are typically designed to compensate for expenses or losses to encourage research and development activities, as well as supporting business operations and growth. There are no material unfulfilled conditions or contingencies attached to these government grants. During the Track Record Period, the government grants received by us are generally one-off in nature. In recent years, the relevant government authorities have implemented various incentive policies to support the enterprise development and we will continue to apply for such grants in the future. As of March 31, 2026, government grants received by us and recognized as deferred income and other payables are expected to be gradually recognized as other income in future periods. See Note 5, 30 and 34 to the Accountants' Report in Appendix IA to this document.

Selling and Distribution Expenses

The following table sets forth a breakdown of our selling and distribution expenses by nature for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
Employee salaries and benefits	225,758	71.6	208,800	73.3	218,625	70.2	48,271	74.0	54,124	71.6
Business development expenses	30,491	9.7	19,963	7.0	27,156	8.7	4,207	6.5	7,670	10.1
Travel expenses	19,980	6.3	19,237	6.8	24,378	7.8	4,434	6.8	4,733	6.3
Depreciation and amortization	16,303	5.2	16,681	5.9	15,587	5.0	3,670	5.6	3,639	4.8
Share-based payment expenses	5,817	1.8	6,672	2.3	7,886	2.5	1,678	2.6	2,446	3.2
Others[(1)]	17,070	5.4	13,627	4.7	17,883	5.8	2,930	4.5	3,001	4.0
Total	**315,419**	**100.0**	**284,980**	**100.0**	**311,515**	**100.0**	**65,190**	**100.0**	**75,613**	**100.0**

Note:

(1) Others primarily include consulting expenses, office expenses, lease expenses and other miscellaneous expenses.

Administrative Expenses

The following table sets forth a breakdown of our administrative expenses by nature for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
Employee salaries and benefits	238,133	60.1	198,726	58.3	161,443	52.8	40,070	58.3	41,503	52.4
Depreciation and amortization	26,222	6.6	28,040	8.2	23,138	7.6	6,556	9.5	5,558	7.0
Taxation and surcharges	25,765	6.5	24,542	7.2	20,869	6.8	4,298	6.3	3,914	4.9
Share-based payment expenses	15,854	4.0	17,047	5.0	22,240	7.3	4,920	7.2	6,072	7.7
Service fees	21,721	5.5	18,010	5.3	17,918	5.9	1,737	2.5	2,504	3.2
Travel expenses	13,160	3.3	10,936	3.2	7,376	2.4	1,688	2.5	897	1.1
Office expenses	9,316	2.4	6,300	1.8	6,500	2.1	1,390	2.0	2,024	2.6
Utilities service expenses	3,925	1.0	3,856	1.1	3,605	1.2	691	1.0	783	1.0
Lease expenses	3,737	0.9	3,384	1.0	3,844	1.3	962	1.4	894	1.1
[REDACTED] expenses	—	0.0	—	0.0	8,357	2.7	—	—	8,661	10.9
Others[(1)]	38,387	9.7	29,888	8.9	30,445	9.9	6,386	9.3	6,359	8.1
Total	**396,220**	**100.0**	**340,729**	**100.0**	**305,735**	**100.0**	**68,698**	**100.0**	**79,169**	**100.0**

Note:

(1) Others primarily include disabled employment security fund and other miscellaneous expenses.

Research and Development Expenses

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

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
Employee salaries and benefits	318,669	75.4	273,800	73.4	304,450	72.4	70,646	77.9	82,488	79.2
Software design and development expenses	29,056	6.9	24,141	6.5	26,131	6.2	1,463	1.6	2,266	2.2
Depreciation and amortization	15,468	3.7	13,283	3.6	21,424	5.1	3,176	3.5	3,074	2.9
Travel and office expenses	15,259	3.6	13,509	3.6	16,607	4.0	5,078	5.6	5,667	5.4
Research and development materials expenses	6,292	1.5	9,708	2.6	11,941	2.8	1,545	1.7	1,991	1.9
Share-based payment expenses	6,983	1.7	7,966	2.1	9,190	2.2	2,058	2.3	2,597	2.5
Others[(1)]	30,671	7.2	30,784	8.2	30,774	7.3	6,673	7.4	6,132	5.9
Total	**422,398**	**100.0**	**373,191**	**100.0**	**420,517**	**100.0**	**90,639**	**100.0**	**104,215**	**100.0**

Note:

(1) Others primarily include prototype test expenses, certification expenses and patent application service expenses.

Impairment Losses on Financial and Contract Assets, Net

Our impairment losses on financial and contract assets, net, consisted of impairment losses on (i) trade and bills receivables, (ii) contract assets, (iii) financial assets included in prepayments, other receivables and other assets and (iv) lease receivables. In 2023, 2024, 2025 and in the three months ended March 31, 2025 and 2026, our impairment losses on financial and contract assets, net was RMB4.7 million, RMB16.5 million, RMB35.9 million, RMB3.4 million and RMB2.2 million, respectively.

Other Expenses

The following table sets forth a breakdown of our other expenses by nature for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
Losses on disposal/write off of items of property, plant and equipment	6,298	41.9	3,916	46.5	3,516	18.0	763	48.4	231	4.8
Fair value losses on derivative instruments	4,176	27.8	—	—	—	—	—	—	402	8.3
Fair value losses on other liabilities	2,866	19.1	3,468	41.2	11,209	57.4	395	25.0	1,683	34.6
Foreign exchange losses, net	—	—	—	—	2,174	11.1	—	—	2,370	48.7
Others	1,696	11.2	1,029	12.3	2,644	13.5	420	26.6	177	3.6
Total	**15,036**	**100.0**	**8,413**	**100.0**	**19,543**	**100.0**	**1,578**	**100.0**	**4,863**	**100.0**

Finance Costs

The following table sets forth a breakdown of our finance costs by nature for the years/periods indicated:

	Year ended December 31,						Three Months ended March 31,			
	2023		2024		2025		2025		2026	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
							(Unaudited)			
Interest on lease liabilities	8,089	91.3	8,416	90.0	8,417	77.0	2,278	95.6	2,099	63.7
Interest on bank borrowings	767	8.7	933	10.0	1,271	11.6	106	4.4	358	10.9
Interest on other liabilities	—	—	—	—	1,244	11.4	—	—	837	25.4
Total	**8,856**	**100.0**	**9,349**	**100.0**	**10,932**	**100.0**	**2,384**	**100.0**	**3,294**	**100.0**

Share of Profits of Associates

Our share of profits of associates primarily represented share of profits from our investment in associates, which amounted to RMB27.5 million, RMB14.8 million, RMB14.1 million, RMB4.1 million and RMB5.7 million in 2023, 2024, 2025 and in the three months ended March 31, 2025 and 2026, respectively.

Income Tax Expense

Our income tax expense mainly comprises current and deferred tax at the applicable tax rates in accordance with the relevant laws and regulations in each tax jurisdiction in which we operate or are domiciled. In 2023, 2024, 2025 and in the three months ended March 31, 2025 and 2026, our income tax expense amounted to RMB18.9 million, RMB10.6 million, RMB29.7 million, RMB6.4 million and RMB6.3 million, respectively.

Pursuant to the PRC EIT Law and the relevant regulations, the subsidiaries which operate in Chinese Mainland are subject to an EIT rate of 25% on the taxable profits, except those subsidiaries which are subject to a tax concession of 15%. In addition, our certain subsidiaries operating in

Chinese Mainland were entitled to effective preferential tax rates of 5% because they were regarded as "small-scaled minimal profit enterprises" with taxable profits no more than RMB3.0 million. The subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong. No provision for Hong Kong profits tax has been made as we had no assessable profits derived from, or earned in, Hong Kong during the Track Record Period. See Note 11 to the Accountants' Report in Appendix IA to this document for more information.

(Loss)/Profit for the Year/Period from a Discontinued Operation

Our (loss)/profit for the year/period from a discontinued operation represents the loss or profit generated by COSMO Moulds, a subsidiary that we disposed all equity interests in March 2025. We recorded a loss of RMB61.9 million and RMB9.6 million in 2023 and 2024, respectively, and we recorded a profit of RMB47.4 million in 2025.

PERIOD TO PERIOD AND YEAR TO YEAR COMPARISON OF RESULTS OF OPERATIONS

Three Months Ended March 31, 2026 Compared with Three Months Ended March 31, 2025

Revenue

Our revenue increased by 17.7% from RMB1,252.6 million in the three months ended March 31, 2025 to RMB1,474.9 million in the three months ended March 31, 2026.

Revenue by Business Segment

Revenue from our IoT products increased by 11.2% from RMB979.4 million in the three months ended March 31, 2025 to RMB1,088.7 million in the three months ended March 31, 2026, primarily driven by an increase in revenue generated from our independent customers as we continued to expand our independent customer base and they increased the procurement volume of IoT products from us.

Revenue from our data intelligence solutions increased by 41.4% from RMB273.2 million in the three months ended March 31, 2025 to RMB386.2 million in the three months ended March 31, 2026, primarily due to an increase in revenue from our green manufacturing solutions, as we enhanced our capabilities to offer advanced heating and cooling solutions, as reflected by an increase in the number of contracts under the green manufacturing solutions from 11 in the three months ended March 31, 2025 to 30 in the three months ended March 31, 2026 and an increase in the average contract value from RMB2.4 million in the three months ended March 31, 2025 to RMB4.4 million in the three months ended March 31, 2026.

Revenue by Geographical Region

Revenue from Chinese Mainland increased by 21.2% from RMB1,075.8 million in the three months ended March 31, 2025 to RMB1,304.4 million in the three months ended March 31, 2026, primarily due to (i) an increase in revenue from our green manufacturing solutions, as we continued to expand our business and enhance our capabilities to offer more mature heating and cooling solutions; and (ii) an increase in sales volume of our IoT products sold to certain major customers in Chinese Mainland, as a result of our continued cooperation with such customers.

Revenue from overseas remained relatively stable at RMB176.8 million and RMB170.6 million in the three months ended March 31, 2025 and 2026, respectively.

Cost of Sales

Our cost of sales increased by 17.7% from RMB1,032.4 million in the three months ended March 31, 2025 to RMB1,215.5 million in the three months ended March 31, 2026, generally in line with our revenue growth, primarily due to (i) an increase in raw material costs associated with the

growth of our IoT products business; and (ii) an increase in hardware and software costs as we continued to expand our green manufacturing solutions business and deliver more advanced heating and cooling solutions.

Gross Profit and Gross Profit Margin

Our gross profit margin for our IoT products remained relatively stable at 12.6% and 12.1% in the three months ended March 31, 2025 and 2026, respectively.

Our gross profit margin for our data intelligence solutions decreased from 35.3% in the three months ended March 31, 2025 to 33.0% in the three months ended March 31, 2026, primarily due to the increased revenue contribution from green manufacturing solutions, which generally have lower gross profit margins, partially offset by the improved gross profit margin of our intelligent manufacturing solutions, as we enhanced delivery efficiency and reduced implementation costs through accumulated project experience and more standardized project delivery.

Other Income and Gains

Our other income and gains remained relatively stable at RMB29.6 million and RMB29.9 million in the three months ended March 31, 2025 and 2026, respectively.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 16.0% from RMB65.2 million in the three months ended March 31, 2025 to RMB75.6 million in the three months ended March 31, 2026, primarily due to (i) an increase in employee salaries and benefits in connection with the expansion of our sales and marketing team, particularly to support the expansion of our green manufacturing solutions and IoT products in overseas markets, including Asian markets and (ii) an increase in business development expenses in relation to our exhibitions and other promotional activities, in line with the expansion of our business.

Administrative Expenses

Our administrative expenses increased by 15.3% from RMB68.7 million in the three months ended March 31, 2025 to RMB79.2 million in the three months ended March 31, 2026, primarily due to the **[REDACTED]** expenses in relation to the **[REDACTED]**.

Research and Development Expenses

Our research and development expenses increased by 15.0% from RMB90.6 million in the three months ended March 31, 2025 to RMB104.2 million in the three months ended March 31, 2026, primarily due to an increase in employee salaries and benefits reflecting higher salaries of research and development personnel, in line with our continued investment in core areas such as industrial AI, intelligent software upgrades and applications.

Impairment Losses on Financial and Contract Assets, Net

Our impairment losses on financial and contract assets, net, decreased by 35.3% from RMB3.4 million in the three months ended March 31, 2025 to RMB2.2 million in the three months ended March 31, 2026, reflecting improved collection of trade receivables and contract assets during the period.

Other Expenses

Our other expenses increased from RMB1.6 million in the three months ended March 31, 2025 to RMB4.9 million in the three months ended March 31, 2026, primarily due to an increase in (i) foreign exchange losses, net , attributable to the fluctuations in foreign exchange rates; and (ii) an

increase in fair value losses on other liabilities, mainly representing put option liabilities relating to Hangzhou Chixiao. See Note 7 to the Accountants' Report in Appendix IA to this document for more information.

Finance Costs

Our finance costs increased by 37.5% from RMB2.4 million in the three months ended March 31, 2025 to RMB3.3 million in the three months ended March 31, 2026, primarily due to an increase in interest on put option liabilities relating to Shanghai Discovery.

Share of Profits of Associates

Our share of profits of associates increased by 39.0% from RMB4.1 million in the three months ended March 31, 2025 to RMB5.7 million in the three months ended March 31, 2026, primarily due to the increased profit contribution recognized under the equity method from our associates, following their improved profitability during the period.

Income Tax Expense

Our income tax expense remained relatively stable at RMB6.4 million and RMB6.3 million in the three months ended March 31, 2025 and 2026, respectively.

Profit for the Period from a Discontinued Operation

Our profit for the period from a discontinued operation decreased from RMB47.4 million in the three months ended March 31, 2025 to nil in the three months ended March 31, 2026, primarily because we completed the disposal of COSMO Moulds in March 2025.

Profit for the Period

Our profit for the period decreased by 69.3% from RMB63.1 million in the three months ended March 31, 2025 to RMB19.4 million in the three months ended March 31, 2026, primarily because we completed the disposal of COSMO Moulds in March 2025. Excluding this disposal gain, our profit for the period from continuing operations increased by 23.3% from RMB15.7 million in the three months ended March 31, 2025 to RMB19.4 million in the three months ended March 31, 2026.

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

Revenue

Our revenue increased by 25.3% from RMB5,069.5 million in 2024 to RMB6,351.1 million in 2025.

Revenue by Business Segment

Revenue from our IoT products increased by 12.7% from RMB3,920.1 million in 2024 to RMB4,417.8 million in 2025, primarily driven by higher average selling prices and increased sales volume of variable-frequency controllers, as a result of a higher contribution from upgraded products with enhanced functionalities and continued procurement by key customers, as well as increased sales volume of system controllers due to rising demand from customers in the small home appliance sector. See "— Description of Major Components of Our Results of Operations — Revenue — Revenue by Business Segment" for detailed analysis of the sales volume and average selling price of our IoT products.

Revenue from our data intelligence solutions increased by 68.2% from RMB1,149.4 million in 2024 to RMB1,933.4 million in 2025, primarily due to (i) the ongoing development of our intelligent manufacturing solutions from highly customized projects to more standardized delivery, which enabled us to serve a wider customer base and acquire more projects, (ii) an increase in revenue from

provision of green manufacturing solutions due to the higher average contract value from RMB2.1 million in 2024 to RMB7.2 million in 2025 and number of contracts from 35 in 2024 to 98 in 2025 of our green manufacturing solutions in line with the continued development of our solutions.

Revenue by Geographical Region

Revenue from Chinese Mainland increased by 28.0% from RMB4,360.5 million in 2024 to RMB5,582.1 million in 2025, primarily because of (i) the ongoing development of our intelligent manufacturing solutions from highly customized projects to more standardized delivery, which enabled us to serve a wider customer base and acquire more projects, (ii) the acquisition of Shanghai Discovery in August 2025, which boosted domestic revenue contribution from green manufacturing solutions and (iii) significant growth in IoT products revenue from several key customers.

Revenue from overseas increased by 8.5% from RMB709.0 million in 2024 to RMB769.1 million in 2025, primarily due to an increase in revenue generated from the Asia and America, driven by the continued expansion of our business and customer base in these markets.

Cost of Sales

Our cost of sales increased by 25.9% from RMB4,150.3 million in 2024 to RMB5,223.2 million in 2025, primarily due to an increase in raw materials, hardware and software costs in line with our revenue growth.

Gross Profit and Gross Profit Margin

Our gross profit margin for our IoT products decreased from 13.0% in 2024 to 12.3% in 2025, primarily due to the expansion of our overseas IoT business, during which newly acquired customers were still at an early stage of cooperation with relatively lower initial sales volume, higher upfront market development costs as well as comparatively lower pricing offered to facilitate market entry.

Our gross profit margin for our data intelligence solutions decreased from 35.5% in 2024 to 30.2% in 2025, primarily due to (i) an increase in revenue from green manufacturing solutions which have relatively lower gross profit margins; and (ii) a higher proportion of customized intelligence manufacturing projects as we deepened our industry presence, which typically require more implementation efforts, resulting in higher costs.

Other Income and Gains

Our other income and gains decreased by 10.7% from RMB184.5 million in 2024 to RMB164.8 million in 2025, primarily due to a decrease in bank interest income as a result of lower interest rates.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 9.3% from RMB285.0 million in 2024 to RMB311.5 million in 2025, primarily due to an increase in employee salaries and benefits and business development expenses, driven by the expansion of our business.

Administrative Expenses

Our administrative expenses decreased by 10.3% from RMB340.7 million in 2024 to RMB305.7 million in 2025, primarily due to a decrease in employee salaries and benefits as a result of our continued efforts to optimize personnel-related costs and improve operational efficiency.

Research and Development Expenses

Our research and development expenses increased by 12.7% from RMB373.2 million in 2024 to RMB420.5 million in 2025, primarily due to (i) an increase in employee salaries and benefits as a result of the expansion of our research and development team and (ii) an increase in depreciation and amortization, driven by the addition of research and development facilities.

Impairment Losses on Financial and Contract Assets, Net

Our impairment losses on financial and contract assets, net increased from RMB16.5 million in 2024 to RMB35.9 million in 2025, primarily due to an increase in trade receivables, in line with the expansion of our business.

Other Expenses

Our other expenses increased significantly from RMB8.4 million in 2024 to RMB19.5 million in 2025, primarily due to an increase in fair value losses of the put option liabilities relating to Hangzhou Chixiao. See Note 36 to the Accountants' Report in Appendix IA to this document for more information.

Finance Costs

Our finance costs increased by 16.9% from RMB9.3 million in 2024 to RMB10.9 million in 2025, primarily due to (i) an increase in interest on put option liabilities relating to Shanghai Discovery and (ii) an increase in the interest on bank borrowings for additional temporary funding for business operations.

Share of Profits of Associates

Our share of profits of associates decreased by 4.7% from RMB14.8 million in 2024 to RMB14.1 million in 2025, primarily due to a decrease in the attributable income of our invested companies to us.

Income Tax Expense

Our income tax expense increased from RMB10.6 million in 2024 to RMB29.7 million in 2025, in line with an increase in our profit before tax.

(Loss)/Profit for the Year from a Discontinued Operation

Our (loss)/profit for the year from a discontinued operation changed from a loss of RMB9.6 million in 2024 to a profit of RMB47.4 million in 2025, primarily due to the gain from our disposal of COSMO Moulds.

Profit for the Year

Our profit for the year increased from RMB65.1 million in 2024 to RMB220.5 million in 2025, primarily due to (i) an increase in gross profit in line with our business growth, (ii) our continuing efforts to improve operational efficiency and (iii) the gain from our disposal of COSMO Moulds.

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

Revenue

Our revenue remained relatively stable at RMB4,993.5 million and RMB5,069.5 million in 2023 and 2024, respectively.

Revenue by Business Segment

Revenue from our IoT products remained relatively stable at RMB4,080.4 million and RMB3,920.1 million in 2023 and 2024, respectively. See "— Description of Major Components of Our Results of Operations — Revenue — Revenue by Business Segment" for detailed analysis of the sales volume and average selling price of our IoT products.

Revenue from our data intelligence solutions increased by 25.9% from RMB913.2 million in 2023 to RMB1,149.4 million in 2024, primarily due to (i) an increase in the number of contracts of our intelligent manufacturing solutions from 443 in 2023 to 496 in 2024, as a result of more standardized delivery, enabling us to serve a wider customer base across various industries and (ii)

the continued expansion of the scale of our green manufacturing solutions with the number of contracts increasing from 15 in 2023 to 35 in 2024 and the average contract value increasing from RMB1.1 million in 2023 to RMB2.1 million in 2024.

Revenue by Geographical Region

Revenue from Chinese Mainland remained relatively stable at RMB4,369.2 million and RMB4,360.5 million in 2023 and 2024, respectively.

Revenue from overseas increased by 13.5% from RMB624.4 million in 2023 to RMB709.0 million in 2024, primarily because our customers expanded their overseas operations in Vietnam and India in 2024, which increased their demand for our products and solutions and, in turn, contributed to the growth of our overseas revenue.

Cost of Sales

Our cost of sales remained relatively stable at RMB4,103.1 million and RMB4,150.3 million in 2023 and 2024, respectively.

Gross Profit and Gross Profit Margin

The gross profit margin of our IoT products decreased from 13.6% in 2023 to 13.0% in 2024, primarily due to strategic pricing initiatives implemented in 2024, under which relatively lower pricing was offered to strengthen relationships with key customers and drive sales volume growth, thereby resulting in a lower overall gross profit margin.

Our gross profit margin for our data intelligence solutions decreased from 36.6% in 2023 to 35.5% in 2024, primarily because we expanded our intelligent manufacturing solutions business during the year with number of contract increasing from 443 in 2023 to 496 in 2024, requiring us to acquire industry know-how, and develop and produce customized components for new customers as we deepened our industry presence, leading to higher costs in 2024 while our average contract value remained relatively stable at RMB1.3 million and RMB1.4 million in 2023 and 2024, respectively.

Other Income and Gains

Our other income and gains decreased by 24.0% from RMB242.7 million in 2023 to RMB184.5 million in 2024, primarily due to a decrease in bank interest income, driven by lower bank deposit balances and bank interest. In addition, our government grants decreased from RMB97.6 million in 2023 to RMB79.7 million in 2024, reflecting the completion of the relevant projects that local government granted subsidies in 2024.

Selling and Distribution Expenses

Our selling and distribution expenses decreased by 9.6% from RMB315.4 million in 2023 to RMB285.0 million in 2024, primarily due to a decrease in employee salaries and benefits and business development expenses as a result of our continued efforts to optimize personnel-related costs and improve operational efficiency.

Administrative Expenses

Our administrative expenses decreased by 14.0% from RMB396.2 million in 2023 to RMB340.7 million in 2024, primarily due to the implementation of cost-reduction and efficiency strategies, which included optimizing personnel-related costs and improving operational efficiency.

Research and Development Expenses

Our research and development expenses decreased by 11.6% from RMB422.4 million in 2023 to RMB373.2 million in 2024, primarily due to a decrease in employee salaries and benefits as a result of the refinement of our research and development strategies, under which we focused on strengthening core research and development capabilities and optimizing our research and development team structure to improve overall efficiency.

Impairment Losses on Financial and Contract Assets, Net

Our impairment losses on financial and contract assets, net, increased significantly from RMB4.7 million in 2023 to RMB16.5 million in 2024, primarily due to an increase in trade receivables, which is in line with the expansion of our business.

Other Expenses

Our other expenses decreased by 44.0% from RMB15.0 million in 2023 to RMB8.4 million in 2024, primarily due to one-off losses incurred from forward foreign exchange contracts in 2023 as a result of the changes of foreign exchange rates between Renminbi and U.S. dollar. During the same period, we recorded foreign exchange gains, net of RMB6.7 million in 2023, mainly attributable to the changes of foreign exchange rates as well.

Finance Costs

Our finance costs remained relatively stable at RMB8.9 million and RMB9.3 million in 2023 and 2024, respectively.

Share of Profits of Associates

Our share of profits of associates decreased by 46.2% from RMB27.5 million in 2023 to RMB14.8 million in 2024, primarily due to a decrease in the attributable income of our invested companies to us.

Income Tax Expense

Our income tax expense decreased by 43.9% from RMB18.9 million in 2023 to RMB10.6 million in 2024, primarily due to (i) an increase in research and development expenses by some of our subsidiaries, which are qualified for additional tax deductions and (ii) the carried losses from previous years.

Loss for the Year from a Discontinued Operation

Our loss for the year from a discontinued operation decreased from RMB61.9 million to RMB9.6 million, primarily due to the implementation of cost-effective measures of COSMO Moulds, resulting in a substantial reduction in selling and distribution expenses, administrative expenses and research and development expenses.

(Loss)/Profit for the Year

We recorded a loss of RMB82.7 million in 2023 and a profit of RMB65.1 million in 2024, primarily due to (i) an increase in our gross profit in line with the growth of our business, (ii) our continuing efforts to improve operational efficiency and (iii) a decrease in our loss from COSMO Moulds, driven by the implementation of our cost-effective measures.

FINANCIAL INFORMATION

DISCUSSION OF KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Non-current Assets/(Liabilities)

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

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Non-current Assets				
Property, plant and equipment	1,025,375	933,578	1,068,956	1,045,952
Right-of-use assets	182,831	158,953	190,802	192,399
Goodwill	107,092	107,092	517,867	517,867
Other intangible assets	52,358	56,850	50,659	50,231
Investments in associates	123,871	136,047	150,203	158,143
Financial assets at fair value through profit or loss	25,000	—	—	—
Equity investments designated at fair value through other comprehensive income	94,416	118,544	136,744	157,660
Contract assets	12,849	19,071	64,688	59,968
Lease receivables	168,568	139,985	173,860	167,614
Prepayments, other receivables and other assets	51,291	39,068	30,638	37,794
Deferred tax assets	16,442	21,792	42,645	41,676
Pledged deposits	239	239	3,967	3,967
Time deposits	—	506,838	1,208,140	1,213,801
Total Non-current Assets	**1,860,332**	**2,238,057**	**3,639,169**	**3,647,072**
Non-current Liabilities				
Lease liabilities	157,419	152,401	177,207	177,098
Deferred income	117,233	104,915	81,366	80,729
Deferred tax liabilities	22,402	9,463	12,376	15,646
Other liabilities	81,081	47,729	101,424	102,261
Provision	13,276	12,555	20,451	19,120
Total Non-current Liabilities	**391,411**	**327,063**	**392,824**	**394,854**

Property, Plant and Equipment

The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Plant and machinery	650,833	576,936	712,640	712,950
Buildings	172,095	168,493	163,169	159,777
Construction in progress	116,034	121,335	118,556	102,492
Leasehold improvements	55,590	43,171	47,182	46,308
Tools, furniture and fixtures	28,323	22,752	25,767	22,921
Motor vehicles	2,500	891	1,642	1,504
Total	**1,025,375**	**933,578**	**1,068,956**	**1,045,952**

Our property, plant and equipment decreased by 9.0% from RMB1,025.4 million as of December 31, 2023 to RMB933.6 million as of December 31, 2024, mainly because (i) we disposed of certain plant and machinery upon the end of their useful lives as part of our normal operations; and (ii) we entered into preliminary disposal agreement of COSMO Moulds, and therefore its property, plant and equipment were reclassified as held for sale by the end of 2024. Our property, plant and equipment increased by 14.5% from RMB933.6 million as of December 31, 2024 to RMB1,069.0 million as of December 31, 2025, primarily due to routine purchases of production equipment to support the expansion of our business. Our property, plant and equipment remained relatively stable at RMB1,069.0 million and RMB1,046.0 million as of December 31, 2025 and March 31, 2026, respectively.

Right-of-use Assets

Our right-of-use assets consisted of buildings, leasehold land, vehicles and plant and machinery. Our right-of-use assets decreased by 13.0% from RMB182.8 million as of December 31, 2023 to RMB159.0 million as of December 31, 2024, primarily due to normal depreciation recognized over the lease term. Our right-of-use assets increased by 20.0% from RMB159.0 million as of December 31, 2024 to RMB190.8 million as of December 31, 2025, primarily due to the additions of leased factory premises as a result of our production expansion. Our right-of-use assets remained relatively stable at RMB190.8 million and RMB192.4 million as of December 31, 2025 and March 31, 2026, respectively.

Goodwill

Our acquired goodwill arose from our acquisition of Shanghai Discovery and Hangzhou Chixiao. Our goodwill remained stable at RMB107.1 million as of December 31, 2023 and 2024. Our goodwill increased from RMB107.1 million as of December 31, 2024 to RMB517.9 million as of December 31, 2025, primarily due to the acquisition of Shanghai Discovery in August 2025. Our goodwill remained stable at RMB517.9 million as of December 31, 2025 and March 31, 2026. See Note 17 to the Accountants' Report in Appendix IA to this document for more information.

Other Intangible Assets

Our other intangible assets primarily include patents and trademark and software. Our other intangible assets increased by 8.6% from RMB52.4 million as of December 31, 2023 to RMB56.9 million as of December 31, 2024, primarily due to purchases of new software in 2024 to support the expansion of our business. Our other intangible assets decreased by 10.9% from RMB56.9 million as of December 31, 2024 to RMB50.7 million as of December 31, 2025, primarily due to amortization of the software recognized during the year. Our other intangible assets remained relatively stable at RMB50.7 million and RMB50.2 million as of December 31, 2025 and March 31, 2026, respectively.

Investments in Associates

Our investments in associates primarily include share of net assets and goodwill on acquisition. The following table sets forth a breakdown of our investments in associates as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Share of net assets	121,238	133,414	147,570	155,510
Goodwill on acquisition	2,633	2,633	2,633	2,633
Total	**123,871**	**136,047**	**150,203**	**158,143**

Our investments in associates increased by 9.8% from RMB123.9 million as of December 31, 2023 to RMB136.0 million as of December 31, 2024, further increased by 10.4% to RMB150.2 million as of December 31, 2025, and further increased by 5.3% to RMB158.1 million as of March 31, 2026, primarily due to sustained profitability of the invested associates.

Financial Assets at Fair Value through Profit or Loss

Our non-current portion of financial assets at fair value through profit or loss mainly includes investment in unlisted equity measured at FVTPL. Our non-current portion of financial assets at fair value through profit or loss decreased from RMB25.0 million as of December 31, 2023 to nil as of December 31, 2024, primarily due to our investment in unlisted equity which was reclassified as current, as it became expected to be recovered over one year in 2024. Our non-current portion of financial assets at fair value through profit or loss remained stable at nil as of December 31, 2024, 2025 and March 31, 2026.

Our current portion of financial assets at fair value through profit or loss represents (i) structured deposits with low risks and (ii) investment in unlisted equity expected to be recovered within one year, primarily to generate additional returns on cash reserves, while ensuring liquidity and capital preservation. The returns of our structured deposits are tied to the performance of certain financial assets portfolios.

Our current portion of financial assets at fair value through profit or loss increased by 6.2% from RMB118.7 million as of December 31, 2023 to RMB126.1 million as of December 31, 2024, primarily because our investment in unlisted equity was reclassified as current as it became expected to be recovered within one year. Our current portion of financial assets at fair value through profit or loss increased significantly from RMB126.1 million as of December 31, 2024 to RMB370.6 million as of December 31, 2025, primarily due to an increase in our investments in short-term structured deposits. Our current portion of financial assets at fair value through profit or loss decreased by 21.9% from RMB370.6 million as of December 31, 2025 to RMB289.5 million as of March 31, 2026, primarily because we reallocated funds from certain structured deposits to short-term time deposits based on our treasury allocation and liquidity management needs under our overall cash management strategy. See "— Current Assets/(Liabilities) — Time Deposits."

Our investment strategies with respect to financial products mainly include the following: (i) we minimize financial risks by matching the maturities of the portfolio with anticipated operating cash needs, while aiming to generate reasonable investment returns for the benefit of our shareholders; (ii) investment in high-risk products is not allowed; (iii) the proposed investment must not interfere with our business operations or capital expenditures; and (iv) the financial products we invest in should be issued by a reputable bank. We primarily invest in financial products issued by major commercial banks in Chinese Mainland with low risks and a short-to-mid-term. We make investment decisions related to financial products on a case-by-case basis after thoroughly considering a number of factors, including, but not limited to, the macro-economic environment, general market conditions, the risk control and credit levels of the issuing banks, our working capital needs and the expected profit or potential loss of the investment. With the authorization of the Board and supervision by our chief financing officer, our finance department is responsible for analyzing, evaluating and determining the investment plans with respect to financial products in accordance with our internal approval process. Prior to modifying our existing investment portfolio, the proposal must be approved by our chairman of the Board. After **[REDACTED]**, our investments in financial products will be subject to compliance with Chapter 14 of the Listing Rules.

Equity Investments Designated at Fair Value through Other Comprehensive Income

Our equity investments designated at fair value through other comprehensive income consisted of (i) our listed equity investments at fair value and (ii) unlisted equity investments at fair value, which was categorized within Level 3 fair value measurement.

Our equity investments designated at fair value through other comprehensive income increased by 25.5% from RMB94.4 million as of December 31, 2023 to RMB118.5 million as of December 31, 2024, further increased by 15.4% to RMB136.7 million as of December 31, 2025, and further increased by 15.3% to RMB157.7 million as of March 31, 2026, primarily due to the fluctuations in the market price or fair value of the equity we held.

We perform the valuation of level 3 financial instruments for financial reporting purposes, taking into account significant unobservable inputs and applicable valuation technique, and manage the valuation exercise of the investments on a case-by-case basis. We conduct assessments on our unlisted equity investments, including taking reasonable steps to verify the accuracy and reasonableness of material company information that is likely to affect the valuation of the assets, such as comparable companies and discount for lack of marketability.

Lease Receivables

During the Track Record Period, our lease receivables primarily arose from certain equipment that we leased to two related-parties within the Haier Group. The equipment was deployed at their plants and operated solely by them. As the lessees obtained substantially all of the economic benefits from use of the equipment over its economic life, the arrangement was classified as a finance lease in accordance with IFRS16, and we recognized a corresponding net investment in the lease. In August 2025, we acquired Shanghai Discovery to further expand our offering portfolios in green manufacturing solutions. Its lease receivables arose from energy-saving equipment owned by Shanghai Discovery and deployed at customers' sites, because the relevant solution offerings were structured as long-term energy-efficiency services. See "Business — Our Products and Solutions — Data Intelligence Solutions — Green Manufacturing Solutions."

Under the lease arrangement, legal title to the equipment remains with us throughout the lease term, and the lessee is granted a right-of-use without any bargain purchase option. We measure impairment of lease receivables in accordance with IFRS9. We apply the simplified approach and recognize loss allowances based on lifetime expected credit losses at each reporting date. Our ECL assessment is performed using a provision matrix that reflects our historical credit loss experience, adjusted for forward-looking information relevant to the counterparty and to prevailing economic conditions. Our Directors are of the view our lease arrangements with our related-party customer are based on normal commercial terms and are conducted at arm's lengths transactions.

Our lease receivables decreased by 13.1% from RMB194.3 million as of December 31, 2023 to RMB168.8 million as of December 31, 2024, primarily because we received the rent payment from our lessees. Our lease receivables increased by 30.5% from RMB168.8 million as of December 31, 2024 to RMB220.4 million as of December 31, 2025, primarily because we consolidated the lease receivables held by Shanghai Discovery into our Group following its acquisition in August 2025. Our lease receivables remained relatively stable at RMB220.4 million and RMB210.5 million as of December 31, 2025 and March 31, 2026, respectively.

Other Liabilities

Our other liabilities consisted of contingent consideration and put option liability.

Our other non-current liabilities decreased by 41.2% from RMB81.1 million as of December 31, 2023 to RMB47.7 million as of December 31, 2024, primarily due to our put option liabilities relating to Hangzhou Chixiao becoming payable within one year by the end of 2024. Our non-current other liabilities increased from RMB47.7 million as of December 31, 2024 to RMB101.4 million as of December 31, 2025, primarily due to our acquisition of Shanghai Discovery in August 2025, which resulted in the recognition of a put option liability related to this acquisition. Our non-current other liabilities remained relatively stable at RMB101.4 million and RMB102.3 million as of December 31, 2025 and March 31, 2026, respectively.

Our current other liabilities increased by 84.1% from RMB20.0 million as of December 31, 2023 to RMB36.8 million as of December 31, 2024, and further increased by 60.1% from RMB36.8 million as of December 31, 2024 to RMB58.9 million as of December 31, 2025, primarily due to the reclassification of certain put option liabilities relating to Hangzhou Chixiao from non-current to current liabilities, as they became payable within one year by the end of 2024. Our current other liabilities remained relatively stable at RMB58.9 million and RMB60.6 million as of December 31, 2025 and March 31, 2026, respectively.

Pledged Deposits

Our pledged deposits primarily represented margin deposits for bank acceptance bills, which fluctuate based on business needs.

Our non-current pledged deposits remained stable at RMB0.2 million as of December 31, 2023 and 2024, and increased to RMB4.0 million as of December 31, 2025, primarily due to an increase in the pledged deposits required by the banks issuing the guarantee letters that we provide to customers for delivery guarantees. Our non-current pledged deposits remained stable at RMB4.0 million as of December 31, 2025 and March 31, 2026.

Our current pledged deposits decreased by 37.4% from RMB275.0 million as of December 31, 2023 to RMB172.1 million as of December 31, 2024. Our current portion of pledged deposits increased by 68.5% from RMB172.1 million as of December 31, 2024 to RMB289.9 million as of December 31, 2025, primarily due to the fluctuations in our pledged bills receivables and in our bills payable. Our current pledged deposits remained relatively stable at RMB289.9 million and RMB292.9 million as of December 31, 2025 and March 31, 2026, respectively.

Time Deposits

Our non-current time deposits increased significantly from nil as of December 31, 2023 to RMB506.8 million as of December 31, 2024 and further increased to RMB1,208.1 million as of December 31, 2025, primarily due to our allocation of idle funds into long-term negotiable certificate of deposits to enhance returns. Our non-current time deposits remained relatively stable at RMB1,208.1 million and RMB1,213.8 million as of December 31, 2025 and March 31, 2026, respectively.

Our current time deposits increased significantly from RMB5.1 million as of December 31, 2023 to RMB1,553.8 million as of December 31, 2024, primarily due to our purchase of short-term time deposits to optimize our liquidity. Our current time deposits further decreased by 47.6% from RMB1,553.8 million as of December 31, 2024 to RMB814.8 million as of December 31, 2025, primarily due to our purchase of longer-term time deposits with original maturities over one year to enhance expected return. Our current time deposits increased by 21.0% from RMB814.8 million as of December 31, 2025 to RMB986.3 million as of March 31, 2026, primarily due to (i) our additional purchase of current time deposits; and (ii) the reallocation of funds from certain structured deposits and cash and cash equivalents to current time deposits to enhance expected return under our overall cash management strategy. See "— Financial Assets at Fair Value through Profit or Loss."

Current Assets/(Liabilities)

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

	As of December 31,			As of March 31,	As of May 31,
	2023	2024	2025	2026	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000) (Unaudited)*
Current Assets					
Inventories	943,786	916,827	1,251,311	1,296,533	1,284,837
Trade and bills receivables	1,698,055	1,649,221	2,217,173	2,140,503	2,115,535
Contract assets	39,691	29,009	88,122	93,767	101,757
Lease receivables	25,749	28,841	46,499	42,884	44,199
Prepayments, other receivables and other assets	410,385	395,401	413,655	417,161	406,072
Financial assets at fair value through profit or loss	118,659	126,096	370,563	289,455	111,464
Receivables at fair value through other comprehensive income	688,237	873,440	801,560	822,308	1,009,245
Pledged deposits	274,951	172,072	289,924	292,925	353,410
Time deposits	5,086	1,553,792	814,829	986,285	576,385
Cash and cash equivalents	3,958,997	1,796,432	1,366,130	1,249,190	1,807,654
	8,163,596	7,541,131	7,659,766	7,631,011	7,810,558
Assets of a disposal group classified as held for sale	—	477,693	—	—	—
Total Current Assets	**8,163,596**	**8,018,824**	**7,659,766**	**7,631,011**	**7,810,558**

	As of December 31,			As of March 31,	As of May 31,
	2023	2024	2025	2026	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000) (Unaudited)*
Current Liabilities					
Trade and bills payables	2,919,222	2,885,693	3,454,150	3,420,818	3,593,225
Other payables and accruals	705,089	685,521	816,724	752,075	789,184
Contract liabilities	610,430	606,734	756,610	814,267	836,810
Interest-bearing bank borrowings	11,407	11,443	72,886	45,000	25,051
Lease liabilities	42,800	40,660	31,460	38,575	37,716
Financial liabilities at fair value through profit or loss	—	—	—	819	—
Deferred income	22,426	22,490	22,951	19,603	20,917
Tax payable	11,641	24,558	13,768	11,726	14,282
Provision	30,226	30,163	48,852	48,171	47,051
Other liabilities	20,000	36,820	58,935	60,618	60,917
	4,373,241	4,344,082	5,276,336	5,211,672	5,425,153
Liabilities directly associated with the assets classified as held for sale	—	212,675	—	—	—
Total Current Liabilities	**4,373,241**	**4,556,757**	**5,276,336**	**5,211,672**	**5,425,153**
Net Current Assets	**3,790,355**	**3,462,067**	**2,383,430**	**2,419,339**	**2,385,405**

Our net current assets decreased from RMB3,790.4 million as of December 31, 2023 to RMB3,462.1 million as of December 31, 2024, primarily due to a decrease in cash and cash equivalents, driven by our purchase of time deposits with original maturities over one year in 2024.

Our net current assets decreased from RMB3,462.1 million as of December 31, 2024 to RMB2,383.4 million as of December 31, 2025, primarily due to a decrease in short-term time deposits, as certain matured time deposits were reallocated to long-term deposits to enhance returns. Our net current assets remained relatively stable at RMB2,383.4 million and RMB2,419.3 million as of December 31, 2025 and March 31, 2026, respectively. Our net current assets remained relatively stable at RMB2,419.3 million and RMB2,385.4 million as of March 31, 2026 and May 31, 2026, respectively.

Inventories

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

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Contract fulfillment costs	511,553	567,631	766,669	824,180
Finished goods	234,305	248,338	308,528	267,935
Raw materials	119,012	100,593	175,869	204,184
Work in progress	78,916	265	245	234
Total	**943,786**	**916,827**	**1,251,311**	**1,296,533**

Our inventories remained relatively stable at RMB943.8 million and RMB916.8 million as of December 31, 2023 and 2024, respectively. Our inventories increased by 36.5% from RMB916.8 million as of December 31, 2024 to RMB1,251.3 million as of December 31, 2025, primarily due to (i) an increase in contract fulfillment costs, arising from higher number of outstanding contracts, in line with the expansion of our business and (ii) an increase in raw materials, as a result of our production expansion to meet growing customer demand. Our inventories remained relatively stable at RMB1,251.3 million and RMB1,296.5 million as of December 31, 2025 and March 31, 2026, respectively.

The following table sets forth an aging analysis of our inventories, excluding contract fulfillment costs as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Within 12 months	430,163	347,900	482,758	471,270
Over 12 months	2,070	1,296	1,884	1,083
Total	**432,233**	**349,196**	**484,642**	**472,353**

Our inventory turnover days are calculated using the average of opening balance and closing balance of inventories for a year/period divided by cost of sales for the relevant year/period and multiplied by 360/90 days. Our inventory turnover days decreased from 90 days in 2023 to 81 days in 2024, and further decreased to 75 days in 2025, primarily because (i) several data intelligence solution projects were finally accepted in 2024 and 2025 and (ii) we continued to improve our inventory management, resulting in higher inventory turnover efficiency. Our inventory turnover days increased from 75 days in 2025 to 94 days in the three months ended March 31, 2026, primarily due to (i) an increase in contract fulfillment costs resulting from higher project costs for data intelligence solutions that had not yet been delivered, in line with the expansion of our business; and (ii) the relatively low cost of sales during the first three months of the year, as certain customers tend to conduct final acceptance of projects in the second half of the year, thereby increasing the calculated inventory turnover days.

As of May 31, 2026, RMB564.5 million, or 43.5% of inventories as of March 31, 2026, had been used, consumed or sold subsequent to March 31, 2026.

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 March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Trade receivables	957,941	1,149,842	1,577,851	1,699,062
Impairment	(19,384)	(34,026)	(89,513)	(93,269)
Trade receivables, net	938,557	1,115,816	1,488,338	1,605,793
Bills receivable	761,783	535,645	731,331	536,319
Impairment	(2,285)	(2,240)	(2,496)	(1,609)
Bills receivable, net	759,498	533,405	728,835	534,710
Total	**1,698,055**	**1,649,221**	**2,217,173**	**2,140,503**

Our trade and bills receivables remained relatively stable at RMB1,698.1 million as of December 31, 2023 and RMB1,649.2 million as of December 31, 2024. Our trade and bills receivables increased by 34.4% from RMB1,649.2 million as of December 31, 2024 to RMB2,217.2 million as of December 31, 2025, mainly due to (i) the consolidation of trade and bills receivables held by Shanghai Discovery following its acquisition into our Group in August 2025 and (ii) an increase in sales. Our trade and bills receivables remained relatively stable at RMB2,217.2 million and RMB2,140.5 million as of December 31, 2025 and March 31, 2026, respectively.

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

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Within 12 months	914,692	1,091,001	1,403,436	1,537,917
13 to 24 months	23,455	22,692	82,223	66,457
25 to 36 months	410	2,123	2,679	1,419
Total	**938,557**	**1,115,816**	**1,488,338**	**1,605,793**

We generally grant our customers a credit term of one to nine months. Our accounts receivable management policy focuses on strengthening collection efforts through a dedicated clearing team and implementing a daily monitoring system. During the clearing process, we continuously improve our operational framework by assigning responsibilities to specific customers, projects, milestones and personnel, while upgrading our business model to enhance overall operating quality. The increase in the long-aged receivables in 2025 was primarily due to the consolidation of trade and bills receivables following our acquisition of Shanghai Discovery in August 2025. Prior to our acquisition of Shanghai Discovery, Shanghai Discovery maintained its own credit policy, under which credit terms were generally granted in accordance with its then business practices and project arrangements. Before the acquisition, a few customers of Shanghai Discovery experienced payment delays due to longer settlement cycles of certain projects and temporary liquidity constraints of certain of its customers which resulted in occasional delays in settlement to Shanghai Discovery. Excluding the long-aged receivables attributable to Shanghai Discovery, the remaining long-aged receivables mainly related to certain customers of our intelligent manufacturing solutions business, including customers in the home appliances and machinery equipment sectors. These customers were primarily affected by extended internal financial management and payment approval processes, and therefore resulted in delayed payment processing and longer settlement timelines beyond the agreed credit terms. We consider that such delays were specific to the relevant customers and their particular circumstances and do not give rise to material concerns as to the recoverability of the relevant receivables. We had also made adequate provisions for expected credit losses in respect of such receivables in accordance with applicable accounting policies.

In respect of customers with long-aged trade and bills receivables, we have implemented targeted collection measures, including customer-specific follow-ups by designated personnel, discussions with the relevant customers on shortened credit terms or adjusted repayment schedules where appropriate, escalation of material overdue balances for management review and action, linkage of collection performance with the performance assessment of relevant business personnel, and, where necessary, taking further collection actions to accelerate settlement. Following the acquisition, Shanghai Discovery has been fully integrated into our unified credit management and internal control framework. We have applied the same targeted collection measures to its long-aged receivables while strengthening its receivables management through enhanced approval procedures, closer project-level monitoring and more proactive collection measures, and have implemented targeted rectifications to further mitigate credit risk.

As of the Latest Practicable Date, RMB24.0 million, or 35.3% of our trade receivables aged over one year as of March 31, 2026 had been settled subsequent to March 31, 2026.

Our trade and bills receivables turnover days are calculated using the average of opening balance and closing balance of trade and bills receivables for a year/period divided by revenue for the relevant year/period and multiplied by 360/90 days. Our trade and bills receivables turnover days decreased from 122 days in 2023 to 119 days in 2024, and further decreased to 110 days in 2025, primarily due to our enhancement of the credit review standards and our establishment of a more effective collection mechanism, which contributed to a gradual improvement in turnover efficiency. Our trade and bills receivables turnover days increased from 110 days in 2025 to 133 days in the three months ended March 31, 2026, primarily due to the relatively low revenue recorded during the first three months of the year, as certain customers tend to conduct final acceptance of projects in the second half of the year, thereby increasing the calculated turnover days.

As of May 31, 2026, RMB1,018.0 million, or 47.6% of our trade and bills receivables as of March 31, 2026 had been settled subsequent to March 31, 2026.

Our Directors are of the view that there are no material recoverability issues with these trade receivables as of the Latest Practicable Date for the following reasons: (i) we have implemented stringent credit risk management measures throughout the entire receivables management process, including conducting comprehensive customer credit assessment and grading at the customer onboarding stage, strengthening collection management during the transaction process through risk

monitoring and early-warning mechanisms, and establishing post-transaction receivables management and bad debt recognition mechanisms, so as to mitigate potential bad debt risks; and (ii) we regularly assess the recoverability of trade receivables, taking into account factors such as customers' credit profiles, historical repayment records, aging analysis and subsequent settlement status, in order to ensure that the impairment provisions recorded are sufficient.

Contract Assets

Our contract assets primarily consisted of warranty retention amounts related to projects that have passed final acceptance and remain within the warranty period. When a project meets the final acceptance criteria, we recognize the warranty retention concurrently with the associated revenue and cost.

Our current contract assets decreased by 27.0% from RMB39.7 million as of December 31, 2023 to RMB29.0 million as of December 31, 2024, mainly because we entered into preliminary disposal agreement of COSMO Moulds, therefore, its assets were reclassified as assets held for sale by the end of 2024. Our current contract assets increased from RMB29.0 million as of December 31, 2024 to RMB88.1 million as of December 31, 2025, mainly attributed to the expansion of the business scale of data intelligence solutions. Our current contract assets remained relatively stable at RMB88.1 million and RMB93.8 million as of December 31, 2025 and March 31, 2026, respectively.

Our non-current contract assets increased by 49.2% from RMB12.8 million as of December 31, 2023 to RMB19.1 million as of December 31, 2024, mainly attributed to the expansion of the business scale of data intelligence solutions. Our non-current contract assets increased significantly from RMB19.1 million as of December 31, 2024 to RMB64.7 million as of December 31, 2025, mainly attributed to (i) the expansion of the business scale of data intelligence solutions, and (ii) the consolidation of contract assets held by Shanghai Discovery following its acquisition into our Group in August 2025. Our non-current contract assets remained relatively stable at RMB64.7 million and RMB60.0 million as of December 31, 2025 and March 31, 2026, respectively.

As of May 31, 2026, RMB18.7 million, or 12.2% of our contract assets as of March 31, 2026, were subsequently settled.

Prepayments, Other Receivables and Other Assets

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

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Current:				
Prepayments	60,454	49,164	85,200	74,944
Value-added tax recoverable and prepaid tax	80,737	72,931	86,195	92,195
Deferred [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Deposits	7,040	11,418	9,127	12,470
Dividends receivable	2,728	4,671	7,760	7,673
Land resumption compensation	75,427	55,427	—	—
Disbursements of utility payments on behalf of customers	165,484	185,164	187,451	185,595
Other receivables	25,996	24,517	39,502	41,631
Impairment allowance	(7,481)	(7,891)	(7,212)	(8,033)
Subtotal	**410,385**	**395,401**	**413,655**	**417,161**
Non-current:				
Long-term prepayments	27,013	21,297	8,994	15,345
Long-term deposits	24,523	17,950	20,080	20,893
Other assets	—	—	1,765	1,765
Impairment allowance	(245)	(179)	(201)	(209)
Subtotal	**51,291**	**39,068**	**30,638**	**37,794**
Total	**461,676**	**434,469**	**444,293**	**454,955**

Our current portion of prepayments, other receivables and other assets remained relatively stable at RMB410.4 million, RMB395.4 million, RMB413.7 million and RMB417.2 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively.

Our non-current portion of prepayments, other receivables and other assets decreased by 23.8% from RMB51.3 million as of December 31, 2023 to RMB39.1 million as of December 31, 2024, primarily due to an increase in payments for asset purchases related to our new plants which were under construction in 2023. Our non-current portion of prepayments, other receivables and other assets decreased by 21.6% from RMB39.1 million as of December 31, 2024 to RMB30.6 million as of December 31, 2025, primarily due to the reclassification of prepayments for equipment made in 2024 to property, plants and equipment upon the delivery and acceptance of equipment in 2025. Our non-current portion of prepayments, other receivables and other assets further increased by 23.4% from RMB30.6 million as of December 31, 2025 to RMB37.8 million as of March 31, 2026, primarily due to an increase in long-term prepayments for purchases of property, plant and equipment in connection with our new plant construction.

As of May 31, 2026, RMB196.1 million, or 43.1% of our prepayments, other receivables and other assets as of March 31, 2026, were subsequently settled.

Receivables at Fair Value through Other Comprehensive Income

Our receivables at fair value through other comprehensive income primarily consisted of acceptance bills issued by banks rated in the top investment-grade categories by credit rating agencies. These instruments are commonly used by customers as a settlement method in lieu of cash payments. We manage these assets under a business model that combines collecting contractual cash flows and selling, as they are typically endorsed or discounted and derecognized upon transfer.

Our receivables at fair value through other comprehensive income increased by 26.9% from RMB688.2 million as of December 31, 2023 to RMB873.4 million as of December 31, 2024, primarily because more customers settled payments through bank acceptance bills issued by banks rated in the top investment-grade categories in 2024. Our receivables at fair value through other comprehensive income decreased by 8.2% from RMB873.4 million as of December 31, 2024 to RMB801.6 million as of December 31, 2025, primarily due to the maturity of the acceptance bills during this period. Our receivables at fair value through other comprehensive income remained relatively stable at RMB801.6 million and RMB822.3 million as of December 31, 2025 and March 31, 2026, respectively.

Trade and Bills Payables

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

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Trade payables	1,614,926	1,701,597	2,231,494	2,044,377
Bills payable	1,304,296	1,184,096	1,222,656	1,376,441
Total	**2,919,222**	**2,885,693**	**3,454,150**	**3,420,818**

Our trade and bills payables remained relatively stable at RMB2,919.2 million and RMB2,885.7 million as of December 31, 2023 and 2024, respectively. Our trade and bills payables increased by 19.7% from RMB2,885.7 million as of December 31, 2024 to RMB3,454.2 million as of December 31, 2025, mainly attributed to an increase in payables to suppliers in line with the expansion of our business. Our trade and bills payables remained relatively stable at RMB3,454.2 million and RMB3,420.8 million as of December 31, 2025 and March 31, 2026, respectively.

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

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Within 12 months	2,863,274	2,818,818	3,331,113	3,311,247
13 to 24 months	41,327	46,715	56,424	45,967
25 to 36 months	11,136	10,616	37,959	33,958
Over 36 months	3,485	9,544	28,654	29,646
Total	**2,919,222**	**2,885,693**	**3,454,150**	**3,420,818**

Our trade and bills payables turnover days are calculated using the average of opening balance and closing balance of trade and bills payables for a year/period divided by cost of sales used for the relevant year/period and multiplied by 360/90 days. Our trade and bills payables turnover days decreased from 283 days in 2023 to 252 days in 2024, and further decreased from 252 days in 2024 to 218 days in 2025, primarily because we pay our suppliers faster to strengthen our relationships with them and to secure supplies with high quality, thereby enabling our data intelligence solutions to operate with a faster service cycle. Our trade and bills payables turnover days increased from 218 days in 2025 to 255 days in the three months ended March 31, 2026, primarily due to the relatively low cost of sales recorded during the first three months of the year, as certain customers tend to conduct final acceptance of projects in the second half of the year, thereby increasing the calculated turnover days.

As of May 31, 2026, RMB1,152.5 million, or 33.7% of our trade and bills payables as of March 31, 2026, had been settled subsequent to March 31, 2026.

Other Payables and Accruals

Our other payables and accruals primarily represented (i) deferred income, (ii) payroll and welfare payable, (iii) other tax payables, (iv) deposits received, (v) accrued expenses, (vi) payables for purchase of long-term assets and (vii) payables for acquisition of a subsidiary and other payables. See Note 30 to the Accountants' Report in Appendix IA to this document for more information.

Our other payables and accruals remained relatively stable at RMB705.1 million as of December 31, 2023 and RMB685.5 million as of December 31, 2024. Our other payables and accruals increased by 19.1% from RMB685.5 million as of December 31, 2024 to RMB816.7 million as of December 31, 2025, mainly attributed to an increase in payables for purchase of long-term assets, resulted from the routine purchases of production equipment to support the expansion of our business. Our other payables and accruals decreased by 7.9% from RMB816.7 million as of December 31, 2025 to RMB752.1 million as of March 31, 2026, primarily due to (i) a decrease in payroll and welfare payable following the payment of year-end bonuses accrued as of December 31, 2025 during the three months ended March 31, 2026 and (ii) a decrease in payables for purchase of long-term assets, due to the payment for purchase of property, plant and equipment during the period.

As of May 31, 2026, RMB306.9 million, or 40.8% of our other payables and accruals as of March 31, 2026, were subsequently settled.

Contract Liabilities

Contract liabilities include advances received to provide IoT products and data intelligence solutions before the relevant revenue can be recognized. The following table sets forth a breakdown of our contract liabilities as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
IoT products	50,483	13,339	8,978	8,679
Data intelligence solutions	559,947	593,395	747,632	805,588
Total	**610,430**	**606,734**	**756,610**	**814,267**

Our contract liabilities remained relatively stable at RMB610.4 million and RMB606.7 million as of December 31, 2023 and 2024. Our contract liabilities increased by 24.7% from RMB606.7 million as of December 31, 2024 to RMB756.6 million as of December 31, 2025 and further increased by 7.6% to RMB814.3 million as of March 31, 2026, mainly attributed to an increase in advance payments received from our customers, in line with the expansion of our business.

As of May 31, 2026, RMB137.5 million, or 16.9% of our contract liabilities as of March 31, 2026, had been subsequently recognized as revenue.

Tax Payable

Our tax payable increased significantly from RMB11.6 million as of December 31, 2023 to RMB24.6 million as of December 31, 2024, primarily due to government compensation received by one of our subsidiaries for land relocation, which is subject to income tax. Our tax payable decreased by 43.9% from RMB24.6 million as of December 31, 2024 to RMB13.8 million as of December 31, 2025, primarily because the income tax payable recognized in 2024 was paid in 2025. Our tax payable decreased by 14.8% from RMB13.8 million as of December 31, 2025 to RMB11.7 million as of March 31, 2026, primarily due to the income tax payments made during the period to settle the outstanding tax payable as of December 31, 2025.

LIQUIDITY AND CAPITAL RESOURCES

Overview

We have historically funded our cash requirements principally from cash generated from operations and equity financing. After the **[REDACTED]**, we intend to finance our future capital requirements through proceeds from our business operations, bank borrowings and the net **[REDACTED]** from the **[REDACTED]**. We do not anticipate any changes to the availability of financing to fund our operations in the future. As of December 31, 2023, 2024 and 2025 and March 31, 2025 and 2026, we had cash and cash equivalents as stated in the statements of financial position of RMB3,959.0 million, RMB1,796.4 million, RMB1,366.1 million, RMB1,742.5 million and RMB1,249.2 million, respectively. Taking into account the net **[REDACTED]** from the **[REDACTED]** and the financial resources available to us, including our cash and cash equivalents, our available banking facilities and cash flows from operating activities, our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document.

Cash Flow

The following table sets out a summary of our cash flow for the years/periods indicated:

	Year ended December 31,			Three Months ended March 31,	
	2023	2024	2025	2025	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)* *(Unaudited)*	*(RMB'000)*
Net cash generated from/(used in) operating activities	77,284	87,296	223,238	(80,091)	27,093
Net cash (used in)/generated from investing activities	(245,475)	(2,182,350)	(514,537)	21,194	(99,886)
Net cash used in financing activities	(23,792)	(56,853)	(149,176)	(6,625)	(37,828)
Net decrease in cash and cash equivalents	(191,983)	(2,151,907)	(440,475)	(65,522)	(110,621)
Cash and cash equivalents at the beginning of the year/period	4,147,300	3,958,997	1,808,915	1,808,915	1,366,130
Effect of foreign exchange rate changes, net	3,680	1,825	(2,310)	(929)	(6,319)
Cash and Cash Equivalents at the End of the Year/Period	**3,958,997**	**1,808,915**	**1,366,130**	**1,742,464**	**1,249,190**

Net Cash Generated from/(Used in) Operating Activities

In the three months ended March 31, 2026, our net cash generated from operating activities was RMB27.1 million, reflecting our profit before tax of RMB25.7 million, adjustments of non-cash and non-operating items, movements in working capital of RMB48.8 million, interest received of RMB2.4 million and income tax paid of RMB8.6 million. Adjustments of non-cash and non-operating items primarily consisted of depreciation of property, plant and equipment of RMB36.4 million, write-down of inventories to net realisable value of RMB11.4 million and equity settled share-based payments expense of RMB11.1 million partially offset by bank interest income of RMB11.2 million and share of profits of associates of RMB5.7 million. Our movements in working capital primarily consisted of a decrease in trade and bills receivables of RMB74.8 million and an increase in contract liabilities of RMB57.7 million, partially offset by a decrease in other payables and accruals of RMB66.3 million, an increase in inventories of RMB56.6 million, a decrease in trade and bills payables of RMB33.3 million and an increase in receivables at fair value through other comprehensive income of RMB20.7 million.

In 2025, our net cash generated from operating activities was RMB223.2 million, reflecting our profit before tax of RMB250.2 million, adjustments of non-cash and non-operating items, movements in working capital of RMB150.4 million, interest received of RMB13.9 million and income tax paid of RMB32.8 million. Adjustments of non-cash and non-operating items primarily consisted of depreciation of property, plant and equipment of RMB134.7 million and equity-settled share-based payments expense of RMB39.3 million, partially offset by bank interest income of RMB54.1 million and gains on disposal of subsidiaries of RMB42.2 million. Our movements in working capital primarily consisted of an increase in trade and bills payables of RMB425.5 million and a decrease in inventories of RMB203.2 million, partially offset by a decrease in contract liabilities of RMB384.9 million, an increase in trade and bills receivables of RMB297.1 million and an increase in pledged deposits of RMB106.8 million.

In 2024, our net cash generated from operating activities was RMB87.3 million, reflecting our profit before tax of RMB75.7 million, adjustments of non-cash and non-operating items, movements in working capital of RMB200.4 million, interest received of RMB60.2 million and income tax paid of RMB15.7 million. Adjustments of non-cash and non-operating items primarily consisted of depreciation of property, plant and equipment of RMB134.9 million and write-down of inventories to net realisable value of RMB48.1 million, partially offset by bank interest income of RMB76.0 million. Our movements in working capital primarily consisted of an increase in trade and bills payables of RMB96.3 million and an increase in other payables and accruals of RMB62.2 million, partially offset by an increase in trade and bills receivables of RMB98.3 million and an increase in inventories of RMB168.5 million.

In 2023, our net cash generated from operating activities was RMB77.3 million, reflecting our profit before tax of negative RMB63.8 million, adjustments of non-cash and non-operating items, movements in working capital of RMB34.7 million, interest received of RMB101.3 million and income taxes paid of RMB39.7 million. Adjustments of non-cash and non-operating items primarily consisted of depreciation of property, plant and equipment of RMB107.6 million and depreciation of right-of-use assets of RMB33.8 million, partially offset by bank interest income of RMB101.3 million. Our movements in working capital primarily consisted of a decrease in pledged deposits of RMB685.3 million and a decrease in inventories of RMB171.8 million, partially offset by a decrease in trade and bills payables of RMB614.9 million and a decrease in contract liabilities of RMB88.0 million.

Net Cash (Used in)/Generated from Investing Activities

In the three months ended March 31, 2026, our net cash used in investing activities was RMB99.9 million, which was primarily attributable to (i) purchases of financial assets at fair value through profit or loss of RMB887.0 million and (ii) purchase of time deposits with original maturity

over three months of RMB420.0 million, which was partially offset by (i) proceeds from maturity of financial assets at fair value through profit or loss of RMB968.0 million and (ii) proceeds from maturity of time deposits with original maturity over three months of RMB250.0 million.

In 2025, our net cash flows used in investing activities was RMB514.5 million, which was primarily attributable to (i) acquisition of subsidiaries of RMB377.1 million and (ii) purchases of financial assets at fair value through profit or loss of RMB1,199.7 million, which was partially offset by proceeds from maturity of financial assets at fair value through profit or loss of RMB954.7 million.

In 2024, our net cash used in investing activities was RMB2,182.4 million, which was primarily attributable to (i) placement of time deposits with original maturity over three months when acquired of RMB2,045.0 million and (ii) purchases of financial assets at fair value through profit or loss of RMB382.4 million, partially offset by proceeds from maturity of financial assets at fair value through profit or loss of RMB399.7 million.

In 2023, our net cash used in investing activities was RMB245.5 million, primarily attributable to (i) purchases of financial assets at fair value through profit or loss of RMB636.0 million and (ii) purchases of items of property, plant and equipment of RMB389.2 million, partially offset by proceeds from maturity of financial assets at fair value through profit or loss of RMB560.5 million.

Net Cash Used in Financing Activities

In the three months ended March 31, 2026, our net cash used in financing activities was RMB37.8 million, which was primarily attributable to (i) repayment of bank borrowings of RMB27.8 million, (ii) payment of deferred [REDACTED] expenses of RMB[REDACTED] and (iii) interest portion of lease payments of RMB2.1 million.

In 2025, our net cash used in financing activities was RMB149.2 million, which was primarily attributable to (i) repayment of bank borrowings of RMB48.7 million, (ii) principal portion of lease payments of RMB42.0 million and (iii) acquisition of non-controlling interests of RMB36.8 million.

In 2024, our net cash used in financing activities was RMB56.9 million, which was primarily attributable to (i) acquisition of non-controlling interests of RMB20.0 million and (ii) principal portion of lease payments of RMB18.3 million, partially offset by new bank borrowings of RMB10.0 million.

In 2023, our net cash used in financing activities was RMB23.8 million, which was primarily attributable to (i) repayment of bank borrowings of RMB77.3 million and (ii) acquisition of non-controlling interests of RMB33.0 million, partially offset by new bank borrowings of RMB67.9 million.

INDEBTEDNESS

During the Track Record Period, our indebtedness included (i) interest-bearing bank borrowings, (ii) lease liabilities and (iii) other liabilities. The table below sets forth the details of our indebtedness as of the dates indicated:

	As of December 31,			As of March 31,	As of May 31,
	2023	2024	2025	2026	2026
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000) (Unaudited)*
Current					
Interest-bearing bank borrowings	11,407	11,443	72,886	45,000	25,051
Lease liabilities	42,800	40,660	31,460	38,575	37,716
Other liabilities	20,000	36,820	58,935	60,618	60,917
Non-current					
Lease liabilities	157,419	152,401	177,207	177,098	175,495
Other liabilities	81,081	47,729	101,424	102,261	102,819
Total	**312,707**	**289,053**	**441,912**	**423,552**	**401,998**

Interest-Bearing Bank Borrowings

As of December 31, 2023, 2024 and 2025, March 31, 2026 and May 31, 2026, we had interest-bearing bank borrowings of RMB11.4 million, RMB11.4 million, RMB72.9 million, RMB45.0 million, and RMB25.1 million, respectively. Our interest-bearing bank borrowings are mainly denominated in Renminbi. During the Track Record Period, our interest rate on our fixed-rate bank borrowings ranged from 1.90% to 2.68%. As of May 31, 2026, we had unutilized banking committed facilities of RMB2,763.6 million.

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

Lease Liabilities

Our lease liabilities primarily include our lease of buildings and certain plant and machineries used in our operations. As of December 31, 2023, 2024 and 2025, March 31, 2026 and May 31, 2026, we had lease liabilities of RMB200.2 million, RMB193.1 million, RMB208.7 million, RMB215.7 million and RMB213.2 million, respectively, mainly representing the present value of outstanding lease payments under our lease agreements.

Contingent Liabilities

During the Track Record Period, we did not have any contingent liabilities.

No Other Material Outstanding Indebtedness

Except as disclosed above, as of May 31, 2026, 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 since May 31, 2026 and up to the Latest Practicable Date.

KEY FINANCIAL RATIOS

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

	As of/For the Year ended December 31,			As of/For the Three Months ended March 31,	
	2023	2024	2025	2025	2026
				(Unaudited)	
Net profit margin[(1)]	(1.7%)	1.3%	3.5%	5.0%	1.3%
Current ratio[(2)]	1.9 times	1.8 times	1.5 times	/	1.5 times
Gearing ratio[(3)]	4.0%	3.8%	5.0%	/	4.6%
Quick ratio[(4)]	1.7 times	1.6 times	1.2 times	/	1.2 times

Notes:

(1) Net profit margin is calculated as net profit for the relevant year/period divided by revenue for the same year/period and multiplied by 100%.
(2) Current ratio represents current assets divided by current liabilities as of the same date.
(3) Gearing ratio is calculated as total debt divided by total equity and multiplied by 100%. Total debt is defined as total payables incurred not in the ordinary course of business, including short-term and long-term borrowings, and lease liabilities.
(4) Quick ratio is calculated as current assets less inventories divided by current liabilities.

Our net profit margin changed from negative 1.7% in 2023 to 1.3% in 2024, primarily due to (i) an increase in our gross profit in line with the growth of our business, (ii) our continuing efforts to improve operational efficiency and (iii) a decrease in our loss from COSMO Moulds, driven by the implementation of our cost-effective measures. Our net profit margin increased from 1.3% in 2024 to 3.5% in 2025, primarily due to (i) an increase in gross profit in line with our business growth, (ii) our continuing efforts to improve operational efficiency and (iii) the gain from our disposal of COSMO Moulds. Our net profit margin decreased from 5.0% in the three months ended March 31, 2025 to

1.3% in the three months ended March 31, 2026, primarily because we completed the disposal of COSMO Moulds and recognized a gain from the disposal of RMB47.4 million in March 2025. See "— Period to Period and Year to Year Comparison of Results of Operations — Period Ended March 31, 2026 Compared with Period Ended March 31, 2025 — Profit for the Period" for more information.

Our current ratio remained relatively stable at 1.9, 1.8, 1.5 and 1.5 times as of December 31, 2023, 2024 and 2025 and March 31, 2026, respectively.

Our gearing ratio remained relatively stable at 4.0% and 3.8% as of December 31, 2023 and 2024, respectively. Our gearing ratio increased from 3.8% as of December 31, 2024 to 5.0% as of December 31, 2025, primarily due to an increase in the bank borrowings for temporary funding for business operations. Our gearing ratio remained relatively stable at 5.0% as of December 31, 2025 and 4.6% as of March 31, 2026 respectively.

Our quick ratio remained relatively stable at 1.7, 1.6, 1.2 and 1.2 times as of December 31, 2023, 2024 and 2025 and March 31, 2026, respectively.

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 research and development services with us.

CAPITAL COMMITMENTS

As of December 31, 2023, 2024, 2025 and March 31 2026, the total amount of our capital commitments under contracts for the acquisition and construction of property, plant and equipment was RMB58.8 million, RMB57.7 million, RMB35.4 million and RMB61.7 million, respectively.

CAPITAL EXPENDITURES

Our capital expenditures consisted of purchases of items of property, plant, equipment and other intangible assets. Our capital expenditures in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026 were RMB405.2 million, RMB250.3 million, RMB189.0 million, RMB51.8 million and RMB33.9 million, respectively.

We funded our capital expenditure requirements during the Track Record Period mainly from cash flow generated from operating activities. We intend to fund our future capital expenditures with a combination of operating cashflow, equity and debt financing and net **[REDACTED]** received from the **[REDACTED]**.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. During the Track Record Period, our revenue from the sales from our related parties was RMB3,662.0 million, RMB3,465.1 million, RMB3,585.4 million, RMB820.3 million and RMB852.0 million, in 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, respectively, representing 73.3%, 68.4%, 56.5%, 65.5% and 57.8% of our total revenue during the same years/periods, respectively. For details in relation to our related party transactions during the Track Record Period, see Note 47 to the Accountants' Report in Appendix IA to this document. Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm's-length basis and they did not distort our results of operations or make our historical results not reflective of our future performance.

FINANCIAL INFORMATION

FINANCIAL RISK DISCLOSURE

The main risks arising from our financial instruments are foreign currency risk, credit risk and liquidity risk. Our Board reviews and agrees policies for managing each of these risks. See Note 50 to the Accountants' Report in Appendix IA to this document.

DIVIDENDS

No dividend was paid or declared by our Company during the Track Record Period. As of the Latest Practicable Date, we did not have a formal dividend policy or fixed dividend payout ratio. After completion of the **[REDACTED]**, we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval of our Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividend, will depend upon a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends and any other factors that our Directors may consider important. Future dividend payments will also depend upon the availability of dividends received from our subsidiaries in China. PRC laws require that dividends should be paid only out of the profit for the year calculated according to PRC accounting principles, while the calculation of distributable profits under PRC GAAP is different from the calculation under IFRS Accounting Standards in certain respects. PRC laws also require our subsidiaries to set aside part of their net profit as statutory reserves, which are not available for distribution as cash dividends. Distributions from our subsidiaries may also be restricted if they incur debt or losses, or in accordance with any restrictive covenants in bank credit facilities or other agreements that we or our subsidiaries may enter into in the future.

DISTRIBUTABLE RESERVES

As of March 31, 2026, we had distributable reserves of RMB137.4 million.

[REDACTED] EXPENSES

Assuming an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the indicative **[REDACTED]** stated in this document), the aggregate **[REDACTED]** and fees, together with the Stock Exchange **[REDACTED]** fee, AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee, legal and other professional fees, printing and other expenses relating to the **[REDACTED]**, which are payable by us, are estimated to be approximately RMB**[REDACTED]**, accounting for **[REDACTED]**% of the gross **[REDACTED]** from the **[REDACTED]**, of which (i) approximately RMB**[REDACTED]** was recognized in our consolidated statements of profit or loss during the Track Record Period, (ii) RMB**[REDACTED]** is expected to be charged to profit or loss after the Track Record Period and (iii) approximately RMB**[REDACTED]** will be deducted from equity upon the completion of the **[REDACTED]**. By nature, our **[REDACTED]** expenses are composed of: (i) **[REDACTED]** of approximately RMB**[REDACTED]** and (ii) non-**[REDACTED]** related expenses of approximately RMB**[REDACTED]**, which consist of fees and expenses of legal advisers and Reporting Accountants of approximately RMB**[REDACTED]** and other fees and expenses of approximately RMB**[REDACTED]**.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

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

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since March 31, 2026, and there has been no event since March 31, 2026 that would materially affect the information shown in the Accountants' Report set out in Appendix IA to this document.

FINANCIAL INFORMATION

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except as otherwise disclosed in this document, 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.

FINANCIAL INFORMATION OF SHANGHAI DISCOVERY

We completed the acquisition of Shanghai Discovery in August 2025. The following is a discussion of Shanghai Discovery's results of operations for the years/periods indicated.

Consolidated Income Statements

The following table sets forth the consolidated statements of profit or loss of Shanghai Discovery from January 1, 2023 to August 13, 2025, derived from the consolidated statements of profit or loss of Shanghai Discovery set forth in the Accountants' Report included in Appendix IB to this document.

	Year ended December 31,				Period from January 1 to August 13,			
	2023		2024		2024		2025	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
					(Unaudited)			
Revenue	407,301	100.0	608,676	100.0	200,818	100.0	396,141	100.0
Cost of sales	(323,127)	(79.3)	(503,566)	(82.7)	(160,793)	(80.1)	(320,854)	(81.0)
Gross Profit	**84,174**	**20.7**	**105,110**	**17.3**	**40,025**	**19.9**	**75,287**	**19.0**
Other income and gains	11,454	2.8	9,785	1.6	3,566	1.8	4,540	1.1
Selling and distribution expenses	(23,311)	(5.7)	(21,671)	(3.6)	(10,752)	(5.4)	(11,663)	(2.9)
Administrative expenses	(26,475)	(6.5)	(26,944)	(4.4)	(16,008)	(8.0)	(17,548)	(4.4)
Research and development expenses	(34,349)	(8.4)	(26,699)	(4.4)	(14,949)	(7.4)	(16,073)	(4.1)
Impairment losses on financial and contract assets, net	(5,427)	(1.3)	(1,417)	(0.2)	(3,613)	(1.8)	(7,601)	(1.9)
Other expenses	(73)	(0.0)	(106)	(0.0)	(106)	(0.1)	(445)	(0.1)
Finance costs	(13,643)	(3.3)	(14,464)	(2.4)	(8,679)	(4.3)	(7,671)	(1.9)
(LOSS)/PROFIT BEFORE TAX	**(7,650)**	**(1.9)**	**23,594**	**3.9**	**(10,516)**	**(5.2)**	**18,826**	**4.8**
Income tax credit/(expense)	1,807	0.4	(3,383)	(0.6)	1,740	0.9	(2,368)	(0.6)
(LOSS)/PROFIT AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR/PERIOD	**(5,843)**	**(1.4)**	**20,211**	**3.3**	**(8,776)**	**(4.4)**	**16,458**	**4.2**

Discussion of Certain Key Income Statements Items

Revenue

During the Track Record Period, revenue of Shanghai Discovery was generated from green manufacturing solutions to customers in Chinese Mainland. Revenue of Shanghai Discovery increased from RMB407.3 million in 2023 to RMB608.7 million in 2024, primarily due to Shanghai Discovery's continued expansion in the industries it had already entered, which enabled it to broaden its customer base and develop additional business from existing customers. Revenue of Shanghai Discovery increased from RMB200.8 million for the period from January 1 to August 13, 2024 to RMB396.1 million for the period from January 1 to August 13, 2025, primarily because Shanghai Discovery continued to strengthen its business relationships with existing customers, which enabled it to further expand its business in the manufacturing and food and beverage industries.

Cost of Sales

The following table sets out a breakdown of the cost of sales of Shanghai Discovery by nature for the years/periods indicated:

	Year ended December 31,				Period from January 1 to August 13,			
	2023		2024		2024		2025	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
					(Unaudited)			
Hardware and software costs	224,553	69.5	350,058	69.5	110,210	68.5	207,173	64.6
Project implementation costs	71,580	22.2	109,454	21.7	33,909	21.1	85,485	26.6
Labor costs	14,836	4.6	21,730	4.3	6,849	4.3	13,758	4.3
Others[(1)]	12,158	3.7	22,324	4.5	9,825	6.1	14,438	4.5
Total	**323,127**	**100.0**	**503,566**	**100.0**	**160,793**	**100.0**	**320,854**	**100.0**

Note:

(1) Others primarily include construction management expenses and repair and maintenance expenses.

Cost of sales of Shanghai Discovery increased from RMB323.1 million in 2023 to RMB503.6 million in 2024, due to an increase in sales, which was in line with the expansion of its business. Cost of sales of Shanghai Discovery increased from RMB160.8 million for the period from January 1 to August 13, 2024 to RMB320.9 million for the period from January 1 to August 13, 2025, primarily due to the expansion of its business in the industries which it operated in, which resulted in additional business from existing customers of Shanghai Discovery.

Gross Profit and Gross Profit Margin

Gross profit of Shanghai Discovery increased from RMB84.2 million in 2023 to RMB105.1 million in 2024. Gross profit of Shanghai Discovery increased from RMB40.0 million for the period from January 1 to August 13, 2024 to RMB75.3 million for the period from January 1 to August 13, 2025. Gross profit margin of Shanghai Discovery decreased from 20.7% in 2023 to 17.3% in 2024, primarily because Shanghai Discovery adopted competitive pricing strategies in certain strategic projects to rapidly acquire new customers, which resulted in a lower average selling price of its projects. Gross profit margin of Shanghai Discovery decreased from 19.9% for the period from January 1 to August 13, 2024 to 19.0% for the period from January 1 to August 13, 2025, primarily due to (i) the adoption of competitive pricing strategies of Shanghai Discovery in several strategic projects to quickly acquire new customers and additional business from existing customers and (ii) the higher level of customization required for these projects, which resulted in higher costs.

Other Income and Gains

Other income and gains of Shanghai Discovery consisted of (i) government grants, (ii) bank interest income, (iii) finance leases interest income, (iv) investment income from financial assets at fair value through profit or loss, (v) gains on lease modification/termination, (vi) fair value gains on financial assets at fair value through profit or loss and (vii) others. There are no material unfulfilled conditions or contingencies attached to government grants of Shanghai Discovery. Such government grants are generally project-based and one-off in nature.

Other income and gains of Shanghai Discovery amounted to RMB11.5 million in 2023 and RMB9.8 million in 2024, respectively. Other income and gains of Shanghai Discovery amounted to RMB3.6 million for the period from January 1 to August 13, 2024 and RMB4.5 million for the period from January 1 to August 13, 2025. The relatively higher amount of other income and gains in 2023, as compared to 2024 and for the period from January 1 to August 13, 2025, was primarily because of a decrease in bank interest income as a result of lower average cash balances and lower bank interest rates.

Selling and Distribution Expenses

The following table sets forth a breakdown of the major components of the selling and distribution expenses of Shanghai Discovery for the years/periods indicated:

	Year ended December 31,				Period from January 1 to August 13,			
	2023		2024		2024		2025	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
					(Unaudited)			
Business development expenses	10,663	45.7	9,708	44.8	5,047	46.9	4,437	38.0
Employee salaries and benefits	10,221	43.8	8,837	40.8	4,052	37.7	5,305	45.5
Travel expenses	1,843	7.9	2,133	9.8	971	9.0	898	7.7
Others[(1)]	584	2.6	993	4.6	682	6.4	1,023	8.8
Total	**23,311**	**100.0**	**21,671**	**100.0**	**10,752**	**100.0**	**11,663**	**100.0**

Note:

(1) Others primarily include office expenses, depreciation and tendering expenses.

Selling and distribution expenses of Shanghai Discovery decreased from RMB23.3 million in 2023 to RMB21.7 million in 2024, primarily driven by a decrease in employee salaries and benefits and business development expenses, due to Shanghai Discovery's continued deepening of its presence in the industry sectors in which it already operated, which strengthened the brand reputation and industry expertise, thereby enhancing sales efficiency. Selling and distribution expenses of Shanghai Discovery remained relatively stable at RMB10.8 million for the period from January 1 to August 13, 2024 and RMB11.7 million for the period from January 1 to August 13, 2025.

Administrative Expenses

The following table sets forth a breakdown of the major components of the administrative expenses of Shanghai Discovery for the years/periods indicated:

	Year ended December 31,				Period from January 1 to August 13,			
	2023		2024		2024		2025	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
					(Unaudited)			
Employee salaries and benefits	15,363	58.0	16,014	59.4	10,477	65.4	10,104	57.6
Depreciation and amortization	3,117	11.8	3,722	13.8	2,263	14.1	2,028	11.6
Consulting service expenses	1,808	6.8	3,582	13.3	1,417	8.9	3,425	19.5
Office expenses	2,430	9.2	1,595	5.9	958	6.0	894	5.0
Travel expenses	1,226	4.6	482	1.8	243	1.5	156	0.9
Others[(1)]	2,531	9.6	1,549	5.8	650	4.1	941	5.4
Total	**26,475**	**100.0**	**26,944**	**100.0**	**16,008**	**100.0**	**17,548**	**100.0**

Note:

(1) Others primarily include energy expenses and property management expenses.

Administrative expenses of Shanghai Discovery remained relatively stable at RMB26.5 million in 2023 and RMB26.9 million in 2024. Administrative expenses of Shanghai Discovery increased from RMB16.0 million for the period from January 1 to August 13, 2024 to RMB17.5 million for the period from January 1 to August 13, 2025, primarily due to an increase in consulting service expenses, certain corporate strategic transition initiatives and shareholder-related arrangements during the period.

Research and Development Expenses

The following table sets forth a breakdown of the major components of the research and development expenses of Shanghai Discovery for the years/periods indicated:

	Year ended December 31,				Period from January 1 to August 13,			
	2023		2024		2024		2025	
	(RMB'000)	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*	*(RMB'000)*	*%*
					(Unaudited)			
Employee salaries and benefits	21,558	62.8	23,354	87.5	13,349	89.3	14,489	90.1
Research and development materials expenses	8,544	24.9	927	3.5	183	1.2	443	2.8
Depreciation and amortization	319	0.9	281	1.1	164	1.1	159	1.0
Consulting service expenses	2,093	6.1	1,005	3.8	483	3.2	558	3.5
Travel expenses	978	2.8	407	1.5	233	1.6	90	0.6
Others[(1)]	857	2.5	725	2.6	537	3.6	334	2.0
Total	**34,349**	**100.0**	**26,699**	**100.0**	**14,949**	**100.0**	**16,073**	**100.0**

Note:

(1) Others primarily include patent application service expenses and testing expenses.

Research and development expenses of Shanghai Discovery decreased from RMB34.3 million in 2023 to RMB26.7 million in 2024, primarily because several major internal research and development activities of Shanghai Discovery had been completed by the end of 2023, resulting in lower research and development materials expenses and consulting service expenses. Research and

development expenses of Shanghai Discovery increased from RMB14.9 million for the period from January 1 to August 13, 2024 to RMB16.1 million for the period from January 1 to August 13, 2025, primarily because Shanghai Discovery expanded its research and development team to enhance its competitiveness, which led to higher employee salaries and benefits.

Impairment Loss on Financial and Contract Assets, Net

Impairment loss on financial and contract assets, net of Shanghai Discovery mainly consists of (i) trade and bills receivables, (ii) contract assets, (iii) financial assets included in prepayments, other receivables and other assets and (iv) lease receivables. Impairment loss on financial and contract assets, net, of Shanghai Discovery decreased from RMB5.4 million in 2023 to RMB1.4 million in 2024, primarily due to strengthened collection management and the recovery of certain long-aged receivables of Shanghai Discovery, which resulted in a decrease in impairment losses on financial and contract assets. Impairment loss on financial and contract assets, net of Shanghai Discovery increased from RMB3.6 million for the period from January 1 to August 13, 2024 to RMB7.6 million for the period from January 1 to August 13, 2025, primarily due to an increase in trade and bills receivables as a result of business expansion of Shanghai Discovery.

Finance Costs

Finance costs of Shanghai Discovery consisted of interest on (i) put option liabilities, (ii) bank borrowings and (iii) lease liabilities. Finance costs of Shanghai Discovery increased from RMB13.6 million in 2023 to RMB14.5 million in 2024, primarily due to an increase in bank borrowings driven by the expansion of business of Shanghai Discovery. Finance costs of Shanghai Discovery decreased from RMB8.7 million for the period from January 1 to August 13, 2024 to RMB7.7 million for the period from January 1 to August 13, 2025, primarily due to a decrease in put option liabilities, resulting from repurchase of minority shareholders' shares by Shanghai Discovery.

Income Tax Expense/Credit

Income tax expense/credit of Shanghai Discovery changed from a credit of RMB1.8 million in 2023 to an expense of RMB3.4 million in 2024, primarily due to an increase in the profit before tax of Shanghai Discovery. Income tax expense of Shanghai Discovery increased from a credit of RMB1.7 million for the period from January 1 to August 13, 2024 to an expense of RMB2.4 million for the period from January 1 to August 13, 2025, primarily in line with an increase in the profit before tax of Shanghai Discovery.

(Loss)/Profit for the Year/Period

As a result of the foregoing, Shanghai Discovery recorded a loss of RMB5.8 million in 2023 and a profit of RMB20.2 million in 2024, respectively. Shanghai Discovery recorded a loss of RMB8.8 million for the period from January 1 to August 13, 2024 and a profit of RMB16.5 million for the period from January 1 to August 13, 2025.

Cash Flows

See the Accountants' Report in Appendix IB to this document for more information.

Current Assets and Current Liabilities

See the Accountants' Report in Appendix IB to this document for more information.