
SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to invest in the [REDACTED]. In particular, we are a specialist technology company seeking to [REDACTED] on the Main Board of the Hong Kong Stock Exchange under Chapter 18C of the Listing Rules because we are unable to meet the requirements under Rule 8.05(1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with investing in companies such as ours. Your investment decision should be made in light of these considerations.

There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in the section headed “Risk Factors” in this document. You should read that section carefully in full before you decide to invest in the [REDACTED].

OVERVIEW

We are a leader in industrial intelligent mobile robotic solutions, dedicated to empowering smart factories across a wide range of industrial scenarios. We are also an early mover in industrial embodied intelligence robotic solutions. Our tailored one-stop robotic solutions integrate our technology platform, intelligent robots and intelligent collaborative system. We were the fourth largest provider of the industrial intelligent mobile robotic solutions in China by sales volume in 2025, with a market share of 4.0%, according to CIC. As of the Latest Practicable Date, our solutions had been recognized and adopted by over 400 customers worldwide, many of which are leaders in their respective sectors. Globally, we are one of the largest industrial intelligent mobile robotic solutions providers in several high-tech sectors as measured by shipment in 2025: second largest in the computer, communication and consumer electronics (3C) sector, with a market share of 4.1%, third largest in the automotive sector, with a market share of 4.1% and fifth largest in the semiconductor sector, with a market share of 0.9%, according to CIC.

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

OUR BUSINESS MODEL

We primarily offer tailored one-stop robotic solutions to our customers, empowering their smart manufacturing. Depending on customer needs, we also provide our customers with robots sold individually and related accessories, software and services. Our robots, sharing the same core technology platform, are sold either integrated in our robotic solutions under robotic solutions segments or individually under robots and others segments.

We provide industrial intelligent robotic solutions to empower smart manufacturing. The philosophy of our robotic solutions is “1 + N + S = ∞.” Our tailored one-stop robotic solutions comprise our core robotic technology platform (“1”), our industrial intelligent multi-functional robotic

SUMMARY

products (“N”) and our one-stop intelligent collaborative system, the RoboVerse system (“S”). Our goal is to provide infinite possibilities for smart manufacturing (“∞”). Our core robotic technology, robotic products and the RoboVerse system are self-developed.

- Our core robotic technology platform consists of our core controller, our proprietary operating system SROS and algorithms.
- Our robotic products, including standard robots, functional robots and embodied robots, are built upon our core robotic technology platform by adding modules serving different functions. Standard robots can be seamlessly deployed in new scenarios without requiring any modifications to the specific scenario. Functional robots include lifting robots, transport robots, forklift robots and tugger robots. By incorporating additional modules into the core robotic technology platform, these robots are equipped with advanced capabilities tailored to specific functional requirements. Embodied robots, including LINK, our classic industrial embodied robots, and DARWIN, our advanced embodied robots, enhance flexibility through increased degrees of freedom (DoF) and enable more general capabilities through artificial general intelligence (AGI).
- Our RoboVerse System is a one-stop intelligent collaborative system. It comprises three constituent sub-systems, Robo-World, Robo-Set, and Robo-Team. Robo-World is a platform that digitally reconstructs factory scenarios using world modeling technology, enabling precise simulation of operations and providing data-driven insights to optimize smart manufacturing solutions. Robo-Set is an intelligent task engine that simplifies the creation and management of manufacturing tasks through a no-code approach, leveraging built-in templates and intelligent agents to enhance operational efficiency and adaptability. Robo-Team is a collaborative system that unifies diverse robots into a cohesive workforce by employing algorithms for efficient resource management, real-time path planning, and dynamic task allocation.

We have adopted a transaction-based model for the sales (i) robotic solutions and (ii) individual robots and related accessories. Factors considered by us in pricing our robotic solutions include the types of robots to be used, technical specifications, project size, after-sales commitment, sales channel and product competitiveness. For pricing our robots sold individually, we take into account the product type, technical specifications, after-sales commitment, sales channel, and product competitiveness. Additionally, for sales in markets outside mainland China, we consider the region and required certifications. We do not generate recurring revenue through ongoing upgrades or enhancements to our robotic solutions or robots sold individually under our sales arrangements with customers.

SUMMARY

The table below sets forth the main functions, key features and price range of our robots and features of the robotic solutions that primarily deploy the relevant types of robots.

Functions and Key Features	Features of Solutions	Price Range*
Standard Robots (DoF: 3)		
Main Function: Mobility	Our one-stop tailored robotic solutions that primarily deploy standard robots	RMB60,000–350,000 per unit
Key Feature: Standard robots provide mobility for a variety of complex scenarios, driven by proprietary algorithms. They can move omnidirectionally, providing precise navigation and positioning.	mainly serve integrators for developing automation solutions.	
Functional Robots (DoF: 4 ~ 8)		
Main Function: Mobility plus additional functions (e.g. lifting, transport, stacking and towing)	Our one-stop tailored robotic solutions that primarily deploy functional robots	RMB100,000–550,000 per unit
Key Feature: Functional robots integrate additional modules into the core robotics technology platform. In addition to mobility, they can perform advanced capabilities tailored to specific functional requirements.	serve customers in a wide range of industries.	
Embodied Robots (DoF: 9+)		
Main Function: General purpose functions to perform complex tasks	Our one-stop tailored robotic solutions that primarily deploy embodied robots	RMB450,000–1,111,000 per unit
Key Feature: Embodied robots are equipped with enhanced flexibility through increased freedom and achieving more general-purpose functions through AGI. They can perform complex tasks across multiple industrial scenarios, enabling humans and machines to collaborate seamlessly and safely.	primarily serve customers in high-end manufacturing industries such as semiconductor business.	

Note:

* Represents the price range of each category of robots when sold individually. The pricing of robotic solutions vary widely by projects.

The table below sets forth the sales volume of our robots by category during the Track Record Period, which include both robots sold individually and integrated in our solutions.

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
Standard Robots	237	388	501	41	119
Functional Robots	949	1,525	1,715	294	410
Embodied Robots	26	19	68	18	27
Total	1,212	1,932	2,284	353	556

SUMMARY

OUR CORE TECHNOLOGIES

We have successfully developed robotic technologies featuring intelligence, efficiency, and reliability and safety. We believe we possess core technologies in the following areas: (i) core controller, (ii) robot operating system, (iii) localization, navigation and control algorithms, (iv) perception and manipulation, (v) robotic systems engineering, (vi) industrial scene-oriented world modeling technology, and (vii) mass scale multi-robot coordination technology.

Our core robotic technology platform consists of core controller, operating system SROS, and algorithms, which empowers our robots with individual intelligence. Our self-developed operating system SROS is a universal robot operating system suitable for various robot forms. Its key features include efficient communication mechanism, heterogeneous processor task scheduling, high real-time performance and continuously evolving AI architecture. Our self-developed algorithms include (i) algorithms for localization, navigation and control, which is a high-precision, adaptive and self-updating multi-sensor information fusion localization system, and (ii) algorithms for perception and manipulation, which have achieved closed-loop intelligence from command understanding to action execution. Our technologies infuse individual intelligence into our robots, enabling them to think, adapt and perform tasks with autonomy. Drawing on years of experience in R&D, and delivery of industrial intelligent robotic solutions, we have established full-stack robotic systems engineering capabilities, which enable us to design our robots in a modular, cost-effective, and efficient manner. Our RoboVerse system is based on self-developed industrial scene-oriented world modeling and mass scale multi-robot coordination technologies. The industrial scene-oriented world modeling technology integrates AI-driven modeling and prediction capabilities to enhance robots’ environmental perception and decision-making. The mass scale multi-robot coordination technology enables efficient collaboration among robots, addressing efficiency bottlenecks and complex task distribution. Powered by these technologies, our robots possess collaborative intelligence and can seamlessly adapt to a wide range of industrial scenarios without modifications. See “Business — Our Core Technologies” for details.

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed to our success and differentiated us from our competitors: (i) market leadership in industrial intelligent mobile robotic solutions and industrial embodied intelligence robotic solutions; (ii) self-developed robotic technologies featuring intelligence, efficiency, and reliability and safety; (iii) premier solutions for smart manufacturing across a wide range of industrial scenarios; (iv) extensive deployment by leading enterprises; and (v) visionary management team with technical expertise and strategic insight and strong support from reputable investors.

OUR STRATEGIES

We intend to pursue the following strategies to further grow our business: (i) increasing investment in the R&D of industrial embodied intelligence technologies; (ii) deepening our expertise in industrial intelligent robotic solutions, particularly in industrial embodied intelligence robotic solutions; (iii) enhancing in-house manufacturing capabilities to support sustained growth; and (iv) expanding our influence among current and future customers, domestically and internationally.

SUMMARY

OUR MARKET OPPORTUNITIES AND COMPETITION

Driven by the demand for smart manufacturing system upgrades, rising labor costs, maturing supply chain and favorable policies, the global market size of industrial intelligent mobile robotic solutions increased from RMB6.6 billion in 2021 to RMB21.1 billion in 2025, with a CAGR of 33.8%, and is expected to further increase to RMB80.8 billion in 2030, with a CAGR of 29.6% from 2026 to 2030, according to CIC. Against the backdrop of AGI’s rapid advancement, industrial embodied intelligence robots with collaborative arms and based on wheeled mobile platforms are poised to become the advanced intelligent form catering to complex and dynamic multi-scenario manufacturing demands. According to CIC, the global market size for industrial embodied intelligence robotic solutions surged from RMB0.6 billion in 2021 to RMB2.0 billion in 2025, representing a CAGR of 35.0%, and is projected to increase to RMB15.7 billion in 2030 at a CAGR of 43.7% from 2026 to 2030.

The global industrial intelligent mobile robotic solution industry is relatively fragmented. In terms of relevant robot units sold of global industrial intelligent mobile robotic solutions in 2025, the top five participants collectively account for 35.6% of the market share. In this highly competitive sector, we were the fourth largest provider of industrial intelligent mobile robotic solutions in China by sales volume in 2025, according to CIC. The global industrial embodied intelligence robotic solution industry is very fragmented. Benefitting from the growth potential of industrial intelligent robotic solution market, we believe our full-stack proprietary and open compatible software architecture, continuous product innovation and modular development capabilities, in-depth understanding of manufacturing scenarios and industry expertise will enable us to grasp the market potential and achieve continuous growth.

OUR CUSTOMERS AND SUPPLIERS

We have a diversified customer base across various industries, particularly high-tech sectors such as 3C, automotive, and semiconductor. Our customers are mainly manufacturers that apply our robotic solutions directly in their factories. Our customers also include system integrators that incorporate our robotic products into broader automation solutions. System integrators, with their expertise in system integration and understanding of the specific application needs of downstream industries, combine robots, supporting systems, and peripheral automation equipment from various manufacturers to deliver comprehensive robotic solutions to their customers. See “Business — Our Customers” for more details. For the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026, our top five customers collectively accounted for 36.8%, 41.3% and 35.1% and 68.0%, respectively, of our total revenue.

We source a diverse range of raw materials essential for the production of our robots from our suppliers, such as power batteries, motors, LiDAR, structural components, forklifts and charging pile. For the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026, our purchases from our five largest suppliers accounted for 27.7%, 37.7% and 34.8% and 49.4% of our total procurement amount, respectively.

SUMMARY

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, (a) Mr. Wang was able to exercise 27.10% of voting rights in our Company through (i) 2,829,456 Shares owned by him directly; and (ii) 3,161,295 Shares owned through Standard Automation, which is controlled by Mr. Wang as general partner, and (b) Mr. Li was able to exercise 3.80% of voting rights in our Company through 841,082 Shares owned by him directly. By virtue of the Acting-in-Concert Agreement, Mr. Wang (by himself and through Standard Automation) and Mr. Li will together be interested in and control 30.90% of voting rights in our Company. Further, pursuant to the Voting Proxy Agreements, Mr. Wang is entitled to the voting rights of 6,516,020, 1,547,370 and 2,000,000 Shares (taking into account the Share Subdivision) held by Golden Summer Holding Limited, Shenzhen Hongze Intelligent Manufacturing Investment Partnership (Limited Partnership) (深圳鴻澤智造投資合夥企業(有限合夥)) and Zhuhai Shengyinjing Investment Enterprise (Limited Partnership) (珠海盛銀璟投資合夥企業(有限合夥)) in our Company, representing [REDACTED]%, [REDACTED]% and [REDACTED]% of the voting rights in our Company, respectively upon [REDACTED]. For details, see “History and Corporate Structure — Voting Proxy Arrangement”.

Immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), and taking into account the Voting Proxy Agreements, Mr. Wang (by himself and through Standard Automation) and Mr. Li will together be entitled to exercise approximately [REDACTED] of the voting rights in our Company and are therefore considered as our Controlling Shareholders under the Listing Rules.

Standard Automation is a share incentive platform of our Company. For further details, see “History and Corporate Structure” and “Relationship with Our Controlling Shareholders”.

PRE-[REDACTED] INVESTMENTS

To fund our strategic growth and broaden our shareholder base, we have conducted several rounds of pre-[REDACTED] Investments since the incorporation of our Company. See “History and Corporate Structure — Pre-[REDACTED] Investments” for details of the principal terms of our pre-[REDACTED] investments and the identity and background of our Pre-[REDACTED] Investors.

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

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

SUMMARY

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

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

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

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

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountant’s Report set out in Appendix I to this document. The summary consolidated financial data set forth below should be read together with, and is qualified in its entirety by reference to, our consolidated financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with HKFRSs.

Summary of Consolidated Statements of Profit or Loss

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

SUMMARY

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

Non-HKFRS Measures

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

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

SUMMARY

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

Note:

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

Our net loss decreased from 2023 to 2024, primarily due to the increases in our revenue, the decreases in our R&D expenses and administrative expenses, as well as the relatively slower growth of cost of sales and selling and marketing expenses. Our net loss increased from the 2024 to 2025, primarily due to the significant increase in our operating expenses, arising from the share-based payment to our employees and the incurring of [REDACTED] expenses. Our net loss increased slightly from the four months ended April 30, 2025 to the same period of 2026, primarily due to the increases in our selling and marketing expenses, R&D expenses and foreign exchange losses.

Revenue

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

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

SUMMARY

Notes:

- (1) Robotic solutions are categorized based on the primary type of robot used in a contract. The entire contract amount will be classified as the type of robot that holds a simple majority in that contract.
- (2) Include the revenue derived from the sales of related accessories, software and services, including the RoboVerse system software, technical support services and other parts, components and accessories which are required or essential for the functioning and/or enhancing the performance of our robots and robotic solutions.

Our revenue increased by 54.5% from RMB162.2 million in 2023 to RMB250.5 million in 2024 and continued to increase by 20.0% to RMB301.5 million in 2025 and increased by 139.1% from RMB44.7 million in the four months ended April 30, 2025 to RMB106.9 million in the same period of 2026, primarily driven by increased customer demand and enhanced acceptance of our products, resulting in higher sales volume of robots, which increased from 1,212 robots in 2023 to 1,932 robots in 2024, and further increased to 2,284 units in 2025 and from 353 units in the four months ended April 30, 2025 to 556 units in the same period of 2026.

Revenue by Geographic Location

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

Notes:

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

Revenue by Served Industry

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

SUMMARY

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

Revenue by Customer Type

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

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

Gross Profit and Gross Margin

The following table sets forth our gross profit and gross profit margin breakdown by product type:

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

Note:

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

SUMMARY

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

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

Notes:

- (1) Includes domestic sales subject to standard Chinese VAT invoicing and local delivery processes.
- (2) Primarily consists of (i) Japan, (ii) Taiwan, China, (iii) Hong Kong, China and (iv) certain Southeast Asia countries such as Vietnam and Thailand. In addition, sales to bonded warehouse and free trade zone located in Chinese mainland are also included in sales to other countries and regions.

Summary of Consolidated Statements of Financial Positions

The following table sets forth selected information from our summary consolidated balance sheet as of the dates indicated:

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

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

During the Track Record Period, our net assets continued to increase. Our net assets increased from RMB85.7 million as of December 31, 2023 to RMB140.5 million as of December 31, 2024, attributable to capital contribution by shareholders of RMB94.9 million and share-based payment reserve of RMB5.1 million, partially offset by loss for the year of RMB45.1 million. Our net assets continued to increase to RMB289.5 million as of December 31, 2025, primarily attributable to the

SUMMARY

consideration for issue of shares of RMB200.0 million and the increase in share-based payment reserve of RMB123.2 million, partially offset by loss for the period of RMB202.0 million. Our net assets decreased to RMB265.4 million as of April 30, 2026, primarily attributable to loss for the period of RMB61.8 million, partially offset by the increase in share-based payment reserve of RMB35.9 million and increase in capital reserve of RMB1.7 million. For details of the fluctuation in key items of our consolidated statements of financial position during the Track Record Period, see “Financial Information — Discussion on Key Items of Consolidated Statements of Financial Position.”

Our net current assets increased from RMB75.1 million as of December 31, 2023 to RMB117.9 million as of December 31, 2024, primarily due to (i) an increase in trade and bills receivables of RMB41.6 million, (ii) an increase in financial assets at fair value through profit or loss of RMB17.0 million, (iii) an increase in cash and cash equivalents of RMB49.9 million, (iv) a decrease in contract liabilities of RMB17.9 million, partially offset by (i) a decrease in inventories of RMB51.0 million and (ii) an increase in interest-bearing bank and other borrowings of RMB17.9 million. Our net current assets continued to increase to RMB271.6 million as of December 31, 2025, primarily due to (i) an increase in financial assets at fair value through profit or loss of RMB63.6 million, (ii) an increase in Trade and bills receivables of RMB69.3 million and (iii) a decrease in interest-bearing bank and other borrowings of RMB42.9 million, partially offset by an increase in trade payables of RMB28.3 million. Our net current assets decreased to RMB241.1 million as of April 30, 2026, primarily due to (i) an increase in trade payables of RMB54.5 million, (ii) a decrease in financial assets at fair value through profit or loss of RMB39.8 million and (iii) a decrease in cash and cash equivalents of RMB27.4 million, partially offset by (i) an increase in inventories of RMB58.9 million, (ii) an increase in prepayments, other receivables and other assets of RMB10.1 million and (iii) a decrease in contract liabilities of RMB14.6 million.

Our inventory turnover days were 459.4 days, 261.2 days, 167.2 days and 235.8 days in 2023, 2024, 2025 and the four months ended April 30, 2026. Our relatively long inventory turnover days are primarily a reflection of the nature of our project-based business model and the delivery cycle of our robotic solutions. Our trade and bill receivables turnover days were 144.2 days, 163.2 days, 229.1 days and 272.5 days in 2023, 2024, 2025 and the four months ended April 30, 2026. Our trade receivables turnover days during the Track Record Period were longer than the standard credit period that we offered to our customers, primarily due to as a company in a rapid growth stage, we have strategically focused more resources on business expansion and new orders acquisition rather than receivables collections, and given our high-quality customer base and high customer retention rate and net dollar retention rate, we believe the risks associated with receivables recoverability are low. Therefore, we historically adopted a more lenient approach to receivables collection. Our inventory turnover days and trade receivable turnover days have been significantly longer than our trade payable turnover days, which could result in delays in converting revenue into cash. See “Risk Factor — We may be exposed to liquidity risk due to a mismatch in our cash flow cycle and a long cash conversion cycle.”

SUMMARY

Summary of Consolidated Statements of Cash Flows

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

	Year ended December 31,			Four months ended April 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)			(unaudited)	
Net cash flows used in operating activities	(120,123)	(27,184)	(86,656)	(2,781)	(64,531)
Net cash flows (used in)/from investing activities	(2,980)	(28,038)	(63,203)	(13,453)	38,200
Net cash flows from/(used in) financing activities	126,415	105,094	144,132	(11,471)	(517)
Net increase/(decrease) in cash and cash equivalents	3,312	49,872	(5,727)	(27,705)	(26,848)
Cash and cash equivalents at beginning of year	30,129	33,454	83,358	83,358	77,140
Effect of foreign exchange rate changes, net	13	32	(491)	5	(606)
Cash and cash equivalents at end of year	33,454	83,358	77,140	55,658	49,686

During the Track Record Period, we consistently recorded net cash outflows from operations with fluctuations, which was generally in line with our loss before tax position and changes in working capital items that negatively affected our operating cash flows. More specifically, these items primarily include (i) increases in inventories and trade and bills receivables, and decreases in trade payables in 2023, (ii) increase in trade and bills receivables in 2024, (iii) increase in inventories, trade and bills receivables, and restricted cash in 2025 and (iv) increases in inventories and prepayments, other receivables and other assets, and decrease in contract liabilities in the four months ended April 30, 2026. Additionally, significant factors included adjustments for non-cash and non-operating items such as write-down of inventories to net realizable value, depreciation and amortization, and share-based payment expenses also contributed to our recurring net operating cash outflow positions during the Track Record Period. We believe it is common for robotics companies like us to report net operating cash outflows during our early commercialization phase, which is fundamentally characteristic of a high-growth startup environment, where initial sales revenue and the corresponding cash collections are not yet sufficient to offset the substantial cash requirements for core operations include significant upfront payments to suppliers for raw materials and components, payroll for R&D and other employees, and other operating expenses essential for market expansion, such as sales and marketing activities, resulting in a temporary negative operating cash flow position. We believe this phase is transitional until we achieve greater scale, operational efficiency and market penetration.

SUMMARY

Burn Rate

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

We had cash and cash equivalents, and financial assets at FVTPL of RMB102.4 million in aggregate as of May 31, 2026. We estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] after deducting the estimated [REDACTED] and other fees and [REDACTED] paid and payable by us in connection with the [REDACTED], assuming no [REDACTED] is exercised and assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the low-end of the indicative [REDACTED] range as set out in this document. Assuming that the average cash burn rate going forward will be RMB7.8 million, similar to the cash burn rate level in 2025, based on the underlying assumptions that (i) it represents the most recent and operationally relevant data, reflecting our latest business operations; (ii) our workforce growth will generally align with our business expansion, and (iii) prior to the completion of the [REDACTED], no substantial capital investment or significant acquisition of fixed assets are expected, although such assumptions are subject to change due to various factors including but not limited to the business development, industry trend and customers’ requirement, we estimate that our cash and cash equivalents, and financial assets at FVTPL as of May 31, 2026 will be able to maintain our financial viability for approximately 13.2 months or, if we take into account 10% of the estimated net [REDACTED] from the [REDACTED] (namely, the portion allocated for our working capital and other general corporate purposes), approximately [REDACTED] months or, if we take into account 100% of the estimated net [REDACTED] from the [REDACTED], approximately [REDACTED] months.

SUMMARY

Key Financial Ratios

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

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

Notes:

- (1) Calculated by dividing gross profit by revenue for the period multiplied by 100%.
- (2) Calculated by dividing net loss by revenue for the period multiplied by 100%.
- (3) Calculated by dividing total current assets by total current liabilities as of the end of the period.
- (4) Calculated by dividing total current assets minus inventory by total current liabilities as of the end of the period.

The tables below set forth information about our customers and transactions during the Track Record Period.

	Year ended December 31,			Four months ended April 30,
	2023	2024	2025	2026
Total revenue (RMB in thousands) . . .	162,166	250,522	301,493	106,940
Number of customers	171	208	242	123
Number of new customers ⁽¹⁾	87	83	112	25
Average customer value ⁽²⁾ (RMB in thousands)	948	1,204	1,246	869
Number of transactions with customers	461	780	544	377
Average transaction value of customers ⁽³⁾ (RMB in thousands) . .	352	321	554	284
Customer retention rate ⁽⁴⁾	42.2%	52.6%	55.3%	35.9%
Net dollar retention rate ⁽⁵⁾	168%	114%	102%	31%
Customer acquisition cost ⁽⁶⁾ (RMB in thousands)	659.3	778.3	1,020.6	1,369.8

Notes:

- (1) Refers to customers who do not purchase products or solutions from us for the previous year.
- (2) Calculated by dividing the revenue generated in a given year/period by the number of customers in the same year/period.
- (3) Calculated by dividing the revenue generated in a given year/period by the number of transactions in the same year/period.
- (4) Calculated by dividing the difference between the number of customers in the respective year/period and the number of new customers in the respective year/period by the number of customers in the immediately preceding year/period, multiplied by 100%.
- (5) Calculated by dividing the revenue contribution of a customer in the immediately preceding year/period by the revenue contribution of the same customer for the current year/period.
- (6) Calculated by dividing the total sales and marketing expenses for the relevant year/period by the number of new customers acquired in that same year/period.

SUMMARY

Path to Profitability

Our recurring net losses and adjusted net losses (non-HKFRS measure) during the Track Record Period were primarily due to: (i) relatively high cost of sales as we were still in the early stage of development and our business scale has not yet reached a volume high enough to fully enjoy cost advantages from economies of scale; (ii) we incurred substantial R&D expenses to develop proprietary core technologies, product development and upgrades, as well as acquire and retain R&D talents, given the highly R&D-intensive nature of the robotics industry; and (iii) we incurred substantial sales and marketing expenses to educate potential customers about the value and functionality of our products, establish a robust sale network and acquire customers.

We believe that our proprietary core technologies, product development capabilities, industry expertise and high-quality customer base provide a solid foundation for our sustainable long-term growth. Going forward, we plan to maintain sustainability and achieve profitability by (i) driving sustainable revenue growth and business scale, more specifically, to (a) strengthen our industry leading position in industrial intelligent robotic solution sector; (b) upgrade and optimize our robotic solutions; (c) strengthen collaborations with existing customers and attract new customers; and (d) further expand overseas markets; and (ii) continually improving profitability by (a) enhancing product competitiveness; (b) increasing modular and configurable designs of our robotic products, (c) optimizing product costs, and (d) reducing robotic solution deployment costs. See “Business — Path to Profitability.”

INTELLECTUAL PROPERTY

We believe that we have significant capabilities in development and commercialization of industrial intelligent robotics. We regard our patents, trademarks, copyrights, know-how, proprietary technologies, domain names, and similar intellectual property as critical to our continued success.

As of the Latest Practicable Date, we had 155 issued patents and 57 pending patent applications in the PRC. As of the Latest Practicable Date, we had 11 copyrights and 19 registered trademarks in use in the PRC, one registered trademark in Hong Kong, and four international domain. Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material disputes or claims for infringement upon third parties’ intellectual property rights. Based on the Joint Sponsors’ due diligence, the Joint Sponsors are not aware of any circumstances suggesting the contrary to the above. See the section headed “Appendix VI — Statutory and General Information — 2. Further Information about Our Business — 2.2. Our Intellectual Property Rights” in this document for more information of intellectual property rights that are material to our business and the sections headed Risk Factors — Risks Related to Our Business and Industry — If third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and financial penalties and may have to redesign or discontinue selling relevant products or solutions” in this document for more information of risks related to third-party intellectual property disputes.

RISKS AND CHALLENGES

We are a Specialist Technology Company seeking to [REDACTED] on the Main Board of the Stock Exchange under Chapter 18C of the Listing Rules. We are at a relatively early stage of commercialization of our robotic solutions, robots and other related products, as we only met the revenue requirement as set out in Rule 18C.03(4) of the Listing Rules in 2024 following our revenue growth during the Track Record Period. In addition, we recorded net losses during the Track Record Period. We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control.

SUMMARY

Our operations and the [REDACTED] involve certain risks and uncertainties, including (i) risks related to our business and industry, (ii) risks related to doing business in China, and (iii) risks relating to the [REDACTED] and our Shares, which are set out in the section headed “Risk Factors” in this document. You should read that section in its entirety carefully before you decide to invest in the [REDACTED]. Some of the major risks we face include, but are not limited to: (i) we operate in an emerging market, which involves significant risks and uncertainties. The full potential of the industrial intelligent robotics market is yet to be fully realized; (ii) we cannot ensure that there will be sufficient future market adoption of our industrial intelligent robotic solutions, nor can we ensure that the industry will develop in our favor; (iii) our limited operating history; (iv) we may not be able to sustain our historical growth rates; (v) we have incurred net loss during the Track Record Period; (vi) we had net cash outflows from operating activities during the Track Record Period; (vii) we cannot guarantee that our business development strategies will be successfully implemented or bring about outcomes as we expected; (viii) if we fail to acquire new customers or retain existing customers, our business, financial conditions and results of operations may be materially and adversely affected; (ix) we operate in a competitive market subject to an evolving landscape, our business is characterized by rapid changes as well as new and disruptive technologies; (x) we have been and intend to continue investing heavily in our R&D and such investments may not yield the results we expect.

RECENT DEVELOPMENTS

For the six months ended June 30, 2026, the shipment volume of our robots have reached 1,845 units, compared to 1,032 units for the same period of 2025, and the shipment volume of robots sold under robotic solutions have reached 1,613 units, compared to 905 units for the same period of 2025. Such increases were primarily due to the overall growth in our business scale.

Our Directors have confirmed that as of the date of this document there has been no material adverse change in our financial, operational or [REDACTED] position, indebtedness, contingent liabilities or prospects since December 31, 2025, being the end date of our latest audited financial statements, and there has been no event since December 31, 2025 that would materially affect the information shown in the Accountants’ Report set out in Appendix I to this document.

[REDACTED]

SUMMARY

[REDACTED]

FUTURE PLANS AND USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the stated range of the [REDACTED] of between HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED]), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting the [REDACTED], fees and other estimated expenses payable by us in connection with the [REDACTED], assuming [REDACTED] is not exercised.

We intend to use the net [REDACTED] from the [REDACTED] for the following purposes and in the amounts set out below, subject to changes in light of our evolving business needs and changing market conditions:

- (a) Research and Development: approximately [REDACTED]%, or HK\$[REDACTED], is expected to be used to advance our core robotic technology platform, robotic products and the RoboVerse system and develop relevant proprietary robotics technologies;
- (b) Sales and Service Network Expansion and Brand Promotion: approximately [REDACTED]%, or HK\$[REDACTED], is expected to be used to establish and fortify our sales and service networks both domestically and internationally, while also enhance our robotic solution deployment capabilities, and promote our brand;
- (c) Development of Manufacturing Capabilities and New Production Lines: approximately [REDACTED]%, or HK\$[REDACTED], is expected to be used for the development of manufacturing capabilities and new production lines;
- (d) General Corporate Purposes and Working Capital: approximately [REDACTED]%, or HK\$[REDACTED], is expected to be used for working capital and other general corporate purposes to support our business operation and growth.

The above allocation of the net [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the mid-point of the estimated [REDACTED] range. To the event that our net [REDACTED] are either more or less than expected, we will increase or decrease the allocation of the net [REDACTED] to the above purposes on a pro rata basis. For further details, please refer to the section headed “Future Plans and Use of [REDACTED]” in this Document.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the [REDACTED] for the granting of the [REDACTED] of, and permission to deal in, the Shares in issue and to be issued pursuant to (1) the [REDACTED], (2) the exercise of the [REDACTED] and (3) the Conversion of Domestic Shares into H Shares on the basis that, among other things, we satisfy the requirement under Rule 18C.03 of the Listing Rules as a Commercial Company (as defined in the Listing Rules) with reference to our expected market capitalization at the time of [REDACTED], which, based on the [REDACTED], exceeds HK\$4 billion.

SUMMARY

[REDACTED] EXPENSES

Our [REDACTED] expenses mainly include (i) [REDACTED] expenses, such as [REDACTED], and (ii) [REDACTED] expenses, comprising professional fees paid to our legal advisors and Reporting Accountants for their services rendered in relation to the [REDACTED] and the [REDACTED], and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total [REDACTED] expenses (based on the mid-point of the [REDACTED] Range and assuming that the [REDACTED] is not exercised) for the [REDACTED] are approximately HK\$[REDACTED] million, accounting for approximately of [REDACTED]% of our gross [REDACTED]. Among such estimated total [REDACTED] expenses, we expect to pay [REDACTED] expenses of HK\$[REDACTED] million, professional fees for our legal advisors and Reporting Accountants of HK\$[REDACTED] million and other fees and expenses of HK\$[REDACTED] million. During the Track Record Period, an amount of HK\$[REDACTED] million and HK\$[REDACTED] million for the [REDACTED] expenses has been expensed through the statement of profit or loss for the year ended December 31, 2025 and the four months ended April 30, 2026, respectively, and no [REDACTED] expenses has been incurred for the two years ended December 31, 2024. The remaining estimated amount of HK\$[REDACTED] million for our [REDACTED] expenses, accounting for approximately [REDACTED]% of our gross [REDACTED], is expected to be expensed through the statement of profit or loss and HK\$[REDACTED] million is expected to be recognized directly as a deduction from equity upon the [REDACTED].

DIVIDENDS AND DIVIDEND POLICY

During the Track Record Period, no dividend has been paid or declared by our Company. Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. We currently do not have any dividend policy or fixed dividend pay-out ratio. As confirmed by the PRC Legal Advisor, according to relevant PRC laws, when a company distributes its after-tax profit for the current year, 10% of the profit shall be accrued and included in the company’s statutory reserve. Such accrual is no longer required when the accumulated amount of the company’s statutory reserve is 50% or more of the company’s registered capital. Where the accumulative amount of the company’s statutory reserve is not enough to make up for the losses of the previous year, the current year’s profits shall first be used to make up for the losses before the statutory reserve is accrued. We will, therefore, only be able to declare dividends after: (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.