

FINANCIAL INFORMATION

The following discussion and our analysis should be read in conjunction with our consolidated financial statements included in the Accountants’ Report in Appendix I, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with 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, and our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. In evaluating our business, you should carefully consider the information provided in this document, including but not limited to the sections headed “Risk Factors” and “Business.”

For the purposes of this section, unless the context otherwise requires, references to 2023, 2024 and 2025 refer to our fiscal years ended December 31 of such years, respectively.

OVERVIEW

We are an intelligent mobile robotics provider primarily engaged in the design, development, manufacturing and commercialization of robotic products and solutions. During the Track Record Period, we experienced steady revenue growth and improved gross profitability. Our revenue increased from RMB75.0 million in 2023 to RMB114.8 million in 2024 and RMB265.5 million in 2025, and from RMB135.0 million in the six months ended June 30, 2025 to RMB169.2 million in the corresponding period of 2026. Our gross profit increased from RMB14.8 million in 2023 to RMB27.8 million in 2024 and RMB78.8 million in 2025, and from RMB36.7 million in the six months ended June 30, 2025 to RMB49.8 million in the six months ended June 30, 2026. In 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026. Our gross profit margin was 19.7%, 24.2%, 29.7%, 27.1% and 29.4%, respectively, for the respective periods. We recorded net loss of RMB113.8 million, RMB117.9 million, RMB99.7 million, RMB38.4 million, and RMB63.7 million in 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026, respectively. Our adjusted net loss (non-IFRS measure) was RMB78.5 million, RMB78.4 million, RMB44.2 million, RMB17.2 million, and RMB18.6 million for the respective periods.

BASIS OF PREPARATION

The Historical Financial Information and the Interim Financial Information have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (“IASB”). All IFRS accounting standards effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information and the Interim Financial Information throughout the Relevant Periods and in the period covered by the Interim Financial Information. Material accounting policies are set out in Note 2.3 of Appendix I to this Document.

The Historical Financial Information has been prepared under the historical cost convention, except for financial assets at fair value through profit or loss (“FVTPL”), debt investments at fair value through other comprehensive income and equity investments at fair value through other comprehensive income which have been measured at fair value.

The preparation of the Historical Financial Information in conformity with IFRS accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying our accounting policies. The areas involving judgement or complexity, or areas where assumptions and estimates are significant to the historical financial information are disclosed in Note 3 to the Accountants’ Report in Appendix I to this document.

FINANCIAL INFORMATION

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition have been, and are expected to continue to be, affected by the following significant factors.

Development of the Global Intelligent Robotics Sector and Market Penetration

We operate within the global intelligent robotics sector, which has experienced rapid expansion in recent years and continues to undergo significant technological and commercial evolution, driven by advancements in technologies, decreasing application costs and expanding application scenarios. According to CIC, in terms of sales revenue, the size of the global intelligent robotics market increased from RMB20.6 billion in 2021 to RMB68.3 billion in 2025, representing a CAGR of 35.0% from 2021 to 2025, and is projected to reach RMB530.4 billion by 2030, representing a CAGR of 54.3% from 2026 to 2030. The development trajectory of this sector, together with the growth dynamics of the industries served by our customers, has a direct bearing on our business operations, financial performance, results of operations and long-term growth prospects.

Within the global intelligent robotics market, the global intelligent mobile robotic solution market in terms of sales revenue increased at a CAGR of 34.6% from RMB14.8 billion in 2021 to RMB48.6 billion in 2025, and is expected to continue growing at a CAGR of 28.3% to reach RMB176.3 billion in 2030, according to CIC. In China, the market increased from RMB4.2 billion in 2021 to RMB14.2 billion in 2025, at a CAGR of 35.8%, and is expected to reach RMB57.8 billion by 2030, at a CAGR of 30.2% from 2026 to 2030. The global market size for embodied intelligence robotic solutions surged from RMB1.3 billion in 2021 to RMB9.9 billion in 2025, representing a CAGR of 66.1%, and is projected to increase to RMB326.2 billion in 2030 at a CAGR of 94.5%. Factors such as increasing smart manufacturing system upgrades demand, maturing supply chain and industrial ecosystem and strengthened policy support are driving demand and incentivizing the utilization of robotic products.

During the Track Record Period, our revenue was primarily generated from providing robotic solutions to enterprise customers in the electronics, semiconductor, automotive and new energy industries. Our results of operations are highly dependent on the development and performance of these underlying industries of our customers, which are subject to a wide range of factors such as fluctuations in capital expenditures, regulatory changes, supply chain efficiencies and macroeconomic conditions.

Technology Leadership and Product Development Capabilities

The intelligent robotics industry is characterized by rapid technological advancement, frequent product iteration and evolving customer requirements. In order to maintain our competitive positioning and support sustainable growth, we must continuously enhance our robotic solutions to respond to changes in technology, application scenarios and customer demand in a timely and effective manner. Accordingly, our ability to develop and commercialize advanced robot models, as well as to refine and upgrade existing solutions, plays an important role in our long-term development.

Our R&D capabilities are the cornerstone of our ability to enhance and develop intelligent mobile robotic solutions. We have invested, and plan to continue investing, significant resources in our R&D efforts. During the Track Record Period, our R&D expenses were RMB36.2 million, RMB44.5 million, RMB50.6 million, RMB22.0 million, and RMB29.0 million in 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026, respectively, accounting for 48.3%, 38.8%, 19.1%, 16.3% and 17.1% of revenue for the corresponding periods. Given the R&D-intensive nature of the robotics industry, it requires substantial investments in developing proprietary core technologies, product development and upgrades and R&D talent to build competitiveness.

Customer Acquisition and Commercialization Capabilities

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

FINANCIAL INFORMATION

We strategically focus on high-tech sectors such as electronics, semiconductor, automotive and new energy. These industries are characterized by complex processes, high precision requirements and rapid technological advancements, and demand intelligent robotic system that can operate autonomously and collaboratively in complex manufacturing scenarios. By aligning closely with the evolving needs of our existing customers, we have cultivated long-standing partnerships with key customers, driving significant business through repeat orders and large-scale deployments.

In domestic markets, we benefit from established customer relationships, localized service networks, and a deep understanding of regional industry needs. Meanwhile, overseas markets present substantial growth potential, driven by rising automation adoption in emerging economies, global supply chain reconfiguration, and increasing labor costs in various jurisdictions.

Competition and Pricing

We operate in an increasingly competitive intelligent mobile robotic solution market. We face competition with international and domestic players with diverse capabilities, some of which may have longer operating history, greater business scale and resources, higher market recognition and more effective pricing strategies than us.

Our pricing strategy directly affects our revenue generation, gross margins and overall profitability. Our pricing approach is designed to reflect the technological sophistication and value proposition of our intelligent mobile robotic solutions while remaining competitive in both domestic and overseas markets. We employ a combination of value-based and cost-plus pricing model that considers factors such as product development, production and customization costs, after-sales service commitments, technological level involved, product competitiveness, market price and other market conditions.

Cost Management and Operational Efficiency

Our ability to achieve profitability and sustainable growth depends in part on our management of cost of sales. In 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026, our cost of sales was RMB60.2 million, RMB87.0 million, RMB186.8 million, RMB98.4 million, and RMB119.4 million, respectively, accounting for 80.3%, 75.8%, 70.3%, 72.9%, and 70.6% of our revenue for the corresponding periods, respectively. Our cost of sales primarily consists of cost of raw materials, production and deployment expenses, logistics expenses and inventory write-down.

Our business and results of operations are also significantly affected by our operating expenses, which primarily comprised selling and distribution expenses, administrative expenses and R&D expenses during the Track Record Period. Our operating expenses ratio, defined as total operating expenses (consisting of selling and distribution expenses, administrative expenses and R&D expenses) divided by total revenue, decreased from 134.1% in 2023 to 98.4% in 2024, and 53.3% in 2025. Our operating expenses ratio stayed relatively stable at 42.0% in the six months ended June 30, 2025 and 45.6% in the six months ended June 30, 2026.

Other Factors Affecting Our Results of Operations

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

- Macro-economic conditions on customer capital expenditures and warehouse system upgrades. Our financial performance is closely tied to the capital expenditure decisions of our customers, which are influenced by broader macroeconomic factors. These factors, including economic growth rates, inflation, interest rates, and currency stability, affect the willingness and ability of businesses across various sectors to invest in advanced warehouse automation solutions.
- Legal, regulatory, and government policy support. Compliance with legal and regulatory requirements is a critical factor influencing our financial performance. As an AMR solutions provider operating globally, we must adhere to a range of local and international regulations across its target markets, as data privacy, workplace safety, import/export standards, and product certifications.

FINANCIAL INFORMATION

- Foreign exchange fluctuations. We currently generate a limited but growing portion of revenue from customers based outside Chinese Mainland. These revenues are denominated in foreign currencies other than RMB, such as Japanese yen, and U.S. dollars. As our reporting and functional currency is the RMB, financial results from our subsidiaries using other functional currencies are translated into RMB for reporting purposes.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our financial statements. In the application of our accounting policies, our management is required to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. For a detailed description of our material accounting policy information, as well as our key source of estimation uncertainties, see Notes 2.3 and 3 to the Accountants’ Report in Appendix I to this document.

RESULTS OF OPERATIONS

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

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>										
<i>(unaudited)</i>										
Revenue	74,950	100.0	114,842	100.0	265,528	100.0	135,019	100.0	169,219	100.0
Cost of sales	(60,165)	(80.3)	(87,046)	(75.8)	(186,755)	(70.3)	(98,362)	(72.9)	(119,388)	(70.6)
Gross profit	14,785	19.7	27,796	24.2	78,773	29.7	36,657	27.1	49,831	29.4
Other income and gains	10,355	13.8	13,321	11.6	19,338	7.3	6,307	4.7	3,354	2.0
Selling and distribution expenses	(46,208)	(61.7)	(49,510)	(43.1)	(59,879)	(22.6)	(25,394)	(18.8)	(25,077)	(14.8)
Administrative expenses	(18,137)	(24.2)	(18,927)	(16.5)	(30,917)	(11.6)	(9,417)	(7.0)	(23,021)	(13.6)
Research and development expenses	(36,190)	(48.3)	(44,513)	(38.8)	(50,636)	(19.1)	(21,959)	(16.3)	(29,000)	(17.1)
Impairment losses on financial and contract assets	(4,524)	(6.0)	(5,675)	(4.9)	(3,951)	(1.5)	(1,623)	(1.2)	(3,931)	(2.3)
Other expenses	(132)	(0.2)	(66)	(0.1)	(940)	(0.4)	(37)	(0.0)	(1,761)	(1.0)
Finance costs	(1,235)	(1.6)	(2,595)	(2.3)	(4,320)	(1.6)	(1,995)	(1.5)	(1,005)	(0.6)
Finance costs on redemption financial liabilities	(32,483)	(43.3)	(37,687)	(32.8)	(47,176)	(17.8)	(20,950)	(15.5)	(33,092)	(19.6)
Loss before income tax	(113,769)	(151.8)	(117,856)	(102.6)	(99,708)	(37.6)	(38,411)	(28.4)	(63,702)	(37.6)
Income tax expenses	—	—	—	—	(22)	0.0	—	—	—	—
Loss for the year/period	<u>(113,769)</u>	<u>(151.8)</u>	<u>(117,856)</u>	<u>(102.6)</u>	<u>(99,730)</u>	<u>(37.6)</u>	<u>(38,411)</u>	<u>(28.4)</u>	<u>(63,702)</u>	<u>(37.6)</u>

FINANCIAL INFORMATION

Non-IFRS Measures

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

We define adjusted net loss (non-IFRS measure) as loss for the year/period adjusted for share-based payments, [REDACTED] expenses and finance costs on redemption financial liabilities. Share-based payment expenses consist of non-cash expenses arising from granting share options and restricted share units to eligible individuals through our employee incentive platform. See Note 36 to the Accountants’ Report in Appendix I to this document. [REDACTED] expenses represent the fees incurred in relation to the [REDACTED]. Finance costs on redemption financial liabilities mainly represented redemption liabilities in relation to the redemption rights to certain investors. The redemption financial liabilities will be converted into equity upon the [REDACTED].

The following table sets forth a reconciliation of our loss for the year/period to adjusted net loss (a non-IFRS measure) for the years/periods indicated.

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
	(unaudited)				
Loss for the year/period	(113,769)	(117,856)	(99,730)	(38,411)	(63,702)
Adjusted for:					
Share-based payments	2,833	1,733	762	279	1,385
[REDACTED] expense . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Finance costs on redemption financial liabilities	32,483	37,687	47,176	20,950	33,092
Non-IFRS measures:					
Adjusted net loss for the year/period . . .	(78,453)	(78,436)	(44,206)	(17,182)	(18,633)

KEY COMPONENTS OF OUR CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Revenue

Revenue by Product Type

During the Track Record Period, our revenue was primarily derived from our robotic solutions, and to a lesser extent, from the sales of robotic products and other related accessories and services.

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

FINANCIAL INFORMATION

	For the Year Ended December 31,						For the Six Months Ended June 30,				
	2023		2024		2025		2025		2026		
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%	
	(in thousands, except for percentages) (unaudited)										
Robotic solutions											
Standard AMR and omnidirectional heavy-load AMR solutions	39,905	53.3	51,436	44.8	173,119	65.3	103,715	76.8	92,567	54.7	
Forklift AMR solutions	8,486	11.3	18,227	15.9	36,296	13.7	11,507	8.5	47,187	27.9	
Embodied Intelligence robotic solutions	951	1.3	5,039	4.4	912	0.3	391	0.3	–	–	
Outdoor AMR solutions	1,304	1.7	631	0.5	1,711	0.6	–	–	–	–	
Software solutions	2,199	2.9	22,135	19.3	7,616	2.9	432	0.3	7,971	4.7	
Subtotal	52,845	70.5	97,468	84.9	219,654	82.8	116,044	85.9	147,726	87.3	
Robotic Products											
Standard AMR and omnidirectional heavy-load AMR robotic products	15,238	20.3	8,734	7.6	26,348	9.9	9,365	6.9	4,528	2.7	
Embodied Intelligence robotic products	970	1.3	241	0.2	6,301	2.4	5,066	3.8	8,500	5.0	
Forklift robotic products	3,059	4.1	3,904	3.4	4,340	1.6	1,578	1.2	4,302	2.5	
Subtotal	19,267	25.7	12,879	11.2	36,989	13.9	16,009	11.9	17,330	10.2	
Sales of accessories and others											
Technical support services	493	0.7	169	0.1	1,226	0.4	7	–	1,256	0.7	
Accessories	2,345	3.1	4,326	3.8	7,659	2.9	2,959	2.2	2,908	1.7	
Subtotal	2,838	3.8	4,495	3.9	8,885	3.3	2,966	2.2	4,163	2.5	
Total	74,950	100.0	114,842	100.0	265,528	100.0	135,019	100.0	169,219	100.0	

Revenue by Industry Sector

The following table sets forth a breakdown of our revenue by industry sector for the years/periods indicated.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)									
	(unaudited)									
Electronics	27,598	36.9	38,470	33.5	70,476	26.5	56,462	41.8	43,326	25.6
Pan-semiconductor	4,814	6.4	8,376	7.3	22,708	8.6	3,379	2.5	6,300	3.7
Automotive and Components	5,928	7.9	22,399	19.5	66,833	25.2	41,018	30.4	22,410	13.2

FINANCIAL INFORMATION

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages) (unaudited)									
New Energy	5,265	7.0	13,190	11.5	27,610	10.4	9,998	7.4	46,884	27.7
General Manufacturing . .	31,345	41.8	32,407	28.2	77,901	29.3	24,162	17.9	50,300	29.7
Total	74,950	100.0	114,842	100.0	265,528	100.0	135,019	100.0	169,219	100.0

Revenue by Customer Type

Our customers include both integrators and enterprise customers. The following table sets forth a breakdown of our revenue by customer type in absolute amount and as a percentage of our total revenue for the years/periods indicated.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages) (unaudited)									
Integrator	43,645	58.2	75,018	65.3	195,674	73.7	104,867	77.7	98,433	58.2
Enterprise customers . .	31,305	41.8	39,824	34.7	69,854	26.3	30,152	22.3	70,786	41.8
Total	74,950	100.0	114,842	100.0	265,528	100.0	135,019	100.0	169,219	100.0

Revenue by Geographic Location

In terms of geographical location, we generate a majority of our revenue from Chinese Mainland and have been gradually expanding our overseas presence during the Track Record Period. The following table sets out a breakdown of our revenue by geographical location, in an absolute amount and as a percentage of our total revenue, for the years/periods indicated.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages) (unaudited)									
Chinese Mainland	64,883	86.6	104,149	90.7	234,036	88.1	123,837	91.7	157,761	93.2
Others⁽¹⁾	10,067	13.4	10,693	9.3	31,492	11.9	11,182	8.3	11,458	6.8
Total revenue	74,950	100.0	114,842	100.0	265,528	100.0	135,019	100.0	169,219	100.0

Note:

(1) Primarily consists of Japan, South Korea, Southeast Asia and Australia.

FINANCIAL INFORMATION

Cost of Sales

Our cost of sales consists primarily of (i) material costs, primarily representing the costs of electronic components, structural components and other raw materials procured for the production of our intelligent mobile robots and systems, (ii) manufacturing and deployment costs, primarily representing labor costs associated with the production and deployment of our robotic products, (iii) inventory write-down, representing costs of inventories exceeding the net realizable value, and (iv) others, primarily including logistic costs associated with shipping and delivering our products and solutions.

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

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>										
<i>(unaudited)</i>										
Material costs	42,398	70.4	68,471	78.7	147,057	78.7	74,667	75.9	97,449	81.6
Manufacturing and deployment costs	11,588	19.3	12,423	14.3	34,327	18.4	15,279	15.5	24,235	20.3
Inventory write down	5,231	8.7	5,261	6.0	2,191	1.2	6,497	6.6	(4,226)	(3.5)
Others	948	1.6	891	1.0	3,180	1.7	1,919	2.0	1,930	1.6
Total	60,165	100.0	87,046	100.0	186,755	100.0	98,362	100.0	119,388	100.0

Gross Profit and Gross Margin

Our gross profit represents our revenue less our cost of sales, and our gross margin represents gross profit divided by our revenue, expressed as a percentage. In 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026, our gross profit was RMB14.8 million, RMB27.8 million, RMB78.8 million, RMB36.7 million, and RMB49.8 million, respectively, representing a gross margin of 19.7%, 24.2%, 29.7%, 27.1%, and 29.4%, respectively. Our overall gross margin increased from 19.7% in 2023 to 24.2% in 2024, and increased from 24.2% in 2024 to 29.7% in 2025, primarily due to improvements in cost structure and delivery efficiency as our business scaled. First, the maturation of our solution offerings led to reductions in project delivery costs. In particular, procurement costs declined as a result of centralized purchasing, substitution of alternative suppliers and increased localization of key components, including LiDAR, batteries and motor reducers, as well as cost reductions achieved through iterative upgrades of our self-developed controllers. Second, we benefited from economies of scale as project volume increased, which enabled better absorption of fixed costs and improved overall cost efficiency. Our overall gross margin stayed relatively stable at 27.1% and 29.4% in the six months ended June 30, 2025 and 2026, respectively.

FINANCIAL INFORMATION

Gross Profit and Gross Profit Margin by Product Type

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

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>										
<i>(unaudited)</i>										
Robotic solutions										
Standard AMR and Omnidirectional Heavy-Load AMR solutions	4,590	11.5	10,863	21.1	42,282	24.4	25,617	24.7	26,226	28.3
Forklift AMR solutions	1,152	13.6	6,148	33.7	9,899	27.3	202	1.8	11,171	23.7
Embodied Intelligence robotic solutions	(336)	(35.3)	2,182	43.3	529	58.0	326	83.2	–	–
Outdoor AMR solutions	220	16.9	259	41.0	530	31.0	–	–	–	–
Software solutions	98	4.5	1,492	6.7	2,536	33.3	354	82.0	518	6.5
Subtotal	5,724	10.8	20,944	21.5	55,776	25.4	26,499	22.8	37,914	25.7
Robotic Products										
Standard AMR and omnidirectional heavy-load AMR robotic products	5,467	35.9	2,414	27.6	13,329	50.6	4,926	52.6	2,740	60.5
Embodied Intelligence robotic products	114	11.7	90	37.2	2,817	44.7	2,435	48.1	3,980	46.8
Forklift robotic products	1,854	60.6	2,005	51.3	2,136	49.2	878	55.6	2,092	48.6
Subtotal	7,435	38.6	4,509	35.0	18,282	49.4	8,239	51.5	8,811	50.8
Sales of accessories and others										
Technical support services	374	75.7	148	87.7	1,180	96.2	(8)	(102.7)	1,073	85.5
Accessories	1,252	53.4	2,195	50.7	3,535	46.2	1,928	65.2	2,032	69.9
Subtotal	1,626	57.3	2,343	52.1	4,715	53.1	1,920	64.7	3,105	74.6
Total	14,785	19.7	27,796	24.2	78,773	29.7	36,657	27.1	49,831	29.4

During the Track Record Period, the gross profit margin of our robotic solutions accounted for 10.8%, 21.5%, 25.4%, 22.8%, and 25.7%. The relatively lower gross profit margin of our robotic solutions was primarily attributable to (i) higher hardware procurement costs, as well as significant system integration, implementation and on-site deployment efforts arising from the project-based and customized delivery, and (ii) our strategic choice of projects with lower gross profit to expand into emerging markets and establish a market presence. We believe the gross profit margin of our robotic solutions will continue increasing as we continue improving our cost efficiency and achieve economies of scale.

FINANCIAL INFORMATION

Our gross profit margin for standard AMR and omnidirectional heavy-load AMR solutions increased from 11.5% in 2023 to 24.4% in 2025, primarily due to increased repeat purchases from major customers, which further unlocked economies of scale, as well as our enhanced delivery efficiency. Our gross profit margin for standard AMR and omnidirectional heavy-load AMR robotic products significantly increase from 27.6% in 2024 to 50.6% in 2025, primarily due to the strong growth in gross profit contributions from overseas orders. Our gross profit margin for software solutions increased from 6.7% in 2024 to 33.3% in 2025, and decreased from 82.0% in the six months ended June 30, 2025 to 6.5% in the same period in 2026, which was mainly because our software during 2023 and 2024 and the six months ended June 30, 2026 was mainly delivered as a part of our overall solutions which yielded lower margins, whereas in 2025, we generated an increasing proportion of revenue from software-focused solutions, where software accounted for a higher share of the order value, that carried higher gross profit margins.

Gross Profit/(Loss) and Gross Profit/(Loss) Margin by Industry Sector

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

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
(in thousands, except for percentages)										
(unaudited)										
Electronics	2,149	7.8	6,592	17.1	13,426	19.1	11,570	20.5	10,140	23.4
Pan-semiconductor	1,563	32.5	2,853	34.1	6,551	28.9	1,751	51.8	1,560	24.8
Automotive and Components	942	15.9	4,954	22.1	22,179	33.2	11,201	27.3	8,793	39.2
New Energy	(680) ⁽¹⁾	(12.9)	1,842	14.0	9,567	34.6	2,243	22.4	12,448	26.6
General Manufacturing . .	10,811	34.5	11,555	35.7	27,050	34.7	9,892	40.9	16,890	33.6
Total	14,785	19.7	27,796	24.2	78,773	29.7	36,657	27.1	49,831	29.4

Note:

- (1) We recorded gross loss from new energy sector of RMB680 thousand in 2023, which was primarily due to the prolonged implementation cycles in providing robotic solutions for a certain new energy sector customer, where substantial costs were incurred prior to final acceptance and revenue recognition.

Our gross profit margin for the new energy sector improved significantly from a negative 12.9% in 2023 to 14.0% in 2024, and further increased to 34.6% in 2025, primarily reflecting our enhanced delivery efficiency. Our gross profit margin for the automotive and components sector significantly increased from 15.9% in 2023 to 33.2% in 2025, and further increased to 39.2% in the same period in 2026, primarily due to increased repeat purchases from our major customers.

FINANCIAL INFORMATION

Gross Profit and Gross Profit Margin by Customer Type

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

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages) (unaudited)									
Integrator	11,671	26.7	17,124	22.8	65,532	33.5	32,452	30.9	33,374	33.9
Enterprise customers . . .	3,114	9.9	10,672	26.8	13,241	19.0	4,205	13.9	16,457	23.2
Total	<u>14,785</u>	<u>19.7</u>	<u>27,796</u>	<u>24.2</u>	<u>78,773</u>	<u>29.7</u>	<u>36,657</u>	<u>27.1</u>	<u>49,831</u>	<u>29.4</u>

Our gross profit margin from integrators increased from 22.8% in 2024 to 33.5% in 2025, primarily driven by economies of scale and reduced implementation difficulty. In contrast, the gross profit margin from enterprise customers decreased from 26.8% in 2024 to 19.0% in 2025, primarily due to prolonged implementation cycles and substantial costs incurred for certain solutions delivered in 2025, which dragged down the overall gross profit margin for enterprise customers. Our gross profit margin from enterprise customers increased from 13.9% in the six months ended June 30, 2025 to 23.2% in the same period in 2026, primarily due to economies of scale and reduced implementation difficulty.

Other Income and Gains

We recorded other income and gains of RMB10.4 million, RMB13.3 million, RMB19.3 million, RMB6.3 million and RMB3.4 million in 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026, respectively. Other income and gains consist primarily of (i) government grants, mainly representing subsidies received from local governmental authorities to encourage our R&D activities, (ii) bank interest income, (iii) other gains, mainly consisted of gains on disposal of financial assets at FVTPL, gain on disposal of a subsidiary, and foreign exchange gains. The following table sets forth a breakdown of our other income for the years/periods indicated.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages) (unaudited)									
Government grants	5,512	53.2	10,641	79.9	16,899	87.4	5,038	79.9	1,542	46.0
Bank interest income . . .	3,688	35.6	2,214	16.6	1,453	7.5	614	9.7	690	20.6
Other gains	1,155	11.2	466	3.5	986	5.1	655	10.4	1,122	33.4
Total	<u>10,355</u>	<u>100.0</u>	<u>13,321</u>	<u>100.0</u>	<u>19,338</u>	<u>100.0</u>	<u>6,307</u>	<u>100.0</u>	<u>3,354</u>	<u>100.0</u>

Selling and Distribution Expenses

Our selling and distribution expenses consist primarily of (i) staff costs, mainly representing salaries, wages, share-based payments and welfare contributions to our selling and distribution personnel, (ii) provision for expected liabilities, representing after-sales service costs, mainly including costs of repair and replacement materials incurred in providing after-sales support and labor costs for after-sales services, (iii) customer service fees, primarily

FINANCIAL INFORMATION

representing fees paid to third-party providers for after-sales service costs to ensure the stable operation of our products and provide immediate on-site troubleshooting, (iv) traveling and business development expenses, primarily including travel expenses and service fees we paid for the advertising and promotion services, and (v) others, which mainly consists of depreciation of property, plant and equipment and right-of-use assets, as well as, utilities and miscellaneous expenses.

The following table sets forth a breakdown of our selling and distribution expenses in absolute amount and as a percentage of our total revenue for the years/periods indicated.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>										
<i>(unaudited)</i>										
Staff costs	24,990	54.0	26,449	53.5	25,630	42.8	8,870	34.9	10,525	41.9
Provision for expected liabilities	6,326	13.7	6,482	13.1	15,612	26.1	8,101	31.9	9,241	36.9
Customer services fees	1,751	3.8	7,285	14.7	8,438	14.1	4,219	16.6	1,228	4.9
Traveling and business development expenses	11,725	25.4	8,039	16.2	8,753	14.6	3,655	14.4	3,152	12.6
Others	1,416	3.1	1,255	2.5	1,446	2.4	549	2.2	931	3.7
Total	46,208	100.0	49,510	100.0	59,879	100.0	25,394	100.0	25,077	100.0

The percentages of our selling and distribution expenses to our revenue decreased from 61.7% in 2023 to 43.1% in 2024, and further to 22.6% in 2025 and 14.8% in the six months ended June 30, 2026, primarily due to the continuous significant increase of our revenue during the Track Record Period contributed by the increased customer repurchase rates and the growth in our domestic sales.

Administrative Expenses

Our administrative expenses consist primarily of (i) staff costs, mainly representing salaries, wages, share-based payments and welfare contributions to our administrative personnel, (ii) consulting and other professional service fees, (iii) depreciation and amortization in relation to property, plant and equipment, right-of-use assets and intangible assets, (iv) office expenses, (v) traveling expenses, and (vi) others, which mainly consists of lease expenses, recruitment expenses, patent application fees, and other miscellaneous expenses.

The following table sets forth a breakdown of our administrative expenses in absolute amount and as a percentage of our total revenue for the years/periods indicated.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>										
<i>(unaudited)</i>										
Staff costs	11,594	64.0	11,284	59.6	12,806	41.5	5,179	55.0	8,403	36.5
Consulting and other professional service fees	1,180	6.5	1,965	10.4	12,809	41.4	2,058	21.9	10,981	47.7

FINANCIAL INFORMATION

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages) (unaudited)									
Depreciation and amortization	3,048	16.8	3,059	16.2	2,207	7.1	1,151	12.2	1,610	7.0
Office expenses	583	3.2	831	4.4	1,372	4.4	464	4.9	570	2.5
Traveling expenses	299	1.6	133	0.7	250	0.8	73	0.8	134	0.6
Others	1,433	7.9	1,655	8.7	1,473	4.8	492	5.2	1,323	5.7
Total	18,137	100.0	18,927	100.0	30,917	100.0	9,417	100.0	23,021	100.0

Research and Development Expenses

Our research and development expenses consist primarily of (i) staff costs, mainly representing salaries, wages, share-based payments and welfare contributions to our research and development personnel, (ii) depreciation and amortization in relation to property, plant and equipment and right-of-use assets, (iii) technical service fees, mainly representing fees paid to third-party service providers for R&D-related services, (iv) traveling expenses, and (v) others, which mainly consists of office expenses, utilities and other miscellaneous expenses.

The following table sets forth a breakdown of our research and development expenses in absolute amount and as a percentage of our total revenue for the years/periods indicated.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2023		2024		2025		2025		2026	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages) (unaudited)									
Staff costs	30,742	84.9	35,005	78.7	39,488	78.0	19,022	86.7	20,812	71.7
Depreciation and amortization	2,881	8.0	2,600	5.8	3,250	6.4	1,344	6.1	1,705	5.9
Technical service fees	–	0.0	2,275	5.1	82	0.2	82	0.4	82	0.3
Traveling expenses	703	1.9	1,087	2.4	1,889	3.7	779	3.5	491	1.7
Others	1,864	5.2	3,546	8.0	5,927	11.7	732	3.3	5,910	20.4
Total	36,190	100.0	44,513	100.0	50,636	100.0	21,959	100.0	29,000	100.0

The percentages of our research and development expenses to our revenue decreased from 48.3% in 2023 to 38.8% in 2024, and further to 19.1% in 2025 and 17.1% in the six months ended June 30, 2026, primarily due to the continuous robust increase of our revenue during the Track Record Period contributed by the commercialization of our research and development efforts, coupled with increased customer repurchase rates and the growth in our domestic sales.

Impairment Losses on Financial and Contract Assets

We recorded impairment losses on financial and contract assets, representing provision for expected credit losses. We recorded this item of RMB4.5 million, RMB5.7 million, RMB4.0 million, RMB1.6 million and RMB3.9 million in 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026, respectively.

FINANCIAL INFORMATION

Finance Costs

Our finance costs consist primarily of interest expenses on loans and lease liabilities. We recorded finance costs of RMB1.2 million, RMB2.6 million, RMB4.3 million, RMB2.0 million, and RMB1.0 million in 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026, respectively.

Finance Costs on Redemption Financial Liabilities

Our finance costs on redemption financial liabilities mainly represented redemption liabilities in relation to special rights of our equity shares. We recorded finance costs of RMB32.5 million, RMB37.7 million, RMB47.2 million, RMB21.0 million, and RMB33.1 million in 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026, respectively.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2026 Compare to Six Months Ended June 30, 2025

Revenue

Our revenue increased by 25.3% from RMB135.0 million in the six months ended June 30, 2025 to RMB169.2 million in the six months ended June 30, 2026, primarily attributable to the increased sales of our robotic solutions, robotic products and other related accessories and services in domestic market.

- *Robotic Solutions.* Our revenue generated from the sales of robotic solutions increased by 27.3% from RMB116.0 million in the six months ended June 30, 2025 to RMB147.7 million in the six months ended June 30, 2026, primarily due to an increase in sales volume. Specifically, the increase was primarily due to a substantially increase in revenue from forklift AMR solutions of RMB35.7 million, partially offset by a decrease in revenue from standard AMR and omnidirectional heavy-load AMR solutions of RMB11.1 million, as customers selected different robot types based on their specific deployment scenarios, while overall revenue from both robot types grew, primarily driven by a continuous increase and ongoing implementation of newly signed orders.
- *Robotic Products.* Our revenue generated from the sales of robotic products increased by 8.3% from RMB16.0 million in the six months ended June 30, 2025 to RMB17.3 million in the six months ended June 30, 2026, mainly attributable to increased downstream demand for standardized robotic products together with the growth in domestic sales and the commencement and scale-up of commercial supply of standardized embodied intelligent mobile chassis.
- *Others.* Our revenue generated from others increased by 40.4% from RMB3.0 million in the six months ended June 30, 2025 to RMB4.2 million in the six months ended June 30, 2026, which was in line with the increased sales of our robotic solutions and robotic products.

Our revenue from Chinese Mainland increased by 27.4% from RMB123.8 million in the six months ended June 30, 2025 to RMB157.8 million in the six months ended June 30, 2026, primarily attributable to higher revenue contribution from large-scale projects, as well as an increase in sales volume driven by acquisition of new customers and expanded procurement by existing customers. Our revenue from markets outside Chinese Mainland remained relatively stable at RMB11.2 million and RMB11.5 million in the six months ended June 30, 2025 and 2026, respectively.

Cost of Sales

Our cost of sales increased by 21.4% from RMB98.4 million in the six months ended June 30, 2025 to RMB119.4 million in the six months ended June 30, 2026, primarily due to (i) an increase of RMB22.8 million in material costs, resulting from the expansion of our sales scale and the corresponding increase in procurement of materials, and (ii) an increase of RMB9.0 million in manufacturing and deployment costs, which was in line with the increase of revenue during the corresponding periods. Such increases were partially offset by a decrease of RMB10.7 million in inventory write-down.

FINANCIAL INFORMATION

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit increased by 35.9% from RMB36.7 million in the six months ended June 30, 2025 to RMB49.8 million in the six months ended June 30, 2026, primarily due to the increase in revenue during the corresponding periods. Our overall gross margin stayed relatively stable at 27.1% in the six months ended June 30, 2025 and 29.4% in the six months ended June 30, 2026.

Other Income and Gains

Our other income and gains decreased by 46.8% from RMB6.3 million in the six months ended June 30, 2025 to RMB3.4 million in the six months ended June 30, 2026, primarily attributable to a decrease in government grants of RMB3.5 million, mainly due to the non-recurring nature of certain government subsidies recognized in the prior period.

Selling and Distribution Expenses

Our selling and distribution expenses remained relatively stable at RMB25.4 million in the six months ended June 30, 2025 and RMB25.1 million in the six months ended June 30, 2026, respectively.

Administrative Expenses

Our administrative expenses increased significantly from RMB9.4 million in the six months ended June 30, 2025 to RMB23.0 million in the six months ended June 30, 2026, primarily attributable to an increase of RMB8.9 million in consulting and other professional service fees in relation to the [REDACTED] and an increase of RMB3.2 million in staff costs in line with the expansion of our administrative team.

Research and Development Expenses

Our research and development expenses increased by 32.1% from RMB22.0 million in the six months ended June 30, 2025 to RMB29.0 million in the six months ended June 30, 2026, primarily attributable to an increase of RMB5.2 million in others in relation to the increased materials consumed in our R&D activities, and an increase of RMB1.8 million in staff costs mainly due to the headcount expansion and increased personnel costs to support our R&D projects.

Impairment Losses on Financial and Contract Assets

We recorded impairment losses on financial and contract assets of RMB3.9 million in the six months ended June 30, 2026 compared to RMB1.6 million in the six months ended June 30, 2025, representing an increase of 142.2%, primarily due to increased trade receivables and contract assets, which was in line with our business expansion.

Other Expenses

Other expenses were RMB1.8 million in the six months ended June 30, 2026 compared to RMB37 thousand in the six months ended June 30, 2025, primarily due to foreign exchange losses and certain non-recurring non-operating expenses.

Finance Costs

Our finance costs decreased by 49.6% from RMB2.0 million in the six months ended June 30, 2025 to RMB1.0 million in the six months ended June 30, 2026, primarily due to a decrease of RMB0.6 million in our interest expenses on bank and other borrowings and a decrease of RMB0.4 million in our interest on other long-term payables, mainly due to the repayment of our bank borrowings and other long-term payables.

Finance Costs on Redemption Financial Liabilities

Our finance costs on redemption financial liabilities increased by 58.0% from RMB21.0 million in the six months ended June 30, 2025 to RMB33.1 million in the six months ended June 30, 2026, primarily due to the increase in redemption liabilities arising from equity financing activities during the period.

FINANCIAL INFORMATION

Loss for the Period

As a result of the foregoing, our loss for the period increased by 65.8% from RMB38.4 million in the six months ended June 30, 2025 to RMB63.7 million in the six months ended June 30, 2026.

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

Revenue

Our revenue increased significantly from RMB114.8 million in 2024 to RMB265.5 million in 2025, primarily attributable to the increased sales of our robotic solutions, robotic products and other related accessories and services in both domestic and overseas market.

- ***Robotic Solutions.*** Our revenue generated from the sales of robotic solutions increased by 125.4% from RMB97.5 million in 2024 to RMB219.7 million in 2025, primarily due to the accelerated revenue recognition of projects driven by the rapid growth in order intake in prior years, with revenue recognized in 2025 in accordance with project performance and acceptance milestones, as well as an overall increase in sales volume. Specifically, the increase was primarily due to a substantially increase in revenue from standard AMR and omnidirectional heavy-load AMR solutions of RMB121.7 million, as well as an increase in revenue from forklift AMR solutions of RMB18.1 million, as both AMR and forklift robots are the primary robot types deployed in our customers’ industrial scenarios, with their revenue growth primarily driven by specific customer operational requirements.
- ***Robotic Products.*** Our revenue generated from the sales of robotic products increased by 187.2% from RMB12.9 million in 2024 to RMB37.0 million in 2025, mainly attributable to increased downstream demand for standardized robotic products together with the growth in overseas sales and the commencement of commercial supply of standardized embodied intelligent mobile chassis.
- ***Others.*** Our revenue generated from others increased by 97.7% from RMB4.5 million in 2024 to RMB8.9 million in 2025, which was in line with the increased sales of our robotic solutions and robotic products.

Our revenue from Chinese Mainland increased by 124.7% from RMB104.1 million in 2024 to RMB234.0 million in 2025, primarily attributable to higher revenue contribution from large-scale projects, as well as an increase in sales volume driven by acquisition of new customers and expanded procurement by existing customers. Our revenue from markets outside Chinese Mainland increased by 194.5% from RMB10.7 million in 2024 to RMB31.5 million in 2025, mainly due to increased sales to overseas customers in Japan, Thailand, Vietnam, Australia, South Korea and Indonesia markets.

Cost of Sales

Our cost of sales increased significantly RMB87.0 million in 2024 to RMB186.8 million in 2025, primarily due to (i) an increase of RMB78.6 million in material costs, resulting from the expansion of our sales scale and the corresponding increase in procurement of materials, and (ii) an increase of RMB21.9 million in manufacturing and deployment costs, which was in line with the increase of revenue during the corresponding periods.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit increased significantly from RMB27.8 million in 2024 to RMB78.8 million in 2025, primarily due to the significant increase in revenue during the corresponding periods. Our overall gross margin increased from 24.2% in 2024 to 29.7% in 2025, primarily due to improvements in cost structure and delivery efficiency as our business scaled. First, the maturation of our solution offerings led to reductions in project delivery costs. In particular, the unit purchase prices of key components declined as a result of centralized purchasing, substitution of alternative suppliers and increased localization of key components, including LiDAR, batteries and motor reducers, as well as lower costs resulting from iterative upgrades of our self-developed controllers. Second, we benefited from economies of scale as our business expansion.

FINANCIAL INFORMATION

Other Income and Gains

Our other income and gains increased by 45.1% from RMB13.3 million in 2024 to RMB19.3 million in 2025, primarily attributable to an increase in government grants of RMB6.3 million, mainly due to higher government subsidies received in relation to software tax refund, research and development projects and business achievements.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 21.0% from RMB49.5 million in 2024 to RMB59.9 million in 2025, primarily due to an increase in provision for expected liabilities of RMB9.1 million, which was generally reflected higher accrued after-sales service costs associated with the expanded scale of our business.

Administrative Expenses

Our administrative expenses increased by 63.3% from RMB18.9 million in 2024 to RMB30.9 million in 2025, primarily attributable to an increase in consulting and other professional service fees of RMB10.8 million, mainly due to higher professional service expenses incurred in connection with [REDACTED] expenses.

Research and Development Expenses

Our research and development expenses increased by 13.7% from RMB44.5 million in 2024 to RMB50.6 million in 2025, primarily attributable to (i) an increase in staff costs of RMB4.5 million, mainly due to headcount expansion and increased personnel costs to support our R&D projects, and (ii) an increase in others expenses of RMB2.4 million.

Impairment Losses on Financial and Contract Assets

We recorded impairment losses on financial and contract assets of RMB5.7 million in 2024 compared to RMB4.0 million in 2025, representing a decrease of 30.4%, primarily due to collection of certain long-aged outstanding trade receivables.

Other Expenses

Other expenses were RMB0.9 million in 2025 compared to RMB0.1 million in 2024, primarily due to foreign exchange losses and certain non-recurring non-operating expenses.

Finance Costs

Our finance costs increased by 66.5% from RMB2.6 million in 2024 to RMB4.3 million in 2025, primarily due to an increase in our interest expenses on borrowings and other long-term payables of RMB1.6 million, mainly driven by the increased amount of our bank borrowings and other long-term payables.

Finance Costs on Redemption Financial Liabilities

Our finance costs on redemption financial liabilities increased by 25.2% from RMB37.7 million in 2024 to RMB47.2 million in 2025, primarily due to the increase in redemption liabilities arising from equity financing activities during the period.

Loss for the Year

As a result of the foregoing, our loss for the year decreased by 15.4% from RMB117.9 million in 2024 to RMB99.7 million in 2025.

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

Revenue

Our revenue increased by 53.1% from RMB75.0 million in 2023 to RMB114.8 million in 2024, primarily attributable to the increased sales of our robotic solutions in domestic market.

Our revenue generated from the sales of robotic solutions increased by 84.4% from RMB52.8 million in 2023 to RMB97.5 million in 2024, primarily due to an increase in the number of orders completed and accepted. Specifically, the increase was primarily due to a substantially increase in revenue from standard AMR and omnidirectional heavy-load AMR solutions of RMB11.5 million, as well as an increase in revenue from forklift AMR solutions of RMB9.7 million, as both AMR and forklift robots are the primary robot types deployed in our customers' industrial scenarios, with their revenue growth primarily driven by specific customer operational requirements. Our revenue generated from the sales of robotic products decreased by 33.2% from RMB19.3 million in 2023 to RMB12.9 million in 2024, primarily due to a temporary decline in domestic sales of robotic products as domestic customers with mature

FINANCIAL INFORMATION

operational scenarios increasingly transitioned toward bulk purchasing of robotic products that required localized factory deployments, leading to fluctuations in domestic deliveries of robotic products.

Our revenue from Chinese Mainland increased by 60.4% from RMB64.9 million in 2023 to RMB104.1 million in 2024, primarily attributable to increased sales to existing customers and the acquisition of new customers.

Cost of Sales

Our cost of sales increased by 44.7% from RMB60.2 million in 2023 to RMB87.0 million in 2024, primarily due to an increase of RMB26.8 million in material costs, resulting from the expansion of our sales scale and the corresponding increase in procurement of materials.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit increased by 88.0% from RMB14.8 million in 2023 to RMB27.8 million in 2024. Our overall gross margin increased from 19.7% in 2023 to 24.2% in 2024, primarily due to improvements in cost structure and delivery efficiency as our business scaled.

Other Income and Gains

Our other income and gains increased by 28.6% from RMB10.4 million in 2023 to RMB13.3 million in 2024, primarily attributable to an increase in government grants of RMB5.1 million, mainly due to higher government subsidies received in connection with software tax rebates, research and development projects and business achievements.

Selling and Distribution Expenses

Our selling expenses increased by 7.1% from RMB46.2 million in 2023 to RMB49.5 million in 2024, primarily attributable to an increase in customer service fees of RMB5.5 million, mainly driven by increasing demand in after-sales services associated with our increased sales volume of our robotic solutions, partially offset by a decrease in traveling and business development expenses of RMB3.7 million due to optimization of cost control.

Administrative Expenses

Our administrative expenses increased by 4.4% from RMB18.1 million in 2023 to RMB18.9 million in 2024, primarily driven by an increase in consulting and other professional service fees of RMB0.8 million, mainly due to one-off appraisal and certification-related service fees.

Research and Development Expenses

Our research and development expenses increased by 22.9% from RMB36.2 million in 2023 to RMB44.5 million in 2024, primarily due to (i) an increase in staff costs of RMB4.3 million, mainly attributable to the recruitment of additional R&D personnel, (ii) an increase in technical service fees of RMB2.3 million, mainly due to outsourced technical services for certain R&D activities.

Impairment Losses on Financial and Contract Assets

We recorded impairment losses on financial and contract assets of RMB4.5 million in 2023 compared to RMB5.7 million in 2024, representing an increase of 25.4%, primarily due to increased trade receivables in line with our business development.

Other Expenses

Other expenses were RMB0.1 million and RMB0.1 million in 2023 and 2024, respectively.

Finance Costs

Our finance costs increased by 110.1% from RMB1.2 million in 2023 to RMB2.6 million in 2024, primarily due to an increase in our interest expenses on borrowings and other long-term payables of RMB1.5 million mainly because the amount of our borrowings and other long-term payables increased.

Finance Costs on Redemption Financial Liabilities

Our finance costs on redemption financial liabilities increased by 16.0% from RMB32.5 million in 2023 to RMB37.7 million in 2024, primarily due to the increase in redemption liabilities arising from equity financing activities during the year.

FINANCIAL INFORMATION

Loss for the Year

As a result of the foregoing, our loss for the year increased by 3.6% from RMB113.8 million in 2023 to RMB117.9 million in 2024.

DISCUSSION OF CERTAIN KEY ITEMS ON CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth our consolidated balance sheets as of the dates indicated.

	As of December 31,			As of
	2023	2024	2025	June 30,
	(RMB in thousands)			2026
ASSETS				
Non-current assets				
Property, plant and equipment	9,412	9,512	11,687	10,787
Right-of-use assets	4,012	11,400	7,622	8,956
Other intangible assets	843	642	441	340
Equity investments at fair value through other comprehensive income	—	39,878	38,128	38,491
Contract assets	346	2,912	4,488	5,182
Time deposits	—	—	10,148	10,253
Prepayments, other receivables and other assets	—	—	—	2,002
Total non-current assets	14,613	64,344	72,514	76,011
Current assets				
Inventories	179,188	256,707	209,640	174,614
Trade receivables	19,766	31,054	64,771	105,928
Bills receivable	3,069	9,673	3,314	5,656
Contract assets	5,163	7,828	24,171	35,330
Prepayments, other receivables and other assets	13,349	13,955	21,162	21,419
Debt investments at fair value through other comprehensive income	6,707	4,421	3,470	1,393
Financial assets at FVTPL	—	30,099	5,070	110,118
Restricted bank deposits	2,293	7,674	11,953	22,689
Time deposits	64,074	—	10,227	—
Cash and cash equivalents	29,249	130,092	336,355	217,870
Total current assets	322,858	491,503	690,133	695,017
Total assets	337,471	555,847	762,647	771,028

FINANCIAL INFORMATION

	As of December 31,			As of
	2023	2024	2025	June 30,
				2026
	<i>(RMB in thousands)</i>			
LIABILITIES				
Current liabilities				
Trade and bills payables	30,043	76,130	93,881	127,453
Other payables and accruals	22,219	30,251	27,458	29,639
Interest-bearing bank and other borrowings	49,956	96,931	86,391	72,989
Lease liabilities	1,836	4,782	4,005	5,272
Contract liabilities	102,986	127,764	91,105	72,151
Redemption financial liabilities	503,007	665,694	1,011,239	1,074,331
Tax payable	—	—	22	2
Provision	193	200	3,751	5,961
Total current liabilities	710,240	1,001,752	1,317,852	1,387,798
Net Current Liabilities	(387,382)	(510,249)	(627,719)	(692,781)
Non-current liabilities				
Lease liabilities	826	6,150	3,127	3,506
Other long-term payables	—	20,173	—	—
Total non-current liabilities	826	26,323	3,127	3,506
Total liabilities	711,066	1,028,075	1,320,979	1,391,304
Net Liabilities	(373,595)	(472,228)	(558,332)	(620,276)

We recorded net liabilities of RMB373.6 million, RMB472.2 million, RMB558.3 million, and RMB620.3 million as of December 31, 2023, 2024, and 2025 and June 30, 2026, respectively. Our net liabilities position as of December 31, 2023, 2024, and 2025 and June 30, 2026 were primarily due to redemption financial liabilities issued to investors subject to redemption and other special rights. We recorded net current liabilities of RMB387.4 million and RMB510.2 million, RMB627.7 million, and RMB692.8 million as of December 31, 2023, 2024, and 2025 and June 30, 2026, respectively. We expect our net liabilities position to turn into a net assets position, following the re-designation of redemption financial liabilities as equity upon the [REDACTED].

Assets

Property, plant and equipment

Our property, plant and equipment primarily consist of machinery, leasehold improvements, other equipment mainly including molds, racks and pallets, electronic equipment mainly used for research and development purposes, and office equipment. The following table sets forth the breakdown of our property, plant and equipment as of the dates indicated.

FINANCIAL INFORMATION

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Machinery	3,163	3,307	6,632	6,105
Leasehold improvements	2,117	2,248	1,831	1,840
Other equipment	1,772	2,335	1,658	1,568
Office equipment	902	664	760	686
Electronic equipment	1,458	958	806	588
Total property, plant and equipment	9,412	9,512	11,687	10,787

Our property, plant and equipment remained relatively stable at RMB9.4 million and RMB9.5 million as of December 31, 2023 and 2024, respectively. Our property, plant and equipment further increased from RMB9.5 million as of December 31, 2024 to RMB11.7 million as of December 31, 2025, mainly driven by an increase in machinery, primarily attributable to the acquisition of additional production-related equipment to support the expansion of our operations. Our property, plant and equipment decreased by 7.7% from RMB11.7 million as of December 31, 2025 to RMB10.8 million as of June 30, 2026, mainly attributable to a decrease of RMB0.6 million in machinery due to depreciation.

Right-of-use Assets

Our right-of-use assets mainly represent our lease of leasehold buildings. Our right-of-use assets increased significantly from RMB4.0 million as of December 31, 2023 to RMB11.4 million as of December 31, 2024, primarily attributable to the recognition of right-of-use assets arising from newly entered lease agreements, mainly in connection with production facility in Quzhou. Our right-of-use assets decreased from RMB11.4 million as of December 31, 2024 to RMB7.6 million as of December 31, 2025, primarily attributable to the depreciation of right-of-use assets during the period. Our right-of-use assets increased by 17.5% from RMB7.6 million as of December 31, 2025 to RMB9.0 million as of June 30, 2026, primarily due to the commencement of a new lease in Taizhou.

The carrying amounts of our Group’s non-financial assets mainly consisted of (i) property, plant and equipment, (ii) right-of-use assets, and (iii) intangible assets, and were reviewed by the management of our Group periodically to determine whether there is any indication of impairment throughout the Track Record Period according to IAS 36. These assets are tested for impairment whenever events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable at the end of each reporting period. Our Group had operating losses during the Track Record Period which was mainly due to the fact that our Group carried out strategic investments such as R&D, coupled with the inherent time lag in expanding the market and gaining market recognition. Our Group’s operating performance during the Track Record Periods meets the expectations and judgments of our Group’s management. Accordingly, our management did not consider operating losses as an indication of the impairment for the non-financial assets.

Equity Investments at Fair Value through Other Comprehensive Income

Our equity investments at fair value through other comprehensive income mainly represent our unlisted equity investment designated at fair value through other comprehensive income. In 2024, we completed an equity investment in an unlisted entity, which was irrevocably designated at fair value through other comprehensive income upon initial recognition. This unlisted entity, established in December 2023 and headquartered in Ningbo, is primarily engaged in the research, development, and sale of humanoid and industrial robotic systems. Please refer to Note 17 of the Accountant’s Report in Appendix I to the document for details. Our equity investments at fair value through other comprehensive income decreased from RMB39.9 million as of

FINANCIAL INFORMATION

December 31, 2024 to RMB38.1 million as of December 31, 2025, primarily due to fair value changes of our equity investments during the period, which are subject to fluctuations based on the unlisted entity’s technological milestones, commercialization progress, and prevailing market valuation environment. Our equity investments at fair value through other comprehensive income stayed relatively stable at RMB38.1 million and RMB38.5 million as of December 31, 2025 and June 30, 2026, respectively.

Inventories

Our inventories mainly represent (i) contract fulfillment costs, which mainly represent transportation and implementation costs incurred for products that have been delivered to customers’ sites but pending final acceptance, (ii) raw materials, which mainly represent electronic components, structural components and other raw materials used in the production of our robotic products, (iii) finished goods, (iv) work in progress, which mainly represent robotic products under assembly or production, and (v) impairment, representing provisions for inventory write-downs based on net realizable value. In determining write-down of inventories, we consider factors such as inventory aging profiles, usability and condition of raw materials and products, as well as expected sales performance and net realizable value. The following table sets forth our inventories as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Contract fulfillment costs	154,263	227,370	175,687	116,543
Raw materials	24,434	29,714	42,324	36,925
Work in progress	7,196	10,311	5,281	21,473
Finished goods	2,719	3,997	3,224	12,206
Impairment	(9,424)	(14,685)	(16,876)	(12,533)
Total inventories	179,188	256,707	209,640	174,614

Our inventories increased by 43.3% from RMB179.2 million as of December 31, 2023 to RMB256.7 million as of December 31, 2024, primarily attributable to an increase in contract fulfillment costs, which increased from RMB154.3 million to RMB227.4 million, reflecting a higher number of projects under implementation but not yet accepted by customers as of the end of 2024. Our inventories decreased by 18.3% from RMB256.7 million as of December 31, 2024 to RMB209.6 million as of December 31, 2025, primarily due to a decrease in contract fulfillment costs from RMB227.4 million to RMB175.7 million, as a number of projects reached acceptance milestones during the period. Our inventories decreased by 16.7% from RMB209.6 million as of December 31, 2025 to RMB174.6 million as of June 30, 2026, primarily due to a decrease in contract fulfillment costs from RMB175.7 million to RMB116.5 million and a decrease in raw materials from RMB42.3 million to RMB36.9 million during that period.

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

	For the Year Ended December 31,			For the Six Months Ended June 30,
	2023	2024	2025	2026
Inventory turnover days ⁽¹⁾ . . .	989	964	487	317

Note:

- (1) Inventory turnover days is equal to the average of the beginning and ending inventory balances of a period divided by cost of sales for that period and multiplied by the number of days in that period (i.e., 365 days for a given year).

FINANCIAL INFORMATION

In 2023, 2024, 2025, and the six months ended June 30, 2026, our inventory turnover days were 989 days, 964 days, 487 days, and 317 days, respectively. Our inventory turnover days decreased from 964 days in 2024 to 487 days in 2025 and further to 317 days in the six months ended June 30, 2026, primarily due to the decrease in our inventories resulting from a number of projects reached acceptance milestones during the period. Our inventory turnover days are relatively long primarily because a significant portion of our inventories consists of contract fulfillment costs, which mainly represent costs incurred for projects with relatively long delivery and acceptance cycles robotic solution projects that are under implementation but have not yet reached customer acceptance. These projects typically have longer implementation and acceptance cycles, and inventory can only be recognized as cost of sales upon completion of acceptance in accordance with the relevant contractual arrangements. In addition, several major projects span across multiple accounting periods, resulting in the accumulation of contract fulfillment costs at period end and consequently extending inventory turnover days. As more projects reach acceptance milestones, the corresponding contract fulfillment costs are expected to be transferred to cost of sales, which may improve inventory turnover efficiency over time.

Our Group identifies inventory impairment indicators based on the following criteria: (i) for raw materials, work in progress, and finished goods, we primarily identify obsolescence risks based on the aging of the inventory; (ii) for net realizable value assessments, we evaluate estimated selling prices less any estimated costs to be incurred to completion and disposal; and (iii) for contract fulfillment costs, we monitor for indicators such as project stagnation, cancellation, or instances where the estimated total project costs are expected to exceed the contract revenue.

Our Directors are of the view that the inventory write-downs made during the Track Record Period were sufficient, taking into account (i) the fact that a significant portion of our inventories, particularly contract fulfillment costs, are supported by confirmed sales orders and ongoing project implementation; and (ii) the relatively low subsequent utilization rate of certain inventories is primarily due to alignment with customers’ specific project installation and deployment schedules rather than any fundamental impairment issues.

As of July 31, 2026, RMB11.5 million, or 6.1% of our gross inventories outstanding as of June 30, 2026, had been subsequently consumed.

Our contract fulfillment costs primarily represent transportation and implementation costs incurred for products that have been delivered to customers’ sites but remain pending final customer acceptance, at which point in time the revenue is recognized and these accumulated costs are transferred to cost of sales. The following table sets forth the aging analysis of our contract fulfillment costs as of the dates indicated:

	As of December 31,			As of
	2023	2024	2025	June 30,
				2026
	<i>(RMB in thousands)</i>			
Within one year	151,541	206,475	94,202	65,488
Over one year	2,722	20,895	81,485	51,055
Total	154,263	227,370	175,687	116,543

We experience relatively longer aging profiles and accumulations for certain contract fulfillment costs primarily because a majority of our revenue from robotic solution projects is derived from customized projects with a total duration exceeding 12 months. Given the customized nature of our robotic solutions, particularly our intelligent robotic systems, and the complexity of our customers’ specific operational scenarios, these projects involve extensive implementation, installation, and on-site deployment schedules that frequently span across multiple accounting periods before reaching final customer acceptance, which may occasionally be compounded by localized project alignment or milestone coordination lags. We closely monitor the progress of these ongoing projects and consider that there is no material impairment risk as the contract values exceed the accumulated contract fulfillment costs.

FINANCIAL INFORMATION

As of July 31, 2026, RMB11.5 million, or 9.9% of our contract fulfillment costs outstanding as of June 30, 2026, had been subsequently recognized as cost of sales upon successful customer acceptances.

Trade Receivables

Our trade receivables primarily represent (i) trade receivables from third parties in relation to our ordinary course of business, (ii) trade receivables from related parties in arising from routine trading transactions conducted in the ordinary course of business, less impairment on trade receivables. The following table sets forth a breakdown of our trade receivables by nature as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Trade receivables – third parties	24,778	32,864	73,802	112,499
Trade receivables – related parties	1,841	8,297	2,695	7,653
Impairment	(6,853)	(10,107)	(11,726)	(14,224)
Total	19,766	31,054	64,771	105,928

Our trade receivables increased from RMB19.8 million as of December 31, 2023 to RMB31.1 million as of December 31, 2024, to RMB64.8 million as of December 31, 2025 and further to RMB105.9 million as of June 30, 2026, primarily due to the growth of our business scale and revenue during the corresponding periods and the resulting increase in outstanding receivables under our customer payment terms, which typically involve staged payments and a processing period after the relevant collection milestones are met.

Our Group applies the simplified approach in calculating ECLs for trade receivables. Trade receivables relating to customers that do not share similar credit risks with others are assessed individually for impairment allowance, for instance, customers with known financial difficulties or significant doubt on collection. The remaining trade receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on ageing analysis for grouping of customers that have similar loss patterns. The calculation reflects the age of the balances, existence of disputes, recent historical payment patterns, any other available information concerning the creditworthiness of counterparties and influence of macroeconomic conditions. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The following table sets forth our trade receivables turnover days for the years/periods indicated.

	For the Year Ended December 31,			For the Six Months Ended June 30,
	2023	2024	2025	2026
Trade receivables turnover days ⁽¹⁾	118	108	81	106

Note:

- (1) The trade receivables turnover days are calculated by dividing the average of the opening and ending balance of our trade receivables in that period by revenue for the corresponding period and then multiplying by the number of days in that period (i.e., 365 days for a given year).

FINANCIAL INFORMATION

Our trade receivables turnover days were 118 days, 108 days, 81 days, and 106 days in 2023, 2024, 2025, and the six months ended June 30, 2026, respectively. Our trade receivables turnover days were primarily driven by our credit terms and collection arrangements with customers. We generally collect payments on a milestone basis, and after the relevant collection milestones are met, customers typically require to complete their internal approval and payment processes. Our trade receivables turnover days decreased from 108 days in 2024 to 81 days in 2025, primarily due to our strengthened customer payment management and increased efforts in the collection of accounts receivable. Our trade receivables turnover days increased from 81 days in 2025 to 106 days in the six months ended June 30, 2026, primarily due to the expansion of our customer base as we generally offered longer credit terms to customers in good standing to attract and retain customers.

The following table sets forth an aging analysis of our trade receivables net of loss allowance as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Within 1 year	17,581	25,654	58,514	89,212
Over 1 but within 2 years	1,941	4,484	5,702	15,987
Over 2 but within 3 years	150	865	555	671
Over 3 years	94	51	–	58
Total	19,766	31,054	64,771	105,928

As of July 31, 2026, RMB13.9 million, or 11.6% of our gross trade receivables outstanding as of June 30, 2026, had been subsequently settled.

Bills Receivable

Our bills receivable primarily represent (i) bank acceptance bills and (ii) commercial acceptance bills received from our customers in settlement of amounts due under our sales in the ordinary course of business, net of impairment allowance. The following table sets forth a breakdown of our bills receivable by nature as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Bank acceptance bills	3,011	9,673	3,314	5,656
Commercial acceptance bills	62	–	–	–
Less: Impairment allowance	(4)	–	–	–
Total	3,069	9,673	3,314	5,656

Our bills receivable increased from RMB3.1 million as of December 31, 2023 to RMB9.7 million as of December 31, 2024, and from RMB3.3 million as of December 31, 2025 to RMB5.7 million as of June 30, 2026, primarily due to the expansion of our sales scale. Our bills receivable decreased from RMB9.7 million as of December 31, 2024 to RMB3.3 million as of December 31, 2025, primarily due to our enhanced efforts in receivables management.

FINANCIAL INFORMATION

Contract Assets

Our contract assets are initially recognized for the revenue earned from sales of products and the receipt of retention consideration is conditional on expiration of the warranty period. Our total contract assets increased from RMB5.5 million as of December 31, 2023 to RMB10.7 million as of December 31, 2024, to RMB28.7 million as of December 31, 2025, and further to RMB40.5 million as of June 30, 2026, which was in line with our business expansion. As of July 31, 2026, RMB312 thousand, or 0.8% of our contract assets outstanding as of June 30, 2026, had been subsequently settled.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets primarily consist of (i) prepayments, which primarily consist of prepayments for supplies and third-party services for our ordinary business operations, (ii) other receivables, which mainly represent tender and performance deposits as well as rental deposits, (iii) deductible value-added tax, (iv) prepaid expenses, which mainly represent expenses to be amortized over the relevant periods, (v) [REDACTED] expenses, and (vi) impairment allowance. The following table sets forth the details of our prepayments, other receivables and other assets as of the dates indicated.

	As of December 31,			As of
	2023	2024	2025	June 30,
				2026
	(RMB in thousands)			
Deductible value-added tax	966	5,379	12,675	11,626
Prepayments	10,120	6,016	4,485	7,285
Other receivables	2,451	4,409	4,922	4,328
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Prepaid expenses	119	103	169	283
Impairment allowance	(307)	(1,952)	(1,928)	(2,114)
Total	13,349	13,955	21,162	23,421

Our prepayments, other receivables and other assets remained relatively stable at RMB13.3 million and RMB14.0 million as of December 31, 2023 and 2024, respectively. Our prepayments, other receivables and other assets increased to RMB21.2 million as of December 31, 2025 and further to RMB23.4 million as of June 30, 2026, primarily in connection with procurement activities required for order execution. As of July 31, 2026, RMB 7.0 million, or 27.4% of our prepayments, other receivables and other assets outstanding as of June 30, 2026, had been subsequently settled.

Debt Investments at Fair Value through Other Comprehensive Income

Our debt investments at fair value through other comprehensive income consist of bank acceptance bills received from customers, which are issued by major state-owned commercial banks and other well-known nationwide commercial banks with high credit ratings and low default risk. Our debt investments at fair value through other comprehensive income decreased from RMB6.7 million as of December 31, 2023 to RMB4.4 million as of December 31, 2024, to RMB3.5 million as of December 31, 2025, and further to RMB1.4 million as of June 30, 2026 primarily in relation to the ordinary course of business. See Note 23 of the Accountant’s Report in Appendix I to the document.

Financial Assets at FVTPL

Our financial assets at FVTPL primarily related to wealth management products issued by reputable domestic commercial banks. Our financial assets at FVTPL decreased from RMB30.1 million as of December 31, 2024 to RMB5.1 million as of December 31, 2025, primarily due to the maturity of a RMB30.0 million structured deposit in early 2025, which was not renewed. Our financial assets at FVTPL significantly increased from RMB5.1 million to RMB110.1 million as

FINANCIAL INFORMATION

of June 30, 2026, primarily due to our additional subscription of structured deposit in early 2026. See Note 24 of the Accountant’s Report in Appendix I to the document.

We adopt a prudent approach when purchasing wealth management products, with capital preservation and risk control as our primary considerations. We limit our investments to bank-issued products with a low risk rating of PR2 (low risk) or below, as classified under the internal risk rating systems commonly adopted by commercial banks, and give preference to products offered by state-owned banks, joint-stock commercial banks and other commercial banks with controllable risk profiles. We ensure that the investment tenors of such products are aligned with our funding plans and liquidity needs so as not to disrupt our normal cash flow. Following the purchase, we monitor the performance of wealth management products on an ongoing basis and may redeem products in a timely manner and reallocate funds to alternative low-risk products if their yield performance no longer meets our expectations. Headed by the finance manager and reporting to the CFO, our finance department determines policies and procedures for fair value measurement. At each reporting date, our finance department evaluates valuation movements and key inputs, subject to review and approval by the CFO.

Upon the [REDACTED], our investment in wealth management products will be subject to compliance with Chapter 14 of the Listing Rules.

Restricted Bank Deposits

Our restricted bank deposits mainly represented security deposits for guarantees and deposits for bank bills. Our restricted bank deposits were RMB2.3 million, RMB7.7 million, RMB12.0 million and RMB22.7 million, respectively, as of December 31, 2023, 2024 and 2025 and June 30, 2026. The increase in our restricted bank deposits during the Track Record Period was mainly due to the expansion of our business operations and the corresponding increase in the issuance of bank guarantees and bank acceptance bills.

Time Deposits

Our time deposits were RMB64.1 million, nil, RMB20.4 million and RMB10.3 million as of December 31, 2023, 2024, and 2025 and June 30, 2026, respectively. The decrease in our time deposits during the Track Record Period was mainly due to the redemption of large-denomination time deposits upon maturity in 2024 and early 2026 and the absence of renewal in that year, followed by the placement of new large-denomination time deposits in 2025.

Cash and Cash Equivalents

Our cash and cash equivalents primarily consist of cash on hand and at bank. Our cash and cash equivalents increased from RMB29.2 million as of December 31, 2023 to RMB130.1 million as of December 31, 2024, and further increased to RMB336.4 million as of December 31, 2025, primarily reflecting the equity financing of approximately RMB125 million completed in 2024, as well as equity financing activities in 2025. Our cash and cash equivalents decreased from RMB336.4 million as of December 31, 2025 to RMB217.9 million as of June 30, 2026, primarily due to the allocation of cash to purchase wealth management products.

Liabilities

Trade and Bills Payables

Our trade and bills payables consist primarily of payables for purchase of materials and services. The following table sets forth our trade and bills payables as of the dates indicated.

	As of December 31,			As of
	2023	2024	2025	June 30,
				2026
	(RMB in thousands)			
Trade payables	24,711	71,832	69,066	77,119
Bills payable	5,332	4,298	24,815	50,334
Total	30,043	76,130	93,881	127,453

FINANCIAL INFORMATION

Our trade and bills payables increased from RMB30.0million as of December 31, 2023 to RMB76.1 million as of December 31, 2024, further to RMB93.9 million as of December 31, 2025, and further to RMB127.5 million as of June 30, 2026, primarily due to the expansion of our business scale, which led to higher procurement volumes and a corresponding increase in amounts payable to suppliers.

The following table sets forth our trade and bills payables turnover days for the years/periods indicated.

	For the Year Ended December 31,			For the Six Months Ended June 30,
	2023	2024	2025	2026
Trade and bills payables turnover days ⁽¹⁾	220	223	166	170

Note:

- (1) The trade and bills payables turnover days are calculated by dividing the average of the opening and ending balance of trade and bills payables in that period by cost of sales for the corresponding period and then multiplying by the number of days in that period (i.e., 365 days for a given year).

Our trade and bills payables turnover days were 220 days, 223 days, 166 days and 170 days in 2023, 2024, 2025, and the six months ended June 30, 2026, respectively. Our trade and bills payables turnover days decreased from 223 days in 2024 to 166 days in 2025, primarily because attributable to the recognition of costs associated with orders received in prior periods, which outpaced the increase of the corresponding payables balance at period end. Our trade and bills payables turnover days stayed relatively stable at 166 days in 2025 and 170 days in the six months ended June 30, 2026. The difference between our trade and bills payables turnover days and the credit terms for our top five suppliers during the Track Record Period was primarily due to efficient negotiation with our suppliers when carrying out the procurement contracts to adjust the actual payment schedule according to our project milestones, which does not indicate any material delay in payment or deterioration in our relationships with suppliers.

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

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Within one year	23,784	69,156	75,852	113,536
Over one year	6,259	6,974	18,029	13,917
Total	30,043	76,130	93,881	127,453

As of July 31, 2026, RMB12.3 million, or 16.0% of our trade payables outstanding as of June 30, 2026, had been subsequently settled.

Other Payables and Accruals

Other payables and accruals consist of (i) employee benefit payables, which represent outstanding employee compensation and bonus, (ii) value-added and other taxes payable, which represent taxes on revenue recognized without invoices, (iii) other payables, which represent unpaid expense reimbursements, and (iv) [REDACTED] expense payable.

FINANCIAL INFORMATION

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Employee benefit payables	14,907	13,430	16,231	20,350
[REDACTED] expense payable [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other payables	4,458	6,161	7,147	2,884
Value-added and other taxes payable	2,854	10,660	462	1,391
Total	22,219	30,251	27,458	29,639

Our other payables and accruals increased from RMB22.2 million as of December 31, 2023 to RMB30.3 million as of December 31, 2024, and decreased to RMB27.5 million as of December 31, 2025, before rebounding to RMB29.6 million as of June 30, 2026. Such fluctuations were primarily attributable to changes in value-added tax and other taxes payable, which arose at period end in connection with the timing and progress of project implementation and revenue recognition. As of July 31, 2026, RMB10.9 million, or 36.9% of our other payables and accruals outstanding as of June 30, 2026, had been subsequently settled.

Interest-bearing Bank and Other Borrowings

Our interest-bearing bank and other borrowings consist primarily of unsecured bank loans and other secured loans. Our interest-bearing bank and other borrowings increased from RMB50.0 million as of December 31, 2023 to RMB96.9 million as of December 31, 2024, and decreased to RMB86.4 million as of December 31, 2025, primarily due to continued funding requirements for business operations. Our interest-bearing bank and other borrowings decreased from RMB86.4 million as of December 31, 2025 to RMB73.0 million as of June 30, 2026, primarily due to the receipt of proceeds from equity financing, which reduced our need to obtain interest-bearing borrowings to fund our operations and business development. See “–Indebtedness” for details about our loans and borrowings.

Lease Liabilities

Lease liabilities represent the present value of outstanding lease payments under our lease agreements. The total of our non-current lease liabilities increased from RMB2.7 million as of December 31, 2023 to RMB10.9 million as of December 31, 2024, primarily due to the commencement of new lease arrangements in Quzhou. The amount decreased to RMB7.1 million as of December 31, 2025, mainly attributable to the repayment of lease principal and the amortization of lease liabilities during the period. Our lease liabilities increased from RMB7.1 million as of December 31, 2025 to RMB8.8 million as of June 30, 2026, primarily due to the commencement of new lease arrangements in Zhejiang Province.

Contract Liabilities

Our contract liabilities primarily represent advances received from customers. Our contract liabilities increased from RMB103.0 million as of December 31, 2023 to RMB127.8 million as of December 31, 2024, primarily due to increased customer advances arising from an increased number of orders. Our contract liabilities decreased to RMB91.1 million as of December 31, 2025, and further to RMB72.2 million as of June 30, 2026, primarily due to the acceptance of a number of projects with relatively long delivery and acceptance cycles. As of July 31, 2026, RMB 5.4 million, or 7.5% of our contract liabilities outstanding as of June 30, 2026, had been subsequently settled.

Redemption Financial Liabilities

Our redemption financial liabilities primarily related to equity shares issued to investors subject to redemption and other special rights. Our redemption financial liabilities increased from RMB503.0 million as of December 31, 2023 to RMB665.7 million primarily due to

FINANCIAL INFORMATION

financing activities during the period. This amount further increased to RMB1,011.2 million as of December 31, 2025, and further to RMB1,074.3 million as of June 30, 2026, primarily due to financing activities during the period.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash are to fund our procurement of raw material, research and development and sales activities, and other operational needs. During the Track Record Period, we financed our capital expenditures and working capital requirements principally with funds from equity financing, cash used in our operations and bank borrowings. After the [REDACTED], we believe that our liquidity requirements will continue to be satisfied with a combination of these sources and [REDACTED] from the [REDACTED]. As of December 31, 2023, 2024, and 2025 and June 30, 2026, we had cash and cash equivalents of RMB29.2 million, RMB130.1 million, RMB336.4 million and RMB217.9 million, respectively. As of December 31, 2023, 2024, and 2025 and June 30, 2026, we had interest-bearing bank borrowings of RMB50.0 million, RMB96.9 million, RMB86.4 million and RMB73.0 million, respectively. As of June 30, 2026, we had unutilized banking facilities of RMB315.3 million and our borrowings and banking facilities were not secured by any guarantee.

Cash Flows

The following table sets forth our selected cash flow data for the years/periods indicated.

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2023	2024	2025	2025	2026
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	
Net cash used in operating activities	(76,967)	(94,477)	(65,336)	(46,645)	(32,644)
Net cash generated from/(used in) investing activities	9,666	11,650	38,170	(6,984)	(96,580)
Net cash from financing activities	43,587	183,682	233,788	20,551	11,934
Net (decrease)/increase in cash and cash equivalents	(23,714)	100,855	206,622	(33,078)	(117,290)
Cash and cash equivalents at the beginning of the year/period	52,963	29,249	130,092	130,092	336,355
Effect of foreign exchange rate changes, net	–	(12)	(359)	258	(1,195)
Cash and cash equivalents at the end of the year/period	29,249	130,092	336,355	97,272	217,870

Net Cash used in Operating Activities

Net cash used in operating activities was RMB32.6 million in the six months ended June 30, 2026, primarily attributable to a loss before income tax of RMB63.7 million, as adjusted for (1) certain non-cash or non-operating items, mainly including (i) finance costs on redemption financial liabilities of RMB33.1 million and (ii) net impairment losses on financial and contract assets of RMB3.9 million, and (2) changes in working capital that negatively affected cash flow

FINANCIAL INFORMATION

from operating activities, primarily including (i) increase in trade receivables of RMB43.7 million, (ii) decrease in contract liabilities of RMB19.0 million, and (iii) increase in contract assets of RMB13.1 million. These were partially offset by changes in working capital that positively affected cash flow from operating activities, primarily including (i) decrease in inventories of RMB37.9 million and (ii) increase in trade and bills payables of RMB33.6 million.

Net cash used in operating activities was RMB65.3 million in 2025, primarily attributable to a loss before income tax of RMB99.7 million, as adjusted for (1) certain non-cash or non-operating items, mainly including (i) finance costs on redemption financial liabilities of RMB47.2 million, (ii) impairment losses on financial and contract assets of RMB4.0 million, and (iii) inventory provision of RMB8.0 million, and (2) changes in working capital that negatively affected cash flow from operating activities, primarily including (i) increase in trade receivables of RMB35.6 million, (ii) decrease in contract liabilities of RMB36.7 million, (iii) increase in prepayments, other receivables and other assets of RMB6.3 million, and (iv) increase in restricted bank deposits of RMB4.3 million. These were partially offset by changes in working capital that positively affected cash flow from operating activities, primarily including (i) decrease in inventories of RMB39.0 million, (ii) decrease in bills receivables of RMB6.4 million, and (iii) increase in trade and bills payables of RMB17.8 million.

Net cash used in operating activities was RMB94.5 million in 2024, primarily due to loss before income tax of RMB117.9 million, as adjusted for (1) certain non-cash or non-operating items, primarily including (i) finance costs on redemption financial liabilities of RMB37.7 million and (ii) impairment losses on financial and contract assets of RMB5.7 million, and (2) changes in the working capital that negatively affected the cash flow from operating activities, primarily including (i) increase in inventories of RMB82.8 million and (ii) increase in trade receivables of RMB14.5 million. These were partially offset by changes in working capital that positively affected the cash flow from operating activities, primarily including (i) increase in trade and bills payables of RMB46.1 million and (ii) increase in contract liabilities of RMB24.8 million.

Net cash used in operating activities was RMB77.0 million in 2023, primarily due to loss before income tax of RMB113.8 million, as adjusted for (1) certain non-cash or non-operating items, primarily including (i) finance costs on redemption financial liabilities of RMB32.5 million and (ii) impairment losses on financial and contract assets of RMB4.5 million, and (2) changes in the working capital that negatively affected the cash flow from operating activities, primarily including (i) increase in inventories of RMB54.4 million and (ii) increase in trade receivables of RMB8.3 million. These were partially offset by changes in working capital that positively affected the cash flow from operating activities, primarily including increase in contract liabilities of RMB60.9 million.

Net Cash Generated from Investing Activities

Net cash used in investing activities was RMB96.6 million in the six months ended June 30, 2026, primarily due to purchase of financial assets at FVTPL of RMB960.0 million, partially offset by disposal of financial assets at FVTPL of RMB856.1 million.

Net cash from investing activities was RMB38.2 million in 2025, primarily due to (i) disposal of financial assets at FVTPL of RMB120.3 million and (ii) proceeds from disposal of equity investments designated at fair value through other comprehensive income of RMB38.1 million, partially offset by purchases of financial assets at FVTPL of RMB95.0 million and purchases of items of property, plant and equipment of RMB5.3 million.

Net cash from investing activities was RMB11.7 million in 2024, primarily due to (i) disposal of financial assets at FVTPL of RMB121.2 million and (ii) proceeds from maturity of time deposits of RMB60.4 million, partially offset by purchases of financial assets at FVTPL of RMB151.0 million and purchases of equity investments designated at fair value through other comprehensive income of RMB20.0 million.

Net cash from investing activities was RMB9.7 million in 2023, primarily due to (i) proceeds from maturity of time deposits of RMB10.0 million, (ii) interest received of RMB0.6

FINANCIAL INFORMATION

million and disposal of financial assets at FVTPL of RMB1.2 million, partially offset by purchases of items of property, plant and equipment of RMB2.9 million.

Net Cash from Financing Activities

Net cash from financing activities was RMB11.9 million in the six months ended June 30, 2026, primarily due to (i) new bank and other borrowings of RMB49.0 million and (ii) proceeds of issue of shares of RMB30.0 million, partially offset by repayment of bank and other borrowings of RMB62.4 million.

Net cash from financing activities was RMB233.8 million in 2025, primarily due to (i) proceeds from issue of shares of RMB277.0 million and (ii) new bank and other borrowings of RMB150.3 million, partially offset by (i) repayment of bank and other borrowings of RMB160.8 million, (ii) repayment of other long-term payables of RMB20.0 million, (iii) interest paid of RMB4.2 million, and (iv) payment of lease liabilities of RMB5.9 million.

Net cash from financing activities was RMB183.7 million in 2024, primarily due to (i) proceeds from capital injection of RMB125.0 million, (ii) new bank and other borrowings of RMB139.8 million, and (iii) other long-term payables of RMB20.0 million, partially offset by repayment of bank and other borrowings of RMB92.9 million.

Net cash from financing activities was RMB43.6 million in 2023, primarily due to new bank and other borrowings of RMB49.9 million, partially offset by repayment of bank and other borrowings of RMB1.0 million and payment of lease liabilities of RMB4.5 million.

Cash operating costs

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

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2023	2024	2025	2025	2026
	<i>(RMB in thousands)</i>				
	<i>(unaudited)</i>				
Direct production costs, including materials ⁽¹⁾ . . .	103,350	105,386	99,711	51,879	35,808
Workforce employment ⁽²⁾ . .	80,670	84,040	95,092	42,010	46,736
R&D costs ⁽³⁾	3,335	7,341	8,037	1,669	6,521
Product and services marketing ⁽⁴⁾	23,344	24,348	30,583	16,912	12,568
Non-income taxes and other charges	6,494	10,870	19,036	9,956	2,988
Total	217,193	231,985	252,459	122,426	104,621

Notes:

- (1) Represents the direct production costs (excluding employee benefit expenses and non-cash items) adjusted by changes in working capital relating to production as of the previous and current year/period end.
- (2) Represent the sum of employee compensation and benefits expenses under costs of sales, R&D expenses, administrative expenses, and selling and distribution expenses (excluding equity-settled share-based payments expenses) adjusted by changes in working capital relating to employee compensation and benefit expenses as of previous and current year/period end under the costs of sales and operating expenses.
- (3) Represents R&D expenses (excluding employee compensation and benefit expenses and non-cash items under R&D expenses) adjusted by changes in working capital relating to R&D activities as of the previous and current year/period end.
- (4) Represents the selling and marketing expenses (excluding employee compensation and benefits and non-cash items under selling and distribution expenses) adjusted by changes in working capital relating to sales and marketing activities as of the previous and current year/period end.
- (5) We had no contingency allowances during the Track Record Period.

FINANCIAL INFORMATION

Current Assets and Current Liabilities

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

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Current assets				
Inventories	179,188	256,707	209,640	174,614
Trade Receivables	19,766	31,054	64,771	105,928
Bills Receivable	3,069	9,673	3,314	5,656
Contract assets	5,163	7,828	24,171	35,330
Prepayments, other receivables and other assets	13,349	13,955	21,162	21,419
Debt investments at fair value through other comprehensive income	6,707	4,421	3,470	1,393
Financial assets at FVTPL	–	30,099	5,070	110,118
Restricted bank deposits	2,293	7,674	11,953	22,689
Time deposits	64,074	–	10,227	–
Cash and cash equivalents	29,249	130,092	336,355	217,870
Total current assets	322,858	491,503	690,133	695,017
Current liabilities				
Trade and bills payables	30,043	76,130	93,881	127,453
Other payables and accruals	22,219	30,251	27,458	29,639
Interest-bearing bank and other borrowings	49,956	96,931	86,391	72,989
Lease liabilities	1,836	4,782	4,005	5,272
Contract liabilities	102,986	127,764	91,105	72,151
Redemption financial liabilities	503,007	665,694	1,011,239	1,074,331
Tax payable	–	–	22	2
Provision	193	200	3,751	5,961
Total current liabilities	710,240	1,001,752	1,317,852	1,387,798
Net current liabilities	(387,382)	(510,249)	(627,719)	(692,781)

Our net current liabilities increased from RMB627.7 million as of December 31, 2025 to RMB692.8 million as of June 30, 2026 due to the increase in current liabilities of RMB69.9 million, partially offset by the increase in current assets of RMB4.9 million. Our current liabilities increased from RMB1,317.9 million as of December 31, 2025 to RMB1,387.8 million as of June 30, 2026, primarily due to an increase in redemption financial liabilities of RMB63.1 million and an increase in trade and bills payables of RMB33.6 million, partially offset by a decrease in contract liabilities of RMB19.0 million and a decrease in interest-bearing bank and other borrowings of RMB13.4 million. Our current assets stayed relatively stable at RMB690.1 million as of December 31, 2025 and RMB695.0 million as of June 30, 2026.

Our net current liabilities increased from RMB510.2 million as of December 31, 2024 to RMB627.7 million as of December 31, 2025, primarily due to the increase in current liabilities of RMB316.1 million, which outpaced the increase in current assets of RMB198.6 million. Our

FINANCIAL INFORMATION

current assets rose from RMB491.5 million as of December 31, 2024 to RMB690.1 million as of December 31, 2025, mainly attributable to (i) an increase in cash and cash equivalents of RMB206.3 million, (ii) an increase in trade receivables of RMB33.7 million, and (iii) an increase in contract assets of RMB16.3 million. Our current liabilities increased from RMB1,001.8 million as of December 31, 2024 to RMB1,317.9 million as of December 31, 2025, primarily due to (i) an increase in redemption financial liabilities of RMB345.5 million, partially offset by (ii) a decrease in contract liabilities of RMB36.7 million and (iii) a decrease in interest-bearing bank and other borrowings of RMB10.5 million.

Our net current liabilities increased from RMB387.4 million as of December 31, 2023 to RMB510.2 million as of December 31, 2024, primarily due to the increase in current liabilities of RMB291.5 million, which outpaced the increase in current assets of RMB168.6 million. Our current assets increased from RMB322.9 million as of December 31, 2023 to RMB491.5 million as of December 31, 2024, primarily due to (i) an increase in cash and cash equivalents of RMB100.8 million, (ii) an increase in inventories of RMB77.5 million and (iii) an increase in financial assets at FVTPL of RMB30.1 million. Our current liabilities increased from RMB710.2 million as of December 31, 2023 to RMB1,001.8 million as of December 31, 2024, primarily due to (i) an increase in redemption financial liabilities of RMB162.7 million, (ii) an increase in trade and bills payables of RMB46.1 million and (iii) an increase in interest-bearing bank and other borrowings of RMB47.0 million.

Our net current liabilities were primarily attributable to the recognition of redemption financial liabilities. To improve our net current liability position and ensure sufficient working capital, we have consistently optimized our capital structure. Excluding the impact of redemption financial liabilities, which are expected to be reclassified to equity or extinguished upon the [REDACTED], we recorded net current assets (excluding redemption financial liabilities) of RMB381.6 million as of June 30, 2026. Furthermore, our financial position continued to strengthen toward the end of the period, with our net current assets (excluding redemption financial liabilities) significantly improving to RMB381.6 million as of June 30, 2026. We intend to further improve our net current liabilities position by (i) enhancing our operational efficiency to generate stronger net cash inflows from operating activities, (ii) prudently managing the maturity profile of our interest-bearing borrowings, and (iii) utilizing the [REDACTED] from the [REDACTED] to strengthen our capital base.

INDEBTEDNESS

The following table sets forth a breakdown of our indebtedness as of the dates indicated.

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Current				
Interest-bearing bank and other borrowings	49,956	96,931	86,391	72,989
Lease liabilities	1,836	4,782	4,005	5,272
Redemption financial liabilities	503,007	665,694	1,011,239	1,074,331
Subtotal	554,799	767,407	1,101,635	1,152,592
Non-current				
Lease liabilities	826	6,150	3,127	3,506
Other long-term payables	–	20,173	–	–
Total	555,625	793,730	1,104,762	1,156,098

FINANCIAL INFORMATION

Interest-bearing Bank and Other Borrowings

We had bank loans of RMB50.0 million, RMB96.9 million, RMB86.4 million and RMB73.0 million as of December 31, 2023, 2024, and 2025 and June 30, 2026, respectively, all of which were repayable within one year on demand. The effective interest rate of our interest-bearing bank loans ranged between 1.4% and 4.0% during the Track Record Period.

Our bank loans contain standard terms, conditions and covenants that are customary for commercial bank loans in China. Our Directors confirmed that we did not experience any difficulty in obtaining bank loans or other borrowings, default in payment of bank loans or other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease Liabilities

Our lease liabilities were primarily related to the present value of outstanding lease payments under our lease agreements. We recorded total of non-current and current lease liabilities of RMB2.7 million, RMB10.9 million, RMB7.1 million and RMB8.8 million, as of December 31, 2023, 2024 and 2025 and June 30, 2026, respectively, changes of which were primarily attributable to the lease of our Quzhou facility starting in 2024 and the lease of our facility in Taizhou starting in 2026.

Other Long-term Payables

We had other long-term payables of nil, RMB20.2 million, nil and nil as of December 31, 2023, 2024, and 2025 and June 30, 2026, respectively. These payables were amounts due to related parties, which are non-trade in nature and has been settled as of December 31, 2025.

Indebtedness Statement

Except as discussed above, as of June 30, 2026, being the indebtedness statement date, we did not have any outstanding mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities. As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing. As of June 30, 2026, we did not have plans for other material external debt financing.

Our Directors confirm that (i) there has not been any material change in our indebtedness since June 30, 2026 and up to the Latest Practicable Date, and (ii) during the Track Record Period and up to the date of this document, we did not have any material default on our indebtedness or breach of covenant.

CAPITAL EXPENDITURE

Our capital expenditures during the Track Record Period were primarily related to purchases of items of property, plant and equipment. Our capital expenditures were RMB2.9 million, RMB3.9 million, RMB5.3 million and RMB2.9 million, respectively, in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. We intend to fund our future capital expenditures with net proceeds from equity and debt financings and the cash on our consolidated statements of financial position.

CAPITAL COMMITMENT

As of December 31, 2023, 2024, and 2025 and June 30, 2026, we did not have any significant commitments.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

During the Track Record Period and up to the Latest Practicable Date, we did not have any material off-balance sheet commitments or arrangements.

CONTINGENT LIABILITIES

As of the Latest Practicable Date, we did not have any contingent liabilities or guarantee.

FINANCIAL INFORMATION

KEY FINANCIAL RATIOS

The following table sets forth our selected financial ratios for the periods and as of the dates indicated.

	For the Year Ended/As of December 31,			For the Six Months Ended/As of June 30,	
	2023	2024	2025	2025	2026
				<i>(unaudited)</i>	
Gross margin ⁽¹⁾	19.7%	24.2%	29.7%	27.1%	29.4%
Adjusted net loss margin (Non-IFRS measure) ⁽²⁾ .	(104.7%)	(68.3%)	(16.6%)	(12.7%)	(11.0%)
Current ratio ⁽³⁾	0.45	0.49	0.52	N/A	0.50
Gearing ratio ⁽⁴⁾	13.4%	24.8%	15.5%	N/A	11.8%

Notes:

- (1) Gross margin equals to gross profit divided by revenue for the period.
- (2) Adjusted net loss margin (Non-IFRS measure) equals to adjusted net loss (Non-IFRS measure) divided by revenue for the period.
- (3) Current ratio equals to current assets as of the last day of the period divided by current liabilities as of the last day of the period.
- (4) Gearing ratio equals to interest-bearing bank and other borrowings and other long-term payables divided by net liabilities for the respective period and multiplied by 100%.

MATERIAL RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. Our amounts due to one related party, Ningbo Yunyi Enterprise Management Partnership (Limited Partnership), which are non-trade in nature, amounted to nil, RMB20.2 million and nil as of December 31, 2023, 2024 and 2025, respectively, which has been settled as of December 31, 2025. For details about our material related party transactions, see Note 39 to the Accountants’ Report included in Appendix I to this document.

Our Directors are of the view that each of the material related party transactions set out in Note 39 to the Accountants’ Report included in Appendix I to this document was conducted in the ordinary course of business on an arm’s length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our material-related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

FINANCIAL RISKS

Our activities expose us to a variety of financial risks, including credit risk, liquidity risk, and currency risk. There are certain transactions denominated in currencies other than RMB which expose us to foreign currency risk. Besides, the concentration of trade receivables due from our customers exposes us to credit risk. In addition, We finance our working capital requirements primarily through bank borrowings and issue of shares, which expose us to liquidity risk. Our overall risk management procedures focus on the unpredictability of financial markets and seek to minimize potential adverse effects on our financial performance. See Note 43 to the Accountants’ Report included in Appendix I to this document.

DIVIDENDS

We did not declare or pay dividends on our Shares during the Track Record Period. Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. We currently do not have any dividend policy or fixed dividend pay-out ratio. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. As confirmed by our PRC Legal Advisor, according to relevant PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of

FINANCIAL INFORMATION

our registered capital. We will, therefore, only be able to declare dividends after: (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

DISTRIBUTABLE RESERVES

As of June 30, 2026, we had no retained profits available for distribution to our Shareholders.

WORKING CAPITAL SUFFICIENCY

Our Directors are of the opinion that, taking into account the estimated [REDACTED] from the [REDACTED] and other financial resources available to us, including cash and cash equivalents, current portion of time deposits, and financial assets at FVTPL, we have sufficient working capital to meet our present requirements and for the next 12 months commencing from the date of this document.

Our cash burn rate refers to the average monthly aggregate amount of (i) net cash used in operating activities, (ii) capital expenditures, and (iii) lease payment. The historical monthly cash burn rate amounted to RMB7.3 million, being the average monthly cash burn over the 36 months from January 1, 2023 to December 31, 2025. Although the Group expects future capital expenditures and lease payments to increase, it anticipates that its future losses will gradually narrow; accordingly, the future monthly cash burn rate is expected to decrease to RMB5.1 million. We had cash and cash equivalents, current portion of time deposits, and financial assets at FVTPL of RMB328.0 million in aggregate as of June 30, 2026. We estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] after deducting the [REDACTED] expenses payable by us in the [REDACTED], assuming no [REDACTED] is exercised and assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the low-end of the indicative [REDACTED] in this document.

Using the aforementioned future monthly cash burn rate and based on the Group’s profit forecast and future expansion plans, the Group estimates that its cash and cash equivalents, current portion of time deposits, and financial assets at FVTPL as of June 30, 2026 will be able to maintain its financial viability for approximately [REDACTED] months or, if taking into account [REDACTED]% of the estimated [REDACTED] from the [REDACTED] (namely, the portion allocated for our working capital and other general purposes), approximately [REDACTED] months or, taking into account [REDACTED]% of the estimated [REDACTED] (based on the low-end of the indicative [REDACTED]) from the [REDACTED], for approximately [REDACTED] months. Our Directors and our management will continue to monitor our working capital, cash flows, and our business development status.

We have no immediate plan for future financing after the [REDACTED] for purpose of our commercialization plan as disclosed in this document taking into account our available cash, [REDACTED] from the [REDACTED] and based on our cash burn rate. However, with the continuing expansion of our business and development of our solutions or services, or if we discover suitable targets for acquisition or business collaboration, we could not exclude the possibility to require further funding through public or private equity offerings, debt financing and other sources. We will comply with applicable laws and regulations, including requirements under the Listing Rules, when we proceed with such financings.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, [REDACTED], and other fees incurred in connection with the [REDACTED]. The estimated total [REDACTED] expenses (based on the mid-point of the [REDACTED] and assuming that the [REDACTED] is not exercised) for the [REDACTED] are approximately RMB[REDACTED] (equivalent to approximately HK\$[REDACTED]), accounting for approximately [REDACTED]% of our gross [REDACTED] from the [REDACTED]. The estimated total [REDACTED] expenses consist of (i) [REDACTED] expenses (including but not limited to [REDACTED] and fees) of approximately RMB[REDACTED] (approximately HK\$[REDACTED]), and (ii) [REDACTED] expenses of approximately RMB[REDACTED] (approximately HK\$[REDACTED]), which consist of fees and expenses of legal advisors and Reporting Accountants of approximately

FINANCIAL INFORMATION

RMB[REDACTED] (approximately HK\$[REDACTED]), and other fees and expenses of approximately RMB[REDACTED] (approximately HK\$[REDACTED]). Approximately RMB[REDACTED] (equivalent to approximately HK\$[REDACTED]) of the estimated [REDACTED] expenses is directly attributable to the issue of new Shares to the public and will be accounted for as a deduction from equity upon completion of the [REDACTED]. Approximately RMB[REDACTED] (equivalent to approximately HK\$[REDACTED]) is expected to be charged in profit or loss before or upon completion of the [REDACTED], of which we recorded [REDACTED] expense of RMB[REDACTED] in profit or loss during the Track Record Period. This calculation is subject to adjustment based on the actual amount incurred or to be incurred. The [REDACTED] expenses above are the best estimate as of the Latest Practicable Date and are for reference only. The actual amount may differ from such an estimate.

[REDACTED]

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that there has been no material adverse change in our financial or trading position or prospects since June 30, 2026, being the end date of our latest consolidated financial statements as set out in “Appendix I – Accountants’ Report” to this document, and up to the date of this document.

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 are no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.