

SUMMARY

This summary aims to give you an overview of the information contained in this Document and should be read in conjunction with the full text of this Document. As this is only a summary, it does not contain all the information that may be important to you. You should read this Document in its entirety before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in investing in the [REDACTED] are set out in “Risk Factors.” You should read that section carefully before you decide to [REDACTED] in the [REDACTED]. Various expressions used in this section are defined or explained in “Definitions” and “Glossary of Technical Terms” in this Document.

OVERVIEW

Who We Are

We are a global consumer technology company with a diversified portfolio spanning four product categories, namely charging products and accessories, office products, audio and visual products, and storage products. Marketed under the “UGREEN” brand, our products reach consumers in Chinese mainland and overseas through a comprehensive network mostly comprising self-operated online stores, online retailers, direct-to-consumer websites and offline distributors. Our offerings are designed to support a wide range of everyday scenarios, including home, travel, work, and entertainment.

Since our establishment in 2012, we have developed a global presence under our renowned “UGREEN” brand. Our business is rooted in Chinese mainland market and extends to more than 180 countries and regions worldwide as of June 30, 2026. During the Track Record Period, we experienced rapid growth both in Chinese mainland and overseas, demonstrating strong growth momentum. For the six months ended June 30, 2026, our revenue generated from the Chinese mainland market and overseas markets accounted for 33.1% and 66.9% of our total revenue, respectively.

Leveraging our strong research and development (“R&D”) capabilities, robust supply chain, and global distribution network, we have established a leading position in the global consumer technology market. According to Frost & Sullivan, we ranked first both in Chinese mainland and the global consumer technology extension products market in terms of shipment volume in 2025¹. In terms of revenue, we ranked first in Chinese mainland and second globally in the consumer technology extension products market in 2025, with a market share of 2.6% and 1.5%, respectively. We have also made notable progress in the storage segment with our consumer-grade network-attached storage (“NAS”) products. By substantially enhancing product functionality and user experience, we have successfully transformed professional-grade storage devices into mass-market consumer products.

Our Product Portfolio

Leveraging our foundational R&D capabilities, together with our in-house manufacturing capacity and a coordinated supply chain, we have, over the years, continuously refined and upgraded our product categories, including charging products and accessories, office products, audio and visual products, and storage products.

¹ The consumer technology market can be categorized by product type into consumer technology extension products and end devices. Consumer technology extension products, as an important component of the consumer technology market, refer to products that provide functional expansion and enhancement for consumer technology end devices. According to Frost & Sullivan, in 2025, consumer technology extension products accounted for 7.4% and 5.9% of Chinese mainland and the global consumer technology market, respectively, and consumer technology end devices accounted for 92.6% and 94.1% of Chinese mainland and the global consumer technology market, respectively. Our charging products and accessories, office products, and audio and visual products largely fall within the consumer technology extension products category, while our NAS products are classified as consumer technology end devices. For details, please see “Industry Overview.”

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Our current product portfolio comprises the following four product categories:



Charging Products and Accessories

Our charging products and accessories primarily comprise chargers and power banks. This category has demonstrated strong scale and growth momentum and serves as a core component of our product portfolio. For the six months ended June 30, 2026, our charging products and accessories recorded revenue of RMB2,666.7 million, representing a growth of 50.0% compared with the six months ended June 30, 2025 and contributing significantly to our total revenue growth.

Office Products

We offer a comprehensive portfolio of office products, including docking stations, multi-display connectivity products, and office keyboards and mice, designed to meet user needs in work and home environments. Our docking stations and hubs have achieved strong sales performance on major e-commerce platforms such as Amazon and Tmall, and are widely adopted by a broad user base.

Audio and Visual Products

We offer a range of high-definition audio and video capture, connectivity and transmission devices, as well as various headphone products. Our video products support protocols such as HDMI 2.1 and DP 2.1, enabling lossless transmission for 8K and 16K content. We are also actively exploring the application of AI in the acoustic domain, integrating AI algorithms into audio products such as true wireless stereo headphones.

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Storage Products

Our storage product category primarily comprises our NAS product line. Since entering the NAS-based private cloud industry, we have continued to increase our system-level R&D investment. Revenue from our storage products has maintained strong growth and represented one of our fastest-growing product lines during the Track Record Period. Our revenue from NAS products amounted to RMB640.0 million for the six months ended June 30, 2026, representing a growth of 115.9% compared with the six months ended June 30, 2025.

Powered by our self-developed UGOS Pro operating system, our NAS products enable users to access and manage files across multiple platforms and devices. We integrate high-performance graphics processing units and neural processing units, equipping our NAS products with on-device AI inference capabilities. By supporting third-party applications, providing local storage and computing capabilities based on user’s local data, our NAS products deliver enhanced functionalities and user experiences. Moreover, NAS empowers AI agents to perform autonomous task orchestration across multiple platforms, which elevates the NAS functional profile from a passive storage container to an intelligent data management and automation platform. Therefore, our NAS products are expected to further connect with more UGREEN products, unlocking functionality and user experiences.

Financial Performance

Driven by continuous innovation across our product portfolio and a well-diversified global sales and distribution network, we delivered strong financial results across business cycles. We recorded revenue of RMB4,801.4 million, RMB6,166.3 million and RMB9,485.6 million in 2023, 2024 and 2025, representing a CAGR of 40.6% from 2023 to 2025. Our revenue increased by 50.8% from RMB3,854.8 million for the six months ended June 30, 2025 to RMB5,813.9 million during the same period in 2026. This growth rate substantially outpaced the industry average, demonstrating our strong organic growth momentum.

We recorded net profit of RMB393.7 million, RMB460.5 million, and RMB703.5 million in 2023, 2024, and 2025, representing a CAGR of 33.7% from 2023 to 2025. Our net profit increased by 58.0% from RMB273.6 million for the six months ended June 30, 2025 to RMB432.2 million during the same period in 2026. Our gross profit margin remained overall stable at 36.9%, 36.8%, 36.5%, in 2023, 2024, 2025, respectively. Our gross profit margin increased from 36.1% for the six months ended June 30, 2025 to 38.4% during the same period in 2026. This highlights our ability to maintain strong operating efficiency and high earnings quality while pursuing rapid expansion, and to create long-term, sustainable value for shareholders.

OUR COMPETITIVE STRENGTHS

We believe the following core strengths have enabled us to establish our market competitiveness and will drive our future growth: (i) strong capabilities in building a consumer technology product portfolio; (ii) a global sales and distribution network; (iii) deep integration of manufacturing capabilities and supply chain management; and (iv) a cohesive organization and an experienced, insightful management team.

OUR STRATEGIES

We intend to further solidify our leading position by pursuing the following strategies: (i) expanding our consumer technology product portfolio to better meet user needs; (ii) deepening an integrated footprint to expand global influence; (iii) strengthening talent development and organizational competitiveness on a global scale; and (iv) pursuing strategic investment opportunities to enhance growth.

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OUR GLOBAL PRESENCE

During the Track Record Period, we have achieved rapid development both in Chinese mainland and the overseas markets, demonstrating our strong growth capabilities. Our revenue distribution is geographically balanced. In 2023, 2024, 2025, and for the six months ended June 30, 2026, overseas markets contributed 50.4%, 57.5%, 61.4%, and 66.9% of our revenue, respectively.

We actively deploy offline sales channels, with a domestic distribution network covering major provincial-level administrative regions nationwide. As of June 30, 2026, our domestic offline sales network has covered more than 180 key cities across all provinces, autonomous regions and municipalities, continuously strengthening our brand’s offline presence. We also actively expand our online presence, with products available on major domestic e-commerce platforms such as Tmall and JD.com, further extending our reach to consumers. Thanks to the popularity of our products, we have been recognized with honors including Alibaba King Store and JD.com Annual High-Quality Store.

Simultaneously, we are committed to promoting the “UGREEN” brand to the global market, adopting a model combining online and offline channels to achieve sales in multiple countries and regions globally. As of June 30, 2026, our products were available in over 180 countries and regions, and on major international e-commerce platforms such as Amazon and Shopee. The Company’s major products are consistently selected as Amazon’s Choice on Amazon. To deepen our reach in international markets, we have established localized service subsidiaries in key markets including Hong Kong, the United States, Germany, Japan, South Korea, Singapore, Vietnam, Malaysia, and the United Arab Emirates, building a multi-dimensional service matrix of “global headquarters + regional centers” to accurately capture localized consumption characteristics.

PRODUCTION

During the Track Record Period, we utilized a flexible hybrid production model that combines in-house production with third-party manufacturing partners. Our in-house production is primarily conducted through our subsidiaries, which serve as our hubs for new product introduction, process verification, and component manufacturing. As of the Latest Practicable Date, our self-operated production facilities were located in Shenzhen and Huizhou, Guangdong Province, and Ji’an, Jiangxi Province, with a total gross floor area of approximately 41,547 sq.m. We also collaborate with third-party manufacturing partners to expand and strengthen our overall manufacturing capabilities.

MAJOR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers primarily consist of online retailers, offline distributors and end users who purchase our products. The aggregate revenue generated from our five largest customers in each year/period during the Track Record Period was RMB1,006.2 million, RMB1,098.4 million, RMB1,587.8 million, and RMB790.6 million, accounting for 21.0%, 17.8%, 16.7%, and 13.6% of our total revenue for the respective year/period.

Our major suppliers primarily consist of third-party manufacturing partners and distributors of electronic components. The aggregate purchases from our five largest suppliers in each year/period during the Track Record Period was RMB652.3 million, RMB772.9 million, RMB1,451.4 million, and RMB876.7 million, representing 24.2%, 23.0%, 26.4%, and 26.3% of our total purchase amount for the respective year/period.

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COMPETITION

The global consumer technology industry is entering a new phase of development characterized by “intelligence” and “full-scenario integration,” with the overall market continuing to expand. According to Frost & Sullivan, the global consumer technology market reached USD1,075.3 billion in 2025 and is expected to grow steadily. The consumer technology market is highly fragmented, with over 2,500 industry participants in Chinese mainland and over 10,000 globally. We believe our competitive strengths lie in our established market competitiveness and our ability to consistently outperform industry peers through strong organic growth, underpinned by a user-centric and diversified product portfolio spanning multiple consumer technology scenarios. Specifically, (i) we have demonstrated a strong track record of translating continuous R&D investment into commercially successful and award-winning products; (ii) our globally integrated, multichannel sales and distribution network, together with our localized overseas operations, enables us to effectively penetrate diverse markets and respond to evolving customer needs; (iii) our coordinated supply chain, combining in-house manufacturing with high-quality third-party partners, enhances our flexibility, cost efficiency and operational resilience; and (iv) coupled with our experienced management team and cohesive organizational structure, we are able to swiftly capture market opportunities, sustain high-quality growth and maintain a leading position in the global consumer technology extension products market.

According to Frost & Sullivan, we ranked first both in Chinese mainland and the global consumer technology extension products market in terms of shipment volume in 2025. In terms of revenue, we ranked first in Chinese mainland and second globally in the consumer technology extension products market in 2025. Consumer technology extension products accounted for 7.4% and 5.9% of Chinese mainland and the global consumer technology market in 2025, respectively. For more details, please see “Industry Overview.”

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present our summary of consolidated financial information during the Track Record Period, extracted from the Accountants’ Report in Appendix I to this Document. Our consolidated financial information has been prepared in accordance with IFRS Accounting Standards. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, our consolidated financial statements and the related notes, as well as the section headed “Financial Information.”

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Summary of Consolidated Statements of Comprehensive Income

The following table sets forth our consolidated statements of comprehensive income with line items in absolute amounts and as a percentage of our revenue for the years/periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Revenue	4,801,410	100.0	6,166,334	100.0	9,485,595	100.0	3,854,814	100.0	5,813,890	100.0
Cost of sales	(3,031,297)	(63.1)	(3,899,738)	(63.2)	(6,019,549)	(63.5)	(2,464,711)	(63.9)	(3,580,864)	(61.6)
Gross profit	1,770,113	36.9	2,266,596	36.8	3,466,046	36.5	1,390,103	36.1	2,233,026	38.4
Other income	28,605	0.6	26,060	0.4	29,038	0.3	13,574	0.3	13,178	0.2
Other gains/(losses), net	16,150	0.3	26,937	0.4	27,598	0.3	29,958	0.8	(35,186)	(0.6)
Research and development expenses	(215,891)	(4.5)	(304,116)	(4.9)	(437,808)	(4.6)	(173,515)	(4.5)	(349,130)	(6.0)
General and administrative expenses	(230,825)	(4.8)	(281,394)	(4.6)	(347,920)	(3.6)	(154,135)	(4.0)	(223,038)	(3.8)
Selling expenses	(911,823)	(19.0)	(1,204,832)	(19.5)	(1,894,923)	(20.0)	(790,839)	(20.5)	(1,151,785)	(19.8)
Net impairment losses (recognized)/reversed on financial assets	(3,829)	(0.1)	1,641	0.0	(16,644)	(0.2)	(5,623)	(0.2)	(9,497)	(0.2)
Finance costs	(6,915)	(0.1)	(5,909)	(0.1)	(6,359)	(0.1)	(3,136)	(0.1)	(3,258)	(0.1)
Profit before income tax	445,585	9.3	524,983	8.5	819,028	8.6	306,387	7.9	474,310	8.1
Income tax expense	(51,901)	(1.1)	(64,499)	(1.0)	(115,572)	(1.2)	(32,827)	(0.8)	(42,106)	(0.7)
Profit for the year/period	393,684	8.2	460,484	7.5	703,456	7.4	273,560	7.1	432,204	7.4
Attributable to:										
Owners of the Company	387,518	8.1	462,280	7.5	704,594	7.4	274,678	7.1	430,981	7.4
Non-controlling interests	6,166	0.1	(1,796)	(0.0)	(1,138)	(0.0)	(1,118)	(0.0)	1,223	0.0

Revenue

We derived our revenues from sales of our consumer technology products, including (i) charging products and accessories; (ii) office products; (iii) audio and visual products, and (iv) storage products.

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Revenue by Product Type

The following table sets forth a breakdown of our revenue by product type both in absolute amount and as a percentage of our total revenue for the years/periods presented.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Charging products										
and accessories. . .	2,076,044	43.3	2,957,626	48.0	4,355,886	45.9	1,777,633	46.1	2,666,726	45.9
Office products. . . .	1,446,986	30.1	1,756,799	28.5	2,431,563	25.7	1,032,210	26.8	1,500,369	25.8
Audio and visual										
products	950,255	19.8	1,060,493	17.2	1,472,320	15.5	630,187	16.3	877,236	15.1
Storage products . . .	328,125	6.8	391,416	6.3	1,225,826	12.9	414,784	10.8	769,559	13.2
Total	4,801,410	100.0	6,166,334	100.0	9,485,595	100.0	3,854,814	100.0	5,813,890	100.0

Revenue by Geographical Market

The following table sets forth a breakdown of our revenue by geographical market both in absolute amount and as a percentage of our total revenue for the years/periods presented.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Chinese mainland . .	2,381,861	49.6	2,622,656	42.5	3,664,224	38.6	1,560,179	40.5	1,926,243	33.1
Asia (excluding										
Chinese mainland). .	849,664	17.7	1,275,129	20.6	2,049,236	21.6	916,344	23.8	1,281,081	22.0
Europe	810,289	16.9	1,181,429	19.2	2,075,340	21.9	740,962	19.2	1,402,422	24.1
– Germany	224,208	4.7	313,933	5.1	616,167	6.5	217,616	5.6	403,976	6.9
The Americas.	692,092	14.4	968,361	15.7	1,502,142	15.8	559,364	14.5	1,068,349	18.4
– The U.S.	362,507	7.6	480,726	7.8	838,446	8.8	305,669	7.9	607,794	10.5
Oceania.	48,056	1.0	96,804	1.6	152,266	1.6	63,322	1.6	108,230	1.9
Other										
countries/regions. .	19,448	0.4	21,955	0.4	42,387	0.5	14,643	0.4	27,565	0.5
Total	4,801,410	100.0	6,166,334	100.0	9,485,595	100.0	3,854,814	100.0	5,813,890	100.0

Note:

Other countries/regions primarily include the markets in African countries, such as South Africa and Egypt.

Our revenue increased by 28.4% from RMB4,801.4 million in 2023 to RMB6,166.3 million in 2024, primarily attributable to (i) the steady sales growth of our charging products and accessories of RMB881.6 million, representing a year-on-year growth of 42.5%, and (ii) our proactive expansion in overseas markets, which achieved a revenue growth of RMB1,124.1 million, representing a year-on-year growth of 46.5%.

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Our revenue increased by 53.8% from RMB6,166.3 million in 2024 to RMB9,485.6 million in 2025, primarily driven by (i) steady sales growth of our charging products and accessories of RMB1,398.3 million, representing a year-on-year growth of 47.3%; (ii) robust sales growth of our storage products of RMB834.4 million, representing a year-on-year growth of 213.2%, which is primarily attributable to the growth of our NAS products of RMB779.4 million, representing a year-on-year growth of 419.9%; and (iii) our proactive expansion in overseas markets, which achieved a revenue growth of RMB2,277.7 million, representing a year-on-year growth of 64.3%.

Our revenue increased by 50.8% from RMB3,854.8 million for the six months ended June 30, 2025 to RMB5,813.9 million during the same period in 2026, primarily driven by (i) the robust growth in our revenue generated from overseas markets, supported by the expansion of our offline distribution channels and the increased recognition of our UGREEN brand; (ii) the stable sales growth of our charging products and accessories; and (iii) the growing demand for our NAS products, supported by the emerging local data storage needs of households and small and medium-sized enterprises.

See “Financial Information — Key Components of Our Consolidated Statements of Comprehensive Income — Revenue.”

Cost of Sales

Our cost of sales consisted of (i) cost of purchased goods, reflecting our procurement costs of finished goods from third-party manufacturing partners; (ii) logistics fees; (iii) raw materials consumed for production, relating to our in-house production; (iv) employee benefit expenses; (v) change in finished goods and work in progress; (vi) processing fee for manufacturing, and (vii) others.

The following table sets forth a breakdown of our cost of sales by nature in absolute amounts and as percentages of total cost of sales, for the years/periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
	<i>(unaudited)</i>									
Cost of purchased goods	2,090,412	69.0	2,608,713	66.9	4,425,935	73.5	1,774,838	72.0	2,504,747	70.0
Logistics fees	511,602	16.9	680,070	17.4	1,036,090	17.2	413,187	16.8	642,537	17.9
Raw materials consumed for production	461,583	15.2	563,617	14.5	760,831	12.6	337,145	13.7	452,813	12.6
Employee benefit expenses	66,301	2.2	75,109	1.9	123,535	2.1	54,127	2.2	68,812	1.9
Change in finished goods and work in progress	(244,793)	(8.1)	(216,411)	(5.5)	(627,156)	(10.4)	(246,239)	(10.0)	(227,661)	(6.4)
Processing fee for manufacturing	60,860	2.0	81,829	2.1	115,840	1.9	51,839	2.1	61,202	1.7
Others	85,332	2.8	106,811	2.7	184,474	3.1	79,814	3.2	78,414	2.3
	<u>3,031,297</u>	<u>100.0</u>	<u>3,899,738</u>	<u>100.0</u>	<u>6,019,549</u>	<u>100.0</u>	<u>2,464,711</u>	<u>100.0</u>	<u>3,580,864</u>	<u>100.0</u>

See “Financial Information — Key Components of Our Consolidated Statements of Comprehensive Income — Cost of Sales.”

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Gross Profit and Gross Profit Margin

Our gross profit was RMB1,770.1 million, RMB2,266.6 million, RMB3,466.0 million, RMB1,390.1 million and RMB2,233.0 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively, and our gross profit margin was 36.9%, 36.8%, 36.5%, 36.1% and 38.4% for the same years/periods, respectively.

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

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Charging products and accessories . . .	730,908	35.2	1,045,696	35.4	1,551,455	35.6	620,604	34.9	1,003,619	37.6
Office products	564,903	39.0	694,921	39.6	970,467	39.9	406,371	39.4	627,581	41.8
Audio and visual products	387,412	40.8	437,222	41.2	594,677	40.4	252,585	40.1	366,584	41.8
Storage products . . .	86,890	26.5	88,757	22.7	349,447	28.5	110,543	26.7	235,242	30.6
Total	1,770,113	36.9	2,266,596	36.8	3,466,046	36.5	1,390,103	36.1	2,233,026	38.4

The following table sets forth a breakdown of our gross profit and gross profit margin by geographical market for the years/periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
Chinese mainland . .	664,748	27.9	717,952	27.4	977,605	26.7	402,594	25.8	544,125	28.2
Asia (excluding Chinese mainland) .	368,868	43.4	557,021	43.7	905,581	44.2	398,574	43.5	556,499	43.4
Europe	395,789	48.8	521,158	44.1	915,226	44.1	326,644	44.1	606,526	43.2
The Americas	310,968	44.9	418,236	43.2	586,510	39.0	231,113	41.3	466,806	43.7
Oceania	23,657	49.2	44,039	45.5	65,710	43.2	25,871	40.9	49,632	45.9
Other countries/regions . .	6,083	31.3	8,190	37.3	15,414	36.4	5,307	36.2	9,438	34.2
Total	1,770,113	36.9	2,266,596	36.8	3,466,046	36.5	1,390,103	36.1	2,233,026	38.4

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Our gross profit margin slightly decreased from 36.9% in 2023 to 36.8% in 2024, primarily attributable to (i) a shift in product mix in the Chinese mainland market, with increased sales contribution from high-volume products at relatively lower margins such as power banks, the revenue we generated from which in Chinese mainland increased from RMB55.9 million in 2023 to RMB203.8 million in 2024, accounting for 2.4% and 7.8% of our total revenue from Chinese mainland in the corresponding year, and (ii) an increase of revenue contribution by NAS products as we conducted a pilot market testing initiative among overseas customers in 2024. As part of this initiative, we adopted a more competitive pricing strategy to attract early adopters and encourage customer participation.

Our gross profit margin decreased slightly from 36.8% in 2024 to 36.5% in 2025, primarily attributable to the official launch of NAS products to overseas markets in 2025 and their growing contribution to our revenue. During the initial stage of market entry, these products were priced more competitively to capture market share, which while driving a significant increase in revenue from NAS products, resulted in a slight dilution of overall gross profit margin.

Our gross profit margin increased from 36.1% for the six months ended June 30, 2025 to 38.4% during the same period in 2026, primarily attributable to our stable profitability, which was further raised by (i) the receipt of U.S. tariffs refund of RMB63.9 million in 2026, which deducted our cost of sales; and (ii) an increase in the selling prices of our products.

See “Financial Information — Key Components of Our Consolidated Statements of Comprehensive Income — Gross Profit and Gross Profit Margin.”

Summary of Consolidated Statements of Financial Position

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

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Total non-current assets	202,062	541,331	284,998	445,101
Total current assets	2,251,097	3,353,611	4,643,918	4,667,212
Total assets	2,453,159	3,894,942	4,928,916	5,112,313
Total non-current liabilities	104,562	108,157	131,492	147,548
Total current liabilities	572,281	861,949	1,389,716	1,369,234
Total liabilities	676,843	970,106	1,521,208	1,516,782
Net current assets	1,678,816	2,491,662	3,254,202	3,297,978
Net assets	1,776,316	2,924,836	3,407,708	3,595,531

Net Current Assets

Our net current assets increased by 48.4% from RMB1,678.8 million as of December 31, 2023 to RMB2,491.7 million as of December 31, 2024, primarily due to an increase of RMB741.5 million in financial assets at fair value through profit or loss (“FVTPL”) and an increase of RMB238.8 million in inventories, partially offset by an increase of RMB198.3 million in trade payables.

SUMMARY

Our net current assets increased by 30.6% from RMB2,491.7 million as of December 31, 2024 to RMB3,254.2 million as of December 31, 2025, primarily due to an increase of RMB765.9 million in inventories and an increase of RMB336.7 million in prepayments, other receivables and other assets, partially offset by a decrease of RMB310.2 million in financial assets at FVTPL.

Our net current assets increased by 1.3% from RMB3,254.2 million as of December 31, 2025 to RMB3,298.0 million as of June 30, 2026, primarily due to an increase of RMB457.2 million in inventories and an increase of RMB136.5 million in trade and bills receivables, partially offset by a decrease of RMB321.2 million in financial assets at FVTPL and a decrease of RMB212.8 million in cash and cash equivalents.

Net Assets

Our net assets increased from RMB1,776.3 million as of December 31, 2023 to RMB2,924.8 million as of December 31, 2024, primarily attributable to (i) profit for the year of RMB460.5 million; and (ii) net proceeds from issue of shares of RMB772.2 million, partially offset by dividends declared to the shareholders of the Company of RMB124.5 million.

Our net assets increased from RMB2,924.8 million as of December 31, 2024 to RMB3,407.7 million as of December 31, 2025, primarily due to profit for the year of RMB703.5 million, partially offset by dividends declared to the shareholders of the Company of RMB248.9 million.

Our net assets increased from RMB3,407.7 million as of December 31, 2025 to RMB3,595.5 million as of June 30, 2026, primarily due to profit for the period of RMB432.2 million, partially offset by dividends declared to the shareholders of the Company of RMB248.9 million.

See “Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position” and “Appendix I — Consolidated Statements of Changes In Equity.”

Summary of Consolidated Statements of Cash Flows

The following table sets forth our cash flows for the years/periods indicated.

	Year ended December 31,			As of
	2023	2024	2025	June 30,
				2026
	<i>(RMB in thousands)</i>			
Net cash flows generated from/(used in) operating activities	173,401	623,882	(35,329)	(70,009)
Net cash flows (used in)/generated from investing activities	(16,464)	(1,090,916)	571,884	184,598
Net cash flows (used in)/generated from financing activities	(45,052)	605,766	(299,191)	(291,577)
Net increase/(decrease) in cash and cash equivalents	111,885	138,732	237,364	(176,988)
Cash and cash equivalents at the beginning of the year/period	876,177	992,314	1,142,738	1,386,529
Effect of foreign exchange rate changes, net	4,252	11,692	6,427	(35,803)
Cash and cash equivalents at the end of the year/period	992,314	1,142,738	1,386,529	1,173,738

SUMMARY

We recorded operating cash outflow of RMB35.3 million in 2025, primarily attributable to (i) our business expansion and sales growth, leading to proactive inventory stocking to support new product launches and surging sales across key categories, causing increases in inventories as well as trade receivables; (ii) our strategic shift from requiring prepayment to granting credit terms to selected overseas offline distributors to capture market share and attract long-term collaboration, leading to an increase in trade receivables, as reflected by the 79.4% increase in revenue generated from overseas offline distribution from 2024 to 2025; and (iii) receipts of certain trade receivables from a major e-commerce platform customer in January 2026, which were within ordinary collection time frame and did not indicate any heightened credit or collection risk, together with export tax rebates, amounting to RMB263.4 million.

We recorded operating cash outflow of RMB70.0 million for the six months ended June 30, 2026, primarily attributable to (i) our proactive inventory stocking in line with our business expansion and sales growth, causing increases in inventories as well as trade receivables; (ii) increased receivables from overseas offline distributors as their sales continued to grow under the credit terms, as reflected by the 68.6% increase in revenue generated from overseas offline distribution from the six months ended June 30, 2025 to the six months ended June 30, 2026; and (iii) an increase in trade receivables from Amazon, as most of our major promotional campaigns in 2026 took place in June, compared with July in 2025.

To improve our net operating cash outflow position, we have continued to implement liquidity management measures, including prudent cash flow operations and budgeting, and active follow-up on customer payments. In particular, given that our operating cash outflows were mainly attributable to working capital requirements in relation to inventories and trade receivables, we have taken targeted measures to improve our cash conversion cycle. With respect to inventories, as NAS and power bank products accounted for a substantial portion of our inventories, we have strengthened inventory planning and procurement control by prudent procurement planning and close collaboration with our sales team to monitor inventory levels, customer demand and sales performance on a rolling basis. In addition, as we continue to upgrade our products and enhance their competitiveness, we expect to drive sales growth, accelerate inventory turnover and improve cash collection, thereby facilitating faster cash conversion and improving our operating cash flow position. With respect to trade receivables, as the relatively long trade receivables turnover period was mainly attributable to certain overseas offline customers, we have enhanced our collection management by maintaining regular communication with such customers on payment schedules and actively following up on outstanding balances.

See “Financial Information — Liquidity and Capital Resources — Cash Flows.”

SUMMARY

Key Financial Ratios

The following table sets forth our key financial ratios as of the dates or for the years/periods indicated.

	As of/For the year ended December 31,			As of/For the six months ended June 30,
	2023	2024	2025	2026
Gross profit margin ⁽¹⁾	36.9%	36.8%	36.5%	38.4%
Net profit margin ⁽²⁾	8.2%	7.5%	7.4%	7.4%
Current ratio ⁽³⁾	3.9	3.9	3.3	3.4
Quick ratio ⁽⁴⁾	2.2	2.5	1.9	1.6
Gearing ratio ⁽⁵⁾	7.2%	4.0%	4.3%	4.3%

Notes:

- (1) Gross profit margin represents gross profit for the year/period as a percentage of total revenue in 2023, 2024, and 2025, and the six months ended June 30, 2026.
- (2) Net profit margin represents profit for the year/period as a percentage of total revenue in 2023, 2024, and 2025, and the six months ended June 30, 2026.
- (3) Current ratio is calculated as total current assets divided by total current liabilities, as of December 31, 2023, 2024, and 2025, and June 30, 2026.
- (4) Quick ratio is calculated as total current assets less inventories divided by total current liabilities, as of December 31, 2023, 2024, and 2025, and June 30, 2026.
- (5) Gearing ratio is calculated as total debts divided by total equity, as of December 31, 2023, 2024 and 2025, and June 30, 2026 and multiplied by 100%. Total debts of the Group are defined to include lease liabilities.

Net Profit Margin

Our net profit margin decreased from 8.2% in 2023 to 7.5% in 2024, primarily attributable to an increase in our selling expenses and research and development expenses, due to (i) higher platform service fees incurred by our revenue growth in online sales channels, and (ii) increased remuneration for relevant personnel driven by the expansion of our selling and R&D team to keep pace with business growth and rapid technological developments.

Our net profit margin remained relatively stable at 7.5%, 7.4% and 7.4% in 2024, 2025 and for the six months ended June 30, 2026, respectively.

SUMMARY

[REDACTED]

OUR CONTROLLING SHAREHOLDER

As of the Latest Practicable Date, Mr. Zhang directly held approximately 45.27% of the total issued share capital of our Company and hence was our Controlling Shareholder. Mr. Zhang is a limited partner of both of our employee shareholding platforms, Ugreen Consulting and Ugreen Heshun, holding approximately 10.08% and 1.57% of the partnership interests in Ugreen Consulting and Ugreen Heshun, respectively. Mr. Zhang is also a general partner of Heshun V, Heshun VI, Heshun VII and Heshun VIII and holds approximately 34.37%, 44.58%, 18.28% and 20.85% of the partnership interests in these employee shareholding platforms, respectively. In turn, Heshun V, Heshun VI, Heshun VII and Heshun VIII hold approximately 1.46%, 1.69%, 1.66% and 1.17% of the partnership interests in Ugreen Consulting, respectively. Pursuant to the partnership agreements of Ugreen Consulting and Ugreen Heshun, the general partner has the exclusive right to represent the partnership in exercising its rights as a shareholder and to participate in shareholders' meetings of the invested entities, including exercising voting rights on behalf of the partnership. As none of Mr. Zhang, Heshun V, Heshun VI, Heshun VII or Heshun VIII is or has ever been a general partner of, or has contributed more than one-third of the capital contributions to, either Ugreen Consulting or Ugreen Heshun, Mr. Zhang is neither entitled nor deemed to be able to control either Ugreen Consulting or Ugreen Heshun. Accordingly, Ugreen Consulting and Ugreen Heshun do not constitute a group of controlling shareholders of our Company.

SUMMARY

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), our Controlling Shareholder will hold approximately [REDACTED]% of the total issued share capital of our Company and will remain as our Controlling Shareholder upon [REDACTED].

None of our Controlling Shareholder nor any of our Directors was, as of the Latest Practicable Date, interested in or engaged in any business, which, compete or is likely to compete, either directly or indirectly, with our Group’s business and which requires disclosure pursuant to Rule 8.10 of the Listing Rules.

DIVIDENDS AND DIVIDEND POLICY

Our Company has paid dividends to our Shareholders of nil, RMB124.5 million, RMB248.9 million and RMB248.9 million in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. See Note 12 to the Accountants’ Report in Appendix I to this Document.

After completion of the [REDACTED], our Shareholders will be entitled to receive any dividends we declare. We may distribute dividends by way of shares or cash, or a combination of both shares and cash. Pursuant to applicable laws in the PRC, our Articles of Association and a shareholder return plan for the three years after the listing of our Company on Shenzhen Stock Exchange in July 2024 approved by our Shareholders in April 2022, which serves as our formal dividend policy, our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. We will, in principle, distribute cash dividends to our Shareholders at least on an annual basis unless the profit distribution conditions are not met in accordance with our Articles of Association and the applicable laws and regulations in the PRC and Hong Kong. We shall distribute cash dividends in an aggregate amount of not less than 30% of the average annual distributable profits over each consecutive three-year period. Furthermore, provided that the specific conditions for cash dividends are met, we shall distribute annual cash dividends of not less than 10% of the distributable profits generated in the relevant fiscal year. We currently do not have any fixed dividend payout ratio. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by the Shareholders’ meeting. There is no assurance that dividends will be declared or paid in any particular amount for any financial year.

Our future declarations of dividends may not be in line with our historical declaration of dividends and will be subject to the approval by the Shareholders’ meeting. See “Risk Factors — Risks Related to the [REDACTED] — Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance that we will declare and distribute any amount of dividends in the future” in this Document.

SUMMARY

RISK FACTORS

Our business and the [REDACTED] involved certain risks, which are set out in the section headed “Risk Factors” in this Document. You should read that section in its entirety before you decide to [REDACTED] in the [REDACTED]. Some of the major risks we face include: (i) the industry in which we operate is highly competitive. If we fail to compete against other market participants, our business, results of operations and financial condition may be materially and adversely affected; (ii) failure to identify or respond to changes in consumer preferences and market demand, design new products aligned with evolving consumer demand, or effectively compete with our competitors may adversely affect our business operations and financial performance; (iii) we may fail to keep up with rapid technological changes and evolving industry standards and regulatory requirements, which may adversely affect our market position and render our products in production or under R&D and our production facilities uncompetitive or obsolete; (iv) any failure to maintain our brand image could have a material adverse effect on our business, financial condition and results of operations; (v) a significant portion of our online sales depends on certain e-commerce platforms, and any disruption in these partnerships, adverse policy modifications, or unfavorable contract changes could materially harm our operations and financial results; (vi) we rely on third-party manufacturing partners for the production of a substantial portion of our products. Any disruption in our supply chain, failure by suppliers to meet our requirements, or deterioration in our relationships with them could materially and adversely affect our business, financial condition, and results of operations; (vii) disruptions to our production facilities could limit or halt our sales and materially and adversely affect our business, financial condition and results of operations; (viii) any defects or quality issues in our products could lead to product liability or warranty claims, trigger product recalls, damage our reputation and result in reduced sales and market share; (ix) we may incur significant costs in connection with warranty obligations, and our existing provisions may prove insufficient to cover future potential claims; and (x) any deterioration of our offline and online distribution channels could have a material adverse effect on our business and results of operations and we may not be able to effectively manage any overlap or potential competition among our different sales channels.

[REDACTED] EXPENSES

Assuming an [REDACTED] of HK\$[REDACTED] per Share (being the [REDACTED] of the indicative [REDACTED] range stated in this Document) and that the [REDACTED] is not exercised, the [REDACTED], together with the Stock Exchange [REDACTED] fee, SFC transaction levy, AFRC transaction levy and Stock Exchange [REDACTED] fee, legal and other professional fees, printing and other expenses relating to the [REDACTED], which are payable by us are estimated to be approximately HK\$[REDACTED] million, of which HK\$[REDACTED] million are expected to be charged to our consolidated statements of comprehensive income for the year ending December 31, 2026, and HK\$[REDACTED] million are expected to be deducted from equity following the [REDACTED]. The [REDACTED] expenses consist of HK\$[REDACTED] million [REDACTED]-related expenses and HK\$[REDACTED] million non-[REDACTED]-related expenses (including fees and expenses of legal advisors and the reporting accountant of HK\$[REDACTED] million and other fees and expenses of HK\$[REDACTED] million), representing approximately [REDACTED]% of our [REDACTED] from the [REDACTED]. The [REDACTED] expenses above are the latest practicable estimate and are provided for reference only, and actual amounts may differ.

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million, after deducting the [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], assuming no [REDACTED] is exercised and an [REDACTED] of HK\$[REDACTED] per H Share, being the [REDACTED] of the indicative [REDACTED] range between HK\$[REDACTED] and HK\$[REDACTED] per H Share.

SUMMARY

In line with our strategies, we intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts as follows: (i) approximately [REDACTED]% or HK\$[REDACTED] million of the [REDACTED] will be allocated to increasing our investment in technology innovation and product development; (ii) approximately [REDACTED]% of the [REDACTED] or HK\$[REDACTED] million will be allocated to our brand building; (iii) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million will be allocated to enhancing our sales channel development and market penetration; (iv) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to the intelligent evolution of our business processes; and (v) approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to working capital and other general corporate purposes.

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE

Since July 26, 2024, our Company has been listed on the Shenzhen Stock Exchange. For further details, see “History, Development and Corporate Structure — Our Listing on The Shenzhen Stock Exchange and Reasons for the [REDACTED] on [REDACTED]”.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, since June 30, 2026 (being the end date of the years reported on in the Accountants’ Report in Appendix I to this Document) and up to the date of this Document, there has been no material adverse change in our financial or trading position and there is no event which would materially affect the information shown in our consolidated financial information included in the Accountants’ Report in Appendix I to this Document.