Application Proof of

Standard Robots (Wuxi) Co., Ltd.
斯坦德機器人(無錫)股份有限公司

(the "**Company**")

(A joint stock company incorporated in the People's Republic of China with limited liability)

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Standard Robots (Wuxi) Co., Ltd.
斯坦德機器人(無錫)股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Total number of [REDACTED] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to reallocation)**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to reallocation and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per H Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on [REDACTED] and subject to refund on final [REDACTED])**
Nominal value	**:**	**RMB0.10 per H Share**
[REDACTED]	**:**	**[REDACTED]**

***Joint Sponsors,* [REDACTED]**

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[REDACTED]

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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 **[REDACTED]** *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* **[REDACTED]** *in companies such as ours. Your* **[REDACTED]** *decision should be made in light of these considerations.*

There are risks associated with any **[REDACTED]**. *Some of the particular risks in* **[REDACTED]** *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* **[REDACTED]** *in the* **[REDACTED]**.

OVERVIEW

We are a global leader in industrial intelligent mobile robotic solutions, dedicated to empowering smart factories across a wide range of industrial scenarios. We are also a pioneer in industrial embodied intelligence robotic solutions. Our tailored one-stop robotic solutions comprise our core robotic technology platform, our industrial intelligent multi-functional robotic products and our all-in-one intelligent collaborative system, the RoboVerse system. In the year ended December 31, 2024, we were the world's fifth largest provider of the industrial intelligent mobile robotic solutions and the world's fourth largest provider of the industrial embodied intelligence robotic solutions by sales volume, according to CIC. Our premier solutions are 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 2024: second largest in the computer, communication and consumer electronics (3C) sector, second largest in the automotive sector and fifth largest in the semiconductor sector, 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 a pioneer of industrial intelligent robotic systems engineering in China and we were also one of the first in China to have developed our proprietary robotic operating system for industrial intelligent robots. We were among the first companies to launch simultaneous localization and map (SLAM) technology, according to CIC. We were also one of the first in the industry to have developed algorithms such as vision language action (VLA) for industrial scenarios, according to the same source. Our first-in-class advancements 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-robotic coordinative technologies, our robots possess collaborative intelligence. Building on our industry-leading robotic technology and leveraging artificial intelligence (AI) and proprietary data from actual industrial scenarios, we were among the first in China to have achieved world modeling and collaborative intelligence in industrial robotic systems, according to CIC. According to CIC, we are one of the few companies to have developed the capability of scheduling over 2,000 robots in a single simulated scenario. There are typically no more than 500 robots involved in a single real-world industrial scenario. Leveraging cutting-edge technologies, we stand at the forefront of robotic technologies to deliver high-performance solutions across a wide range of industrial scenarios.

OUR BUSINESS MODEL

During the Track Record Period, our revenue was primarily derived from sales of our robotic solutions, and to a lesser extent, from the sales of individual robots and related accessories domestically and internationally.

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 products ("**N**") and our all-in-one 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.

  (i) Standard robots, powered by our proprietary algorithms — including localization, navigation and control algorithms — can be seamlessly deployed in new scenarios without requiring any modifications to the specific scenario. As customer workflows change and evolve, standard robots can be efficiently redeployed to meet changing needs. Furthermore, they are equipped with a comprehensive set of external interfaces, enabling flexible and versatile functional extensions.

(ii) Functional robots, including lifting robots, transport robots, forklift robots and tugger robots, are engineered to adapt and perform efficiently in a variety of operational scenarios. By incorporating additional modules into the core robotic technology platform, these robots are equipped with advanced capabilities tailored to specific functional requirements.

(iii) Embodied robots, including LINK, our classic industrial embodied robots, and DARWIN, our advanced embodied robots, enhance flexibility through increased degrees of freedom and enable more general capabilities through artificial general intelligence (AGI). These robots are designed to adapt to and perform a series of complex tasks in a wide range of industrial scenarios. Our embodied robots are versatile tools used in manufacturing sectors, enabling humans and machines to work together seamlessly and safely.

- Our RoboVerse System is an all-in-one intelligent collaborative system. It comprises three constituent sub-systems, Robo-World, Robot-Set, and Robo-Team creates a comprehensive ecosystem.

Our RoboVerse system is used by our customers and us throughout pre-sales, delivery, and operational phases. In the pre-sales phase, we gain an in-depth understanding of the customers' needs. Based on the understanding obtained in this phase, we simulate the digital industrial scenario, the operation process of the robot cluster in the customer's factory based on production materials and layout, and the collaboration of robot cluster with dynamic task changes. We then select the appropriate models and quantities of robots, and formulate tailored intelligent robotic solutions particular to each of our customers. In the delivery phase, we manufacture and deliver robots to the site and deploy our robotic solutions. We deploy an actual digital model of the factory, assign production tasks based on production needs, schedule and manage robot operations on-site, achieving coordinated scheduling with existing personnel. In the operational phase, our customers use our robotic solutions to achieve robots-centric smart manufacturing.

Our robotic solutions have been commercialized. 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 by adding components, software, and custom engineering to serve their clients' end applications. Our customers are mainly in Chinese mainland.

All of our (i) robotic solutions and (ii) individual robots and related accessories fall under the acceptable sectors of a Specialist Technology Industry as defined under Chapter 18C of the Listing Rules. We have adopted a transaction-based model for the sales (i) robotic solutions and (ii) individual robots and related accessories. 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.

OUR CORE TECHNOLOGIES

According to CIC, we are one of the few enterprises in the industry with self-developed full-stack technologies. We have successfully developed robotic technologies featuring intelligence, efficiency, and reliability and safety. Leveraging cutting-edge technologies, we stand at the forefront of robotic technologies to deliver tailored one-stop solutions comprising our core robotic technology platform, our industrial intelligent robotic products and the RoboVerse System.

Our core technologies include:

- Core controller;
- Robot Operating System-SROS;
- Localization, Navigation & Control Algorithms;
- Perception & Manipulation Framework;
- Robotic Systems Engineering;
- Industrial Scene-Oriented World Modeling Technology; and
- Mass Scale Multi-Robotic Coordinative Technology

Our core robotic technology platform consists of our core controller, our operating system, namely 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, robust, 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 first-in-class advancements in individual in technologies infuse intelligence into our robots, enabling them to think, adapt and perform tasks with autonomy.

Drawing on years of experience in research, development, and delivery of industrial intelligent robotic solutions, we have established full-stack robotic systems engineering capabilities, which enable us to design our industrial intelligent robots in a modular design, cost-effective, and efficient manner.

Our RoboVerse system is based on self-developed industrial scene-oriented world modeling and mass scale multi-robotic coordinative 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-robotic coordinative 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.

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed to our success and differentiated us from our competitors:

- Market leadership in industrial intelligent mobile robotic solutions and industrial embodied intelligence robotic solutions;
- Self-developed robotic technologies featuring intelligence, efficiency, and reliability and safety;
- Premier solutions for smart manufacturing across a wide range of industrial scenarios;
- Extensive deployment by leading enterprises; and
- 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:

- Increase investment in the research and development (R&D) of industrial embodied intelligence technologies;

- Deepen our expertise in industrial intelligent robotic solutions, particularly in industrial embodied intelligence robotic solutions;

- Enhance in-house manufacturing capabilities to support sustained growth; and

- Expand our influence among current and future customers, domestically and internationally

OUR MARKET OPPORTUNITIES AND COMPETITION

Driven by the demand for smart manufacturing system upgrades, robust downstream demand growth, rising labor costs, maturing supply chain and industrial ecosystem and strengthened policy support, the global market size of industrial intelligent mobile robotic solutions increased from RMB5.8 billion in 2020 to RMB15.3 billion in 2024, with a compound annual growth rate (CAGR) of 27.2%, and is expected to further increase to RMB81.4 billion in 2029, with a CAGR of 39.8% from 2024 to 2029, 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 RMB0.4 billion in 2020 to RMB1.4 billion in 2024, representing a CAGR of 39.5%, and is projected to increase to RMB15.2 billion in 2029 at a CAGR of 61.1%.

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 2024, the top five participants collectively account for 48.4% of the market share. In this highly competitive sector, we were the world's fifth largest provider of industrial intelligent mobile robotic solutions by sales volume in 2024, according to CIC. The global industrial embodied intelligence robotic solution industry is very fragmented. In terms of relevant robot units sold of global industrial embodied intelligence robotic solutions in 2024, the top five participants collectively account for 11.6% of the market share. In this highly competitive sector, we are the world's fourth largest provider of the industrial embodied intelligence robotic solutions by sales volume in 2024, according to CIC. 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 by adding components, software, and custom engineering to serve their clients' end applications. For the years ended December 31, 2022, 2023 and 2024, our top five customers collectively accounted for 26.0%, 36.8% and 41.3%, 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, Light Detection and Ranging (LiDAR), structural components, forklifts and charging pile. For the years ended December 31, 2022, 2023 and 2024, our purchases from our five largest suppliers accounted for 35.2%, 27.7% and 37.7% of our total procurement amount, respectively.

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]** 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.

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.

	Year ended December 31,		
	2022	2023	2024
		(RMB in thousands)	
Revenue	96,275	162,166	250,522
Cost of sales	(83,893)	(110,997)	(153,364)
Gross profit	**12,382**	**51,169**	**97,158**
Other income and gains	7,292	7,080	7,920
Selling and marketing expenses	(57,695)	(57,358)	(64,595)
Administrative expenses	(21,005)	(25,466)	(23,575)
R&D expenses	(55,525)	(56,098)	(36,611)
Impairment losses on financial assets	(10,504)	(14,709)	(22,853)
Other expenses	(101)	(2,634)	(1,208)
Finance costs	(2,458)	(2,332)	(1,380)
Loss before tax	**(127,614)**	**(100,348)**	**(45,144)**
Income tax expense	—	—	—
Loss for the year	**(127,614)**	**(100,348)**	**(45,144)**
Attributable to owners of the parent	**(127,614)**	**(100,348)**	**(45,144)**

Non-HKFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with HKFRSs, we also use adjusted net loss 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 profit as profit for the year adjusted by adding back share-based payment expenses. The following table reconciles our adjusted net loss presented to the most directly comparable financial measure calculated and presented in accordance with HKFRSs, which is loss for the year.

	Year ended December 31,		
	2022	2023	2024
	(RMB in thousands)		
Loss for the year	(127,614)	(100,348)	(45,144)
Add:			
— Equity-settled share-based payment expenses[1]	3,907	5,417	5,806
Adjusted net loss *(non-HKFRS measure)*	**(123,707)**	**(94,931)**	**(39,338)**

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.

Revenue

During the Track Record Period, our revenue was primarily derived from our robotic solutions, and to a lesser extent, from the sales of individual robots and other related products. The following table sets forth our revenue breakdown by business model in absolute amount and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Robotic solutions	85,307	88.6	141,982	87.6	228,087	91.0
Robots and others[1]	10,968	11.4	20,184	12.4	22,435	9.0
Total	**96,275**	**100.0**	**162,166**	**100.0**	**250,522**	**100.0**

Note:

(1) Primarily represents the revenue derived from the sales of individual robots and related accessories.

Our revenue increased by 68.4% from RMB96.3 million in 2022 to RMB162.2 million in 2023, mainly attributable to the release of pent-up customer demand in 2022, which led to a substantial increase in orders. Consequently, our sales volume of robots increased from 725 units to 1,212 units during this period. Our revenue further increased by 54.5% from RMB162.2 million in 2023 to RMB250.5 million in 2024, 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.

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,					
	2022		2023		2024	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB in thousands)	%	*(RMB in thousands)*	%	*(RMB in thousands)*	%
Robotic solutions	8.706	10.2	36,800	25.9	80,678	35.4
Robots and others	3,676	33.5	14,369	71.2	16,480	73.5
Total	**12,382**	**12.9**	**51,169**	**31.6**	**97,158**	**38.8**

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,		
	2022	2023	2024
		(RMB in thousands)	
Total current assets	189,273	216,331	277,442
Total non-current assets	41,790	18,545	28,337
Total assets	**231,063**	**234,876**	**305,779**
Total current liabilities	212,305	141,204	159,503
Total non-current liabilities	16,868	8,000	5,809
Total liabilities	**229,173**	**149,204**	**165,312**
Net assets	**1,890**	**85,672**	**140,467**

During the Track Record Period, our net assets continued to increase. Our net assets increased from RMB1.9 million as of December 31, 2022 to RMB85.7 million as of December 31, 2023, and further increased to RMB140.5 million as of December 31, 2024, mainly because the capital injection from our Shareholders in the same years. 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."

Summary of Consolidated Statements of Cash Flows

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

	As of December 31,		
	2022	2023	2024
		(RMB in thousands)	
Net cash flows used in operating activities	(89,777)	(120,123)	(27,184)
Net cash flows from/(used in) investing activities	5,207	(2,980)	(28,038)
Net cash flows from financing activities	43,844	126,415	105,094
Net (decrease)/increase in cash and cash equivalents	**(40,726)**	**3,312**	**49,872**
Cash and cash equivalents at beginning of year	70,774	30,129	33,454
Effect of foreign exchange rate changes, net	81	13	32
Cash and cash equivalents at end of year	**30,129**	**33,454**	**83,358**

Our net cash used in operating activities in 2022, 2023 and 2024 was RMB89.8 million, RMB120.1 million and RMB27.2 million, respectively. During the Track Record Period, we consistently recorded net cash outflows from operations with fluctuations, primarily due to our net losses for the relevant year, as reflected in the procurement of raw materials and inventories and increase in trade receivables as we scaled our operations. 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.

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 RMB9.2 million, RMB11.2 million and RMB2.8 million in 2022, 2023 and 2024, respectively. We had a relatively high cash burn rate in 2023, primarily due to significant outflows for settling outstanding supplier payables accumulated in prior years. In 2024, we observe a notable reduction in the cash burn rate, attributable to (i) the delayed benefits of prior cost-saving measures materializing through leaner operations, and (ii) strategic business mix optimization, with increased share of high-margin orders, facilitating faster cash conversion. We had cash and cash equivalents, time deposits, financial assets at FVTPL and unutilized banking facilities of RMB116.5 million in aggregate as of December 31, 2024. We estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** million after deducting the estimated **[REDACTED]** commissions and other fees and expenses paid and payable by us in connection with the **[REDACTED]**, assuming no **[REDACTED]** is exercised and assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** range as set out in this document. Assuming that the average cash burn rate going forward will be RMB2.8 million, similar to the cash burn rate level in 2024, although which is 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, time deposits, financial assets at FVTPL and unutilized banking facilities as of December 31, 2024 will be able to maintain our financial viability for approximately **[REDACTED]** months or, if we take into account **[REDACTED]** 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.

Key Financial Ratios

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

	As of/For the Year ended December 31,		
	2022	2023	2024
Gross profit margin(1)	12.9%	31.6%	38.8%
Net loss margin(2)	(132.6)%	(61.9)%	(18.0)%
Current ratio(3)	0.9	1.5	1.7
Quick ratio(4)	0.4	0.7	1.4

Notes:

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

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

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

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

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 120 issued patents and more than 50 pending patent applications in the PRC. As of the Latest Practicable Date, we had 11 copyrights, 16 registered trademarks and one registered domain name in use in the PRC. 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.

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.

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

Our business has continued to gain momentum following the Track Record Period. In the four months ended April 30, 2025, the shipment volume of our robots have reached 650 units, driven by strong market demand and reflecting our ability to capture growing market opportunities and strong growth potential. In addition, since early 2025, we have made several advancements in the development of our robotic solutions. For example, we launched DARWIN in May 2025, our first humanoid embodied intelligence robot, integrating over 23 degrees of freedom and precision hyper-joint designs in total and featuring an innovative omnidirectional chassis.

Our Directors have confirmed that as of the date of this document there has been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since December 31, 2024, being the end date of our latest audited financial statements, and there has been no event since December 31, 2024 that would materially affect the information shown in the Accountants' Report set out in Appendix I to this document.

[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$**[REDACTED]** per **[REDACTED]**), we estimate that we will receive net proceeds of approximately HK$**[REDACTED]** million from the **[REDACTED]** after deducting the **[REDACTED]** commissions, fees and other estimated expenses payable by us in connection with the **[REDACTED]**, assuming **[REDACTED]** is not exercised.

We intend to use the net proceeds 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]** million, 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]** million, 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]** million, 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]** million, 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.

[REDACTED]

[REDACTED] EXPENSES

Our **[REDACTED]** expenses mainly include (i) **[REDACTED]**-related expenses, such as **[REDACTED]** fees and commissions, and (ii) non-**[REDACTED]**-related 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$**[REDACTED]** million, accounting for approximately of **[REDACTED]**% of our gross **[REDACTED]**. Among such estimated total **[REDACTED]** expenses, we expect to pay **[REDACTED]**-related expenses of HK$**[REDACTED]** million, professional fees for our legal advisors and Reporting Accountants of HK$**[REDACTED]** million and other fees and expenses of HK$**[REDACTED]** million. An estimated amount of HK$**[REDACTED]** million for our **[REDACTED]** expenses, accounting for approximately **[REDACTED]**% of our gross **[REDACTED]**, is expected to be expensed through the statement of profit or loss and the remaining amount of HK$**[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. There will be no assurance that our Company will be able to declare or distribute any dividend in the future.

In this document, unless the context otherwise requires, the following terms and expressions have the meanings set forth below.

"Acting-in-Concert Agreement"	the acting in concert agreement entered into between Mr. Wang and Mr. Li on September 26, 2018 which has been subsequently replaced by the acting-in-concert agreement on April 1, 2025. For details, see "History and Corporate Structure — Acting-in-Concert Arrangement"
"affiliate"	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	Accounting and Financial Reporting Council
"Articles of Association" or "Articles"	the articles of association of our Company, as amended, which shall become effective on the **[REDACTED]**, a summary of which is set out in Appendix V to this document
"Audit Committee"	audit committee of the Board
"Board" or "Board of Directors"	the Board of Directors of our Company
"Business Day" or "business day"	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business to the public
"CAC"	The Cyberspace Administration of China (國家互聯網信息辦公室)
"**[REDACTED]**" or "**[REDACTED]**" or "CMI(s)"	the **[REDACTED]** identified in "Directors and Parties Involved in the **[REDACTED]**"
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"China" or "PRC"	the People's Republic of China, excluding, for the purpose of this document only, Hong Kong, Macau and Taiwan

"CIC" or "Industry Consultant"	China Insights Industry Consultancy Limited (灼識企業管理諮詢(上海)有限公司)), our industry consultant, an independent market research and consulting company
"CIC Report"	the independent industry report commissioned by our Company and prepared by CIC
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Standard Robots (Wuxi) Co., Ltd (斯坦德機器人(無錫)股份有限公司), incorporated under the PRC laws on June 14, 2016 as a limited liability company and converted into a joint stock company under the PRC laws on May 29, 2025
"Company Law" or "PRC Company Law"	Company Law of the People's Republic of China (中華人民共和國公司法) as amended, supplemented or otherwise modified from time to time, which was last amended on December 29, 2023 to take effect on July 1, 2024
"Controlling Shareholders"	refers to Mr. Wang, Mr. Li and Standard Automation
"Conversion of Domestic Shares into H Shares"	the conversion of 221,052,630 Domestic Shares into H Shares (taking into account the Share Subdivision) on a one-for-one basis upon the completion of the **[REDACTED]**. Such conversion of Domestic Shares into H Shares [has been] approved by the CSRC on [•] and an **[REDACTED]** for H Shares to be **[REDACTED]** on the Stock Exchange [has been] made to the **[REDACTED]**
"CSDC"	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)

"Director(s)"	the director(s) of our Company
"Domestic Shares"	ordinary Shares in the share capital of our Company with a nominal value of RMB0.10 each (taking into account the Share Subdivision), which are subscribed for and paid up in RMB and are unlisted Shares not currently listed or traded on any stock exchange
"EIT"	the PRC enterprise income tax
"EIT Law"	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), as amended, supplemented or otherwise modified from time to time
"European Union"	a political and economic union of 27 member countries located primarily in Europe
"Exchange Participant(s)"	a person: (a) who, in accordance with the Listing Rules, may trade on or through the Stock Exchange; and (b) whose name is entered in a list, register or roll kept by the Stock Exchange as a person who may trade on or through the Stock Exchange
"Extreme Conditions"	Extreme conditions caused by a super typhoon as announced by the government of Hong Kong

[REDACTED]

"General Rules of HKSCC"	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
"**[REDACTED]**"	the **[REDACTED]** and the **[REDACTED]**
"Group," "our Group," "we" or "us"	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)

"Guide"	Guide for New Listing Applicants issued by the Stock Exchange in December 2023, as amended from time to time
"H Share(s)"	overseas-listed foreign shares in the share capital of our Company with nominal value of RMB0.10 each (taking into account the Share Subdivision), which are to be **[REDACTED]** for and **[REDACTED]** in HK dollars and are to be **[REDACTED]** on the Stock Exchange

[REDACTED]

"HK$" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS(s)" or "HKFRS Accounting Standards"	Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards and Interpretations, issued by the Hong Kong Institute of Certified Public Accountants

[REDACTED]

[REDACTED]

"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC

[REDACTED]

"independent third party(ies)"	person(s) or company(ies), who/which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is/are not connected person(s) of our Company within the meaning ascribed thereto under the Listing Rules

[REDACTED]

"Joint Sponsors"	CITIC Securities (Hong Kong) Limited and Guotai Junan Capital Limited

[REDACTED]

"key customer(s)"	the customer(s) from whom revenue generated by our company exceed RMB1 million in a year
"Latest Practicable Date"	June 15, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[REDACTED]

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
"MIIT"	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Li"	Mr. Li Hongxiang (李洪祥), our co-founder, a member of our Controlling Shareholders, executive Director and Chief Technology Officer
"Mr. Wang"	Mr. Wang Yongkun (王永錕), our founder, a member of our Controlling Shareholders, chairman of our Board, executive Director and Chief Executive Officer

"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of our Board
"OEM"	original equipment manufacturer

[REDACTED]

"**[REDACTED]**"	the **[REDACTED]** and the **[REDACTED]**, together with, where relevant, any additional H Shares which may be **[REDACTED]** by our Company pursuant to the exercise of the **[REDACTED]**

[REDACTED]

"Pathfinder SII(s)"	has the meaning ascribed to it in Chapter 2.5 of the Guide
"PRC GAAP"	generally accepted accounting principles in the PRC
"PRC Legal Advisor"	Han Kun Law Offices, being the legal advisor of our Company as to the PRC laws

"Pre-**[REDACTED]** Investor(s)"	the investor(s) from whom our Company obtained several rounds of investments, details of which are set out in the section headed "History and Corporate Structure — Pre-**[REDACTED]** Investments" in this document

[REDACTED]

"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration Committee"	the remuneration committee of our Board
"Reporting Accountants"	Ernst & Young
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
"SAT"	State Taxation Administration of the PRC (中華人民共和國國家稅務總局)
"SCNPC"	the Standing Committee of the National People's Congress of the PRC (中華人民共和國全國人民代表大會常務委員會)
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary shares in the capital of our Company with a nominal value of RMB0.10 each, upon the completion of the Share Subdivision; before the completion of the Share Subdivision, ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each

"Share Subdivision"	the sub-division of the Shares by our Company where our Company subdivided its Share from one Share of RMB1.0 each into ten Shares of RMB0.10 each, which will become effective immediately prior to **[REDACTED]**
"Shareholder(s)"	holder(s) of the Share(s)
"Sophisticated Independent Investor(s)"	has the meaning ascribed thereto under the Listing Rules

[REDACTED]

"Standard Automation"	Standard Automation (Shenzhen) Studio (Limited Partnership) (斯坦德自動化(深圳)工作室(有限合夥)), a limited liability partnership established in the PRC on April 10, 2017 as a share incentive platform, of which Mr. Wang is the general partner and a member of our Controlling Shareholder
"Standard Robots (Kunshan)"	Standard Robots (Kunshan) Co., Ltd. (斯坦德機器人(昆山)有限公司), a limited liability company established in the PRC on March 8, 2021, a direct wholly-owned subsidiary of our Company
"Standard Robots Intelligence (Shenzhen)"	Standard Robots Intelligence (Shenzhen) Co., Ltd. (斯坦德機器人智能(深圳)有限公司), a limited liability company established in the PRC on April 10, 2025, a direct wholly-owned subsidiary of our Company
"Standard Robots Technology (Wuxi)"	Standard Robots Technology (Wuxi) Co., Ltd. (斯坦德機器人科技(無錫)有限公司), a limited liability company established in the PRC on July 22, 2024, a direct wholly-owned subsidiary of our Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time

"Track Record Period"	the three years ended December 31, 2024

[REDACTED]

"United Kingdom"	The United Kingdom of Great Britain and Northern Ireland
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. Securities Act"	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"US$," "USD" or "U.S. dollars"	United States dollars, the lawful currency of the United States

[REDACTED]

"%"	percent

In this document, the terms "associate," "close associate," "connected person," "core connected person," "connected transaction," "subsidiaries" and "substantial shareholder" shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this document in both the Chinese and English languages; in the event of any inconsistency, the Chinese versions shall prevail.

GLOSSARY

This glossary contains certain technical terms used in this document in connection with us and our business. Such terms and their meaning may not correspond to standard industry definitions or usage.

"AGI"	artificial general intelligence, a type of AI that possesses the ability to understand, learn, and apply knowledge across a wide range of tasks at a level comparable to that of a human being
"AGV"	automated guided vehicles, portable robots move along a specific, defined paths with markers
"AI"	artificial intelligence
"algorithm"	a step-by-step procedure or set of rules, often implemented in computer code, designed to perform a specific task or solve a particular problem
"AMR"	autonomous mobile robots, which are robots designed to independently navigate environments without human intervention, utilizing sensors and algorithms to perceive their surroundings, make decisions and move
"CAGR"	compound annual growth rate
"Tonne CO_2e"	tonnes of carbon dioxide equivalent
"CPU"	a central processing unit
"GPU"	a graphics processing unit
"IL"	imitation learning, a machine learning approach where an agent learns to perform tasks by observing and mimicking expert demonstrations, aiming to replicate human-like decision-making and behavior
"IT"	information technology
"IPQC"	in-process quality control, which refers to the procedures and measures implemented during the manufacturing process to ensure that products meet specified quality standards before they reach the final stage of production

"kWh"	kilowatt-hour
"LiDAR"	Light Detection and Ranging, a remote sensing technology that measures distances by illuminating the target with laser light and analyzing the reflected light
"LLM"	large language models, a category of foundation models trained on immense amounts of data making them capable of understanding and generating natural language and other types of content to perform a wide range of tasks
"MCU"	a microcontroller unit
"R&D"	research and development
"RL"	reinforcement learning, a machine learning approach where an agent learns to make decisions by interacting with an environment, aiming to maximize cumulative rewards through trial and error
"S&OP"	sales and operations planning
"single-piece flow"	a manufacturing process where products are produced and moved through each step of the production process one at a time, rather than in batches
"SLAM"	simultaneous localization and map, a computational technology used by robots to build a map of an environment while simultaneously determining their location for navigation and spatial awareness
"VLA"	vision language action, a type of AI model that integrates computer vision, language, and action-based system to understand and interpret visual data, process and generate human language, and perform specific actions
"1+N+S = ∞"	the philosophy of our robotic solutions description in "Business" in this document
"3C"	computer, communication and consumer electronics

FORWARD-LOOKING STATEMENTS

We have included in this document forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This document contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties, including the risk factors described in this document. Forward-looking statements can be identified by words such as "may," "will," "should," "would," "could," "believe," "expect," "anticipate," "intend," "plan," "continue," "seek," "estimate," or the negative of these terms or other comparable terminology. Examples of forward-looking statements include, but are not limited to, statements we make regarding our projections, business strategy and development activities as well as other capital spending, financing sources, the effects of regulation, expectations concerning future operations, margins, profitability and competition. The foregoing is not an exclusive list of all forward-looking statements we make.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. We give no assurance that these expectations and assumptions will prove to have been correct. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. We caution you therefore against placing undue reliance on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global political, economic, business, competitive, market and regulatory conditions and the following:

- our business prospects;
- our business strategies and plans to achieve these strategies;
- future developments, trends and conditions in and competitive environment for the industries and markets in which we operate;
- general economic, political and business conditions in locations where we operate;
- our financial condition and performance;
- our capital expenditure plans;
- our dividend policy;

- changes to the regulatory environment, policies, operating conditions of and general outlook in the industries and markets in which we operate;

- our expectations with respect to our ability to acquire and maintain regulatory licenses or permits;

- the extent and nature of, and potential for, future development of our business;

- the actions of and developments affecting our competitors;

- the actions of and developments affecting our major customers and suppliers; and

- certain statements in the sections headed "Risk Factors," "Industry Overview," "Regulatory Overview," "Business," "Financial Information," "Relationship with our Controlling Shareholders" and "Future Plans and Use of **[REDACTED]**" with respect to trends in interest rates, foreign exchange rates, prices, volumes, operations, margins, risk management and overall market trends.

Any forward-looking statement made by us in this document speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. Subject to the requirements of applicable laws, rules and regulations, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise. All forward-looking statements contained in this document are qualified by reference to this cautionary statement.

An* [REDACTED] *in our H Shares involves a high degree of risk. You should carefully consider the following information about risks, together with the other information contained in this document, including our consolidated financial statements and related notes, before you decide to* [REDACTED] *our H Shares. If any of the circumstances or events described below actually arises or occurs, our results of operations, financial performance and business prospects may suffer. In any such case, the market price of our H Shares could decline and you may lose all or part of your* [REDACTED]. *This document also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the risks described below.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

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.

The industrial intelligent robotics market is relatively new, highly dynamic and constantly evolving, and we operate in an emerging space within these markets.

The industrial intelligent robotics technologies are still at a preliminary stage of development. The full potentials of those markets are yet to be fully realized. The market may not develop as expected. Market acceptance of our solutions remains uncertain, and it is difficult for us to predict the timing and size of our opportunities. Our customers may not fully understand the value of our solutions, and potential new customers may have difficulty distinguishing our services from those of our competitors. Convincing potential customers is critical to the growth and success of our business.

In addition, similar to other frontier innovations, industrial intelligent robotics technologies present risks and challenges that could affect market perception and public opinion. Any inappropriate, abusive or premature usage of industrial intelligent robotics technologies, whether actual or perceived, whether intended or inadvertent, and whether by us or by third parties, may dissuade prospective customers from adopting industrial intelligent robotics technologies, may impair the market acceptance of industrial intelligent robotic solutions, attract negative publicity and adversely impact our reputation. It may even violate applicable laws and regulations in China and other jurisdictions and subject us to legal or administrative proceedings, pressures from activists and/or other organizations and heightened scrutiny by regulators. Each of the foregoing events may in turn materially and adversely affect our business, financial condition and results of operations.

We cannot ensure that there will be sufficient future market adoption of our industrial intelligent robotic solutions, nor can we ensure that industry developments as well as market acceptance of industrial intelligent robotic solutions will develop in our favor.

The current global industrial intelligent mobile robotic solution and industrial embodied intelligence robotic solution markets represent a significant opportunity for our solutions. The global industrial intelligent mobile robotic solution market expanded from RMB5.8 billion in 2020 to RMB15.3 billion in 2024, representing a CAGR of 27.2%. The global market size for industrial embodied intelligence robotic solutions surged from RMB0.4 billion in 2020 to RMB1.4 billion in 2024, representing a CAGR of 39.5% from 2020 to 2024. As more companies acknowledge the value of industrial intelligent robotic solutions in enhancing efficiency and reducing costs, there is a growing willingness to invest in these technologies. However, there is considerable uncertainty over the future market sizes and the rate at which these markets will grow. Although we have successfully grown demand for our industrial intelligent robotic solutions thus far, this is dependent on the trend toward the industrial intelligent robotic solutions as key component of the automation industry. Therefore, our growth is highly dependent upon the worldwide adoption by industrial manufacturers of intelligent robotic solutions. Businesses enterprises have demonstrated increasing demand to reduce labor costs, minimize errors and improve overall efficiency, leading to growing interest in industrial intelligent robotic solutions. However, this interest in our industry is dependent on general economic development, particularly in advanced industrialized economies.

We have observed a growing interest in industrial intelligent robotic solutions across various industries, driven largely by advancements in technologies, as well as the increasing emphasis on automation to optimize operational efficiency. However, should there be a deceleration in the market interest in the industrial intelligent robotic solutions, or if organizations delay the adoption of solutions, the growth of our business may be constrained, potentially impacting our financial performance. Additionally, should regulatory frameworks for industrial intelligent robotic solutions become overly stringent, creating barriers to entry or operational hurdles, there may be a decrease in the adoption of industrial intelligent robotic solutions. This could negatively affect the demand for our industrial intelligent robotic solutions, as customers may be reluctant to invest in robotics technologies under such stringent regulatory conditions. In addition, broader economic or industry trends, including shifts in automation adoption or downturns in the global industrial intelligent robotic solutions industry, could adversely impact our business, results of operations and financial condition.

Our limited operating history makes it difficult to evaluate our future prospects and the risks and challenges we may encounter.

We were founded in 2016. Our relatively limited operating history makes it difficult to evaluate our current business and prospects, and to plan for our anticipated future growth. As a result of our limited operating history, our ability to accurately forecast our future results of operations is limited and subject to a number of uncertainties, including our ability to plan for and model future growth. Our historical revenue growth should not be considered indicative of our future performance. We may encounter risks and difficulties as we compete in a novel industry, including, among other things, with respect to our ability to:

- navigate an evolving and complex regulatory environment;
- design, outfit, and produce intelligent, reliable and safe and efficient industrial intelligent robotic solutions on an ongoing basis;
- improve and enhance our software and autonomous technology;
- establish and expand our customer base;
- successfully market and properly price our robotic solutions;
- improve and maintain our operational efficiency;
- attract, retain and motivate talents;
- anticipate and adapt to changing market conditions, including technological developments and changes in competitive landscape; and
- build a well-recognized and respected brand.

Rather than relying on our historical operating and financial results to evaluate us, you should consider our business prospects in light of the risks and difficulties we may encounter as an early-stage company expanding globally. Our business, results of operations and financial condition depend in part on our ability to effectively manage our growth or implement our growth strategies.

We may not be able to sustain our historical growth rates, and our historical growth may not be indicative of our future growth or financial results.

We have achieved rapid growth during the Track Record Period. Our total revenue increased by 68.4% from RMB96.3 million in 2022 to RMB162.2 million in 2023, and further by 54.4% to RMB250.5 million in 2024. Our gross profit increased significantly from RMB12.4 million in 2022 to RMB51.2 million in 2023, and further increased by 89.8% to RMB97.2 million in 2024. There is no assurance that we will be able to maintain our historical growth rates in the future. Our growth rates may decline for a number of reasons, including but not limited to the overall economic growth of China and globally, the ongoing industrial transformation of economy of China and globally, technology development of the industrial intelligent robotics industry, development of industrial intelligent robotics technologies in China, acceptance of industrial intelligent robotics, our ability to attract and retain our customers and our ability to manage our costs and enhance operating leverage.

We cannot assure you that we will be able to effectively manage our growth or implement our business strategies. The management of our growth may place significant demands on our managerial, administrative, operational, financial and other resources. Moreover, growth could strain our ability to maintain stable manufacturing capacity and reliable service levels for our customers. Our efforts to grow our business may be more costly than we expect, and we may not be able to increase our revenue enough to offset our increased operating expenses. If the market for our solutions does not develop as we expect or if we fail to address the needs of this dynamic market, our business, results of operations and financial condition will be materially and adversely affected.

We have incurred net loss during the Track Record Period, and may not be able to achieve or subsequently maintain profitability in the future.

In 2022, 2023 and 2024, we incurred net loss of RMB127.6 million, RMB100.3 million and RMB45.1 million, respectively. We may continue to incur net loss in the future, as we are in the stage of expanding our business and operations in the rapidly growing industrial intelligent robotics market and are continuously investing in R&D. We believe that our future revenue growth will depend on, among other factors, our ability to develop new technologies, enhance customer experience, establish effective commercialization strategies, compete effectively and successfully develop new solutions. Accordingly, you should not rely on the revenues of any prior period as an indication of our future performance. We also expect our costs and expenses to increase in future periods as we continue to expand our business and operations and invest in R&D. In addition, we expect to incur substantial costs and expenses as a result of being a public company. If we are unable to generate adequate revenues and manage our expenses, we may continue to incur significant losses in the future and may not be able to achieve or subsequently maintain profitability.

We had net cash outflows from operating activities during the Track Record Period. We may not be able obtain sufficient capital on acceptable terms and on a continuous basis in the future.

We recorded net cash used in operating activities of RMB89.8 million, RMB120.1 million and RMB27.2 million in 2022, 2023 and 2024, respectively. See "Financial Information — Liquidity and Capital Resources" for details.

We cannot assure you that we will be able to generate positive cash flows from operating activities in the future. If we continue to record net operating cash outflows in the future, our working capital may be constrained, which may adversely affect our financial condition. Our future liquidity primarily depends on our ability to maintain adequate cash inflows from our operating activities and adequate external financing, such as offering and issuing securities, and/or other sources such as external debt, which may not be available on terms favorable or commercially reasonable to us or at all. If we fail to obtain sufficient funding in a timely manner and on reasonable terms, or at all, we will be in default of our payment obligations and may not be able to expand our business. As a result, our business, results of operations and financial condition may be adversely affected.

We cannot guarantee that our business development strategies will be successfully implemented or bring about outcomes as we expected.

We continue to execute a number of strategies to expand our business. However, expanding our business involves risks and challenges. These business initiatives are new and evolving, some of which may prove unsuccessful. It may also take a longer time than expected for us to develop the technologies and build market acceptance of our solutions, and we may not have sufficient experience in executing these new business initiatives effectively. We cannot assure you that any of these new business initiatives will achieve our expected market acceptance and generate desired outcome. If our efforts fail to enhance our monetization abilities, we may not be able to maintain or increase our revenues or recover any associated costs, and our business, results of operations and financial condition may be materially and adversely affected.

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.

Our ability to acquire new customers in a cost-effective manner and retain existing customers is critical to the growth of our business and our profitability. There is no guarantee that we will maintain good relationship with customers or new customers will stick with us or that the net profits from new customers will outweigh the expense of acquiring them.

During the Track Record Period, our revenue was primarily generated from providing robotic solutions to enterprise customers in the 3C, automotive and semiconductor industries. Our results of operations are highly dependent on the development and performance of these underlying industries of our customers. In addition to the development of the underlying industries of our customers, our existing customers may decline materially or fluctuate as a result of many factors, including, among other things, dissatisfaction with the operation of our robots, the price and quality of services and maintenance, negative publicity related to our brand, or alternative services offered by our competitors. If we are unable to retain our existing customers or to acquire new customers in a cost-effective manner, our business, financial conditions and results of operations may be adversely affected.

In 2022, 2023 and 2024, revenue generated from our top five largest customers accounted for 26.0%, 36.8% and 41.3% of our total revenues for the same periods, respectively. In the same periods, revenue generated from our largest customer accounted for 8.1%, 9.2% and 12.5% of our total revenues, respectively. We cannot be certain that customers that have accounted for significant revenues in past periods, individually or as a group, will continue to generate similar revenues in any future period. We may lose one or more of our key customers due to various factors, including but not limited to increased competition, material changes in such customers' operations and any deterioration in our relationship with such customers. The loss or reduction in revenues generated from key customers, any reduction, delay or cancellation of orders from one or more of our key customers, or a decision by one or more of our significant customers to select solutions provided by a competitor, would significantly and negatively impact our business, results of operations, financial condition and prospects. Additionally, the failure of our key customers to pay their current or future outstanding balances would increase our operating expenses and reduce our cash flow.

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. If we fail to meet evolving customer needs or the pace of industry innovation by improving our existing solutions and introducing new solutions in a timely and cost-effective manner, our competitive position would be impacted and our business, results of operations and financial condition may be materially adversely affected.

We primarily compete in the industrial intelligent robotic solutions market, which are characterized by high competition and constant changes, including rapid technological evolution, frequent introductions of new solutions, continual shifts in customer demands and periodic emergence of new industry standards and practices. We are also expanding our global presence in regions such as Asia-Pacific, North America and Europe. The competitive landscape of these markets is subject to ongoing evolution as it is heavily affected by the general economic, political, regulatory and social conditions of such market and the competitive advancements in technology. Despite high barriers to entry, there will be evolving uncertainties over the competitive nature of these markets as new entrants may establish themselves.

We have experienced intense competition in recent years, including with respect to pricing. We may experience further pricing pressures in our business in the future as some of our competitors may seek to obtain increased market share by price reduction. The growing competition among established players and new market entrants in the industry further exacerbates the pricing pressures we face. In addition, many of our customers who are large corporations with substantial negotiating power, stringent product standards and potential competitive internal solutions, possess strong leverage over their suppliers, including us. If we are unable to sell our solutions at desirable prices, our business, results of operations and financial condition will be adversely affected.

We also face fierce competition from other technologically advanced industrial intelligent robotic solutions providers. Our future success will depend on our ability to develop superior solutions and to maintain our leading competitive position with respect to our technological advances over our existing and any new competitors. There are significant challenges to stay competitive and we face competition from other competitors, some of which have greater resources than we do.

The market opportunities that we are pursuing are at an early stage of development, and it is difficult to predict customer demand or penetration rates for our solutions. Our technology targeting industrial intelligent robotic solutions requires significant investment and considerable time-to-market, and may not be commercially successful on a large scale in the short term, or at all. Although we have managed to accumulate demand and recognition for our solutions to a certain degree due to our investment in R&D, our future growth depends in part on the overall development trend of the industrial intelligent robotic solutions and the down stream industry acceptance of our technology. Our business is characterized by rapid changes as well as new and disruptive technologies. Competitors might introduce innovative solutions or adopt disruptive technologies that could further increase competition. The rapid pace of technological innovation poses a significant risk to our business. As disruptive technologies continue to emerge, they have the potential to reshape customer behaviors and preferences. This evolution may render our existing technology solutions obsolete, potentially diminishing our competitive edge. If we fail to adapt to these changes or invest in the necessary R&D to keep up with industry advancements, we may lose market share and face challenges in meeting customer expectations. Consequently, our financial performance and growth prospects could be adversely affected.

We have been and intend to continue investing heavily in our R&D and such investments may not yield the results we expect, and we may fail to continue to research and develop or effectively respond to the evolving technology and market dynamics of the industrial intelligent robotic solutions industry.

Our future growth depends on penetrating new markets, adapting existing solutions to new applications and customer requirements, and introducing new solutions that achieve market acceptance. We have been and intend to continue investing heavily in, and potentially increasing, R&D as part of our efforts to design, develop, manufacture and commercialize new robotic solutions and enhance existing robotic solutions. Our R&D expenses were RMB55.5 million, RMB56.1 million and RMB36.6 million 2022, 2023 and 2024, respectively.

The industrial intelligent robotic solutions industry is experiencing rapid technological changes, and we need to invest significant resources in R&D to advance our technologies such as AI technologies. To remain competitive in the market. Therefore, we expect that our R&D expenses will continue to be significant. Furthermore, R&D activities are inherently uncertain, and there can be no assurance that we will continue to achieve technological breakthroughs and successfully commercialize such breakthroughs. As a result, our significant expenditure on R&D may not generate corresponding benefits. If our R&D efforts fail to keep up with the latest technological developments, our established position in the global industrial intelligent robotic solution market could be damaged, which in turn would materially and adversely affect our business, financial condition, results of operations and prospects and we will suffer a decline in our competitive position. Any delay or setbacks in our efforts to improve industrial intelligent robotics capabilities could materially and adversely affect our business, reputation, results of operations and prospects. If we are unable to keep up with the technological developments or if new technologies render our technologies, solutions or services obsolete, customers may no longer be attracted to our solutions and services, which could cause material adverse impact on our business and financial performance.

We rely on third-party suppliers and service providers and expect to continue to do so for the foreseeable future.

We rely on third-party suppliers and service providers for raw materials, core components of our robots, transportation and other services. While these arrangements allow us to focus on our main business, there is no assurance that (i) these suppliers and service providers would operate in accordance with our instructions, policies and business guidelines, or that their service quality will not materially deteriorate, (ii) we can maintain good relationships with our suppliers and third-party service providers, (iii) they will not unilaterally increase their service prices, or (iv) there will not be any wrongdoing or misconduct by their employees or by them which would materially and adversely affect their services, or even us. There is no assurance that we can find reliable service providers who can meet our standards at scale as we continue to expand globally. Decreased availability or increased costs of logistics, transportation and supply chain service and equipment provided by third parties could impact our cost of operations and our profitability.

The purchases from our top five suppliers in each year during the Track Record Period was RMB43.3 million, RMB24.2 million and RMB32.1 million, respectively, accounting for 35.2%, 27.7% and 37.7% of our total procurement amount in the same years, respectively. The purchases from our largest supplier in each year during the Track Record Period accounted for 9.2%, 9.1% and 18.5% of our total procurement amount in the same years, respectively. The stability of operations and business strategies of our suppliers are beyond our control, and we cannot assure you that we will be able to secure a stable relationship with such suppliers. Identifying and qualifying alternative or additional suppliers and vendors is often a lengthy process and can lead to production delays, interruptions to our production and additional costs, and such alternatives are sometimes not available on commercially reasonable terms, or at all. The inability of suppliers or vendors to deliver necessary production parts, components, equipment or services can disrupt the production processes of our robots and make it more difficult for us to implement our business strategy. Suppliers and vendors periodically extend lead times, face capacity constraints, limit supplies, increase prices, experience quality issues or encounter other issues that can interrupt or increase the cost of our supply and services.

Our solutions may contain defects and fail to meet customer expectations, and our business, results of operations and reputation would be materially and adversely affected.

Our solutions may contain defects in design or manufacturing, and they may not perform as expected or require repair. The quality of our robots depends on the effectiveness of our quality control and quality assurance, which in turn depends on factors such as the quality and reliability of parts and components used, the quality of our staff and relevant training programs and our ability to ensure that our employees adhere to our quality control and quality assurance protocols. However, we cannot assure you that our quality control and quality assurance procedures will be effective in consistently preventing and resolving deviations from our quality standards. Additionally, we cannot assure you that the parts and components we procure from suppliers are safe and free of defects or can meet the relevant quality standards. We depend on the quality control procedures of our suppliers. In the event of any quality issues, we could be subject to complaints and product liability claims and we may not be able to seek indemnification from them. If we engage in legal proceedings against our suppliers, such proceedings may be time-consuming and costly regardless of the outcomes. Any of the foregoing incidents may materially and adversely affect our business, results of operations and financial condition.

Our solutions may contain latent defects and errors or be subject to external attacks. Although we aim to resolve any issues in our solutions as effectively and rapidly as possible, such efforts may not be timely or may not be to the satisfaction of our customers. Furthermore, while we have performed extensive internal testing on our solutions, we cannot assure that the robustness of our solutions at all times. We cannot assure you that our solutions are free of defects, which may manifest over time. Undetected errors, defects or security vulnerabilities, especially as new products are introduced or as new versions are released, could result in unpleasant customer experience or, in worse cases, personal injury to our customers.

Defects, delays or other failures of our solutions to perform as expected could damage our reputation and result in product recalls, product liability claims and/or significant warranty and other expenses and could have a material adverse impact on our business, financial condition, operating results and prospects.

We may not be able to effectively maintain and optimize our sales network, which could adversely affect our brand, results of operations and financial condition.

In 2022, 2023 and 2024, our selling and marketing expenses amounted to RMB57.7 million, RMB57.4 million and RMB64.6 million, accounting for 59.9%, 35.4% and 25.8% of our revenue in 2022, 2023 and 2024, respectively. Our success depends on our ability to effectively maintain and optimize our sales network to establish and deepen our presence across China and overseas markets, which is subject to a number of factors, certain of which are beyond our control. For example, if we fail to maintain stable relationships with our existing customers, have disputes with them, or fail to establish partnerships with new customers on favorable terms, we may not be able to maintain our market position across a number of regions and sectors. If we fail to successfully implement our development and growth plan and provide adequate resource and operational support to our sales network, our profitability and prospects may be materially and adversely affected.

If we are unable to manage our inventory risks efficiently or if the proportions and amounts of our provision for inventories further increase, our financial and results of operations may be adversely affected.

As our markets are competitive and subject to rapid technological advances and frequent price fluctuations, we may not be able to accurately forecast market demand, produce the correct amounts of products or fully utilize purchase commitments. We had inventories of RMB111.5 million, RMB110.5 million and RMB59.4 million as of December 31, 2022, 2023 and 2024, respectively. Our average inventory turnover days were recorded at 418.4 days, 459.4 days and 261.2 days in 2022, 2023 and 2024, respectively. If we were unsuccessful in accurately quantifying appropriate levels of inventory, our business, financial condition and results of operation may be materially and adversely affected.

Our inventories consist of raw materials, work in progress and finished goods and contract fulfillment costs. Contract fulfillment costs include on-site materials such as robotic products and accessories, delivery personnel salaries and other delivery expenses. We cannot assure you that our inventories will not be damaged or impaired, as our storage may encounter unforeseeable events. As of December 31, 2022, 2023 and 2024, we had inventory write-down of RMB27.4 million, RMB30.0 million and RMB19.6 million, respectively. Failure to manage our inventories effectively may adversely affect our financial condition and results of operations.

With the aging of inventory balance, we may be required to write down inventories, which, if significant, may have a material and adverse impact on our financial condition and results of operations.

We are exposed to credit risk of our customers and failure to collect our trade and bills receivables in a timely manner may affect our financial condition and results of operations.

As of December 31, 2022, 2023 and 2024, our trade and bills receivables amounted to RMB29.0 million, RMB51.8 million and RMB93.4 million, respectively. Our trade and bills receivables turnover days were 184.2 days, 144.2 days and 163.2 days for the years ended December 31, 2022, 2023 and 2024, respectively. Should the creditworthiness of our customers deteriorate or should a significant number of our customers fail to settle their accounts receivables in full for any reason, we may incur impairment losses and our results of operations and financial position could be materially and adversely affected. In addition, there may be a risk of delay in payment by our customers beyond their respective credit period, which in turn may also result in an impairment loss provision. There is no assurance that we will be able to fully recover our accounts receivables from the customers or that they will settle our accounts receivables in a timely manner. In the event that settlements from customers are not made on a timely manner, or at all, our financial position and results of operations may be materially and adversely affected.

Our net current liabilities may expose us to certain liquidity risks.

As of December 31, 2022, we recorded net current liabilities of RMB23.0 million. Net current liabilities may expose us to certain liquidity risks and may constrain our operational flexibility, as well as adversely affect our ability to expand our business. Our future liquidity, the payment of trade and other payables when they become due, will primarily depend on our ability to generate adequate cash inflows from our operating activities and adequate external financing, which will be affected by our future operating and financial performance, the performance of the industry in which we operate and prevailing economic and capital market conditions, among other factors, many of which are beyond our control.

If we do not maintain sufficient working capital to meet future financial needs by ourselves, we may need to resort to external funding. Our inability to obtain additional external financing on a timely basis and on acceptable terms, or at all, may force us to abandon or delay our development and expansion plans, and our businesses, financial positions, and results of operations may be materially and adversely affected.

Any failure to provide high-quality maintenance and support services for our customers may damage our relationships with them and, consequently, our business.

We believe that the accessibility of high-quality after-sale services is an important consideration behind a customer's purchase decision. As our operation and customer base continue to grow, we need to maintain our customer support that meets our customers' needs at scale. However, we cannot assure you that we may be able to respond quickly enough to accommodate short-term increases in customer demand for technical support or maintenance assistance. We may also fail to refine the future scope and delivery of our maintenance services and technical support to compete with changes in the after-sale services provided by our competitors.

If we fail to obtain or maintain the requisite licenses, permits, certificates, approvals, filings or registrations required for our business in any jurisdiction where we operate, our business, financial condition and results of operations may be materially and adversely affected.

We are required to obtain a series of license, permits, certificates and approvals, make filings or complete registrations according to relevant PRC laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we had obtained or completed all requisite licenses, permits, certificates, approvals and registrations and filings for our current business operations in China from the relevant government authorities. However, we may become subject to additional license, approval and other requirements as we develop and expand our business scope and engage in different business activities.

We cannot assure you that local authorities will not adopt different enforcement practices or will not issue more explicit interpretations and rules or promulgate new laws and regulations from time to time to further regulate the business we operate, which may subject us to additional licensing requirements. We may also be required to apply for and obtain additional licenses or permits for our operations in China as the interpretation and implementation of current PRC laws and regulations continue to evolve.

The interpretation or implementation of existing laws and regulations are subject to changes from time to time, and the implementation of new laws and regulations is evolving. If government authorities determine that our operations fall within the scope of business operations that require additional licenses, permits or approvals, we may not be able to obtain such licenses, permits or approvals in a timely manner or on commercially reasonable terms or at all, and failure to obtain such licenses, permits or approvals may subject us to fines, legal sanctions or an order to suspend our related operations. Moreover, we may fail to renew or update any of our existing licenses and permits in a timely manner and on commercially reasonable terms, or at all, which could materially and adversely affect our business, results of operations and financial condition.

Our business depends on the continuing efforts of our management team and our ability to attract, train, and retain competent talent, especially talent on R&D.

Our business depends on the continuing efforts of our management team to oversee and execute our business plans and identify and pursue new opportunities and product innovations. Any loss of service of our management can significantly delay or prevent us from achieving our strategic business objectives, and adversely affect our business, financial condition and operating results. From time to time, there may be changes in our management team, resulting from the hiring or departure of executives, which could also disrupt our business. Hiring suitable replacements and integrating them into our existing teams also require a significant amount of time, training and resources, and may impact our existing corporate culture.

Additionally, our future success also depends on our ability to attract, recruit and train qualified employees and retain existing key personnel. In particular, we rely on our top in-house R&D team to develop our core technologies, solutions, and our experienced sales and marketing personnel to maintain relationships with our customers. In order to compete for talents, we may need to offer higher compensation, better training and more attractive career opportunities, employees share incentives schemes and other benefits to our employees, which may be costly and time-consuming. We cannot assure you that we will be able to attract or retain a qualified workforce necessary to support our future growth. Furthermore, any disputes between us and our employees or any labor-related regulatory or legal proceedings may divert management and financial resources, negatively impact staff morale, reduce our productivity, or harm our reputation and future recruiting efforts. In addition, our ability to train and integrate new employees into our operations may not meet the demands of our growing business. Any of the foregoing issues related to our workforce may materially and adversely affect our operations and future growth.

Our sales are subject to seasonal fluctuations.

Typically, we record higher revenue during the fourth quarter, primarily because (i) many customers tend to concentrate their order placements and/or complete their inspection toward the end of the calendar year driven by their annual budget practices, and (ii) customers generally tend to schedule their procurement before the end of the year in China and in advance of the major holidays in overseas markets, many of which are in the fourth quarter, to avoid potential supply chain issues associated with the holidays.

Due to industry conditions and other factors, the degree of seasonality may vary each year, making it difficult for us to accurately project demand levels. If seasonal demand exceeds our expectations, we may not have sufficient inventory or may be unable to arrange production and delivery in a timely manner. If seasonal demand is lower than expected, we may face risks of excess inventory, increased working capital and liquidity needs and inventory impairment losses. Furthermore, our operating and financial results for an interim period may not be representative of our overall performance for a year. We expect to continue to experience seasonal fluctuations in our revenue, results of operations and financial condition, which could result in volatility and adversely affect the price of our H Shares.

The discontinuation of any government subsidies currently available to us could adversely affect our business, financial condition, results of operations, and prospects.

We recognized government grants of RMB6.2 million, RMB4.2 million and RMB6.1 million as other income and gains in 2022, 2023 and 2024, respectively. However, the timing, amount and conditions of government economic incentives are within the sole discretion of governmental authorities. In addition, governmental authorities may require us to perform certain contractual obligations or satisfy other requirements. However, there can be no assurance that we could fully satisfy these conditions or perform such obligations, and it is possible that such governmental authorities may stop subsidizing us or require us to return certain subsidize. Any reduction, elimination, repayment or other negative trend in economic incentives resulting from our failure to perform such obligations could adversely affect our business, financial condition, results of operations and prospects.

Damage to our brand image and corporate reputation could materially and adversely impact our business.

We believe our brand image and corporate reputation will play an increasingly important role in enhancing our competitiveness and maintaining our growth. Many factors, some of which are beyond our control, may negatively impact our brand image and corporate reputation if not properly managed. These factors include our ability to provide superior solutions to our customers, successfully conduct marketing and promotional activities, manage relationships with and among business partners, manage complaints and negative publicity, and maintain a positive perception of our company, our peers and our solutions in general.

Any actual or perceived deterioration in the quality of our solutions, which is based on an array of factors including customer satisfaction, number of complaints as well as number of accidents, may subject us to damages, including the loss of important customers. Any negative publicity against us or our peers may harm our corporate reputation and may result in changes to government policies and the regulatory environment. If we are unable to promote our brand image and protect our corporate reputation, we may not be able to maintain and grow our customer base and our business and our growth prospects may be adversely affected.

Any unexpected disruption at our production facilities could materially and adversely affect our business, results of operations and financial condition.

Our ability to meet the demand of our customers and grow our business relies on the efficient, proper and uninterrupted operation of our production plan and a constant and sufficient supply of utilities. In the event of earthquake, fire, drought, flood or other natural disaster, political instability, riot or civil unrest, extended outage of critical utilities or transportation systems, terrorist attack or other events that limit or disrupt our ability to operate our production facilities, we may experience substantial losses, including loss of revenue from disrupted production. We may also need to incur substantial additional expenses, exceeding our insurance coverage to repair or replace any damaged equipment or facility. In addition, our ability to manufacture and supply products and our ability to meet our delivery obligations to our customers would be significantly disrupted and our relationships with our customers could be damaged, which could have a material and adverse effect on our business, results of operations and financial condition.

We may face cybersecurity risks with respect to operational systems, infrastructure, and integrated software in our robotic solutions.

We may face various cybersecurity threats, including threats to our technology system and infrastructure, including attempts to compromise proprietary information, and ransomware attacks. While the cyber threat landscape is ever-changing, the current risks may be heightened by ongoing tensions with various nation state threat actors.

Threats to our information technology assets, network, and data stored therein, are increasingly diverse and sophisticated. Despite our efforts and processes to prevent breaches, the commercial products we use, our servers, and other assets, along with those of our third-party service providers, are vulnerable to cybersecurity threats, including zero-day attacks, malware, phishing and spoofing exploits, denial-of-service attacks, compromise of physical assets, insider theft or misuse or mistake, and similar disruptions.

Despite our efforts to create security barriers to such threats, we may not be able to successfully guard against every threat or mitigate the resulting risks. A successful cyber-attack could lead to interruptions, delays, loss of critical data and require large expenditure to investigate and remediate. This could, in turn, adversely affect our business, our financial condition, and damage our reputation.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. Also, we cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

We may be subject to product liability or warranty claims that could result in significant direct or indirect costs, which could adversely affect our business and operating results, and our exchange, return, and warranty policies may adversely affect our results of operations.

We may be subject to claims if our robotic products are involved in accidents. Similarly, our customers could be subject to claims as a result of such accidents and bring legal claims against us. In addition, if lawmakers or governmental agencies were to determine that the use of our robotic products increased the risk of injury to all or a subset of our customers, they may pass laws or adopt regulations that limit the use of our products or increase our liability associated with the use of our products or that regulate the use of or delay the deployment of robotic technologies in manufacturing. Any of these events could adversely affect our brand, relationships with customers, operating results or financial condition.

Our policy generally allows products with defects to be returned and exchanged by our customers, and we typically offer a standard one-year warranty on our robots. In addition, we could incur significant costs to correct any defects, warranty claims or other problems, including costs related to product recalls. Any negative publicity related to the perceived quality of our products could affect our brand image, partner and customer demand, and adversely affect our operating results and financial condition. Also, warranty, recall and product liability claims may result in litigation, including class actions, the occurrence of which could be costly, lengthy and distracting and adversely affect our business and operating results.

We may be required by law to adopt new or amend existing return, exchange and warranty policies from time to time. While these policies improve the customer experience of our solutions and help retain and acquire customers, we will incur higher costs associated with return, exchange and warranties if we experience any deterioration in the quality of our solutions, and we may be subject to additional costs and expenses which we may not recoup. We cannot assure you that our return, exchange and warranty policies will not be misused by our customers, which may significantly increase our costs and may adversely impact our business and result of operations. If we revise these policies to reduce our costs and expenses, our customers may be dissatisfied, which may result in loss of existing customers or failure to acquire new customers at a desirable pace, which may materially and adversely affect our results of operations.

Disruptions and delays in local and global supply chains and logistics could have a material and adverse impact on our business operations.

We rely on the timely supply of robotic components and other parts to carry out our manufacturing plans as scheduled. Any delays or disruptions in supplies from our suppliers, may have a material and adverse impact on our ability to meet the market demands and our marketing and sale of our solutions. In addition, any disasters or unanticipated catastrophic events, including adverse weather, fires, technical or mechanical difficulties, storms, explosions, earthquakes, strikes, acts of terrorism, wars and outbreaks of pandemics could disrupt our transportation channels and impair the operations of our suppliers, and impede our ability to manufacture and deliver our products to customers in a timely manner. Any disruption or delay in our production and product and services delivery in the future could have an adverse impact on our ability to produce sufficient quantities of products and our ability to meet the needs of our customers. In such cases, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We face risks associated with conducting business internationally and will continue to be subject to such risks as we expand our business overseas.

Sales to our customers outside of Chinese mainland, such as Japan, Vietnam, Thailand, Taiwan, China and Hong Kong, China, accounted for 10.2%, 12.5% and 24.1% of our total revenue in 2022, 2023 and 2024, respectively. Expanding our global footprint and growing overseas sales is an important part of our future growth, but these efforts may not be successful. Overseas operations are subject to a number of risks, including but not limited to:

- foreign exchange control and exchange rate fluctuation;
- political and economic instability, and international terrorism;
- global or regional health crises, such as health epidemics and outbreaks;
- potential for violations of anti-corruption laws and regulations, such as those related to bribery and fraud;
- laws and business practices favoring local competition;
- increased risk in managing inventory;
- increased risk in collecting trade receivable;
- less effective protection of intellectual property;
- difficulties and costs of staffing and managing foreign operation; and
- changes in local tax, import and export laws and tariffs and customs duty laws in the enforcement, application or interpretation of such laws.

The occurrence of any of these risks could materially and adversely impact our overseas expansion and consequently our business, operating results and financial condition. We expect we will continue to be subject to those risks as conducting our business internationally.

We are subject to anti-corruption, anti-bribery, governmental economic sanctions, and other laws and regulations.

We are subject to anti-corruption, anti-bribery, economic and trade sanctions laws and other relevant laws and regulations in various jurisdictions. For example, U.S. economic sanctions prohibit the provision of products to countries, governments, and persons targeted by U.S. sanctions. United Kingdom financial sanctions and European Union sanctions also have similar regime to prohibit the provision of products to countries, governments and persons on their respective target list. Although we perform compliance processes and maintain internal control systems, we may be subject to investigations and proceedings by governmental authorities for alleged infringements of these laws and regulations if our processes or systems are not conducted or are not operating properly. These proceedings may result in fines or other liabilities and could have a material and adverse effect on our reputation, business, financial condition, results of operations and prospects. If any of our subsidiaries, employees or other persons engage in fraudulent, corrupt or other unfair business practices or otherwise violate applicable laws, regulations or internal controls, we could become subject to one or more enforcement actions or otherwise be found to be in violation of such laws and regulations, which may result in adverse media coverage, investigations, severe administrative, civil and possibly criminal sanctions, penalties, fines and sanctions and in turn adversely affect our reputation, business, financial condition, results of operations and prospects.

Geopolitical tensions could negatively affect our business operations and results of operations.

In recent years, there has been a deterioration in the relationship between China and the United States which has resulted in intense potential conflicts between the two countries in trade, technology and other areas, and this has led to greater uncertainties in the geopolitical situations in other parts of the world affecting China and Chinese companies. Export controls, economic and trade sanctions have been threatened and/or imposed by the U.S. government on a number of Chinese technology companies, a few number of which are existing or potential customers and/or suppliers to us. The United States has also threatened to impose further export controls, sanctions, trade embargoes, and other heightened regulatory requirements on China and Chinese companies. These have raised concerns that there may be increasing regulatory challenges faced by or enhanced restrictions on China and other Chinese technology companies, including us, in a wide range of areas such as chips, data security, emerging technologies, "dual-use" commercial technologies and applications that could be deployed for surveillance or military purposes, import/export of technology or other business activities.

Trade tensions between China and the United States may intensify in the future, resulting in the imposition of more tariffs or other trade restrictions. Any unfavorable government policies on international trade, such as capital controls or tariffs, may affect the demand for our solutions, impact the competitive position of our solutions or prevent us from marketing our solutions in certain countries. If any new tariffs, legislation and/or regulations are implemented, or if existing trade agreements are renegotiated, such changes could have an adverse effect on our business, financial condition and results of operations. In addition, future actions or escalations by either the United States or China that affect trade relations may cause global economic turmoil and potentially have a negative impact on our business.

Furthermore, we may also face export controls-related or sanctions-related or other trade-related restrictions on transactions with certain customers, business partners and other persons. The Entity List maintained by the U.S. Department of Commerce identifies foreign parties that are prohibited from acquiring — whether by export, re-export or in-country transfer — some or all items subject to the U.S. Export Administration Regulations, unless the exporter secures a license. Licenses and exceptions to the license requirement are rarely granted to exporters where export, re-export or in-country transfer to foreign parties on Entity List are involved. Exporting, re-exporting or transferring items subject to these export administration regulations without satisfying the licensing requirements could result in criminal and/or civil penalties. These restrictions and similar or more expansive restrictions or sanctions that may be imposed by the United States or other jurisdictions in the future may adversely affect our ability to work with certain existing and future customers and business partners, which would adversely impact our business. Furthermore, our association with customers or business partners that are or become subject to U.S. regulatory scrutiny or export controls- or sanctions-related restrictions could subject us to actual or perceived reputational harm among current or prospective investors, suppliers or customers, other parties doing business with us, or the general public. Any such reputational harm could result in the loss of investors, suppliers or customers, which could adversely impact our business, financial condition or prospects.

Any further escalation in trade or other tensions between the United States and China or news and rumors of any escalation, could introduce uncertainties to China's economy and any severe or prolonged slowdown in the global economy may materially and adversely affect our business, results of operations and financial condition.

The U.S. government's new China-focused Outbound Investment Program may adversely affect our business, financial condition, and results of operations.

On August 9, 2023, the Biden administration released an executive order and an advanced notice of proposed rule-making (the "**ANPRM**") providing a conceptual framework for outbound investment controls focused on China, including Hong Kong and Macau. Further to this ANPRM, on June 21, 2024, the U.S. Department of the Treasury issued a proposed rule on outbound U.S. investments involving China that generally follows the ANPRM. On October 28, 2024, the U.S. Department of the Treasury issued a final rule to implement the executive order of August 9, 2023 (the "**Final Rule**"). The Final Rule became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. Persons for a wide range of investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductor and microelectronics, (ii) quantum information technologies, and (iii) AI systems, collectively defined as "Covered Foreign Persons." U.S. persons subject to the Final Rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons, which are defined as "covered transactions," and include acquisitions of equity interests that are not yet publicly traded, certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. The Final Rule excludes some investments from the scope of covered transactions, including those in publicly traded securities. The Final Rule is aimed at exerting greater U.S. government oversight over U.S. direct and indirect investments involving China, and may introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of China-based issuers including us. If we were to be deemed a "covered foreign person," and if U.S. persons engaged in a "covered transaction" (each as defined under the Final Rule) that involves the acquisition of our equity interests, such U.S. persons may need to make a notification pursuant to the Final Rule. In addition, even though U.S. persons' acquisitions of certain publicly traded **[REDACTED]** (such as our H Shares) will be exempted from the scope of covered transactions under the Final Rule, the Final Rule could still limit our ability to raise capital or contingent equity capital from U.S. investors after this **[REDACTED]** given that relevant laws, regulations, and policies continue to evolve and we cannot rule out the possibility of being deemed a Covered Foreign Person in the future due to different views taken by the U.S. Department of the Treasury, potential amendments to the Final Rule or the introduction of similar regulations. If our ability to raise such capital is significantly and negatively affected, it could be detrimental to our business, financial condition and prospects. In such case, the value of our H Shares may significantly decline, or in extreme cases, become worthless.

Fluctuations in changes in fair value of financial assets measured at fair value through profit or loss may adversely affect our financial results.

We recorded financial assets at fair value through profit or loss ("**FVTPL**") of RMB17.0 million as of December 31, 2024. Our FVTPL mainly consist of wealth management products issued by commercial banks in the PRC with variable interest rates. For details, please see "Financial Information — Discussion of Key Items of Consolidated Statements of Financial Position — Current Assets and Liabilities — Financial Assets Measured at FVTPL". The fair value change of financial assets measured at FVTPL may significantly affect our financial position and results of operations. The determination of the fair value of such financial assets requires us to make significant estimates, which may be subject to material changes, and therefore inherently involves a certain degree of uncertainty. Factors beyond our control can significantly influence and cause adverse changes to the estimates we use and thereby affect the fair value of such financial assets. These factors include, but are not limited to, general economic condition, changes in market interest rates and the stability of capital markets. Any of these factors, as well as others, could cause our estimates to vary from actual results, which could materially and adversely affect our results of operations and financial condition.

The cybersecurity and data security laws and regulations are subject to rapid and evolving changes, any failure or perceived failure to comply with such laws and regulations could materially and adversely affect our business, financial condition, reputation and results of operations

Pursuant to the Measures for Cybersecurity Review (網絡安全審查辦法) (the "**Cybersecurity Review Measures**"), which became effective in February 2022, critical information infrastructure operators that purchase network products and network platform operators engaging in data processing activities that affect or may affect national security must be subject to the cybersecurity review. In addition, network platform operators holding personal information of over one million users shall also apply for a cybersecurity review before listing in a foreign country. Given that the expression used in the Cybersecurity Review Measures is "listing in a foreign country" rather than "offshore listing" and that Hong Kong is likely to be considered as "offshore" rather than "foreign country," it is not likely that a **[REDACTED]** in Hong Kong will be considered as "listing in a foreign country." Furthermore, the governmental authorities have discretion to initiate a cybersecurity review on any data processing activity if they deem such activity affects or may affect national security.

As of the Latest Practicable Date, we had not been notified of being classified as a critical information infrastructure operator, we had not received any inquiry, notice, warning from any PRC government authorities, and have not been subject to any investigation, sanctions or penalties made by any PRC government authorities regarding national security risks caused by our business operations or the **[REDACTED]**. Our PRC Legal Advisor is of the view that we are not required to apply for cybersecurity review for the purpose of the **[REDACTED]**. With the continuous expansion of our business and growth of our customer base, there can be no assurance that we will not be subject to cybersecurity review or the recent tightening of regulations on the collection and use of personal information by relevant government authorities in China will have no material adverse effect to our business operations in the future.

Since we are subject to local and overseas laws relating to cybersecurity and data privacy, including the collection, use, retention, security and transfer of personal information, if we cannot meet relevant requirements under the evolving applicable laws or regulations relating to data privacy, data protection or information security or any additional tax related requirements relating to data, or any compromise of security that results in unauthorized access, use or leakage of our customers' personal information, we could face damage in our reputation or other negative consequences, such as investigations, fines, or suspension of our business, any of which could materially and adversely affect our business, financial condition and results of operations. In addition, complying with various laws and regulations on cybersecurity and data security could cause us to incur additional costs or require us to change our business practices, including our data practices, which may significantly distract our management's attention and adversely affect our business.

If we fail to comply with various environmental and fire safety-related laws and regulations, we may be subject to fines and penalties.

We are subject to national and local environmental protection and fire safety related laws and regulations applicable to us in China including but not limited to the Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》), the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》), the Administrative Measures for Pollutant Discharge Permit (《排污許可管理條例》) and the PRC Fire Prevention Law (《中華人民共和國消防法》). If we fail to comply with the relevant environmental and fire safety related laws and regulations, we may be liable for correction, fines or penalties or also be ordered to suspend or terminate the construction if such non-compliance causes material environment pollution or ecological damage.

During the Track Record Period, we have not fully obtained construction permits, completed as-built acceptance filings, or fire protection filings for certain of our construction projects due to the historical legacy of the relevant lands or properties, which could subject us to administrative penalties including orders of correction and fines. We have not received regulatory inquiries and administrative penalties imposed on us during the Track Record Period and up to the Latest Practicable Date. We have conducted inquiries and interviews with the competent governmental authorities which confirmed that, in general, the failure to do so will not result in penalties against us. Based on such interviews, PRC Legal Advisor is of the view that, failure to fully obtain such permits would not have a material adverse impact on our continued use of such construction projects. If any penalties are imposed on us, our operations could be materially and adversely affected and we will incur significant costs which will negatively impact our financial performance. We cannot assure you that we will be able to obtain all the regulatory approvals for our production lines and factories construction projects in a timely manner, or at all. Delays or failures in obtaining all the requisite regulatory approvals of such facilities may affect our abilities to develop, manufacture and commercialize our products and solutions as we plan.

Our risk management and internal control systems may not be adequate or effective.

We seek to improve and update our risk management and internal control systems on a regular basis. See "Business — Risk Management and Internal Control" for details. However, there is no assurance that they will be effective in safeguarding our risk management and internal control functions and fulfilling their purposes by ensuring, among other things, accurate reporting of our financial results and the prevention of fraud. Since our risk management and internal control systems depend on effective implementation by our employees, and even though we provide relevant internal trainings in this regard, we cannot assure you that our employees are sufficiently or fully trained to implement these systems, or that their implementation will be free from error or mistakes. If we fail to timely update, implement, and modify, or fail to deploy sufficient human resources to maintain our risk management policies and internal control procedures, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Further, there can be no assurance that our employees will not engage in misconducts or omissions that could materially and adversely affect our business, financial condition and results of operations. In addition, although we maintain strict standards in choosing our business partners, there is no assurance that our business partners will not engage in misconducts or omissions. Any misconduct by our business partners may affect our operations and reputation, which may in turn affect our business, results of operations and financial condition.

We may be involved in administrative and legal proceedings and commercial disputes, which could materially affect our business, financial condition and results of operations.

We may be subject to administrative or legal proceedings or commercial disputes from time to time in the ordinary course of our business, which could have a material adverse effect on our business, results of operations, and financial condition. Claims arising out of actual or alleged violations of law could be asserted against us by our customers, our competitors, governmental entities in civil or criminal investigations and proceedings, or other entities. These claims could be asserted under a variety of laws, including but not limited to product liability laws, intellectual property laws, labor and employment laws, securities laws, tort laws, contract laws, property laws, and employee benefit laws. There is no guarantee that we will be successful in defending ourselves in legal and administrative actions or in asserting our rights under various laws. Even if we are successful in our attempt to defend ourselves in legal and administrative actions or to assert our rights under various laws, enforcing our rights against the various parties involved may be expensive, time-consuming, and ultimately futile. These actions could expose us to negative publicity and to substantial monetary damages and legal defense costs, injunctive relief, and criminal, civil, and administrative fines and penalties.

Higher labor costs and inflation may adversely affect our business, results of operations, financial condition and prospects.

Rising inflation may be reflected in the prices of raw materials from our suppliers. Factors such as changes in minimum wage laws, labor market dynamics, or increased competition for skilled labor in the industry may lead to higher labor expenses. Such increases could exert upward pressure on the fees that we paid to our employees or other third-party service providers. Our ability to manage and mitigate the impact of rising labor costs through operational efficiencies, process improvements, or technological innovations will also significantly influence our competitiveness and financial performance. However, there is no guarantee that we will succeed in effectively managing the impact of rising labor costs. Moreover, higher cost for labor and raw materials might necessitate adjustments in service pricing, potentially making our solutions less competitive in the market. Attempts to pass on increased labor costs to customers through higher service fees could result in reduced demand or market share loss.

We may be subject to fines and penalties as a result of non-compliance with certain PRC laws and regulations regarding social insurance and the housing provident fund during the Track Record Period.

Companies operating in China are required to participate in various employee benefit plans, including certain social insurance, housing funds, unemployment insurance, health insurance plans and other welfare-oriented payment obligations, and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of our employees up a maximum amount specified by the local government from time to time at locations where we operate our businesses. The requirement of employee benefit plans has not been implemented consistently by the local governments in China given the different levels of economic development in different locations. During the Track Record Period, our PRC subsidiaries engaged third-party human resources agencies to pay social insurance premiums and housing provident funds for several employees per their request, and we did not make full social insurance and housing provident fund contribution for certain employees in strict compliance with relevant laws and regulations. As advised by our PRC Legal Advisor, an employer that has not made social insurance contributions at such rate and based on such amount as prescribed by the law may be ordered to rectify the non-compliance and pay the required contributions within a stipulated timeframe. Failure to fulfill the outstanding contributions and a late payment fee within the stipulated timeframe may result in fines ranging from one to three times of the amount in arrears. Our PRC Legal Advisor has also advised us that, in the event that we fail to pay the housing provident fund in full amount, the housing provident fund administrative center will order us to pay the amount within a prescribed time limit. If we fail to do so upon the expiration of the above-mentioned time limit, further application will be made to the court for compulsory enforcement. As of the Latest Practicable Date, we had not received any notice for payment of penalties of social insurance premium and housing provident funds from the competent authorities, nor any administrative penalty or labor arbitration application from employees for the agency arrangement with third-party human resources agencies. However, there is no assurance that the competent government authorities will not require us to settle the outstanding amount within the specified time limit or impose late payment penalties on us, or any of our employees would not make complaints or demand for payment for any outstanding contribution. As advised by our PRC Legal Advisor, the likelihood of us receiving any notice of penalties from the competent authorities is remote, provided that we pay the outstanding contribution, and late fee (if any), for social insurance and house provident funds in full amount within the prescribed period after receiving notices to rectify such non-compliance from the competent authorities.

We may need to raise additional capital in the future to execute our business plan, which may not be available on acceptable terms, or at all.

We may need additional capital in the future to fund our continued operations, and we may be unable to raise additional funds, whether through equity or debt financing, when needed on favorable terms or at all. If we do raise additional capital through public or private equity offerings, the ownership interest of our existing Shareholders, including investors in this **[REDACTED]**, will be diluted, and the terms of these securities may include liquidation that adversely affect our Shareholders' rights. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Any failure to raise capital as and when needed could have a negative impact on our financial condition and on our ability to pursue our business plans and strategies.

Our leased property interests may be defective, and our right to lease the properties could be challenged due to such defects. Additionally, failure to renew our current leases or locate desirable alternatives could materially and adversely affect our business.

We lease properties for our offices and manufacturing facilities. As of the Latest Practicable Date, certain lessors have not provided the ownership certificates for our leased properties or other proof of authorizations from the property owners to sublease the properties to us, hence we cannot ensure that they have the rights or authorizations to lease such properties to us. If our lessors are not the owners of the properties and they have not obtained consents from the owners or their lessors or permits from the relevant government authorities, we may not confirm whether the actual usage of our leased properties was inconsistent with the usage set out in such title certificate or relevant authorization documents or not, and the relevant lease agreements might be deemed unenforceable in accordance with the relevant laws and regulations. In such cases, we may not be able to continue leasing such property, and we may become involved in disputes with the property owners or third parties who otherwise have rights to or interests in our leased properties and we might incur additional costs and resources to relocate relevant properties into new locations. Our Directors believe that our use of the property will not individually or collectively have a material adverse effect on our business, financial condition or results of operations. Even if we are required to vacate the property, we believe we will be able to readily find comparable property in which to relocate, and the costs and expenses we may incur for relocation will be immaterial. As of the Latest Practicable Date, we were not aware of any ownership controversy or dispute or third-party claims, nor had we been imposed any administrative penalties.

Additionally, we have not registered all of our lease agreements with the relevant governmental authorities as of the Latest Practicable Date. Under the relevant PRC laws and regulations, we may be required to register and file with the relevant governmental authority executed leases. As advised by our PRC Legal Advisor, failure to register the lease agreements for our leased properties will not affect the validity of these lease agreements, but the competent housing authorities may order us to register the lease agreements in a prescribed period of time and impose a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease if we fail to complete the registration within the prescribed timeframe.

There is no assurance that we will be able to extend or renew our leases upon expiration of the current term on commercially reasonable terms or at all, and our rights to use these leased properties may be negatively affected by prior encumbrances on these properties. In any such events, we may be forced to relocate our affected operations. This could disrupt our operations and result in significant relocation expenses. In addition, we compete with other businesses for premises at certain locations or of desirable sizes. As a result, even though we could extend or renew our leases, rental payments may significantly increase as a result of the high demand for the leased properties. In addition, we may not be able to locate desirable alternative sites for our current leased properties as our business continues to grow and failure in relocating our affected operations could adversely affect our business and operations.

We have limited insurance coverage, and any claims beyond our coverage may result in substantial costs and a diversion of resources.

We face various risks in connection with our business and may lack adequate insurance coverage or have no relevant insurance coverage. As of the Latest Practicable Date, we had not obtained any business liability, product liability, property insurance or disruption insurance to cover our operations. We also do not maintain key-man life insurance or insurance policies covering damages to our IT infrastructure or information technology systems. We have determined that the costs of insuring against these risks and the difficulties associated with acquiring such insurances on commercially reasonable terms render these insurances impractical for our business.

However, any uninsured business disruptions may result in our incurring substantial costs and the diversion of resources, which could have an adverse effect on our business and results of operations.

We face risks related to natural disasters, health epidemics, and other outbreaks of contagious diseases.

Our business could be adversely affected by natural disasters or outbreaks of epidemics. These natural disasters, outbreaks of contagious diseases and other adverse public health developments in any market where we operate could severely disrupt our business operations by damaging our technology infrastructure or information technology system or impacting the productivity of our workforce, which may adversely affect our financial condition and results of operations.

We may not be able to obtain or maintain adequate intellectual property rights protection for our products or solutions, or the scope of such protection may not be sufficiently broad.

Our success depends in a large part on our ability to protect our proprietary technologies as well as our solutions from competition by obtaining, maintaining and enforcing our intellectual property rights. We have been protecting the proprietary technologies that we consider commercially important by, among others, filing patent applications. The patent application process may be expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner, if at all. In addition, we may fail to identify patentable aspects of our R&D outputs before it is too late to obtain patent protection. As a result, we may not be able to prevent competitors from developing and commercializing competitive products or solutions in all such fields.

Patents may be invalidated, and patent applications may not be granted for several reasons, including known or unknown prior deficiencies in the patent application or the lack of novelty of the underlying invention or technology. Even if our patent applications are successfully granted, such grant may not be in a form that can provide us with meaningful protection, prevent competitors from competing with us, or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our patents by developing similar or alternative technologies, products or solutions in a non-infringing manner. Therefore, the grant of a patent application is not conclusive as to its inventor, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in China.

Further, although various extensions may be available, the life of a patent and the protection it affords are limited. For example, from the date of application, invention patents are valid for 20 years, utility model patents are valid for 10 years, and design patents filed since June 1, 2021 are valid for 15 years. We may face competition for any approved products even if we successfully obtain patent protection once the patent life expires for such products. Any of the foregoing could materially and adversely affect our business, results of operations, financial condition and competitive position.

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.

Some of our competitors have large patent portfolios and may claim that the commercial use of our products or solutions has infringed upon their patents. These patents have broad claims, so it might be alleged that certain features of our products or solutions fall within the claims of such patents. Therefore, our competitors may initiate legal proceedings alleging that we are infringing upon, misappropriating or otherwise violating their intellectual property rights in connection with the commercialization of relevant products or solutions. We cannot assure you that we or our products or solutions will not infringe any intellectual property rights held by third parties in the future. We may face claims of infringement of third parties' proprietary rights or claims for indemnification resulting from infringement arising from our operations or the design, development and sales of our products or solutions. In addition, we may be unaware of intellectual property registrations or applications relating to our products or solutions or business operations that may give rise to potential infringement claims against us. There may also be technologies licensed to and relied on by us that are subject to infringement or other corresponding allegations or claims by third parties.

Companies in the robot industry may use intellectual property litigation to gain a competitive advantage. Whether a product or solution infringes upon a patent involves an analysis of complex legal and factual issues, the determination of which is often uncertain. We may hire employees who have previously worked for our competitors or other companies in relevant industries. There can be no assurance that such employees will not use their previous employers' proprietary know-how or trade secrets in their work for us, which could result in litigation against us. Our competitors may also have filed for patent protection which is not as yet a matter of public knowledge or claim trademark rights that have not been revealed through our searches of relevant public records. Our efforts to identify and avoid infringing upon third parties' intellectual property rights may not always be successful. Any claims of patent or other intellectual property infringement, regardless of their merit, could:

- be expensive and time-consuming to defend;
- cause us to pay substantial damages to third parties;

- forbid us from making or selling products that incorporate the challenged intellectual property;

- cause us to enter into royalty or licensing agreements in order to obtain the right to use a third party's intellectual property, which agreements may not be available on terms acceptable to us or at all; or

- result in customers terminating, deferring or limiting their purchase of the affected products until resolution of the litigation.

Any of the foregoing results could have a material adverse effect on our business, financial condition and results of operations.

RISKS RELATED TO DOING BUSINESS IN CHINA

Changes in China's economic, political or social conditions or government policies as well as the global economy and political environment could have a material adverse effect on our business and operations.

Our performance has been and will continue to be affected by China's economy, which in turn is influenced by the global economy. The uncertainties relating to the global economy as well as the political environment in various regions of the world will continue to impact China's economic growth. The global macroeconomic environment is facing challenges, including the Russia-Ukraine crisis and the recent tension in the Middle East. There have also been concerns over unrest and terrorist threats in the Middle East, Europe, and Africa and over the conflicts involving Ukraine, Syria and North Korea, which have resulted in market volatility. There have been concerns on the relationship between the PRC and other countries, including the surrounding Asian countries, which may potentially have adverse economic effects. The ongoing trade tensions between the United States and the PRC may have tremendous negative impact on the economies of not merely the two countries concerned, but the global economy as a whole. The uncertainty surrounding Trump Administration's tariff policy on China's economy has created significant apprehension among global markets, as the potential for retaliatory measures and disrupted trade flows could have far-reaching economic consequences. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term. While China's economy has experienced significant growth in the past few decades, growth has been uneven across different regions and economic sectors and it has shown slower growth since 2012 compared to the previous decade and the trend may continue. Although growth of China's economy remained relatively stable, there is a possibility that China's economic growth may materially decline in the near future. Any severe or prolonged slowdown in the global or China's economy may materially and adversely affect our business, results of operations and financial condition. Additionally, continued turbulence in the international markets may adversely affect our ability to access the capital markets to meet liquidity needs.

We are unable to predict all the risks and uncertainties that we face as a result of current economic, political, social, and regulatory developments and many of these risks are beyond our control. All such factors may materially and adversely affect our business and operations as well as our financial performance.

You should assess the legal protections you are entitled to under legal system in China.

The legal system in China is a civil law system based on written statutes. Unlike common law systems, it is a system in which decided legal cases have limited precedential value. The laws and regulations in China are subject to further revisions or interpretations from time to time. New laws, regulations, guidelines and interpretations that are promulgated in the future may affect the rights and obligations of the parties involved. Therefore, you should assess the legal protections you are entitled to under legal system in China.

We may be subject to additional regulatory requirements relating to new laws and regulations in connection with overseas listings issued by PRC government authorities.

On February 17, 2023, the CSRC issued the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (which came into effect on March 31, 2023) and relevant supporting guidelines (the "**Overseas Listing Trial Measures**"). The Overseas Listing Trial Measures are applicable to overseas securities offering and listing conducted by issuers who are (i) companies incorporated in the PRC ("**PRC domestic companies**") and (ii) companies incorporated overseas with substantial operations in the PRC. The Overseas Listing Trial Measures lay out the arrangements for regulatory filings for both direct and indirect overseas offerings, and clarify the determination criteria for indirect overseas offerings in overseas markets. The Overseas Listing Trial Measures stipulate that such issuer shall fulfill the filing procedures within three working days after it makes an application for offering and listing in an overseas stock market.

According to the Overseas Listing Trial Measures, we, as a PRC domestic company seeking to issue and list securities in overseas markets, are required to fulfill the filing procedure with the CSRC within three working days after submitting the application documents to the overseas supervisory authorities and report relevant information. For details, see "Regulatory Overview — Regulations Relating to Overseas Securities Offering" in this document.

The Overseas Listing Trial Measures may subject us to additional compliance requirements in the future, and we cannot assure you that we will be able to get clearance of our filing procedures under the Overseas Listing Trial Measures on a timely basis, or at all. Any failure on our part to fully comply with the new regulatory requirements may significantly limit or completely hinder our ability to continue to sell our securities to investors, cause significant disruption to our business operations, and severely damage our reputation, which could affect our financial condition and results of operations and cause our securities to decline in value or become worthless.

We may be subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with future capital raising activities.

We cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. If it is determined in the future that approval from or filing with the CSRC or other regulatory authorities or other procedures are required, we may fail to obtain such approval, perform such filing procedures or meet such other requirements in a timely manner or at all. We may face sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures, for this **[REDACTED]** or our future financing activities, and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, delay or restrict the repatriation of the proceeds from the **[REDACTED]** into the PRC or take other actions to restrict our financing activities, which could have a material adverse effect on our business.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our Directors and management.

We are a company incorporated under the laws of the PRC and our assets and subsidiaries are located in the PRC. Most of our Directors and senior management reside within the PRC. The assets of these Directors and senior management are also mostly located within the PRC. As a result, it may be difficult and time-consuming to effect service of process upon most of our Directors and senior management outside the PRC. In addition, you may also experience difficulties in enforcing judgments due to lack of reciprocal recognition and enforcement of judicial rulings and awards of other jurisdictions.

Although we will be subject to the Listing Rules and the Takeovers Code upon the completion of the **[REDACTED]**, the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. The Listing Rules and the Takeovers Code do not have the force of law in Hong Kong.

We are subject to the currency exchange regulatory system.

The conversion of Renminbi is subject to applicable laws and regulations in the PRC. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange regulatory system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business.

Under existing foreign exchange regulations, following the completion of the **[REDACTED]**, we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to pay dividend to Shareholders or to satisfy any other foreign exchange requirements, capitalize our capital expenditure plans, and even our results of operations, financial performance and business prospects may be affected.

We could be subject to changes in our tax rates, the adoption of new local or overseas tax legislation or exposure to additional tax liabilities.

The PRC Enterprise Income Tax (EIT) Law imposes a tax rate of 25% on PRC resident business enterprises. We were entitled to preferential corporate income tax rate of 15% during the Track Record Period, as we were approved as high-tech enterprises. To the extent there are any changes in the laws and regulations governing preferential tax treatment, or increases in our effective tax rate due to any other reasons, our tax liability would increase correspondingly. In addition, the PRC authorities may amend or restate regulations on income, withholding, value-added, and other taxes. Non-compliance with Chinese mainland tax laws and regulations may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to Chinese mainland tax laws and regulations and tax penalties or fines could affect our businesses, financial condition and results of operations.

We also operate in countries and regions overseas and are subject to various taxes. Due to the fact that the tax environment and legal framework can vary significantly across jurisdictions and that regulations regarding various taxes, including but not limited to corporate income tax and import duties, are highly complex, our overseas operations and expansion may expose us to risks associated with overseas tax laws, regulations and policies. Additionally, as we sell our robotic solutions to various non-domestic markets, the intricacies of import duty regulations can lead to disputes when exporting products, as interpretations and applications of such rules may differ between countries. In such cases, we will be subject to fines or other penalties, which may not always have merit. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. Our effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. Dealing with such regulatory complexities and changes may require us to divert more managerial and financial resources, which in turn could affect our results of operations.

We are also subject to the examination of our tax returns and other tax matters by local and overseas tax authorities and governmental bodies. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance as to the outcome of these examinations. If our effective tax rates were to increase, or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued, our financial condition, operating results and cash flows could be adversely affected.

We are a PRC enterprise and we are subject to PRC tax on our global income, and any gains on the sales of our H Shares by investors and dividends paid to investors on our H Shares may be subject to PRC tax.

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares.

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in China under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》 and its implementation guidelines. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》) (Cai Shui Zi [1994] No. 020) issued by the MOF and SAT on May 13, 1994, the income gained by individual foreigners from dividends and bonuses of enterprises with foreign investment are exempted from individual income tax for the time being. In addition, under the Individual Income Tax Law of the PRC and its implementation regulations, non-PRC resident individual holders of H Shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H Shares. However, pursuant to the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人

轉讓股票所得繼續暫免徵收個人所得稅的通知》)(Cai Shui Zi [1998] No. 61) issued by the MOF and the SAT on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax.

As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied on non-PRC resident individual holders on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges, and to our knowledge, no such individual income tax was levied by PRC tax authorities in practice. However, there is no assurance that the PRC tax authorities will not change these practices which could result in levying income tax on non-PRC resident individual holders on gains from the sale of H Shares.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those that have establishments or premises in China but whose income is not related to such establishments or premises, under the PRC EIT Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC EIT at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval.

Despite the arrangements mentioned above, the applicable PRC tax laws and regulations, as well as the interpretation and application of existing applicable PRC tax laws and regulations may be evolving and subject to change. New taxes may be imposed which may materially and adversely affect the value of your investment in our H Shares.

Payment of dividends is subject to restrictions under PRC law.

Under PRC law, dividends may be paid only out of distributable profit, for which the PRC laws do not specify the applicable accounting principles. Distributable profit is our profit as determined under PRC GAAP or HKFRS Accounting Standards, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. We may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in years in which we are profitable. Any distributable profit not distributed in a given year is retained and available for distribution in subsequent years. According to the Company Law of the PRC, after making up losses and appropriation of statutory reserves, we may distribute after-tax profits.

In addition, we are required to comply with the dividend distribution rules prescribed by the PRC regulatory authorities when determining our dividend payout ratios. The PRC regulatory authorities may further amend the dividend distribution rules for listed companies in the future, which may significantly affect the amount of capital available to support the development and growth of our business.

Moreover, as the calculation of distributable profits under PRC GAAP is different from the calculation under HKFRS Accounting Standards in certain respects, our subsidiaries may not have distributable profits as determined under PRC GAAP, even if they have profits for that year as determined under HKFRS Accounting Standards, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries. Failure by our subsidiaries to pay dividends to us could have a negative impact on our cash flows and our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

RISKS RELATING TO THE [REDACTED] AND OUR SHARES

There has been no prior public market for our H Shares and the liquidity and market price of our H Shares may be volatile.

Prior to the completion of the **[REDACTED]**, there has been no public market for our H Shares. There can be no guarantee that an active trading market for our H Shares will develop or be sustained after the completion of the **[REDACTED]**. The **[REDACTED]** may not be indicative of the price at which our Shares will be traded following the completion of the **[REDACTED]**. The market price of our Shares may drop below the **[REDACTED]** at any time after completion of the **[REDACTED]**.

The trading price of our H Shares may be volatile, which could result in substantial losses to you.

The trading price of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in Chinese mainland that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our H Shares. A number of Chinese mainland-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. The share price of some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards Chinese mainland-based companies listed in Hong Kong and consequently may impact the trading performance of our H Shares. Pursuant to the applicable PRC law, within one year following the **[REDACTED]**, all existing Shareholders (including the Pre-**[REDACTED]** Investors) could not dispose of any of the Shares held by them. Due to such lock-up requirement, the liquidity and trading volume of the H Shares in the short-term following the **[REDACTED]** may be significantly affected. These factors may significantly affect the market price and volatility of our H Shares, regardless of our actual operating performance.

Future sales or perceived sales of substantial amounts of our H Shares in the public market could have a material and adverse effect on the price of our H Shares and our ability to raise additional capital in the future.

The market price of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

You will incur immediate and substantial dilution and may experience further dilution if we issue additional Shares in the future.

The **[REDACTED]** of our H Shares is higher than the net tangible asset value per Share immediately prior to the **[REDACTED]**. Therefore, purchasers of our H Shares in the **[REDACTED]** will experience an immediate dilution in pro forma consolidated net tangible asset value. To expand our business, we may consider offerings and issuing additional shares in the future. Purchasers of the **[REDACTED]** may experience dilution in the net tangible asset value per Share of their Shares if we issue additional shares in the future at a price that is lower than the net tangible asset value per Share at that time.

There can be no assurance that we will declare and distribute any dividends in the future.

As a holding company, our ability to declare future dividends will depend on the availability of dividends, if any, received from us and our subsidiaries. Under PRC law and the constitutional documents of our PRC operating subsidiaries, dividends may be paid only out of distributable profits, which refer to after-tax profits as determined under PRC GAAP less any recovery of accumulated losses and required allocations to statutory capital reserve funds. Any distributable profits that are not distributed in a given year are retained and become available for distribution in subsequent years. The calculation of our distributable profits under PRC GAAP differs in many aspects from the calculation under HKFRSs. In addition, as stipulated by our Articles, distributable profits are recognized as our after-tax profit determined under PRC GAAP or HKFRSs, whichever is lower, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, our Company and our subsidiaries may not be able to pay a dividend in a given year if our Company or our subsidiaries do not have distributable profits as determined under PRC GAAP even if they have profits as determined under HKFRSs. See "Financial Information — Dividends" for details of our dividend policy.

There can be no assurance that we will declare and distribute any dividends in the future. The declaration, payment and amount of any future dividends are subject to the discretion of our Directors, after taking into account our results of operations, financial conditions, cash requirements and availability, and other factors as they may deem relevant, and subject to the approval at a Shareholders' meeting. We may not have sufficient or any profits to enable us to distribute dividends to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable.

Our Controlling Shareholders have significant influence over us and their interests may not always be aligned with the interest of our other Shareholders.

Immediately upon the completion of the **[REDACTED]**, our Controlling Shareholders will continue to have significant influence over our business and affairs, including decisions of mergers and acquisition, disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. There may be a conflict between the Controlling Shareholders, interests and your interests. In addition, without the approval of the Controlling Shareholders, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the price of our H Shares.

Certain statistics contained in this document are derived from a third-party report and publicly available official sources.

This document, particularly the section headed "Industry Overview", contains information and statistics in China and internationally. Such information and statistics have been derived from various official governments and other publications and from a third-party report commissioned by us. We believe that the sources of such information are appropriate and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. However, we cannot guarantee the quality or reliability of such information. The information and statistics from official governments have not been independently verified by us, the Joint Sponsors, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, any of our or their respective directors, officers or representatives or any other persons or parties involved in the **[REDACTED]**, and no representation is given as to their accuracy. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as or consistent with similar statistics presented elsewhere, and such information may not be complete or up to date. In any event, you should consider carefully the importance placed on such information or statistics.

You should read the entire document carefully and should not rely on any information contained in press articles or other media regarding us and the [REDACTED].

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the **[REDACTED]**. Prior to the publication of this document, there has been press and media coverage regarding us, our business, our industry and the **[REDACTED]**. There may be additional press and media coverage regarding us, our business, our industry and the **[REDACTED]** subsequent to the date of this document but prior to the completion of the **[REDACTED]**. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. None of us or any other person involved in the **[REDACTED]** has authorized the disclosure of any such information in the press or media coverage and none of us accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it, and you should not rely on such information.

WAIVERS FROM STRICT COMPLIANCE WITH THE REQUIREMENTS UNDER THE LISTING RULES

In preparation for the **[REDACTED]**, we have applied to the Stock Exchange for the following waivers from strict compliance with the relevant provisions of the Listing Rules.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, all applicants applying for a primary **[REDACTED]** on the Stock Exchange must have sufficient management presence in Hong Kong. This would normally mean that at least two of the applicant's executive directors must be ordinarily resident in Hong Kong.

Our Company's business operations and assets are primarily located outside Hong Kong. Our Company's executive Directors are based in the PRC as our Board believes it is more effective and efficient for our executive Directors to be based in a location where our substantial operations are located. Our Company therefore does not, and in the near future will not, maintain management presence in Hong Kong.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, provided that our Company implements the following arrangements:

(1) We have appointed Mr. Wang, our executive Director, and Ms. Ling Qian ("**Ms. Ling**"), our joint company secretary as our authorized representatives for the purpose of Rule 3.05 of the Listing Rules. They will serve as the principal channel of communication with the Stock Exchange and make themselves readily available to communicate with the Stock Exchange. Each of Mr. Wang and Ms. Ling can be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matters within a reasonable period of time upon the request of the Stock Exchange. The contact details of our authorized representatives have been provided to the Stock Exchange.

(2) All Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period. In addition, each Director has provided his/her contact details, including phone numbers and email addresses, to our authorized representatives and to the Stock Exchange. In the event that a Director expects to be traveling or otherwise be out of office, he/she will provide the phone number of the place of his/her

accommodation or other contact information to our authorized representatives to ensure that each of our authorized representatives will be able to contact all our Directors promptly at all times if and when the Stock Exchange wishes to contact our Directors.

(3) We have appointed Somerley Capital Limited as our compliance advisor in accordance with Rule 3A.19 of the Listing Rules, which will serve as an additional and alternative channel of communication with the Stock Exchange in addition to our authorized representatives. The compliance advisor will have reasonable access, at all times during the term of their appointment, to our authorized representatives, Directors and other officers of our Company, participate in the communication between the Stock Exchange and our Company and answer inquiries from the Stock Exchange.

(4) Any meeting between the Stock Exchange and our Directors will be arranged through our authorized representatives or our compliance advisor or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorized representatives and our compliance advisor.

(5) We intend to retain our Hong Kong legal advisors on on-going compliance requirements, any amendment or supplement to and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the **[REDACTED]**.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who possesses the necessary academic or professional qualifications or relevant experience, and is therefore capable to discharge the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(1) a member of The Hong Kong Chartered Governance Institute;

(2) a solicitor or a barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(3) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further sets out the factors that the Stock Exchange will consider in assessing an individual's "relevant experience":

(1) length of employment with the issuer and other issuers and the roles he/she has undertaken;

(2) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(3) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(4) professional qualifications in other jurisdictions.

Our Company has appointed Ms. Ling as one of our joint company secretaries. Ms. Ling joined our Group in June 2025 and possesses relevant understanding and knowledge relating to the business operations and corporate culture of our Group. In her capacity as the vice president and Board secretary, Ms. Ling has actively participated in the preparation of the application for the **[REDACTED]** and possesses experience in matters relating to our Board and corporate governance of our Company. Having considered Ms. Ling's expertise and backgrounds, our Directors consider that Ms. Ling is capable of discharging the functions of a company secretary and is suitable to perform such role.

As Ms. Ling currently does not possess the qualifications under Rule 3.28 of the Listing Rules, and may not be able to fulfill the requirements of the Listing Rules on her own, we have appointed Ms. Li Ching Yi (李菁怡) (ACIS, ACS) , a Chartered Secretary, a Chartered Governance Professional and a member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who is qualified under Rule 3.28 of the Listing Rules to act as the other company secretary and to work closely with and provide assistance to Ms. Ling for an initial period of three years commencing from the **[REDACTED]**.

The following arrangements have been, or will be, put in place to assist Ms. Ling in acquiring the qualifications and experience as the joint company secretaries of our Company required under Rules 3.28 and 8.17 of the Listing Rules:

(1) In the course of the preparation of the application for the **[REDACTED]**, Ms. Ling has been provided with a memorandum and has attended a training seminar on the respective obligations of our Directors and senior management and our Company under the relevant Hong Kong laws and the Listing Rules provided by our Hong Kong legal advisors.

(2) In addition to the minimum training requirements under Rule 3.29 of the Listing Rules, our Company will ensure that Ms. Ling continues to have access to relevant training and support to familiarize herself with the Listing Rules and the duties of a company secretary of an issuer listed on the Stock Exchange, and to receive updates on the latest changes to the applicable Hong Kong laws, regulations and the Listing Rules. Furthermore, our Company will ensure that Ms. Ling and Ms. Li Ching Yee will seek and have access to the advice from our Hong Kong legal advisors and other professional advisors as and when required.

(3) Ms. Li Ching Yee will assist Ms. Ling to acquire the "relevant experience" as required under Note 2 to Rule 3.28 of the Listing Rules and to discharge their duties as company secretaries. Ms. Ling will be assisted by Ms. Li Ching Yee for an initial period of three years commencing from the **[REDACTED]**. As part of the arrangement, Ms. Li Ching Yee will act as one of the joint company secretaries and communicate regularly with Ms. Ling on matters relating to corporate governance, the Listing Rules as well as other laws and regulations which are relevant to our Company. She will also assist Ms. Ling in organizing Board meetings and Shareholders' meetings as well as other matters of our Company which are incidental to the duties of a company secretary.

(4) Our Company has appointed the compliance advisor pursuant to Rule 3A.19 of the Listing Rules, which will act as our additional channel of communication with the Stock Exchange and provide professional guidance and advice to us and our joint company secretaries as to compliance with the Listing Rules and all other applicable laws and regulations.

We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules. Such waiver will be revoked immediately if and when Ms. Li Ching Yee ceases to provide such assistance or ceases to meet the requirements under Rule 3.28 of the Listing Rules, or if there are material breaches of the Listing Rules by our Company during the three-year period from the **[REDACTED]**. We will liaise with the Stock Exchange before the end of the three-year period to enable it to assess whether Ms. Ling, having had the benefit of Ms. Li Ching Yee's assistance for three years, will have acquired the relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

See "Directors and Senior Management" for the biographical details of Ms. Ling and Ms. Li Ching Yee.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Wang Yongkun (王永錕)	Room 203, No. 1 Apartment Phase II, Huafeng International Robot Industrial Park Shenzhen Guangdong Province PRC	Chinese
Mr. Li Hongxiang (李洪祥)	2604, Building 8 Anju Hongqi Terrace Jiangangshan Avenue, Xixiang Street Shenzhen Guangdong Province PRC	Chinese
Mr. Wang Jinpeng (王金鵬)	Room 1507, 15th Floor, Unit 2 Building A5, Xinghe Shengshi Garden Minzhi Street Shenzhen Guangdong Province PRC	Chinese
Non-executive Director		
Mr. Wei Xiaoan (衛曉安)	Unit 3, Room 1901, Building 518 Wangjing East Garden Chaoyang District Beijing PRC	Chinese

Name	Address	Nationality
Independent non-executive Directors		
Dr. Zang Yunzhi (臧蘊智)	Flat A, 5/F, Block 9 HKUST Senior Staff Quarters 1 University Road Sai Kung, New Territories Hong Kong	Chinese (Hong Kong)
Mr. Sun Wei Yung Kevin (孫偉勇)	Flat E, 11/F, Block 12 Pacific Palisades 1 Braemar Hill Road North Point Hong Kong	Chinese (Hong Kong)
Dr. Fan Zhiyong (范智勇)	Flat A, 4/F, Block 18 HKUST Senior Staff Quarters Clear Water Bay Hong Kong	Chinese (Hong Kong)

For the biographies and other relevant information of our Directors, see "Directors and Senior Management."

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

CITIC Securities (Hong Kong) Limited
18/F, One Pacific Place
88 Queensway
Hong Kong

Guotai Junan Capital Limited
26/F–28/F, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

[REDACTED]

[REDACTED]

[REDACTED]

Legal Advisors to the Company	*As to Hong Kong and U.S. laws:* **Latham & Watkins LLP** 18th Floor, One Exchange Square 8 Connaught Road, Central Hong Kong *As to PRC law:* **Han Kun Law Offices** 20/F, Kerry Plaza Tower 3 1-1 Zhongxinsi Road Futian District Shenzhen Guangdong PRC
Legal Advisors to the Joint Sponsors [REDACTED]	*As to Hong Kong law:* **Deacons** 5th Floor, Alexandra House 18 Chater Road Central Hong Kong *As to PRC law:* **Jingtian & Gongcheng** 34/F, Tower 3 China Central Place 77 Jianguo Road Beijing PRC

Auditors and Reporting Accountants	**Ernst & Young** *Certified Public Accountants* *Registered Public Interest Entity Auditors* 27/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong
Independent Industry Consultant	**China Insights Industry Consultancy Limited** 10F, Block B, Jing'an International Center 88 Puji Road Jing'an District Shanghai PRC

[REDACTED]

CORPORATE INFORMATION

Registered Office	No. 98 Jianghai West Road Liangxi District Wuxi City Jiangsu Province PRC
Head Office and Principal Place of Business in the PRC	Phase 2, Huafeng International Robot Industrial Park Bao'an District Shenzhen Guangdong Province PRC
Principal Place of Business in Hong Kong	14/F, Golden Centre 188 Des Voeux Road Central Hong Kong
Company Websites	www.standard-robots.com *(Information contained on these websites does not form part of this document)*
Joint Company Secretaries	Ms. Ling Qian (凌倩) Flat 3B, Block 1 Xinan Street, Baoan District Shenzhen Guangdong Province PRC Ms. Li Ching Yi (李菁怡) (ACIS, ACS) 14/F, Golden Centre 188 Des Voeux Road Central Hong Kong
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	Ms. Ling Qian (淩倩) Flat 3B, Block 1 Xinan Street, Baoan District Shenzhen PRC
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Audit Committee	Dr. Zang Yunzhi (臧蘊智) *(Chairman)* Dr. Fan Zhiyong (范智勇) Mr. Sun Wei Yung Kevin (孫偉勇)
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[REDACTED]

Principal Bank	**China CITIC Bank Shenzhen Nanshan Branch** 1 Taoyuan Road, Nanshan District Shenzhen Guangdong Province PRC

The information and statistics set out in this section and other sections of this document were extracted from the report prepared by CIC, which was commissioned by us, and from various official governmental publications and other publicly available publications. We engaged CIC to prepare the CIC Report, an independent industry report, in connection with the **[REDACTED]**. *The information from official government sources has not been independently verified by us or any other parties involved in the* **[REDACTED]**, *or any of our or their respective directors, senior management, representatives, advisers or any other persons involved in the* **[REDACTED]** *and no representation is given as to its accuracy.*

OVERVIEW OF GLOBAL INDUSTRIAL INTELLIGENT MOBILE ROBOTIC SOLUTION MARKET

Industrial Automation

As the cornerstone of modern industrialization, industrial automation has undergone several critical stages: from the initial mechanical collaboration between manual labor and basic machinery, to the technological foundation laid by electrified automatic control, to the transformational innovation of digitalized flexible production, and finally to the paradigm breakthrough driven by AI in smart manufacturing today. Each technological leap has been accompanied by exponential growth in productivity.

Digitalized flexible production represents a transformative leap in the evolution of modern factory systems within industrial automation. The advent of programmable logic controllers ("**PLCs**"), computer technology, and digital management systems ushered in a new era. PLCs enabled factory managers to program and control production processes. Human workers collaborated with industrial robots, leveraging advances in microprocessors, communication technologies, and sensing capabilities to achieve digital and flexible production. However, despite these improvements, these early systems faced limitations, as individual robot intelligence remained insufficient for handling complex, unstructured scenarios, and production systems were hampered by fragmented subsystems with isolated optimizations and information silos. This fragmentation restricted the scalability and responsiveness of factory-wide intelligence. Currently, with the deep integration and application of cutting-edge technologies such as AI, big data, edge computing, and digital twins, factory production systems are now capable of self-learning and optimizing both production processes and resource allocation. Breakthroughs in embodied intelligence have accelerated the large-scale deployment of industrial robots, transitioning automation from fixed workflows to flexible collaboration that can adapt to varied product demands and eventually distill into industry-grade general solutions. Embodied intelligence is crucial for a closed — loop "perception-decision-execution" system in factories. The increasingly interconnected end-to-end value chain is driving the pivotal shift from traditional manufacturing to smart manufacturing.

The modern factory production system functions as a precisely orchestrated organic whole, encompassing every link in the value chain — from raw material supply, production processing, finished goods storage, to sales and distribution. Each segment is intricately interconnected and operates in a coordinated manner, and their efficient functioning is vital to enterprise development. It serves not only as a critical backbone for ensuring production continuity but also as the foundation for enhancing competitiveness and achieving sustainable growth amid the new wave of industrial transformation. However, managing such a production system through automation is far from simple, given its inherent characteristics of high complexity, dynamic variability, strict time constraints, and stringent interoperability requirements. Traditional production management models are increasingly revealing core pain points in complex industrial environments, such as inefficiency, low reliability, and high labor costs, becoming major bottlenecks in the path toward industrial upgrading:

- **Low production efficiency and high hidden costs due to labor dependence**: Traditional production models rely heavily on manual labor, which is inherently less efficient and subject to human factors such as fatigue and emotional variability. Approximately 80% of manufacturing defects are caused by human error, and around 20% of unplanned downtime is also attributable to such errors. Common consequences arising from human error, such as material mismatches and production line interruptions incur significant hidden costs, directly undermining the competitiveness of industrial enterprises.

- **Complex production environments**: Factory operations involve the handling, storage, and management of various materials that exhibit distinct physical properties and storage requirements, including raw materials, semi-finished products, and finished goods. Each material type exhibits distinct physical properties and storage requirements. Coupled with rapid production rhythms and frequent changes in material demand, this complexity elevates the difficulty of production management. Additionally, factory layouts are often compact, necessitating efficient material handling and storage within limited spaces.

- **Frequent changes in production plans**: Production plans often need to be adjusted due to fluctuations in market demand, order changes, or equipment failures. This leads to dynamic shifts in material management needs, requiring the production system to respond quickly and adjust flexibly in real time.

- **High time-sensitivity of material supply**: The production process imposes extremely strict time requirements on material supply. Delays in any segment can stall the entire production line. Therefore, it is imperative to ensure that materials are accurately delivered to designated locations within specified timeframes.

- **Poor compatibility among different types of automation equipment**: Inadequate compatibility among various automated equipment types remains a significant challenge in the industrial automation landscape. This stems from factors such as inconsistent technical standards, rapid equipment iteration, limited collaboration among manufacturers, and incompatible software systems. As a result, building integrated automation systems is often difficult, leading to suboptimal system performance, higher operational costs, and increased maintenance complexity. Only through systematic solutions and the development of interoperable software platforms can enterprises enhance the integration, coordination, and overall performance of their automation systems.

- **High demands for cross-departmental collaboration**: Factory operations are closely linked to multiple functions such as production, procurement and sales, necessitating close collaboration among departments to achieve real-time information sharing and seamless process integration, thereby improving overall operational efficiency.

Industrial Intelligent Mobile Robotic Solution

Driven by the dual imperatives of industrial automation upgrades and logistics complexity, industrial intelligent mobile robots have emerged as a transformative force. Industrial intelligent mobile robots refer to intelligent robots equipped with autonomous navigation and mobility capabilities in industrial settings, capable of independently performing tasks such as path planning, obstacle avoidance, and material handling. Leveraging their capabilities in autonomous navigation, flexible deployment, and intelligent operation, industrial intelligent mobile robots precisely address the pressing needs of factories for efficiency enhancement, flexible production, product quality assurance, and digital-intelligent management. Capable of adapting to diverse unstructured scenarios, industrial intelligent mobile robots serve as a "game-changer" for resolving factory logistics challenges and as the "capillaries" of intelligent manufacturing.

Through a closed-loop capability of "autonomous perception-real-time decision-making-flexible execution," industrial intelligent mobile robots not only overcome the rigid bottlenecks of traditional production management but also integrate with technologies such as AGI, digital twins, and 5G to propel industrial intelligent applications from "device automation" to "system intelligence." Looking ahead, with further breakthroughs in embodied intelligence and other technologies, industrial intelligent mobile robots are poised to become the core infrastructure of future industry.

Downstream Demand and Application Scenarios

The industrial intelligent mobile robotic solution is an automated solution targeting the needs of material handling, task execution, and other tasks in industrial scenarios. It is centered around industrial intelligent mobile robots and integrates robotic systems, task scheduling management systems, relevant software algorithms, and supporting facilities. Industrial intelligent mobile robotic solutions are widely used in core industrial fields such as 3C, automotive, and semiconductor. As typical representatives of discrete high-end manufacturing, their production scenarios impose multi-dimensional and stringent requirements on the automation of production systems. The core characteristics of discrete manufacturing are the multitude of product types, short life cycles, and complex process routes, which require factory production systems to have dynamic reconfiguration capabilities. Traditional rigid production systems struggle to support such high-frequency changes, whereas industrial intelligent mobile robots, through digital twin map and real-time scheduling algorithms, enable rapid logistical path switching to ensure synchronization between production and material supply.

- **3C**: The global sales volume of 3C products (including smartphones, tablets, and computers) exceeded 1,600.0 million units in 2024. The manufacturing of 3C involves small, precision components and rapid product iterations, necessitating high flexibility and quick line-change capabilities to accommodate diverse production needs. Industrial intelligent mobile robots can swiftly and accurately reach designated locations, ensuring timely and precise material supply. They dynamically adjust handling routes and operational procedures in response to varying production tasks, efficiently addressing manufacturing and assembly requirements.

- **Automotive**: In 2024, global automobile production volume reached 94.0 million vehicles. Despite its massive scale, the automotive industry is characterized by rapid model iterations and numerous heavy-load process requirements, with significant variations in component specifications, dimensions, and weights across different models. To meet market diversification demands, automotive manufacturers widely adopt mixed-model production lines, enabling the simultaneous production of multiple configurations or models on a single line. This requires robots with robust payload capacities and high-frequency mixed-model scheduling capabilities. Additionally, automotive OEMs impose stringent requirements on production efficiency and material delivery speed. In automotive manufacturing, production processes are tightly interconnected, with any disruptions or logistical delays potentially triggering cascading effects, leading to production halts and substantial economic losses. Industrial intelligent mobile robots effectively address these demands by rapidly and accurately delivering various components to corresponding workstations according to production plans for different vehicle models, ensuring continuous and stable production line operation and significantly enhancing production efficiency.

- **Semiconductor**: From cloud computing to edge devices, the surge in AI computing power demand is driving the development of high-performance chips and promoting the strong expansion of global semiconductor manufacturing capacity. In 2024, global semiconductor monthly wafer capacity exceeded 30.0 million pieces (calculated in 200mm equivalents). Semiconductor manufacturing is a typical industry with high-precision and high-cleanliness requirements. Key operational steps such as wafer handling and photolithography loading and unloading place extreme demands on the precision, safety, and timeliness of material handling. Taking semiconductor wafer handling as an example, wafers, as the basic material for chip manufacturing, are extremely fragile and highly sensitive to vibration. Even minute vibrations during handling can damage their surface microstructures, leading to chip performance defects or scrap, which seriously affects the yield rate of products and corporate profitability. Industrial intelligent mobile robots employ high-precision sensors and advanced motion control algorithms, coupled with specialized materials and sealed structures, to enable precise material handling in stringent cleanroom environments. This ensures efficient, accurate, and safe transfers between processes while maintaining production timeliness and stability.

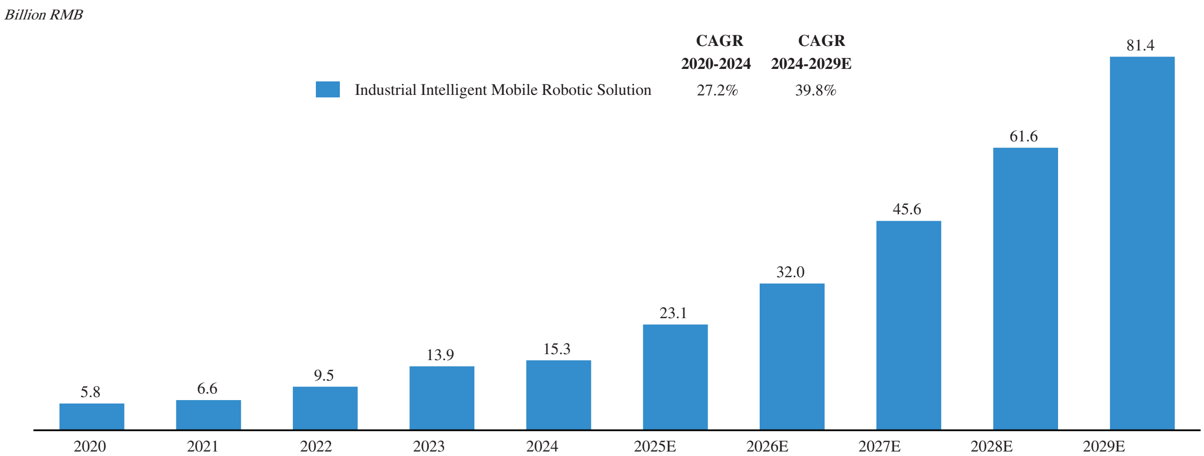
Market Size of Global Industrial Intelligent Mobile Robotic Solution

As technological advancements accelerate and industrial applications expand, industrial intelligent mobile robots are evolving toward higher intelligence, more flexible deployment, and broader scalability, with the significance of industrial intelligent mobile robotic solutions growing rapidly. In terms of sales volume[1], the global market size of the industrial intelligent mobile robotic solutions grew from 16.6 thousand units in 2020 to 60.8 thousand units in 2024, representing a CAGR of 38.4% from 2020 to 2024. The market is projected to expand further to reach 358.6 thousand units by 2029, representing a CAGR of 42.6% from 2024 to 2029.

The global market for industrial intelligent mobile robotic solutions expanded from RMB5.8 billion in 2020 to RMB15.3 billion in 2024, reflecting a CAGR of 27.2%. Industrial intelligent robotic solutions are becoming a critical driver for enterprise transformation and upgrading, while technological progress acts as a powerful catalyst for continuous innovation. To sustain and enhance their competitive edge, enterprises are increasingly demanding more advanced and efficient solutions. As adoption accelerates, the global market for industrial intelligent mobile robotic solutions is projected to reach RMB81.4 billion by 2029, with a CAGR of 39.8% from 2024 to 2029.

1. Sales volume refers to robotic units sold of global industrial intelligent mobile robotic solutions.

Global Industrial Intelligent Mobile Robotic Solution Market Size, in terms of Sales Revenue, 2020-2029E



Source: Mobile Robot and AGV/AMR Industry Alliance, CIC

Market Drivers

The following are the key market drivers:

- **Smart manufacturing system upgrades**: Industrial intelligent mobile robots drive the transformation of smart manufacturing through synergistic advancements in hardware and software, emerging as a core force in industrial upgrading.

- **Global industrial growth, accelerated supply chain restructuring, and robust downstream demand**: Industries such as 3C, automotive, and semiconductor, driven by demands for flexible, stable, and high-quality production, are propelling intelligent mobile robots as a critical tool for industrial advancement. Simultaneously, global supply chains are undergoing rapid restructuring, with enterprises increasingly diversifying their supply networks to reduce reliance on single countries or regions. By establishing production bases in multiple regions or building localized supplier networks, companies are effectively mitigating supply chain risks and enhancing resilience. This trend creates new market opportunities for digital transformation in manufacturing and the widespread adoption of industrial intelligent mobile robotic solutions, fostering a more efficient and smart global manufacturing ecosystem.

- **Rising Labor Costs**: With aging populations and evolving economic landscapes, labor costs continue to raise up. For instance, in China, a major manufacturing hub, hourly labor costs in the manufacturing sector have surged more than tenfold since the early 2000s. Against this backdrop, manufacturers urgently need to explore innovative production solutions to adapt to demographic shifts and cost pressures, ensuring production stability and competitiveness.

- **Maturing supply chain and evolving robotic ecosystem**: Accelerated localization of key components has effectively reduced production costs. Meanwhile, the standardization of interfaces and protocols has enhanced robotic collaboration and system integration efficiency, further facilitating large-scale deployment of industrial intelligent mobile robots. Market momentum is further evidenced by the robust investment in robotic automation. In 2024, total spending on robots in industrial scenarios reached approximately RMB150.0 billion globally, underscoring the substantial and growing addressable market for industrial intelligent mobile robotic solutions.

- **Strengthened policy support**: Governments worldwide are bolstering policy frameworks to support R&D, production, and application in smart manufacturing and robotics industries.

Market Trends

The following are the market trends:

- **Embodied intelligence robots expanding operational boundaries**: The deep integration of autonomous mobile chassis with manipulators forms a unified mobile-manipulation architecture, breaking the physical isolation of traditional automated equipment and enabling "one-stop" operations from material handling to assembly and processing. Leveraging integrated control technology, robots can adapt seamlessly to diverse production scenarios and task requirements through software upgrades, hardware module expansions, executing more complex and varied tasks with ease.

- **Swarm intelligence technology driving production model transformation and collaborative operations**: Industrial intelligent mobile robots of different types, brands, and generations achieve dynamic task allocation and resource coordination, significantly enhancing overall production efficiency and collaboration. As industry applications deepen, swarm intelligence systems continuously learn and evolve, integrating with more production equipment and systems to enable full-process intelligentization of manufacturing workflows.

- **Software & algorithms as core competencies**: Cutting-edge technologies such as VLA models, RL, and multimodal perception empower robots with autonomous decision-making capabilities. The widespread adoption of cloud-native architectures supports remote software iteration and online AI model training, propelling robots from "standalone intelligence" to "swarm intelligence." Integration with digital twin technology enables real-time mapping between the physical and digital worlds, optimizing task scheduling and fault prediction.

- **A new paradigm of industrial intelligence driven by massive data and scalable deployment of Industry-grade solutions**: A closed-loop data ecosystem spanning the entire lifecycle of robots, from planning, delivery, to operation and maintenance, captures operational trajectories, task execution times, equipment status, and fault information. Maturing dynamic factory simulation technologies create a synergistic loop between data and simulation, enabling robots to seamlessly integrate into production systems and support decision-making and optimization. Deep understanding and continuous learning of diverse production scenarios accelerate the emergence of industry-grade applications. Integrated software-hardware solutions fuse advanced algorithms with high-performance hardware, forming a highly integrated, stable, and reliable automated production system.

OVERVIEW OF GLOBAL INDUSTRIAL EMBODIED INTELLIGENCE ROBOTIC SOLUTION MARKET

Industrial Embodied Intelligence Robotic Solution

A new paradigm in the industrial automation revolution is profoundly reshaping human-robot interaction, with intelligent robotic technologies and applications continuously pushing boundaries. Under the empowerment of AGI, robots can autonomously comprehend tasks, plan paths, and collaborate across systems to execute operations. Compared to service or household environments, industrial settings offer clear process protocols, standardized data interfaces, and predictable physical constraints, reducing the complexity of AGI deployment. Additionally, industrial scenarios have accumulated vast operational data, enabling rapid algorithm iteration and safety validation, thereby accelerating the realization of AGI's "generalized intelligence" capabilities.

As industrial production demands increasingly diverse robot functionalities and scenario adaptability, single-structure robots are struggling to meet practical needs. Composite architectures integrate functional modules from different robot types, achieving optimized functionality. Against the backdrop of AGI's rapid advancement, industrial embodied intelligence robots are poised to become the advanced intelligent form for large-scale industrial automation applications in the AGI era. Building on industrial intelligent mobile robots, industrial embodied intelligence robots integrate collaborative arms to form a unified "mobility + manipulation" architecture, precisely addressing complex and dynamic operational demands and achieving comprehensive upgrades in scenario adaptability, entering an era of dynamic operations across multi-scenario and multi-station workflows.

- **Scenario adaptability**: Industrial environments exhibit greater tolerance for robot form factors, allowing industrial embodied intelligence robots to prioritize functionality over humanoid aesthetics. Beyond basic mobility and material handling, these robots can autonomously perform complex tasks such as grasping, assembly, and inspection, efficiently adapting to intricate industrial settings.

- **Technological maturity**: Leveraging mature technologies from industrial intelligent mobile robots, industrial embodied intelligence robots have validated capabilities in localization, navigation, perception, and motion control. Additionally, relying on the maturity of collaborative robot operation technologies, they achieve high-precision manipulation and flexible task execution, fulfilling diverse assembly, inspection, and other tasks in industrial production scenarios across industries.

- **Cost-effectiveness**: Industrial customers prioritize return on investment ("**ROI**"). Compared to humanoid robots pursuing human-like forms, industrial embodied intelligence robots based on wheeled mobile platforms offer superior cost advantages. Humanoid robots face high R&D complexity and costs, leading to prohibitive development, manufacturing, and maintenance expenses with limited efficiency gains in industrial settings. In contrast, industrial embodied intelligence robots benefit from relatively mature technologies and supply chains, enabling rapid commercial viability through enhanced productivity and reduced labor costs.

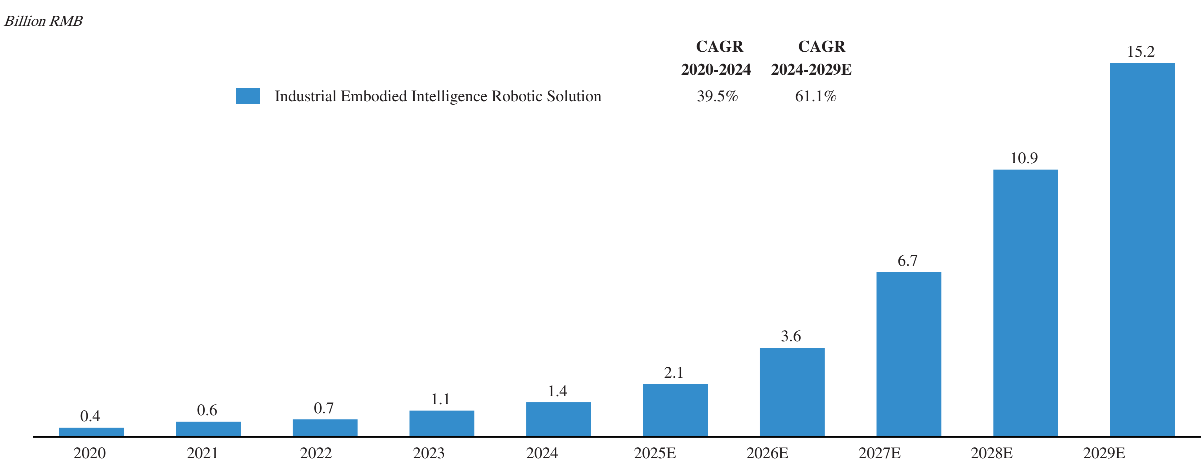
Industrial embodied intelligence robots, a subset of industrial intelligent mobile robots, comprise mobile platforms, manipulators (primarily collaborative arms), vision modules, and end-effectors. They combine the flexibility and autonomy of industrial intelligent mobile robots with the high-precision manipulation capabilities of collaborative robots, adapting to diverse work environments such as flexible production lines and hazardous operations. Their "hands-and-wheels" architecture enables complex, multidimensional tasks. By leveraging multimodal perception fusion, end-to-end navigation, and large-scale models, these robots exhibit enhanced environmental interaction, balanced motion capabilities, and autonomous decision-making to improve generalization in industrial scenarios.

Market Size of Global Industrial Embodied Intelligence Robotic Solution

Driven by continuous advancements in the hardware and software technologies of industrial embodied intelligence robots and expanding applications across industrial scenarios, the global market size of the industrial embodied intelligence robotic solutions grew from 0.7 thousand units in 2020 to 3.8 thousand units in 2024 in terms of sales volume, representing a CAGR of 51.8% from 2020 to 2024. By 2029, sales are expected to reach 41.0 thousand units, representing a CAGR of 61.2% from 2024 to 2029.

In terms of sales value, the global market size for industrial embodied intelligence robotic solutions surged from RMB0.4 billion in 2020 to RMB1.4 billion in 2024, representing a CAGR of 39.5% from 2020 to 2024. The maturation of robot hardware and software technologies, coupled with breakthroughs in swarm intelligence and collaborative scheduling, has accelerated the large-scale deployment of industrial embodied intelligence robots. The global market for these solutions is poised for rapid expansion, with projections indicating a further increase to RMB15.2 billion by 2029, representing a CAGR of 61.1% from 2024 to 2029.

Global Industrial Embodied Intelligence Robotic Solution Market Size, in Terms of Sales Revenue, 2020-2029E



Source: Mobile Robot and AGV/AMR Industry Alliance, CIC

Market Drivers

The following are the key market drivers:

- **Core technology maturation**: The gradual refinement of technologies such as robotic mobile chassis, collaborative arms, navigation systems, and integrated control lays the foundation for large-scale deployment of industrial embodied intelligence robots. Continued advancements in large model technologies empower these robots with robust data processing and learning capabilities, enabling them to analyze complex environments with precision and efficiently respond to diverse task requirements.

- **Manufacturing flexibility demand**: By integrating both "mobility" and "manipulation" capabilities, industrial embodied intelligence robots can adapt seamlessly to dynamic factory layouts and evolving production processes, meeting the demands of multi-product, small-batch, and rapid production switching. Their proven value in enhancing manufacturing agility has become a key catalyst for their widespread adoption.

Market Trends

The following are the key market trends:

- **AGI-driven enhancement of generalization capabilities**: The integration of AI algorithms with multimodal perception technologies empowers industrial embodied intelligence robots to better adapt to unstructured industrial environments. Benefiting from the accumulation of real-world data across diverse scenarios and the efficient transfer of simulation-trained models to real-world tasks, VLA have matured and achieved practical deployment. This advancement breaks the limitations of traditional robots constrained to fixed tasks and scenarios, granting industrial embodied intelligence robots robust cross-task and cross-scenario generalization capabilities. These robots can not only interpret natural language commands and visual information to directly generate actionable instructions but also transfer learned knowledge and skills to new tasks or environments, significantly enhancing their versatility and application value.

- **Accelerated development efficiency for broader industrial penetration**: Leveraging AGI and the accumulation of multi-type datasets, extensive knowledge bases and algorithmic models have been constructed. Robot developers can utilize these pre-trained models for rapid secondary development and customized adjustments, substantially shortening development cycles. Meanwhile, by combining cloud-based training with on-premises deployment, robots can quickly adapt to the individualized needs of different factories, achieving precise "factory-specific" industrial application matching.

- **Large-scale deployment of industry-grade solutions driving industrial transformation**: Leading manufacturers, leveraging their deep expertise in industrial scenarios and hardware-software integration, have developed industry-grade integrated solutions that span the entire production ecosystem, from raw material handling, component processing, and product assembly to finished goods warehousing. By deploying industrial embodied intelligence robots at scale and enabling collaborative operations and information sharing among them, factories can achieve automated, intelligent, and flexible production processes.

Competitive Landscape of Global Industrial Intelligent Mobile Robotic Solution Market

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 2024, the top five participants collectively account for 48.4% of the market share. In this highly competitive sector, our Company ranks among the global top five providers of industrial intelligent mobile robotic solutions by units sold in 2024. Below is a summary of the leading five players in the global industrial intelligent mobile robotic solution market in terms of sales volume of global industrial intelligent mobile robotic solutions and market share in 2024:

Rank	Company	Sales volume	Market share
		(In thousand units)	
1	Company A[(1)]	17.0	***27.9%***
2	Company B[(2)]	5.0	***8.2%***
3	Company C[(3)]	2.9	***4.8%***
4	Company D[(4)]	2.6	***4.2%***
5	The Company	1.9	***3.2%***

Source: CIC

Notes:

(1) Company A, founded in 2016 and headquartered in Chinese mainland, is a subsidiary of a company listed on the Shenzhen Stock Exchange, is a global leader in machine vision and mobile robotic solutions, primarily serving industrial applications.

(2) Company B, founded in 2017 and headquartered in Chinese mainland, is a global leader in industrial mobile robotic solutions, focusing on intelligent mobile robots and laser radar in the photovoltaic sector.

(3) Company C, founded in 2013 and headquartered in Denmark, is a subsidiary of a company listed on the New York Stock Exchange, is a global leader in AMR, used across a wide range of industries.

(4) Company D, founded in 2020 and headquartered in Chinese mainland, is a global leader in mobile robotic solutions and robotic controllers, primarily serving industrial applications.

Entry Barriers and Key Success Factors

The following are the entry barriers and key success factors:

- **Continuous product innovation and modular development capabilities**: Solution providers of industrial intelligent mobile robots must continuously invest in R&D to break traditional design limitations and develop robots with higher load capacity and flexibility suited to complex industrial environments. Through modular development, providers can achieve rapid customization and flexible configuration, enabling quick response to market demands and deployment of robots tailored to diverse application scenarios.

- **Advanced unit intelligence for precise control and intelligent decision-making**: The intelligence level of individual robots is key to achieving efficient operations in real industrial settings. In terms of motion control, solution providers with in-house controller development capabilities can tailor motion strategies to specific robot features and application needs, adjusting in real-time to environmental changes for high-precision and responsive control. On the decision-making front, providers need to gather task instructions, operational feedback, and environmental data from real-world scenarios. By leveraging a hybrid dataset of real and simulated data, they can continuously refine decision models. Training intelligent systems with task generalization and cross-scenario adaptation capabilities enables robots to evolve from single-point applications to efficient deployment across diverse scenarios, meeting complex industrial demands.

- **Full-stack proprietary and open compatible software architecture**: A full-stack self-developed software system, covering robot operating system, motion control, and task scheduling, ensures deep integration and optimization between software and hardware, enhancing system stability and security. Meanwhile, open operating system offers better compatibility and scalability, supporting cluster scheduling and management of different types and brands of robots. With unified interfaces and communication protocols, enterprises can integrate various robots into a single system to enable coordinated operations and improve overall productivity.

- **In depth application experience and scalable industry-grade solutions through swarm intelligence**: Providers must possess deep understanding of various industry processes and needs to develop standardized, scenario-based solutions. By integrating swarm intelligence and multi-robot coordination, providers can deliver comprehensive solutions that cover all aspects of the production system, achieving continuous and efficient operations. Through commercial deployment, a positive feedback loop of "data collection−model iteration–performance improvement" can be established, continuously enhancing solution performance and reliability to meet growing customer demands.

- **Supply chain management and cost control capabilities**: Proprietary core technologies are essential for building a secure and controllable supply chain. In-house R&D and manufacturing ensure component quality and supply stability. Additionally, by scaling up production, providers can reduce unit costs, enhance product competitiveness, and achieve both large-scale application and economic benefits.

- **Global service capability and localized operational support**: To meet the needs of global expansion, providers must build comprehensive global service networks that offer timely and efficient support across pre-sales consulting, project deployment, remote maintenance, and spare parts. Enterprises with integrated hardware-software delivery capabilities and localized technical support are key to winning global customer trust and fostering long-term partnerships.

Cost Analysis of Key Components for Industrial Intelligent Mobile Robots

The rapid development of the industrial intelligent mobile robot sector is closely tied to the strength and evolution of its core supply chain. The functionality of industrial intelligent mobile robots heavily relies on critical components such as controllers, power batteries, motors, LiDAR, and structural components. The performance of these components directly influences the robot's intelligence level, operational efficiency, endurance, and functional safety. Among these, expenditures related to power batteries and LiDAR are relatively high. The power batteries are crucial for enabling efficient industrial intelligent mobile robot operation, impacting endurance, and efficiency. LiDAR enables real-time obstacle detection and distance measurement through high-precision environmental perception.

Advancements in component technologies and strengthened industry collaborations have significantly enhanced the industrial intelligent mobile robot supply chain. Costs for key components such as power batteries and LiDAR are gradually declining, driven by the rise of domestic suppliers and efforts toward standardization. Taking LiDAR as an example, the cost of LiDAR used in industrial intelligent mobile robots generally exceeded RMB15 thousand in 2020. Currently, the price range has dropped significantly to between RMB1.5 thousand and RMB10 thousand. Furthermore, as the market matures and production scales expand, these costs are expected to decrease further, accelerating the adoption of industrial intelligent mobile robots across broader industries. Additionally, continuous innovation in power battery technology is a critical factor in enhancing robot performance. For instance, optimizations in lithium-ion batteries and power management units extend robot runtime, while battery management systems monitor battery status to ensure safe and efficient operation. The synergy between cost reduction and performance improvement will propel the expansion of industrial intelligent mobile robotic applications, fostering sustained industry upgrades.

SOURCE OF THE INDUSTRY INFORMATION

CIC was commissioned to conduct an analysis of, and to report on the global industrial intelligent robotic solution industry at a fee of approximately RMB445,200. The commissioned report has been prepared by CIC, independent of the influence of the Company and other interested parties.

CIC's services include, among others, industry consulting, commercial due diligence and strategic consulting. CIC conducted both primary and secondary research using a variety of resources. Primary research involved consumer surveys and interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources, such as the National Bureau of Statistics of China, information released by other Chinese government authorities, annual reports published by industry participants, industry organizations, as well as CIC's internal database.

The market projections in the commissioned report are based on the following key assumptions: (i) that the overall global social, economic and political environment is expected to maintain a stable trend over the next decade; (ii) that related key industry drivers are likely to continue driving growth in the industry during the forecast period; and (iii) that there is no extreme force majeure or set of industry regulations in which the market situation may be affected either dramatically or fundamentally.

Our Directors confirm that, after making reasonable enquiries, there is no material adverse change in the market information since the date of the CIC Report which may qualify, contradict or have an impact on the information in this section.

This section sets out a summary of certain aspects of the laws and regulations which are relevant to the business and operations of our Group. The principal objective of this summary is to provide potential investors with an overview of the key laws and regulations applicable to us. This summary does not purport to be a comprehensive description of all the laws and regulations applicable to our business and operations and/or which may be important to potential investors. Investors should note that the following summary is based on laws and regulations in force as at the date of this document, which may be subject to change.

LAWS AND REGULATIONS IN THE PRC

This section sets out a summary of certain aspects of laws and regulations of the PRC, which are relevant to the business and operations of our Group.

Principal Regulatory Authorities

In addition to the supervision and management by authorities that perform general regulations on companies in the PRC, the Company's operations in the PRC are mainly subject to supervision and management under the following authorities:

MIIT

The main responsibilities of the MIIT include, among others: proposing strategies and policies in relation to industrial development, drafting and organizing the implementation of industrial plans and industrial policies, drafting and promulgating industrial regulations and technical specifications, formulating and implementing standards and policies for high-tech industries, promoting the development of emerging industries, and guiding relevant industries in strengthening safety production management.

NDRC

The main responsibilities of the NDRC include, among others: organizing the formulation of a comprehensive industrial policy, regulating and managing fixed-asset investment projects, proposing strategies and policies for the utilization of inbound and outbound investment, and proposing a negative list for foreign investment access.

MOFCOM

The main responsibilities of the MOFCOM include, among others: supervising and regulating the foreign investment activities nationwide, formulating foreign investment policies and organizing their implementation, promoting the popularization of structural adjustment of industries, guiding the popularization of corporate reform, and to develop the commercial service industry and community commerce, formulating administrative measures and specific policies for outbound investment, and authorizing, in accordance with the applicable laws, outbound investment by domestic enterprises.

Company Law

According to the PRC Company Law (《中華人民共和國公司法》) implemented by SCNPC on December 29, 1993 and most recently amended on December 29, 2023 and implemented on July 1, 2024, both limited liability companies and joint stock limited companies established in the PRC have the status of legal persons. The liability of shareholders of a limited liability company and a joint stock limited company is limited to the amount of capital they have contributed or shares they have subscribed for. The PRC Company Law shall also apply to foreign-invested companies unless laws on foreign investment have stipulated otherwise.

Regulations Relating to Foreign Investment

The NPC promulgated the PRC Foreign Investment Law (《中華人民共和國外商投資法》) on March 15, 2019, which became effective on January 1, 2020, and sets out the definition of foreign investment and the framework for the promotion, protection and administration of foreign investment activities.

On December 30, 2019, the Ministry of Commerce and the State Administration for Market Regulation jointly promulgated the Measures for Reporting of Information on Foreign Investment (《外商投資信息報告辦法》), which became effective on January 1, 2020. According to those measures, the relevant participants in the establishment of foreign invested enterprises, in the process of purchasing of the equities of a domestic enterprise by a foreign investor and in the process of the subscription of the increased registered capital of a domestic enterprise by a foreign investor are required to submit an initial report in a dedicated registration system. In addition, the relevant participant in the subsequent changes to important matters of the aforementioned enterprises, such as their shareholding structures, are required to submit a change report through the same registration system. Investment activities in the PRC by foreign investors are principally governed by the Special Administrative Measures (Negative List) for Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》), or the Negative List. The Negative List, which became effective on November 1, 2024, sets out special administrative measures in respect of the access of foreign investments in a centralized manner. Foreign investors shall not invest in any field prohibited by the Negative List and shall meet the investment conditions stipulated for any field restricted by the Negative List, while for foreign investments outside the Negative List, it shall be administered under the principle of equal treatment to domestic and foreign investment.

Regulations Relating to Robot Industry

On December 21, 2021, the MIIT, the NDRC and other 13 departments, jointly issued the 14th Five Year Plan for the Development of China's Robot Industry (《「十四五」機器人產業發展規劃》), which seeks to promote breakthroughs in core robot technologies and high-end products. The plan raised that, by 2025, China will become a global hub for robotics innovation, a cluster for high-end manufacturing, and a new frontier for integrated applications.

On January 18, 2023, the MIIT and other 16 departments jointly issued the Implementation Plan for "Robot+" Application Action (《「機器人+」應用行動實施方案》), which sets a target to double the robot density in manufacturing by 2025 compared to 2020, while significantly enhancing the depth and breadth of applications for service robots and special-purpose robots across industries.

Regulations Relating to Product Quality

The PRC Product Quality Law (《中華人民共和國產品質量法》) promulgated by the SCNPC on February 22, 1993 and most recently amended on December 29, 2018 is the principal governing law related to the supervision and administration of product quality. According to the PRC Product Quality Law, manufacturers shall be liable for the quality of products produced by them and sellers shall take measures to ensure the quality of the products sold by them. A manufacturer shall be liable to compensate for any physical injuries or damage to property other than the defective product itself resulting from the defects in the product, unless the manufacturer is able to prove that: (i) the product has not been put into circulation; (ii) the defects causing injuries or damage did not exist at the time when the product was put into circulation; or (iii) the science and technology at the time when the product was put into circulation were at a level incapable of detecting the existence of the defect. A seller shall be liable to compensate for any physical injuries or damage to property of others caused by the defects in the product. Where a product is defective due to a mistake made by the seller and such defect causes physical injury or damage to the property of others, the seller shall bear liability for compensation. Where a seller cannot specify the producer of a defective product nor the supplier of such defective product, the seller shall be liable for compensation. Where a defect in a product causes physical injuries to others or damages to the property of others, the victim may claim compensation from the producer of the product or from the seller of the product.

Pursuant to the PRC Civil Code (《中華人民共和國民法典》) promulgated by the NPC on May 28, 2020 and becoming effective on January 1, 2021, in the event of damages caused to others due to the defects in a product, the infringed party may seek compensation from the manufacturer or the seller of such product and shall have the right to request the manufacturer and the seller to bear tortious liabilities, such as cessation of infringement, removal of obstruction, elimination of danger, etc.

Regulations Relating to Importation and Exportation of Goods

The PRC Foreign Trade Law (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994 which came into effect on July 1, 1994 and most recently amended on December 30, 2022 and the PRC Regulations on the Administration of Import and Export of Goods (《中華人民共和國貨物進出口管理條例》) promulgated by the State Council on December 10, 2001, most recently amended on March 10, 2024, and came into effect on May 1, 2024, both stipulated that the import and export of goods and technologies to and from the PRC are free, unless otherwise in relevant laws or administrative regulations, and all entities engaging in the business of importation and exportation of goods shall comply with applicable laws and regulations. The PRC Customs Law (《中華人民共和國海關法》) promulgated on January 22, 1987, as most recently amended on April 29, 2021, stipulates that, among other things, the consignee or consignor of import or export goods or a customs agent shall file for record with relevant customs authority before going through any customs declaration procedures. Provisions on the Administration of Recordation of Customs Declaration Entities of the PRC (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs of the PRC on November 19, 2021, and effective from January 1, 2022, further gives detailed requirement on the documents needed for the filing and the requirement on reporting certain changes of the filed information to the relevant customs authority.

Regulations Relating to Work Safety

The PRC Work Safety Law (《中華人民共和國安全生產法》) was promulgated by the SCNPC on June 29, 2002, most recently amended on June 10, 2021 and became effective on September 1, 2021. The Work Safety Law applies to all entities engaging in production and business activities in the PRC. Such entities shall, according to the PRC Work Safety Law, strengthen work safety management, establish and improve the all-staff work safety responsibility system and internal rules and regulations in relation to work safety, increase investment in funds, materials, technologies and staff for work safety, improve working conditions, strengthen the development of a standardized and information technology enabled work safety system, establish a dual prevention mechanism of graded management and control of safety risks and the screening and handling of hidden dangers, improve the risk prevention and resolution mechanism so as to ensure work safety. In addition, production and business operation entities must arrange safety production training and provide employees with personal protective equipment that meets national or industry standards. Violations of the PRC Work Safety Law may result in administrative penalties such as fine, suspension of operation and revocation of license.

Regulations Relating to Cybersecurity, Privacy and Data Security

The Provisions on Technical Measures for Internet Security Protection (《互聯網安全保護技術措施規定》), as promulgated on December 13, 2005 by the Ministry of Public Security of the PRC, or the MPS, require internet service providers and entity users of the internet to implement technical measures for internet security, for example, measures against computer viruses, invasion, attack, or destruction of the cyberspace, and require all internet access service providers to take measures to keep a record of and preserve user registration information.

The Administrative Measures for the Graded Protection of Information Security (《信息安全等級保護管理辦法》) promulgated by the MPS, the National Administration of State Secrets Protection, the State Cipher Code Administration and the Information Office of the State Council (now abolished) on June 22, 2007, divide the security protection of information systems into five grades based on the degree of harm caused by the destruction of such information system to the legitimate rights and interests of citizens, legal entities and other organizations, public order of the society, other public interests and national security. It further requires the operators of information systems ranking Grade II or above to file an application with the local competent public security authorities within 30 days from the date when its security protection grade is determined or its information system starts operation.

On July 1, 2015, the SCNPC promulgated the PRC National Security Law (《中華人民共和國國家安全法》), which became effective on the same day. It provides that the state shall build an internet and information security protection system and improve internet and information security protection capability to realize the controllable security of internet information key technologies, critical infrastructure and the information systems and data in important fields. In addition, a national security review and supervision system is required to be established to review, among other things, foreign investment, key technologies and services and product in relation to internet information technologies that affect or are likely to affect the national security of the PRC.

On November 7, 2016, the SCNPC promulgated the PRC Cybersecurity Law (《中華人民共和國網絡安全法》), which became effective on June 1, 2017. It defines "networks" as systems that are composed of computers or other information terminals and relevant facilities used for the purpose of information collecting, storing, transmitting, exchanging and processing in accordance with certain rules and procedures, and "network operators" as owners or administrators of networks or the providers of network services. Network operators are subject to various security protection-related obligations, including: (i) complying with security protection obligations in accordance with tiered cybersecurity system's protection requirements, which include formulating internal security management systems and operation instructions, appointing responsible personnel for cybersecurity, adopting technical measures to prevent computer viruses and cybersecurity endangering activities, adopting technical measures to monitor and record network operation status and events relating to cybersecurity, taking data security measures such as data classification, backups and encryption; (ii) formulating cybersecurity emergency response plans, timely handling of security risks, initiating emergency response plans, taking appropriate remedial measures and reporting to regulatory authorities in case of any incident endangering cybersecurity; and (iii) providing technical assistance and support for public security authorities and national security authorities for protection of national security and criminal investigations in accordance with applicable laws. Network operators who do not comply with the PRC Cybersecurity Law may be subject to corrective orders, warnings, fines, suspension of their businesses, shutdown of their websites, and/or revocation of their business licenses.

On June 10, 2021, the SCNPC promulgated the PRC Data Security Law (《中華人民共和國數據安全法》), which took effect on September 1, 2021. The PRC Data Security Law stipulates the obligations in relation to data security and privacy for entities and individuals carrying out data processing activities. The Data Security Law also introduces a data classification system and a layered protection system based on the importance of data in the socio-economic development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used. The appropriate level of protection measures is required to be taken respectively for each category of data. Violation of the PRC Data Security Law may be subject to an order to cease illegal activities, warnings, fines, suspension of business, and revocation of business licenses and/or operating permits, and the persons in charge or other directly responsible persons may be imposed with fines.

The Administrative Provisions on Security Vulnerabilities of Network Products (《網絡產品安全漏洞管理規定》) were jointly promulgated by the MIIT, the Cyberspace Administration of China, or the CAC, and the MPS on July 12, 2021 and took effect on September 1, 2021, which stipulate that, providers of cyber products (including hardware and software), network operators, organizations or individuals engaged in activities relating to the discovering, collecting and releasing security vulnerabilities of cyber products are subject to these provisions, and shall establish channels to receive information of security vulnerabilities of their respective cyber products and keep logs for receiving such information for no less than six months. Network product providers are required to report relevant information of security vulnerabilities of network products with the Cyber Security Threat and Vulnerability Information Sharing Platform of MIIT within two days and to provide technical support for network product users. Network operators also shall make measures to examine and fix security vulnerabilities after discovering or knowing that their networks, information systems or equipment have security vulnerabilities. According to these provisions, violations thereunder may result in administrative penalties as stipulated in the PRC Cybersecurity Law.

On July 30, 2021, the State Council promulgated the Security Protection Regulations for Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), which became effective on September 1, 2021. According to these regulations, a "critical information infrastructure" refers to an important network facility and information system in important industries and fields such as, among others, public communications and information services, as well as other important network facilities and information systems that may seriously endanger national security, the national economy, the people's livelihood, or the public interests in the event of damage, loss of function, or data leakage. The regulations supplement and specify the provisions on the security of critical information infrastructure as stated in the PRC Cybersecurity Law, and provide, among others, that the competent regulatory, supervision and administration authorities of the aforementioned important industries will be responsible for (i) organizing the identification of critical information infrastructures in their respective industries in accordance with certain identification rules, and (ii) promptly notifying the operators of the identified information infrastructures and the public security department of the State Council of the identification results.

On December 28, 2021, the Cybersecurity Review Measures (《網絡安全審查辦法》) were promulgated by the CAC together with other 12 PRC governmental authorities, which took effect from February 15, 2022. Pursuant to these measures, the purchase of network products and services by a critical information infrastructure operator or the data processing activities of a network platform operator that affect or may affect national security will be subject to a cybersecurity review. In addition, network platform operators holding personal information of over one million users shall also apply for a cybersecurity review before listing abroad. The competent governmental authorities may also initiate a cybersecurity review against the operators if the authorities believe that the network product or service or data processing activities of such operators affect or may affect national security.

The PRC Civil Code also stipulates that the personal information of a natural person shall be protected and provides main legal basis for privacy and personal information infringement claims. On August 20, 2021, the SCNPC promulgated the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》) which became effective on November 1, 2021. The PRC Personal Information Protection Law stipulates the scope of personal information, sets out the rules for processing personal information and the rules for cross-border transfer of personal information, as well as clarifies the individual's rights and the personal information processor's obligations in the process of personal information processing. The Personal Information Protection Law requires, among others, that (i) informing the individuals of the rules and purposes of personal information processing, impacts of personal information processing and how the individual can exercise their rights, (ii) obtaining consents from individuals for personal information processing or having other applicable legal basis to process personal information, (iii) establishing internal policies and procedures in terms of personal information processing and taking appropriate technical measures, (iv) providing channels for individuals to exercise their personal information rights under the PIPL and respond to their requests; and (v) conduct personal information protection assessment under certain personal information processing activities.

On March 22, 2024, the CAC issued the Provisions on the Promotion and Regulation of Cross-border Data Flows (《促進和規範數據跨境流動規定》). According to these provisions, the transfer of data collected and generated during specific activities such as international trade, cross-border transport, transnational manufacturing, and marketing, which do not involve personal information or important data, is exempted from the requirements to undergo data export security assessment, the need to enter into standard contracts for the transfer of personal information abroad, or obtaining personal information protection certification. These provisions also stipulate that, if a data processor, who is not a critical information infrastructure operator, transfers personal information (excluding sensitive personal information) of less than 100,000 individuals cumulatively as of January 1 of the current year, it may be exempted from the requirement to undergo a data export security assessment, entering into a standard contract for transferring personal information abroad, or obtaining personal information protection certification.

On September 24, 2024, the State Council promulgated the Regulations on the Security Management of Network Data (《網絡數據安全管理條例》), or the Network Data Regulations, which will come into effect on January 1, 2025. The Network Data Regulations provide detailed implementing rules and guidance on various aspects of data compliance requirements under the existing data protection framework pillars of the PRC Cybersecurity Law, the PRC Data Security Law and the PRC Personal Information Protection Law. The Network Data Regulations supplement the requirements on several aspects of the PRC Personal Information Protection Law regarding notification, consent, and the exercise of personal rights, provide more detail on compliance requirements for processors of important data, and also provide more guidance to streamline cross-border data transfers.

Furthermore, on December 8, 2022, the MIIT promulgated the Administrative Measures for Data Security in Industry and Information Technology Sectors (for Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》), or the Data Security Measures, which became effective on January 1, 2023. The measures apply to data in the industry and information technology sectors, including industrial data, telecom data and radio data, or the Industry and IT Data. The Data Security Measures divide the Industry and IT Data into three categories based on the potential harm to national security, public interests and legal interests of individuals in the event of unauthorized alteration, destruction, leakage or illegal acquisition or use of such data: ordinary data, important data and core data. The processing of important data and core data is subject to certain filing and reporting obligations. The Industry and IT Data processors are also required by the Data Security Measures to establish a full life-circle data security management systems, designate data security management personnel, reasonably manage operation authorization and formulate responses plan and conduct emergency drills and relevant trainings.

Regulations Relating to Government Procurement and Bidding

Pursuant to the PRC Government Procurement Law (《中華人民共和國政府採購法》) promulgated by the SCNPC on June 29, 2002 and most recently amended on August 31, 2014, public invitation for bids shall be taken as the main method of government procurement. Government procurement refers to the procurement of goods, projects and services by state authorities, public institutions and social organizations using public fiscal funds within the centralized procurement catalogue or exceeding the relevant procurement thresholds, which shall be both stipulated in separately promulgated documents. The principles of transparency, fair competition, impartiality and good faith shall be abode in the process of government procurement. Furthermore, the parties concerned in government procurement shall not collude with each other to impair the rights and interests of the state, the public or any other parties concerned.

Pursuant to the PRC Tendering and Bidding Law (《中華人民共和國招標投標法》) promulgated by the SCNPC on August 30, 1999 and most recently amended on December 27, 2017, bidding process shall be carried out when, among others, the following construction projects are involved: (i) large scale infrastructure or public utility projects and other projects relevant to public interest or public security; (ii) projects entirely or partially using state-owned funds or state-facilitated loans; and (iii) projects using loans, or financial aids from international organizations or foreign governments. Furthermore, tenderers shall not collude with each other in setting bidding prices, nor shall they exclude other tenderers from fair competition and harm the lawful rights and interests of the tenderee and other tenderers. Tenderers shall not participate in the bidding competition by offering a price lower than the cost, nor shall they attempt to win the bid in the name of other persons or through other fraudulent means.

According to the Implementation Regulations for the Law of the PRC on Tenders and Bids (《中華人民共和國招標投標法實施條例》), which was promulgated on December 20, 2011, last amended on March 2, 2019 and became effective on the same day, where the tender invitation and bidding activities of a project required by law to call for tenders violate the provisions of the PRC Tendering and Bidding Law and such regulations, and have a substantive influence on the outcome of award of tender, if it is impossible to adopt remedial measures to rectify the tender invitations, the bidding and award of tender shall be void, and the tender exercise or bid evaluation shall be organized anew pursuant to the law.

Regulations Relating to Labor Contract, Social Insurance and Housing Provident Fund

Labor Contract

According to (i) the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994, and most recently amended on December 29, 2018, (ii) the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007, most recently amended on December 28, 2012 and became effective on July 1, 2013, and (iii) the Implementation Regulations for the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on September 18, 2008, the employment relationship between employers and employees must be executed in written form, and a minimum wage guarantee system shall be implemented. The wages paid by the employers to the employees shall not be less than the minimum wage as determined by the local governments at the provincial level. In addition, employers must establish a sound labor safety and hygiene system, and the labor safety and hygiene facilities must meet the standards stipulated by relevant authorities.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) promulgated by the SCNPC on October 28, 2010 and most recently amended on December 29, 2018, the Administrative Regulations on Housing Provident Fund (《住房公積金管理條例》) promulgated by the State Council on April 3, 1994 and most recently amended on March 24, 2019, and the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council and most recently amended on March 24, 2019, an enterprise established within the PRC shall pay premium for basic pension insurance, unemployment insurance, maternity insurance, work injury insurance, basic medical insurance and contribute to the housing provident fund for its employees at a rate stipulated by the relevant authorities.

Employers that fail to promptly pay social insurance premiums in full amount will be ordered by the social insurance premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a penalty for late payment from the due date at the rate of 0.05% per day. If such payment is still not made within the stipulated period, a fine ranging from one to three times of the amount in arrears will be imposed. Employers that fail to contribute to the housing provident fund in due time or contribute under the minimum amount will be ordered by the relevant housing provident fund management center to make the contribution within a stipulated period. If such contribution is still not made within the stipulated period, the relevant housing provident fund management center can file application with a people's court for compulsory enforcement.

Regulations Relating to Intellectual Property

Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984, and most recently amended on October 17, 2020 which became effective on June 1, 2021 as well as the Implementation Rules for the Patent Law of the PRC (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 15, 2001, most recently amended on December 11, 2023 and became effective on January 20, 2024, invention creations that are eligible for the application of a patent shall include inventions, utility models and designs.

Inventions refer to new technical solutions for a product, method or the improvement thereof. Utility models refer to applicable and practical new technical solutions proposed for the shape or structure of a product or a combination thereof. Designs refer to new designs of the whole or partial shape or pattern of a product or a combination thereof, as well as a combination of color with shape or pattern, which has aesthetic value or is fit for industrial application. Inventions and utility model patents must meet three criteria: novelty, inventiveness and practicability. The validity period of patent for inventions is 20 years, the validity period of patent for utility models is 10 years, and the validity period of patent for designs is 15 years, in each case starting from the date of application. The PRC patent system adopts a "first come, first file" principle, which means that where more than two persons file a patent application for the same invention, a patent will be granted to the person who applies first.

An invention creation that is accomplished by a person in the course of performing any task for an entity by which the inventor or designer is employed, or by using materials or technical means that are mainly from a certain entity shall be considered as a service-based invention creation. For a service-based invention creation, the right to apply for a patent belongs to the entity that employs the inventor or designer, or the entity that provided the majority of materials or technical means essential for the creation. Upon grant of the patent, such entity shall be the patentee. The patentee of a service patent shall reward the inventor or designer of the relevant service-based invention creation. After the implementation of the service patent, the inventor or designer shall be compensated reasonably according to the scope of market application of the patent as well as the economic benefits obtained from its implementation.

Trademark

The Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982, and most recently amended on April 23, 2019 which became effective on November 1, 2019, and the Implementation Regulations of the Trademark Law of the PRC (《中華

人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002 and most recently amended on April 29, 2014 which became effective on May 1, 2014, prescribe the process of registration, de-registration, renewal, alteration, transfer and invalidation of a trademark. According to the aforesaid legislations, the registration of a trademark shall be valid for ten years from the date of approval. If there is a continuous need for the use of trademark, a renewal process shall be initiated within 12 months before the expiry of the registration. If the renewal process is not initiated within the stipulated period, a grace period of six months may be given for the filing of the renewal process. Each renewal of the trademark registration shall be valid for ten years from the date of the expiry of the previous registration. A trademark registrant may license the right to use its trademarks to other parties by entering into a trademark license agreement, but the licensing is not effective against a bona fide third party unless and until a relevant party has filed the record of such license to the relevant authority.

Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990, and most recently amended on November 11, 2020 which became effective on June 1, 2021, the works protected by copyright refer to original intellectual achievements in the fields of literature, art and science which can be expressed in a certain form, including: (i) written works; (ii) oral works; (iii) musical, dramatic, opera, dance, acrobatic artistic works; (iv) fine arts, architectural works; (v) photographic works; (vi) audio-visual works; (vii) graphic works and model works, such as engineering design plans, product design plans, maps, and schematic diagrams; (viii) computer software; and (ix) any other intellectual achievements which share the same characteristics of the aforesaid works. Copyright is a collection of personal and property rights, which, among others, includes the right of publication, the right of authorship, the right of modification, the right of distribution, the right of reproduction, and the right of internet information transmission.

According to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration of the PRC on February 20, 2002 and became effective on the same date, and the Regulations on Computers Software Protection (《計算機軟件保護條例》) promulgated by the State Council on December 20, 2001, and most recently amended on January 30, 2013 which became effective on March 1, 2013, the National Copyright Administration of the PRC shall be the competent authority for the nationwide administration of software copyright registration, and the Copyright Protection Centre of China is designated as the authority responsible for the whole registration process of computer software. The Copyright Protection Centre of China issues registration certificates to applicants for computer software copyrights that comply with the aforesaid measures and regulations.

Domain Name

According to the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) promulgated by the MIIT on August 24, 2017 and became effective on November 1, 2017, prior to the establishment of domain name root servers, domain name root server operation institutions, domain name registration management institutions and domain name registration service institutions within the PRC, the corresponding permits shall be obtained from the MIIT or its local counterparts.

Regulations Relating to PRC Tax

Income Tax Law

According to the PRC Enterprise Income Tax Law (《中華人民共和國企業所得税法》) or the EIT Law promulgated by the National People's Congress on March 16, 2007, and most recently amended on December 29, 2018 and effective from the same date and the Enterprise Income Tax Implementation Regulations (《中華人民共和國企業所得税法實施條例》) or the EIT Implementation Regulations promulgated by the State Council on December 6, 2007, and most recently amended on December 6, 2024 and effective on January 20, 2025, enterprises are divided into resident enterprises and non-resident enterprises. Resident enterprises are enterprises which are set up in China in accordance with law, or which are set up in accordance with the law of a foreign country (region) but which are actually under the administration of institutions in China. Non-resident enterprises are enterprises which are set up in accordance with the law of a foreign country (region) and whose actual administrative institution is not in China, but which have institutions or establishments in China, or which have no such institutions or establishments but have income generated from inside China. Resident enterprises are subject to a uniform 25% enterprise income tax rate on their worldwide income. The enterprise income tax rate is reduced by 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a 15% tax rate reduction for Enterprise Income Tax.

According to the Administrative Measures for Accreditation of High-tech Enterprises (《高新技術企業認定管理辦法》) jointly promulgated by Ministry of Science and Technology, Ministry of Finance and the SAT on April 14, 2008, amended on January 29, 2016 and effective on January 1, 2016, enterprises which recognized as high-tech enterprises are entitled to enjoy the preferential enterprise income tax rate of 15%. The validity period of the high-tech enterprise qualification shall be three years from the date of issuance of the certificate of high-tech enterprise. After the certificate expires, the enterprise can re-apply for such recognition as a high-tech enterprise.

Income Tax Relating to Dividend Distribution

Pursuant to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) and relevant protocols, which were promulgated by the SAT on August 21, 2006, came into effect on December 8, 2006, the withholding tax rate 5% applies to dividends paid by a PRC company to a Hong Kong company if such Hong Kong company directly holds at least 25% of the equity interests in a PRC company, otherwise the 10% withholding tax rate applies.

Pursuant to the Administrative Measures on Entitlement of Non-resident Taxpayers to Preferential Treatment under Tax Treaties (《非居民納稅人享受協定待遇管理辦法》), which was promulgated by the SAT on October 14, 2019, came into effect on January 1, 2020, nonresident taxpayers are entitled to preferential treatment under tax treaties through self-determination, self-declaration and keeping and documenting relevant information for inspection. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the regulations for future inspection, and subject to subsequent administration by tax authorities.

According to the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》) promulgated on September 10, 1980, last amended on August 31, 2018 and effective on January 1, 2019, and the Regulations for the Implementation of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》) or the Implementing Rules of the Individual Income Tax Law last amended on December 18, 2018 and effective on January 1, 2019, income from interest, dividends, bonuses, property leasing, property transfer and incidental income shall be subject to a proportional tax rate of 20%. In addition, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies for Dividends and Bonuses of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) issued on September 7, 2015 by the Ministry of Finance, the SAT and the CSRC, where an individual acquires stocks of a listed company from public offering of the company or from the stock transfer market and holds the stocks for more than one year, the income from dividends is exempted from individual income tax. If the individual holds the stocks for one month or less, the income from dividends is fully taxable. If the individual holds the stocks for one month to one year (one year inclusive), 50% of the income from dividends is taxable. The aforesaid income is subject to an individual income tax at a flat rate of 20%.

In accordance with the EIT Law and the EIT Implementation Regulations, the rate of enterprise income tax shall be 25%. A non-resident enterprise income tax should be levied at a reduced rate of 10% on income originating from within China if such non-resident enterprise does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but the PRC-sourced income is not connected to such establishment or premise in the PRC. Such withholding tax for non-resident enterprises are deducted at source and the payer shall be the withholding agent. The tax shall be withheld by the withholding agent from the amount paid or due for each payment.

The Circular of the SAT on Issues Relating to the Withholding of Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to H Share Shareholders of Overseas Non-Resident Enterprise (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》), which was issued by the SAT on November 6, 2008, further clarified that a PRC-resident enterprise unified withhold enterprise income tax at a rate of 10% on dividends paid to H Share shareholders of overseas non-resident enterprise for 2008 and subsequent years. After receiving dividends, the shareholder of a non-resident enterprise may apply to the competent tax authority for the treatment under the tax treaty (arrangement), and after the examination and verification by the competent tax authority, shall refund the balance between the tax paid and the tax payable calculated according to the tax rate stipulated in the tax treaty (arrangement).

Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》), which was promulgated by the State Council on December 13, 1993 and most recently amended on November 19, 2017 effective from the same date, and the Detailed Rules for the Implementation of the Interim Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》) which was promulgated by the MOF on December 25, 1993 and most recently amended on October 28, 2011, and effective from November 1, 2011, all entities or individuals in the PRC engaged in the sale of goods, processing services, repair and replacement services, and the provision of services, sales of intangible assets, real estate and importation of goods are required to pay value-added tax (VAT). Unless otherwise provided, taxpayers engaged in provision of services and sales of intangible assets are subject to a tax rate of 6%. According to the Notice on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner (Cai Shui [2016] No. 36) (《關於全面推開營業稅改徵增值稅試點的通知》(財稅[2016]第36號)) promulgated by the MOF and the SAT promulgated on March 23, 2016 and effective from May 1, 2016, and amended on July 11, 2017, December 25, 2017 and March 20, 2019, with the approval of the State Council, as of May 1, 2016, the pilot program of replacing business tax with VAT shall be implemented across the country, all business tax taxpayers in the construction industry, the real estate industry, the financial industry, and the living service industry shall be included in the scope of the pilot program, and the payment of business tax shall be replaced by the payment of VAT. According to the Circular on Policies for Simplifying and Consolidating Value-added Tax Rates (Cai Shui [2017] No. 37) (《關於簡併增值稅稅率有關政策的

通知》(財稅[2017]37號)), announced by the MOF and the SAT on April 28, 2017, and effective from July 1, 2017, the structure of value-added tax rates will be simplified from July 1, 2017, and the 13% VAT rate will be cancelled. The scope of goods with 11% tax rate and the provisions for deducting input tax are specified. According to the Circular on Adjusting Value-added Tax Rates of Ministry of Finance and the State Administration of Taxation (Cai Shui [2018] No. 32) (《財政部、國家稅務總局關於調整增值稅稅率的通知》(財稅[2018]32號)) announced by the MOF and the SAT on April 4, 2018 and effective on May 1, 2018, from May 1, 2018, where a taxpayer engages in a taxable sales activity for the value-added tax purpose or imports goods, the previous applicable 17% and 11% tax rates are adjusted to be 16% and 10% respectively.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (Announcement of the Ministry of Finance of the PRC, the State Taxation Administration and the General Administration of Customs of the PRC [2019] No. 39) (《關於深化增值稅改革有關政策的公告》(財政部、稅務總局、海關總署公告2019年第39號)) announced by the Ministry of Finance, the SAT, and the General Administration of Customs on March 20, 2019 and effective from April 1, 2019, with respect to VAT taxable sales or imported goods of a VAT general taxpayer, the originally applicable VAT rate of 16% shall be adjusted to 13%; the originally applicable VAT rate of 10% shall be adjusted to 9%.

On December 25, 2024, the NPCSC promulgated the Value-added Tax Law of the PRC (《中華人民共和國增值稅法》), or the VAT Law, which will come into effect and repeal the Interim Regulations of the PRC on Value-added Tax on January 1, 2026. Under the VAT Law, the VAT rate, for selling goods, providing processing, repair and replacement services and tangible movables leasing services or importing goods will be 13%, for selling transport services, postal services, basic telecommunications, buildings, real property, or real property leasing services, transferring land use rights, or selling or importing certain goods specified in the VAT Law will be 9%, for selling services or intangible assets will be 6%, and for exporting goods will be 0%, and the levy rate of VAT to which the simple tax computation method applies is 3%.

Regulations Relating to Environmental Protection

Environment Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), which was promulgated by the SCNPC on December 26, 1989, most recently amended on April 24, 2014 and came into effect on January 1, 2015, outlines the authorities and duties of various environmental protection regulatory agencies. The Ministry of Ecology and Environment of the PRC, or the MEE, is authorized to issue national standards for environmental quality and discharge of pollutants, and to monitor the environmental protection scheme of the PRC. Meanwhile, local environment protection authorities may formulate local standards for discharge of pollutants which are more rigorous than the national standards, in which case, the concerned enterprises must comply with both the national standards and the local standards.

Environmental Impact Appraisal

According to the Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》), which was promulgated by the State Council on November 29, 1998 and most recently amended on July 16, 2017, depending on the impact of the construction project on the environment, an construction proprietor shall submit an environmental impact report or an environmental impact statement, or file a registration form. As to a construction project, for which an environmental impact report or the environmental impact statement is required, the construction proprietor shall, before the commencement of construction, submit the environmental impact report or the environmental impact statement to the relevant authority at the environmental protection administrative department for approval. If the environmental impact assessment documents of the construction project have not been examined or approved upon examination by the approval authority in accordance with the law, the construction proprietor shall not commence the construction.

According to the Environmental Impact Appraisal Law of PRC (《中華人民共和國環境影響評價法》), which was promulgated by the SCNPC on October 28, 2002 and most recently amended on December 29, 2018, for any construction projects that have an impact on the environment, the construction proprietor is required to prepare an environmental impact report or an environmental impact statement, or file a registration form depending on the seriousness of effect that may be exerted on the environment.

Pollutant Discharge

Pursuant to the Administrative Measures for Pollutant Discharge Permit (《排污許可管理辦法》) promulgated on April 1, 2024 by the MEE and became effective on July 1, 2024, enterprises and public institutions as well as other entities engaging in production and business operations included in a certain designated catalogue for pollutant discharge management shall apply for and obtain a pollutant discharge permit or complete the registration as a stationary pollution source within a prescribed time limit.

According to the Catalogue for Categorized Administration of Pollutant Discharge Permit for Stationary Pollution Sources (2019 Version) (《固定污染源排污許可分類管理名錄(2019年版)》) issued by the MEE on December 20, 2019, key management, simplified management and registration management are applied to different kind of pollutant discharging entities according to factors including the amount of pollutants generated, the amount of pollutants discharged, the degree of impact on the environment, etc., and only pollutant discharge entities that are under registration management do not need to apply for a pollutant discharge permit.

Regulations Relating to Fire Prevention

The PRC Fire Prevention Law (《中華人民共和國消防法》) was promulgated by the SCNPC on April 29, 1998, and was most recently amended and became effective on April 29, 2021. According to the PRC Fire Prevention Law, enterprises are required to perform the following duties in relation to fire prevention: (i) implement fire safety accountability system, prepare fire safety system and fire safety operational procedures for their organization, and prepare fire extinguishment and emergency evacuation plans; (ii) prepare and install firefighting facilities and equipment pursuant to applicable laws and industry standards, install fire safety signs, and organize inspection and maintenance on a regular basis to ensure that the facilities and equipment are in good working conditions; (iii) conduct comprehensive inspection of firefighting facilities in the buildings they are in at least once a year to ensure that they are in good working conditions, the inspection records shall be complete and accurate and be well kept for reference and regulatory inspection; (iv) ensure that evacuation access, safety exits and fire engine access roads are unblocked, and ensure that the fire and smoke bay and firebreak distance comply with relevant technical standards; (v) organize fire prevention checks to promptly eliminate hidden fire hazards; (vi) organize and carry out targeted fire drills; and (vii) perform any other fire safety duties stipulated by applicable laws and regulations. Failure to perform those duties and other violations of the PRC Fire Prevention Law may result in a fine or an order of suspension of business.

Regulations Relating to Foreign Exchange

The principal regulation governing foreign currency exchange in the PRC is the Regulations on Foreign Exchange Administration of the PRC (《中華人民共和國外匯管理條例》) promulgated on January 29, 1996 and most recently amended on August 5, 2008. According to these regulations, international payments in foreign currencies and transfers of foreign currencies under current account shall not be subject to any state control or restriction. Foreign currency transactions under capital account, such as transactions incurred under direct investment or capital contribution, will be subject to restrictions and require approvals from, or registration with, the foreign exchange administrative authorities, i.e. the SAFE or its local counterparts.

According to the Circular of the State Administration of Foreign Exchange on Issues concerning the Administration of Foreign Exchange Involved in Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) announced by the SAFE on February 1, 2005 and most recently amended on December 26, 2014, the SAFE and its local counterparts will oversee, regulate and inspect PRC domestic companies regarding their business registration, opening and use of accounts, trans-border payments and receipts, exchange of funds and other conduct involved in overseas listing. The said PRC domestic company shall, within fifteen working days upon the end of its overseas public offering, handle registration formalities for overseas listing with the foreign exchange authority at its place of registration with the required materials.

On February 13, 2015, SAFE promulgated the Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) or the SAFE Circular 13, which took effect on June 1, 2015 and was most recently amended on December 30, 2019. In accordance with the SAFE Circular 13, commercial banks will review and carry out foreign exchange registration under domestic direct investment as well as foreign exchange registration under overseas direct investment directly, and the SAFE and its local counterparts will indirectly supervise over foreign exchange registration of direct investment via commercial banks.

On March 30, 2015, SAFE issued the Circular on Reforming the Management Approach Regarding the Foreign Exchange Capital Settlement of Foreign-Invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》), or the SAFE Circular 19, which took effect on June 1, 2015. SAFE further issued the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) or the SAFE Circular 16, and the Notice on Annulling five Foreign Exchange Management Normative Documents and clauses of seven Foreign Exchange Management Normative Documents (《國家外匯管理局關於廢止和失效5件外匯管理規範性文件及7件外匯管理規範性文件條款的通知》), which, among other things, amend certain provisions of SAFE Circular 19. According to SAFE Circular 19, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope. Violations of SAFE Circular 19 or SAFE Circular 16 could result in administrative penalties.

According to the SAFE Circular 16, and the Notice of the SAFE on Further Deepening Reform to Promote Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) announced and effective on December 4, 2023, the foreign exchange receipts under capital accounts of domestic institutions are subject to discretionary settlement policies. The foreign exchange receipts under capital accounts (including foreign exchange capital, foreign debts, and repatriated funds raised through overseas listing) subject to discretionary settlement as expressly prescribed in the relevant policies may be settled with banks according to the actual need of the domestic institutions for business operation. Domestic institutions may, at their discretion, settle up to 100% of foreign exchange receipts under capital accounts for the time being. SAFE may adjust the above proportion in due time according to the balance of payments. While eligible for the discretionary settlement of foreign exchange receipts under capital accounts, domestic institutions may also opt to use their foreign exchange receipts according to the payment-based settlement system. A bank shall, in handling each transaction of foreign exchange settlement for a domestic institution according to the principle of payment-based settlement, review the authenticity and compliance of the use of the funds settled in the previous foreign exchange settlement (including discretionary settlement and payment-based settlement) of such domestic institution. Domestic institutions' foreign exchange receipts under the capital account and the Renminbi funds obtained from the settlement thereof shall not, directly or indirectly, be used for expenditure beyond the enterprise's business scope or expenditure prohibited by laws and regulations of the state. Unless otherwise specified, the funds shall not, directly or indirectly, be used for investments in securities or other investments or wealth management other than wealth management products and structured deposits with risk rating results of not higher than grade II. The funds shall not be used for the granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business scope. The funds shall not be used for the construction or purchase of real estate for purposes other than self-use (except for enterprises engaging in real estate development and leasing operation).

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using their capital, foreign credits and the income under capital accounts of overseas listing, with no need to provide the evidentiary materials concerning authenticity of such capital for banks in advance, provided that their capital use shall be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of income under capital accounts. The bank concerned shall conduct spot checking in accordance with the relevant requirements.

Regulations Relating to Overseas Securities Offering

Overseas Securities Offering

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) were promulgated by the CSRC on February 17, 2023, and implemented on March 31, 2023. According to these trial measures, issuers seeking an overseas initial public offering or listing must file with the CSRC within three working days following the submission of their application documents for issuance and listing abroad. Issuers are also prohibited from overseas offering and listing if they fall under one of the following circumstances: (i) where such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) where the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with applicable laws; (iii) where the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) where the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law, and no conclusion has yet been made thereof; (v) where there are material ownership disputes over equity held by the domestic company's controlling shareholder or by other shareholders that are controlled by the controlling shareholder and/or actual controller. Where a domestic company seeks to directly offer and list securities in non-domestic markets, the issuer shall file with the CSRC, submit a filing report, legal opinion, and other relevant materials and undertake that the submitted materials are all truthful, accurate and complete.

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of the PRC, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archive Management of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) which came into force on March 31, 2023. These provisions require that, in relation to the direct and indirect overseas securities offering and listing activities of domestic companies, such domestic company, as well as securities companies and securities service institutions providing securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to fulfill their confidentiality and archives management duties. According to these provisions, during an overseas offering and listing, if a domestic company needs to provide or publicly disclose to securities companies, securities service providers and/or overseas regulators any materials that may contain state secrets or have an adverse impact on the national security or public interests of the PRC, the domestic company should complete the relevant approval/filing and other regulatory procedures as required.

Full Circulation of H Shares

"Full circulation" represents listing and circulating on the Stock Exchange of the domestic unlisted shares of a domestic H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On August 10, 2023, CSRC announced the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請「全流通」業務指引》), allows certain qualified H-share listed companies and H-share companies to be listed for the application of full circulation to CSRC.

According to the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for "full circulation". Pursuant to the Overseas Listing Trial Measures, shareholders holding unlisted shares in the PRC should comply with the relevant requirements of the CSRC and appoint a domestic enterprise to file a report with the CSRC.

On December 31, 2019, China Securities Depository and Clearing Corporation Limited and Shenzhen Stock Exchange jointly announced the Measures for Implementation of H-share "Full Circulation" Business (《H股「全流通」業務實施細則》), or the Measures for Implementation. The businesses of cross-border share transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc. in relation to the H-share "full circulation business", are subject to these Measures for Implementation.

In order to fully promote the reform of H-shares "full circulation" and clarify the business arrangement and procedures for the relevant shares' registration, custody, settlement and delivery, Shenzhen Branch of China Securities Depository and Clearing Corporation Limited has issued the Guidelines to the Program for "Full Circulation" of H-shares (《H股「全流通」業務指南》) in September, 2024, which specified the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, etc.

OVERVIEW

Our Company was founded in the PRC in June 2016. Through the years, we have become a global leader in industrial intelligent mobile robotic solutions, dedicated to empowering smart factories across a wide range of industrial scenarios. We are also a pioneer in industrial embodied intelligence robotic solutions. Our tailored one-stop robotic solutions comprise our core robotic technology platform, our industrial intelligent multi-functional robotic products and our all-in-one intelligent collaborative system. In the year ended December 31, 2024, we were the world's fifth largest provider of the industrial intelligent mobile robotic solutions and the world's fourth largest provider of the industrial embodied intelligence robotic solutions by sales volume, according to CIC.

See "Directors and Senior Management — Board of Directors — Executive Directors" for the biographical details of our founder, Mr. Wang.

BUSINESS MILESTONES

The following table illustrates our major business milestones:

Year	Milestone
2016	Our Company was incorporated in Shenzhen.
	We launched our self-developed operating system SROS and core controller.
2017	We pioneered the SLAM technology based on prior information and launched our first standard robot.
	We are among the first to launch a large-scale cluster scheduling system in China, enabling our product solution capable of robot collaborative work.
2018	We started mass delivery for the first time in the automotive sphere, being the first in our industry's that automates the entire delivery process from in-progress inventory to production, providing flexible logistics solution.
2019	We commenced our business in overseas markets and successfully completed our first export to Japan and became one of the first Chinese manufacturing-oriented AMR companies to export to Japan.
	We are accredited as a national high-tech enterprise in the PRC.

Year	Milestone
2020	We launched a variety of next-generation functional robots, including lifting, transport, forklift and tugger robots which provide a variety of application in different settings.
2021	We released our robot internet of things intelligent software system (the predecessor of RoboVerse), pioneering 1+N+S = ∞ philosophy, providing customers with efficient and stable intelligent solutions.
	We commenced production in our plant in Kunshan, Jiangsu Province, PRC.
2022	We have successfully deployed and dispatched over 200 robots on a single project, demonstrating our ability to deliver at scale, with this deployment scale placing us at the forefront of the industry.
2023	We obtained RMB150 million series C pre-**[REDACTED]** investment from Xiaomi.
	We were accredited as a National Specialized New "Little Giant" Enterprise.
2024	Our products and solutions are sold in 15 countries and regions.
	We have reached an annual sales volume of around 2,000 robots.
	Our Company was awarded as the Guangdong Manufacturing Single Champion Enterprise.
2025	We released DARWIN, the first wheeled embodied robot with the highest degree of flexibility implemented in industrial settings in China, equipped with advanced AI algorithms such as multi-modal perception and VLA.
	We released the next-generation RoboVerse which is our all-in-one Intelligent Collaborative System for smart manufacturing, enabling rapid evolution from single intelligence to swarm intelligence.

OUR SUBSIDIARIES

The following entities are the operating subsidiaries of our Group.

Name	Place of incorporation	Date of incorporation	Principal business activities
Standard Robots (Kunshan) Co., Ltd. (斯坦德機器人(昆山)有限公司)	PRC	March 8, 2021	Research, development and sales of intelligent robots; manufacturing, sales, installation and maintenance of industrial robots.
Standard Robots Intelligence (Shenzhen) Co., Ltd. (斯坦德機器人智能(深圳)有限公司) . .	PRC	April 10, 2025	Manufacturing, installation, maintenance and sales of industrial robots; research, development and sales of intelligent robots; manufacturing and sales of service consumption robots.

CORPORATE DEVELOPMENT

1. Establishment and Shareholding Evolution of Our Company

On June 14, 2016, our Company was established as a limited liability company under the laws of the PRC by Mr. Wang Huaiqing (王淮卿) with our angel investor Mr. Luo Hong (羅鴻) ("**Mr. Luo**"), with a registered capital of RMB2.10 million. The shareholding structure of our Company upon incorporation was as follows:

Name of Registered Shareholders	Share Capital (RMB)	Shareholding Percentage
Mr. Wang Huaiqing (王淮卿)	1,890,000	90.00%
Mr. Luo.	210,000	10.00%
Total	**2,100,000**	**100.00%**

On April 20, 2017, Wang Huaiqing entered into share transfer agreements with each of Mr. Li, Mr. Wang and Standard Automation, pursuant to which (i) Wang Huaiqing transferred 14.56% equity interest in our Company to Mr. Li at a consideration of RMB305,760; (ii) Wang Huaiqing transferred 11.83% equity interest in our Company to Mr. Wang at a consideration of RMB248,430; and (iii) Wang Huaiqing transferred 21.82% equity interest in our Company to Standard Automation at a consideration of RMB458,220. The shareholding structure of our Company immediately after the share transfers was as follows:

Name of Registered Shareholders	Share Capital (RMB)	Shareholding Percentage
Mr. Wang Huaiqing (王淮卿)	877,590	41.79%
Standard Automation	458,220	21.82%
Mr. Li	305,760	14.56%
Mr. Wang	248,430	11.83%
Mr. Luo	210,000	10.00%
Total	**2,100,000**	**100.00%**

2. Pre-[REDACTED] Investments

Since April 2017, we have completed several rounds of Pre-**[REDACTED]** Investments through capital injections and equity transfers between our Pre-**[REDACTED]** Investors. For details, please refer to "— Pre-**[REDACTED]** Investments" below.

3. Joint Stock Conversion

On April 28, 2025, our then Shareholders, being our promoters, passed resolutions approving, among others, the conversion of our Company into a joint stock company with limited liability under the laws of the PRC. RMB20,000,000 was converted into 20,000,000 Shares with a nominal value of RMB1.00 each and the amount of net assets as of March 31, 2025 was converted into capital reserve. Our Shares upon conversion were subscribed for by our then Shareholders in proportion to their respective equity interest in our Company immediately before the conversion. The joint stock reform was completed on May 29, 2025.

EMPLOYEE INCENTIVE PLATFORM

In recognition of the contributions of our key employees and to incentivize them to further promote our development, Standard Automation was established as our employee incentive platform. Standard Automation was established as a limited partnership under the laws of the PRC on April 10, 2017. As of the Latest Practicable Date, Standard Automation held 14.30% of our

Shares, all management and voting power of Standard Automation are exercised by the general partner, Mr. Wang, according to the relevant partnership agreement. As of the Latest Practicable Date, our incentive platform had 96 beneficiaries, including (i) Mr. Wang and Mr. Wang Jinpeng, our Directors, each interested in 13.24% and 7.30% of the partnership interest, (ii) Mr. Yuan Caiwen, our senior management, interested in 2.19% of the partnership interest, and (iii) 93 employees (including 2 former employees) of our Group interested in the rest 77.27% partnership interests.

ACTING-IN-CONCERT ARRANGEMENT

On April 1, 2025, Mr. Wang and Mr. Li, our executive Director and vice general manager, entered into the Acting-in-Concert Agreement (in replacement of the previous acting-in-concert agreement between them dated September 26, 2018), pursuant to which, Mr. Wang and Mr. Li (collectively, the "**Concert Parties**" and each a "**Concert Party**") have confirmed that, among others:

(i) the Concert Parties shall act in concert when addressing matters pertaining to the operational development of the Group and those requiring resolutions by a Shareholders' meeting;

(ii) if one Concert Party and its controlled entities intend to submit a proposal to the Shareholders' meeting of the Company, they must first communicate and consult with the other Concert Party. Upon reaching a consensus, the proposal should be submitted to the Shareholders' meeting either in the name of one Concert Party or jointly by the Concert Parties;

(iii) prior to the Shareholders' meeting to review relevant proposals, the Concert Parties must engage in comprehensive communication and consultation to reach a consensus on the exercise of voting rights. During the shareholders' meeting, both Concert Parties and their controlled entities should exercise their voting rights in accordance with the agreed position; and

(iv) in the event that a consensus cannot be reached, the decisions of Mr. Wang shall prevail and all other Concert Parties shall exercise their voting rights in accordance with Mr. Wang's decision.

VOTING PROXY ARRANGEMENT

On June 22, 2025, Golden Summer Holding Limited ("**Golden Summer**"), Shenzhen Hongze Intelligent Manufacturing Investment Partnership (Limited Partnership) (深圳鴻澤智造投資合夥企業(有限合夥)) ("**Shenzhen Hongze**") and Zhuhai Shengyinjing Investment Enterprise (Limited Partnership) (珠海盛銀璟投資合夥企業(有限合夥)) ("**Zhuhai Shengyinjing**"), each as a grantor ("**Grantor**"), entered into the Voting Proxy Agreements for a term of two years from the **[REDACTED]**, in favor of Mr. Wang, our chairman, executive Director, Chief Executive Officer and founder (the "**Voting Proxy Agreements**"). Pursuant to the Voting Proxy Agreements, Golden Summer, Shenzhen Hongze and Zhuhai Shengyinjing has each granted a voting proxy in favor of Mr. Wang in respect of, and Mr. Wang is entitled to the voting rights attached to, 6,516,020, 1,547,370 and 2,000,000 Shares (taking into account the Share Subdivision), respectively, held by the aforementioned Shareholders in aggregate, representing **[REDACTED]**, **[REDACTED]** and **[REDACTED]** of the voting rights, respectively, in our Company upon **[REDACTED]**.

Pursuant to the Voting Proxy Agreement, Mr. Wang is entitled to the voting rights of the relevant Shares and vote on matters at the shareholders' meeting, except for the following matters: (i) matters related to the disposal of entrusted shares, such as share transfers, share pledges and the disposal of interests in shares; (ii) matters relating to proposed privatization or delisting of our Company by Mr. Wang, his close associates or concert parties; (iii) matters of which Mr. Wang is required to abstain from voting under the Listing Rules and applicable laws and regulations and pursuant to the Articles of our Company; and (iv) very substantial acquisition and disposal and reverse takeovers under Chapter 14 of the Listing Rules.

The Voting Proxy Agreements shall remain valid for a period of two years from the date of **[REDACTED]** or until the occurrence of the earliest of the following events: (i) the date on which our Company ceases to be **[REDACTED]** on the Stock Exchange; (ii) our Company submits a **[REDACTED]** on a stock exchange other than the Stock Exchange; (iii) the relevant Grantor is deemed to be a member of the Controlling Shareholder group of our Company under the Listing Rules or as concert parties with our Controlling Shareholders or Mr. Wang; and/or deemed as the actual controller of our Company pursuant to the applicable PRC laws and regulations; (iv) Mr. Wang or his close associates commits a breach of the agreement or failed to comply with any obligation or commitment under this agreement, and such breach is not rectified within ten working days after the occurrence; (v) the relevant Grantor ceases to hold the Shares of our Company or enters into any binding agreement to sell all Shares of our Company held by such Grantor; and (vi) Mr. Wang consolidated voting power (whether through concert parties, close associates or through voting proxy arrangements with other Grantors, excluding this arrangement), exceeds or reached 30% post-**[REDACTED]** and constitute a group of Controlling Shareholders under the Listing Rules without considering the entrusted Shares held by the relevant Grantor.

SHARE SUBDIVISION BEFORE THE [REDACTED]

Pursuant to the resolutions of the Shareholders dated June 16, 2025, the Shares will be split on a one-for-ten basis immediately prior to the **[REDACTED]**, and the nominal value of the Shares will be changed from RMB1.0 each to RMB0.10 each. Immediately after the Share Subdivision, the registered share capital of our Company will be RMB22,105,263 with 221,052,630 Shares in a nominal value of RMB0.10 each.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any material acquisition or disposal.

NO PREVIOUS [REDACTED] ATTEMPT

Our Shares have not been listed or quoted on any stock exchange or open market prior to the **[REDACTED]**. Save for the **[REDACTED]**, our Company does not have any current or previous **[REDACTED]** or **[REDACTED]** attempt on the Stock Exchange or other stock exchanges.

PRE-[REDACTED] INVESTMENTS

Principal Terms of the Pre-[REDACTED] Investments

The table below summarizes the principal terms of the pre-**[REDACTED]** investments:

Name of Pre-[REDACTED] Investors	Date of contract	Date of settlement	Number of Shares of our Company subscribed for/acquired	Consideration	Adjusted cost per Share (2)(3)	Discount to the [REDACTED](4)
				(RMB)	*(RMB)*	*(%)*
Angel Investment (Pre-money valuation: RMB18 million; Post-money valuation: RMB20 million)						
Equity Subscription						
Mr. Luo Hong (羅鴻)	June 12, 2016	August 6, 2016	210,000	2,000,000	0.31	[REDACTED]
Series pre-A Investments (Pre-money valuation: RMB58 million; Post-money valuation: RMB80.24 million(1))						
Equity Subscription						
Shenzhen Hechuang Intelligent and Health Venture Investment Fund (Limited Partnership) (深圳市合創智能及健康創業投資基金(有限合夥))	April 28, 2017	May 5, 2017	434,483	12,000,000	0.90	[REDACTED]
Shenzhen Chuangsai Fund Investment Management Co., Ltd. (深圳市創賽基金投資管理有限公司)	April 28, 2017	May 27, 2017	289,655	8,000,000	0.90	[REDACTED]
Shanghai Yaohong Venture Investment Management Co., Ltd. (上海要弘創業投資管理有限公司)	April 28, 2017	July 20, 2017	72,414	2,000,000	0.90	[REDACTED]

Name of Pre-[REDACTED] Investors	Date of contract	Date of settlement	Number of Shares of our Company subscribed for/acquired	Consideration	Adjusted cost per Share [2][3]	Discount to the [REDACTED][4]
				(RMB)	*(RMB)*	*(%)*
Qingdao Xinda Puchuang Investment Centre (Limited Partnership) (青島信達普創投資中心(有限合夥)), formerly known as Shenzhen Hechuang Xinda Investment Management Corporation (Limited Partnership) (深圳市合創信達投資企業(有限合夥))	April 28, 2017	June 30, 2017	8,690	240,000	0.90	[REDACTED]
Series A Investments (Pre-money valuation: RMB120 million; Post-money valuation: RMB140 million[1])						
Equity Subscription						
Tibet Guoke Dingyi Investment Center (Limited Partnership) (西藏國科鼎奕投資中心(有限合夥))	September 26, 2018	January 21, 2019	484,207	20,000,000	1.34	[REDACTED]
Series A+ Investments (Pre-money valuation: RMB147 million; Post-money valuation: RMB150 million[1])						
Equity Subscription						
Beijing Qiji Chuangtan Zhiyuan Enterprise Management Center (Limited Partnership) (北京奇績創壇致遠企業管理中心(有限合夥))	May 22, 2020	August 25, 2020	69,172	3,000,000	1.41	[REDACTED]
Equity Transfer						
Zhuhai Qingyan Equity Investment Partnership (Limited Partnership) (珠海青岩股權投資合夥企業(有限合夥))[5]	July 7, 2020	June 11, 2020	289,655	10,895,895	1.22	[REDACTED]

Name of Pre-[REDACTED] Investors	Date of contract	Date of settlement	Number of Shares of our Company subscribed for/acquired	Consideration	Adjusted cost per Share [2][3]	Discount to the [REDACTED][4]
				(RMB)	(RMB)	(%)
Series B Investments (Pre-money valuation: RMB279 million; Post-money valuation: RMB350 million[1])						
Equity Subscription						
Suzhou Yuanming Venture Investment Center (Limited Partnership) (蘇州源明創業投資中心(有限合夥))	July 30, 2020	August 24, 2020	434,545	35,000,000	2.62	[REDACTED]
Shanghai Guangyi Investment Management Center (Limited Partnership) (上海光易投資管理中心(有限合夥))	July 30, 2020	September 4, 2020	434,545	35,000,000	2.62	[REDACTED]
Beijing Qiji Chuangtan Zhiyuan Enterprise Management Center (Limited Partnership) (北京奇績創壇致遠企業管理中心(有限合夥))	July 30, 2020	August 25, 2020	17,736	1,428,563	2.62	[REDACTED]
Series Pre-C Investments (Pre-money valuation: RMB1.8 billion; Post-money valuation: RMB2.1 billion[1])						
Equity Subscription						
Zhangjiagang Bohua Venture Investment Partnership (Limited Partnership) (張家港博華創業投資合夥企業(有限合夥))	October 27, 2021	November 1, 2021	311,331	77,377,127	8.08	[REDACTED]
GOLDEN SUMMER HOLDING LIMITED	October 27, 2021	December 1, 2021	141,514	35,171,399	8.08	[REDACTED]
MPlus HK I Limited	October 27, 2021	November 22, 2021	70,757	17,585,700	8.08	[REDACTED]
Beijing Qiji Chuangtan Zhiyuan Enterprise Management Center (Limited Partnership) (北京奇績創壇致遠企業管理中心(有限合夥))	October 27, 2021	November 4, 2021	70,757	17,585,700	8.08	[REDACTED]

Name of Pre-[REDACTED] Investors	Date of contract	Date of settlement	Number of Shares of our Company subscribed for/acquired	Consideration	Adjusted cost per Share [(2)(3)]	Discount to the [REDACTED][(4)]
				(RMB)	*(RMB)*	*(%)*
Suzhou Yuanming Venture Investment Center (Limited Partnership) (蘇州源明創業投資中心(有限合夥))	October 27, 2021	November 1, 2021	9,174	2,280,074	8.08	[REDACTED]
Equity Transfer						
Zhangjiagang Bohua Venture Investment Partnership (Limited Partnership) (張家港博華創業投資合夥企業(有限合夥))[(6)]	October 27, 2021	November 23, 2021	154,424	32,622,937	6.86	[REDACTED]
GOLDEN SUMMER HOLDING LIMITED[(7)]	October 27, 2021	December 10, 2021	70,193	14,828,665	6.86	[REDACTED]
MPlus HK I Limited[(8)]	October 27, 2021	June 15, 2022	35.096	7,414,227	6.86	[REDACTED]
Beijing Qiji Chuangtan Zhiyuan Enterprise Management Center (Limited Partnership) (北京奇績創壇致遠企業管理中心(有限合夥))[(9)]	October 27, 2021	December 31, 2021	35,096	7,414,227	6.86	[REDACTED]
Suzhou Yuanming Venture Investment Center (Limited Partnership) (蘇州源明創業投資中心(有限合夥))[(10)]	October 27, 2021	November 26, 2021	4,551	961,424	6.86	[REDACTED]

Name of Pre-[REDACTED] Investors	Date of contract	Date of settlement	Number of Shares of our Company subscribed for/acquired	Consideration	Adjusted cost per Share [2][3]	Discount to the [REDACTED][4]
				(RMB)	*(RMB)*	*(%)*
Series C Investments (Pre-money valuation: RMB1.35 billion; Post-money valuation: RMB1.53 billion[1])						
Equity Subscription						
Beijing Xiaomi Zhizao Equity Investment Fund Partnership (Limited Partnership) (北京小米智造股權投資基金合夥企業(有限合夥))	March 3, 2023	March 8, 2023	603,534	150,000,000	8.08	[REDACTED]
Beijing Zhixin Jianyuan Equity Investment Partnership (Limited Partnership) (北京置信建遠股權投資合夥企業(有限合夥))	March 3, 2023	March 13, 2023	120,707	30,000,000	8.07	[REDACTED]
Series D Investments (Pre-money valuation: RMB1.8 billion; Post-money valuation: RMB2.1 billion[1])						
Equity Subscription						
Wuxi Liangxi Sci-Tech Innovation Industry Investment Fund Partnership (Limited Partnership) (無錫市梁溪科創產業投資基金合夥企業(有限合夥)) . . .	May 31, 2024	June 12, 2024	342,003	100,000,000	9.50	[REDACTED]
Equity Subscription (II)						
Wuxi Liangxi Sci-Tech Innovation Industry Investment Fund Partnership (Limited Partnership) (無錫市梁溪科創產業投資基金合夥企業(有限合夥)) . . .	May 31, 2024	May 30, 2025	684,005	200,000,000	9.50	[REDACTED]

Name of Pre-[REDACTED] Investors	Date of contract	Date of settlement	Number of Shares of our Company subscribed for/acquired	Consideration	Adjusted cost per Share [2][3]	Discount to the [REDACTED][4]
				(RMB)	*(RMB)*	*(%)*
Equity Transfer						
Shenzhen Hongze Zhizao Investment Partnership (Limited Partnership) (深圳鴻澤智造投資合夥企業(有限合夥))[11]	March 25, 2025	March 7, 2025	122,618	10,000,000	2.65	[REDACTED]
Zhuhai Shengxinze Investment Enterprise (Limited Partnership) (珠海盛鑫澤投資合夥企業(有限合夥))[12]	May 30, 2025	May 30, 2025	575,000	23,000,000	4.00	[REDACTED]
Zhuhai Shengyinjing Investment Enterprise (Limited Partnership) (珠海盛銀璟投資合夥企業(有限合夥))[13]	May 30, 2025	May 30, 2025	200,000	8,000,000	4.00	[REDACTED]
Shenzhen Huozhiyan Zhizao Chuangye Investment Enterprise (Limited Partnership) (深圳火之焱智造創業投資合夥企業(有限合夥))[14]	May 30, 2025	May 30, 2025	388,000	15,360,000	3.96	[REDACTED]
Suzhou Heji I Chuangye Investment Enterprise (Limited Partnership) (蘇州和基一期創業投資合夥企業(有限合夥))[15]	May 30, 2025	May 30, 2025	100,000	5,000,000	5.00	[REDACTED]

(1) The post-money valuation is calculated by dividing the total consideration of equity subscriptions under the relevant round of the pre-**[REDACTED]** investment by the percentage of the new subscribed equity interest in the total registered capital of our Company at the relevant time. The pre-money valuation is calculated by excluding the total consideration of equity subscriptions from the post-money valuation under the relevant round of the pre-**[REDACTED]** investment. The valuation of our Company has been increasing along with our rapid business development and expansion in business scale.

(2) The cost per Share presented in the table has been adjusted to take into account the enlarged registered capital of our Company as a result of the joint stock reform carried out in May 2025 and assuming the Share Subdivision is completed. The amount is arrived at by dividing the total consideration by the total number of Shares to be converted from the registered capital held by the respective investors as a result of the joint stock reform and their respective subscriptions or purchases.

(3) Under certain transfers of equity interest between our investors, the relevant investors considered various factors, such as timing of the transaction, past or present relationships between the parties and their respective bargaining power in the negotiations when determining the consideration, in addition to the then valuation of our Company, and thus agreed on a discount to the then valuation.

(4) The discount to the **[REDACTED]** is calculated based on the assumption that the **[REDACTED]** is HK$**[REDACTED]** per H Share, being the mid-point of the indicative **[REDACTED]** range of HK$**[REDACTED]** to HK$**[REDACTED]** per H Share, and that the **[REDACTED]** is not exercised.

(5) The Shares were acquired from BAXVILLE (BEIJING) MINERALS TRADING LIMITED (巴斯威爾(北京)礦產貿易有限公司) ("**Baxville**"), a then shareholder of the Company.

(6) The Shares were acquired from each of Tibet Guoke Dingyi Investment Center (Limited Partnership) (西藏國科鼎奕投資中心(有限合夥)), Qingdao Xinda Puchuang Investment Centre (Limited Partnership) (青島信達普創投資中心(有限合夥)) (a then Shareholder of our Company), Shanghai Yaohong Venture Investment Management Co., Ltd. (上海要弘創業投資管理有限公司) and Wanzai Hongya Consulting Service Centre (Limited Partnership) (萬載鴻雅諮詢服務中心(有限合夥)) (a then Shareholder of our Company).

(7) The Shares were acquired from Shenzhen Hechuang Intelligent and Health Venture Investment Fund (Limited Partnership) (深圳市合創智能及健康創業投資基金(有限合夥)).

(8) The Shares were acquired from Shenzhen Hechuang Intelligent and Health Venture Investment Fund (Limited Partnership) (深圳市合創智能及健康創業投資基金(有限合夥)) and Wanzai Hongya Consulting Service Centre (Limited Partnership) (萬載鴻雅諮詢服務中心(有限合夥)) (a then Shareholder of our Company).

(9) The Shares were acquired from Shenzhen Hechuang Intelligent and Health Venture Investment Fund (Limited Partnership) (深圳市合創智能及健康創業投資基金(有限合夥)) and Wanzai Hongya Consulting Service Centre (Limited Partnership) (萬載鴻雅諮詢服務中心(有限合夥)) (a then Shareholder of our Company).

(10) The Shares were acquired from Wanzai Hongya Consulting Service Centre (Limited Partnership) (萬載鴻雅諮詢服務中心(有限合夥)) (a then Shareholder of our Company).

(11) The Share were acquired from Tibet Guoke Dingyi Investment Center (Limited Partnership) (西藏國科鼎奕投資中心(有限合夥)).

(12) The Shares were acquired from Shanghai Guangyi Investment Management Center (Limited Partnership) (上海光易投資管理中心(有限合夥)), Zhuhai Qingyan Equity Investment Partnership (Limited Partnership) (珠海青岩股權投資合夥企業(有限合夥)) and Shenzhen Hechuang Intelligent and Health Venture Investment Fund (Limited Partnership) (深圳市合創智能及健康創業投資基金(有限合夥)).

(13) The Shares were acquired from Mr. Wang.

(14) The Shares were acquired from Suzhou Yuanming Ventrue Investment Center (Limited Partnership) (蘇州源明創業投資中心(有限合夥)) and Shenzhen Hechuang Intelligent and Health Venture Investment Fund (Limited Partnership) (深圳市合創智能及健康創業投資基金(有限合夥)).

(15) The Shares were acquired from Mr. Li.

Use of [REDACTED] from the Pre-[REDACTED] Investments

The **[REDACTED]** received by us from the pre-**[REDACTED]** investments which involved subscriptions of increased registered capital of our Company amounted to approximately RMB**[REDACTED]** million. As of the Latest Practicable Date, approximately **[REDACTED]**% the net **[REDACTED]** from the pre-**[REDACTED]** investments have not been fully utilized. The utilized portion of the **[REDACTED]** from the pre-**[REDACTED]** investments has been for production and operational purposes in accordance with the business plan or budget as approved by the Board.

Special Rights of Our Pre-[REDACTED] Investors

In connection with the pre-**[REDACTED]** investments, we granted our Pre-**[REDACTED]** Investors certain special rights, including, among others, pre-emptive right, right of first offer, right of co-sale, redemption right, information right, anti-dilution right, and special rights in liquidation. In anticipation of the **[REDACTED]**, the redemption right, anti-dilution right and special rights in liquidation have been terminated before the submission of the **[REDACTED]** **[REDACTED]** for the **[REDACTED]** and all other special rights will be terminated automatically upon the **[REDACTED]**.

Compliance with the Guide for New Listing Applicants

On the basis that (i) the considerations for the last round of the Pre-**[REDACTED]** Investments have been fully settled on May 30, 2025, which would be 120 clear days before the **[REDACTED]**, and (ii) all the special rights granted to the Pre-**[REDACTED]** Investors will be terminated upon the **[REDACTED]** (save for the redemption right which has been terminated before the submission of the **[REDACTED]** as described above), the Joint Sponsors confirm that the Pre-**[REDACTED]** investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

Information regarding Our Pre-[REDACTED] Investors

Set out below is a description of our Sophisticated Independent Investors (including Pathfinder SIIs) and other Pre-**[REDACTED]** Investors. Among our Pre-**[REDACTED]** Investors, we have 3 Sophisticated Independent Investors, all of which respectively held more than 3% of the total issued Shares of the Company as of the Latest Practicable Date. Save for being a shareholder of our Company, each of our Sophisticated Independent Investors and other Pre-**[REDACTED]** Investors is independent from and not connected with any Director, chief executive or substantial shareholder of our Company, or its subsidiaries, or any of their respective close associates. Save for Bohua Investment and Liangxi Investment, Zhuhai Shengyinjing and Zhuhai Shengxinze as disclosed herein, each of the Pre-**[REDACTED]** Investors is independent from each other. Each of the ultimate beneficial owners of the Pre-**[REDACTED]** Investors is an Independent Third Party.

Our Pathfinder SIIs

Beijing Xiaomi Zhizao Equity Investment Fund Partnership Enterprise (Limited Partnership) (北京小米智造股權投資基金合夥企業(有限合夥)) ("Xiaomi Zhizao")

Xiaomi Zhizao is a limited partnership established in the PRC on September 18, 2021. The general partner of Xiaomi Zhizao is Beijing Xiaomi Enterprise Management Co., Ltd. (北京小米企業管理有限公司), a wholly-owned subsidiary of Xiaomi Private Equity Fund Management Co., Ltd. (小米私募股權基金管理有限公司) ("**Xiaomi Fund Management**"), which is in turn wholly-owned by Xiaomi Inc. (小米科技有限責任公司). Xiaomi Inc. is controlled by Xiaomi Corporation, a company listed on the Stock Exchange (stock code: 1810).

Xiaomi Fund Management is one of the investment managers of Xiaomi Corporation responsible for managing Xiaomi Corporation's innovative investment portfolio. Xiaomi Fund Management has investment experience in intelligent manufacturing sector. Examples of portfolio companies include companies listed on the Shenzhen Stock Exchange, Shenzhen UUGreenPower Co., Ltd. (深圳市優優綠能股份有限公司) (stock code: 301590) and Wuxi Jinyang New Materials Co., Ltd. (無錫市金楊新材料股份有限公司) (stock code: 301210). Our Group became acquainted with Xiaomi Fund Management during our Series C financing through introduction by industry peers. As of the Latest Practicable Date, Xiaomi Zhizao holds approximately 8.40% of the total issued shares of the Company. Xiaomi Corporation has a diverse investment portfolio. According to the annual reports of Xiaomi Corporation, (i) as of December 31, 2022, it had invested in more than 420 companies and other long-term investments with an aggregate book value of RMB63.9 billion; and (ii) as of December 31, 2024, it had invested in about 430 companies with an aggregate book value of RMB68.3 billion.

Zhangjiagang Bohua Venture Investment Partnership (Limited Partnership) (張家港博華創業投資合夥企業(有限合夥)) ("Bohua Investment")

Bohua Investment is a limited partnership established in the PRC on May 11, 2018. The general partner of Bohua Investment is Zhangjiagang Bohua Yaoshi Investment Partnership (Limited Partnership) (張家港博華耀世投資合夥企業(有限合夥)). Bohua Investment is managed by Beijing Bohua Capital Co., Ltd. (北京博華資本有限公司) ("**Bohua Capital**"), which is controlled by Xu Wenbo (徐文博). Mr. Wei Xiaoan (衛曉安), our non-executive Director, holds 10% of the issued share capital of Bohua Capital. Our Group became acquainted with Bohua Capital through Bohua Capital's industry research. Bohua Capital pioneers in the "dual investment" strategy comprising of domestic direct investment and fund investment. It is also rated as a class A fund manager by the Insurance Asset Management Association of China.

As of the Latest Practicable Date, Bohua Investment held approximately 7.26% of the total issued share capital of our Company. The assets under management ("**AUM**") of the Bohua Capital was more than RMB5 billion where that value is derived primarily from Specialist Technology investments as of October 27, 2021 (being a date not more than six months prior to the date on which Bohua Investment signed the relevant definitive agreement for its investment in our Company), and more than RMB20 billion as of June 10, 2025.

Wuxi Liangxi Sci-Tech Innovation Industry Investment Fund Partnership (Limited Partnership) (無錫市梁溪科創產業投資基金合夥企業(有限合夥)) ("Liangxi Investment")

Liangxi Investment is a limited partnership established in the PRC on February 9, 2023. The general partner of Liangxi Investment is Wuxi Liangxi Kechuang Industrial Investment Management Co., Ltd. (無錫市梁溪科創產業投資管理有限公司) ("**Liangxi Kechuang**"). Liangxi Kechuang is owned by Jiangsu Boshang Investment Management Co., Ltd. (江蘇博尚投資管理有限公司) ("**Jiangsu Boshang**") as to 70%. The registered largest ultimate shareholder of Jiangsu Boshang is Bohua Capital. Pursuant to the relevant PRC laws and/or the partnership agreement, Bohua Capital does not fully control the investment committee of Liangxi Investment. Liangxi Investment is a partnership dedicated to investing in the technology innovation industry, aims to support the growth of technology-driven innovative enterprises through capital operations, thereby promoting industrial upgrading and regional economic development. The portfolio companies of Liangxi Investment includes Jiangsu Space Pioneer Technology Co., Ltd (江蘇天兵航天科技股份有限公司) and Beijing Micro-Nano Space Technology Company Limited (北京微納星空科技有限公司).

As of the Latest Practicable Date, Liangxi Investment held approximately 14.29% of the total issued share capital of our Company. The AUM of the Liangxi Investment was more than RMB5 billion where that value is derived primarily from Specialist Technology investments as of May 31, 2024 (being a date not more than six months prior to the date on which Liangxi Investment signed the relevant definitive agreement for its investment in our Company), and more than RMB5 billion where that value is derived primarily from Specialist Technology investments as of June 10, 2025.

Our Other Principal Pre-*[REDACTED]** ***Investors

Tibet Guoke Dingyi Investment Center (Limited Partnership) (西藏國科鼎奕投資中心(有限合夥)) ("Guoke Investment")

Guoke Investment is a limited partnership established in the PRC on July 9, 2015. The general partner of Guoke Investment is Tibet Guoke Jiahe Investment Management Partnership (Limited Partnership) (西藏國科嘉和投資管理合夥企業(有限合夥)), whose general partner is

Lhasa Guoke Jiahe Investment Management Co., Ltd. (拉薩國科嘉和投資管理有限公司), which is a wholly owned subsidiary of Cash Capital (Beijing) Investment Management Co., Ltd. (國科嘉和(北京)投資管理有限公司) ("**Cash Capital**"), whose largest shareholder is Beijing Dingxin Huifeng Investment Consulting Co., Ltd. (北京鼎鑫匯豐投資顧問有限公司)) ("**Dingxin Huifeng**")". Wang Ge (王戈) and Chen Hongwu (陳洪武) each holds 50% of the issued share capital of Dingxin Huifeng respectively. Our Group became acquainted with Guoke Investment through industry research and industry events. Founded in 2011, Cash Capital is an equity investment fund initiated by the Chinese Academy of Sciences Holding Co., Ltd. It currently focuses on emerging industries such as information technology (TMT) and life sciences, and invests in high-tech innovation enterprises in their initial and growth stages, particularly those with technical barriers.

Suzhou Yuanming Venture Investment Center (Limited Partnership) (蘇州源明創業投資中心(有限合夥)) ("Suzhou Yuanming VC LP")

Suzhou Yuanming VC LP is a limited liability partnership established under the laws of the PRC in October 2019 which principally engages in venture capital investment. Its general and executive managing partner is Nanjing Yuanxin Management Consulting Co., Ltd. (南京源芯管理諮詢有限公司) ("**Nanjing Yuanxin**"), holding approximately 0.03% interest therein. Nanjing Yuanxin is a limited liability company established under the laws of the PRC, the equity interest of which is ultimately controlled by Mr. Cao Yi (曹毅) ("**Mr. Cao**"), the founder of Source Code Capital (源碼資本). As of the Latest Practicable Date, Suzhou Yuanming VC LP has three limited partners, with Nanjing Yuanling Equity Investment Partnership (Limited Partnership) (南京源嶺股權投資合夥企業(有限合夥)) ("**Nanjing Yuanling LP**") holding approximately 44.93% partnership interest and Beijing Yuanwei Equity Investment Partnership (Limited Partnership) (北京源為股權投資合夥企業(有限合夥)) ("**Beijing Yuanwei LP**") holding approximately 38.42% partnership interest in Suzhou Yuanming VC LP. The general and executive managing partner of Nanjing Yuanling LP is Nanjing Yuanxin, which is ultimately controlled by Mr. Cao. The general and executive managing partner of Beijing Yuanwei LP is Beijing Yuanxin Investment Management Co., Ltd. (北京源芯投資管理有限公司), a limited liability company established under the laws of the PRC, the equity interest of which is ultimately controlled by Mr. Cao.

Shenzhen Hechuang Intelligent and Health Venture Investment Fund (L.P.) (上海光易投資管理中心(有限合夥)) ("Guangyi Investment")

Guangyi Investment is a limited partnership established in the PRC on December 30, 2015. The general partner of Guangyi Investment is Shanghai Guangyi Investment Management Partnership (Limited Partnership) (上海光熠投資管理合夥企業(有限合夥)), whose general partner is Shanghai Suying Enterprise Management Consulting Co., Ltd. (上海速影企業管理諮詢有限公司), which is in turn controlled by Han Yan (韓彥), and Chai Aibao (柴愛寶) each holding 50% of its issued share capital.

Shenzhen Hechuang Intelligent and Health Venture Investment Fund (L.P.) (深圳市合創智能及健康創業投資基金(有限合夥)) ("Hechuang Investment")

Hechuang Investment is a limited partnership established in the PRC on January 17, 2017. The general partner of Hechuang Investment is Vinno Capital Co., Ltd. (深圳市合創資本管理有限公司), which is controlled by Ding Mingfeng (丁明峰), the founder of Vinno Capital (合創資本), holding 72% of its issued share capital. Founded in 2015, Vinno Capital is a venture capital firm which focuses on early-stage investments across sectors such as information and communications technology, and medical devices.

Zhuhai Qingyan Equity Investment Partnership (Limited Partnership) (珠海青岩股權投資合夥企業(有限合夥)) ("Qingyan Investment")

Qingyan Investment is a limited partnership established in the PRC on December 5, 2019. The general partner of Qingyan Investment is Zhang Yunpeng (張雲鵬), the founder of Lime Capital (青橙資本). Qingyan Investment is an investment arm of Lime Capital. Founded in 2015, Lime Capital is a venture capital firm which focuses on investments across sectors such as laser manufacturing, robotics, and precision medicine.

GOLDEN SUMMER HOLDING LIMITED ("Golden Summer")

Golden Summer is a company incorporated in the BVI and is owned by Eve One Fund II L.P. as to 88.03%. Eve One Fund II L.P.'s general partner is Nio Capital II LLC, which is owned by Mr. Li Bin (李斌) as to 35%, Mr. Zhu Yan (朱岩) as to 35% and the rest by an employee incentive platform. Eve One Fund II L.P. is a limited partnership established under the laws of the Cayman Islands and a leading, market-oriented private equity investment firm focusing on investing in mobility, energy, logistics and other related sectors, which insists on sustainable investments with a focus on innovations in decarbonization and digitalization.

Beijing Qiji Chuangtan Zhiyuan Enterprise Management Center (Limited Partnership) (北京奇績創壇致遠企業管理中心(有限合夥)) ("Chuangtan Zhiyuan")

Chuangtan Zhiyuan is a limited partnership established in the PRC on November 8, 2019. Chuangtan Zhiyuan has two partners, namely, Beijing Qiji Chuangtan Phase I Venture Capital Center (Limited Partnership) (北京奇績創壇一期創業投資中心(有限合夥)) and Beijing Qiji Chuangtan Xingfang Enterprise Management Center (Limited Partnership) (北京奇績創壇行方企

業管理中心(有限合夥)), both of which are ultimately managed by Beijing Qiji Chuangtan Zhiyuan Enterprise Management Co., Ltd. (北京奇績創壇智圓企業管理有限責任公司), with Mao Shengbo (毛聖博), one of the partners at MiraclePlus (奇績創壇), Jing Peng (景鵬) and Guo Rui (郭鋭) holding 34%, 33% and 33% of its issued share capital. Founded in 2019, MiraclePlus is a venture capital firm which focuses on early investments for start-ups across technology sectors.

MPlus HK I Limited ("MPlus HK")

MPlus HK is a company incorporated in Hong Kong and is wholly owned by Miracle Plus Fund I L.P. The general partner of Miracle Plus Fund I L.P. is Miracle Plus L.P., whose general partner is Miracle Plus UGP Ltd., a company wholly-owned by Mr. Lu Qi (陸奇).

Shenzhen Hongze Intelligent Manufacturing Investment Partnership (Limited Partnership) (深圳鴻澤智造投資合夥企業(有限合夥)) ("Hongze Investment")

Hongze Investment is a limited partnership established in the PRC on January 23, 2025. The general partner of Hongze Investment is Shenzhen Hongzesheng Investment Consulting Co., Ltd. (深圳市鴻澤昇投資諮詢有限公司), which is controlled by Yuan Liming (袁麗明), holding 99% of its issued share capital.

Beijing Zhixin Jianyuan Equity Investment Partnership (Limited Partnership) (北京置信建遠股權投資合夥企業 (有限合夥)) ("Zhixin Investment")

Zhixin Investment is a limited partnership established in the PRC on August 12, 2022. The general partner of Zhixin Investment is Beijing Zhong'an Zhixin Private Equity Fund Management Co., Ltd. (北京中安置信私募基金管理有限公司), which is an indirect wholly-owned subsidiary of China CITIC Group Corporation (中國中信集團有限公司). The other limited partner of Zhixin Investment is China Securities Investment Co., Ltd. (中信建投投資有限公司), which is a wholly-owned subsidiary of CSC Financial Co., Ltd. (中信建投證券股份有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 6066) and Shanghai Stock Exchange (stock code: 601066).

Shanghai Yaohong Venture Investment Management Co., Ltd. (上海要弘創業投資管理有限公司) ("Yaohong Investment")

Yaohong Investment is a limited liability company organized and existing under the PRC laws on March 7, 2016. Yaohong Investment is controlled by Shanghai Yaohong Enterprise Development (Group) Co., Ltd. (上海要弘企業發展(集團)股份有限公司) ("**Shanghai Yaohong**"), which is in turn controlled by Guo Haogen (郭浩根), holding 50.78% of the issued share capital. Shanghai Yaohong is a private enterprise group, established in 2015 with a registered capital of

RMB102.4 million. As a well-known private enterprise group in Jing'an District, Shanghai, the group has assets exceeding RMB1 billion. The businesses of its subordinate holdings and managed companies involve communication engineering, communication equipment, network operation and maintenance services, hotel and office property operation and management, venture capital and investment management, microcredit and agriculture, etc.

Suzhou Heji Phase I Venture Capital Partnership (Limited Partnership) (蘇州和基一期創業投資合夥企業(有限合夥)) ("Suzhou Heji")

Suzhou Heji is a limited partnership established in the PRC on February 15, 2023. The general partner of Suzhou Heji is Suzhou Heji Private Equity Fund Management Partnership Enterprise (Limited Partnership) (蘇州和基私募基金管理合夥企業(有限合夥)), which is controlled by Zhang Heqing (張和清), the founder of Suzhou Heji Investment Co., Ltd. (蘇州和基投資有限公司), holding 80% of its issued share capital. Founded in 2005, Suzhou Heji Investment Co., Ltd. is a venture capital firm covering broad technology-related fields such as high-end manufacturing, intelligent equipment, new materials, and cloud computing, as well as multiple industries including real estate and finance

Shenzhen Huozhiyan Intelligent Manufacturing Entrepreneurship Investment Partnership Enterprise (Limited Partnership) (深圳火之焱智造創業投資合夥企業(有限合夥)) ("Shenzhen Huozhiyan")

Shenzhen Huozhiyan is a limited partnership established in the PRC on April 29, 2025. The general partner of Shenzhen Huozhiyan is Shangshui (Shenzhen) Management Consulting Co., Ltd. (上水(深圳)管理諮詢有限公司), which is controlled by Huang Qiao (黃巧), holding 95% of its issued share capital.

Zhuhai Shengyinjing Investment Enterprise (Limited Partnership) (珠海盛銀璟投資合夥企業(有限合夥)) ("Zhuhai Shengyinjing")

Zhuhai Shengyinjing is a limited partnership established in the PRC on May 19, 2025. The general partner of Zhuhai Shengyinjing is Tianjin Shengye (Group) Limited (天津盛業(集團)有限公司), which is a wholly-owned subsidiary of Sheng Ye Global Limited (盛業環球有限公司). Zhuhai Shengyinjing is an investment arm of SY Holdings Group Limited (盛業控股集團有限公司), a company listed on the Stock Exchange (stock code: 6069). Founded in 2013, SY Holdings Group Limited through AI Agent, continuously strengthen industrial ecosystems and data connectivity, and empowering the growth of SMEs through platform-based technology services. While deepening its presence in national pillar industries such as infrastructure, healthcare, and commodities, it is also actively expanding into strategic emerging sectors including e-commerce, robotics, and intelligent computing services. As confirmed by Zhuhai Shengyinjing, it is under same control with Zhuhai Shengxinze.

Zhuhai Shengxinze Investment Partnership Enterprise (Limited Partnership) (珠海盛鑫澤投資合夥企業(有限合夥)) ("Zhuhai Shengxinze")

Zhuhai Shengxinze is a limited partnership established in the PRC on May 19, 2025. The general partner of Zhuhai Shengxinze is Shaanxi Houdao Brothers Investment Development Co., Ltd. (陝西厚道兄弟投資發展有限公司), which is controlled by Wu Li (吳利), holding 36% of its issued share capital. Shaanxi Houdao Brothers Investment Development Co., Ltd focuses mainly on investment in artificial intelligence, robotics, supply chain innovation and cutting-edge technology areas, etc. As confirmed by Zhuhai Shengxinze, it is under same control with Zhuhai Shengyinjing.

Meaningful Investment from Sophisticated Independent Investors

We have received investments from 3 Pathfinder SIIs, namely Xiaomi Zhizao, Bohua Investment and Liangxi Investment, each having invested in the Group for at least 12 months prior to the first submission of our **[REDACTED]** to the Stock Exchange for the purpose of the **[REDACTED]**. In accordance with Chapter 2.5 of the Guide, each of Xiaomi Zhizao, Bohua Investment and Liangxi Investment held more than 3%, and in aggregate more than 10%, of the issued share capital of our Company as of the date of our **[REDACTED]** and throughout the pre-**[REDACTED]** 12-months period. For details of the shareholding percentage in our Company's share capital of each of the Sophisticated Independent Investors, see "— Capitalization of Our Company."

As of the Latest Practicable Date, our Sophisticated Independent Investors (as identified above) held, in aggregate, approximately [30.0]% in the total issued share capital of our Company. Upon the **[REDACTED]**, such Sophisticated Independent Investors will hold, in aggregate, no less than **[REDACTED]**% in the total issued share capital of our Company, assuming that our expected market capitalization at the time of **[REDACTED]** will be **[REDACTED]**.

PRC LEGAL ADVISOR'S CONFIRMATION

As advised by our PRC Legal Advisor, the equity transfers and increases in the registered capital in respect of our Company and our Company's principal subsidiaries, as described above have been completed and settled, and all material regulatory approvals, registrations or filings have been granted in accordance with PRC laws and regulations.

LOCK-UP PERIOD

Pursuant to the applicable PRC law, within the 12 months following the **[REDACTED]**, all existing Shareholders (including our Pre-**[REDACTED]** Investors) are prohibited from disposing of any of the Shares held by them.

The following Shares will be subject to disposal restrictions pursuant to Rule 18C.14 of the Listing Rules at the time of the **[REDACTED]**:

Name	Capacity	Aggregate number of Shares held immediately following the completion of the [REDACTED] and taking into account of the Share Subdivision[1]	Aggregate ownership percentage of shareholding in the total issued share capital of our Company following the completion of the [REDACTED][1]	Lock-up period
Key persons and their close associates				
Mr. Wang	Founder, chairman of our Board, executive Director and Chief Executive Officer	28,294,560	**[REDACTED]**	Commencing on the date of this document and ending on expiry of 12 months from the **[REDACTED]**
Standard Automation	Share incentive platform controlled by Mr. Wang	31,612,950	**[REDACTED]**	Commencing on the date of this document and ending on expiry of 12 months from the **[REDACTED]**
Mr. Li	Executive Director and Chief Technology Officer	8,410,820	**[REDACTED]**	Commencing on the date of this document and ending on expiry of 12 months from the **[REDACTED]**

Name	Capacity	Aggregate number of Shares held immediately following the completion of the [REDACTED] and taking into account of the Share Subdivision(1)	Aggregate ownership percentage of shareholding in the total issued share capital of our Company following the completion of the [REDACTED](1)	Lock-up period
Pathfinder SIIs				
Xiaomi Zhizao	Pathfinder SII	18,575,850	**[REDACTED]**	Commencing on the date of this document and ending on expiry of six months from the **[REDACTED]**
Bohua Investment	Pathfinder SII	16,048,840	**[REDACTED]**	Commencing on the date of this document and ending on expiry of six months from the **[REDACTED]**
Liangxi Investment	Pathfinder SII	31,578,960	**[REDACTED]**	Commencing on the date of this document and ending on expiry of six months from the **[REDACTED]**

Note:

(1) Assuming the **[REDACTED]** is not exercised.

PUBLIC FLOAT

All of the **[REDACTED]** H Shares will be converted from Domestic Shares (taking into account the Share Subdivision) and **[REDACTED]** on the Stock Exchange following the Completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised) and the Conversion of all Domestic Shares into H Shares:

(a) **[REDACTED]** H Shares representing approximately **[REDACTED]**% of our total issued Shares upon the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised) will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules upon the **[REDACTED]** as such H Shares are held by Mr. Wang (by himself and through Standard Automation and the Voting Proxy Agreements), Mr. Li and Liangxi Investment, the core connected persons of our Company; and

(b) the remaining **[REDACTED]** H Shares (representing approximately **[REDACTED]**% of our total issued Shares upon the **[REDACTED]** (assuming the **[REDACTED]** is not exercised) will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the **[REDACTED]** as such Shareholders are not core connected persons of our Company upon the **[REDACTED]** nor accustomed to take instructions from our Company's core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and their acquisition of Shares were not financed directly or indirectly by our Company's core connected persons.

See "Share Capital — Conversion of Domestic Shares into H Shares" for more details of the H Shares to be converted from Domestic Shares and **[REDACTED]** on the Stock Exchange following the completion of the **[REDACTED]** and the Conversion of Domestic Shares into H Shares, taking into account the Share Subdivision.

As a result, immediately upon completion of the **[REDACTED]** and the Conversion of Domestic Shares into H Shares, taking into account **[REDACTED]** H Shares to be **[REDACTED]** pursuant to the **[REDACTED]** (assuming the **[REDACTED]** is not exercised and taking into account the Share Subdivision), an aggregate of **[REDACTED]** H Shares will count towards the public float of our Company, representing **[REDACTED]**% of the total issued Shares of our Company.

FREE FLOAT

Under Rule 18C.10 of the Listing Rules, a Specialist Technology Company must ensure that a portion of the total number of its issued shares listed on the Stock Exchange with a market capitalization of at least HK$600,000,000 are not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of listing.

It is expected that immediately following completion of the **[REDACTED]**, a market capitalization of approximately HK$**[REDACTED]** million of the H Shares **[REDACTED]** on the Stock Exchange are not subject to such disposal restrictions at the time of the **[REDACTED]** (assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** range, and the **[REDACTED]** is not exercised). Accordingly, our Company will be able to satisfy the requirements under Rule 18C.10 of the Listing Rules.

CAPITALIZATION OF OUR COMPANY

The following table sets forth our shareholding structure as of the Latest Practicable Date and immediately upon the **[REDACTED]** (assuming the **[REDACTED]** is not exercised):

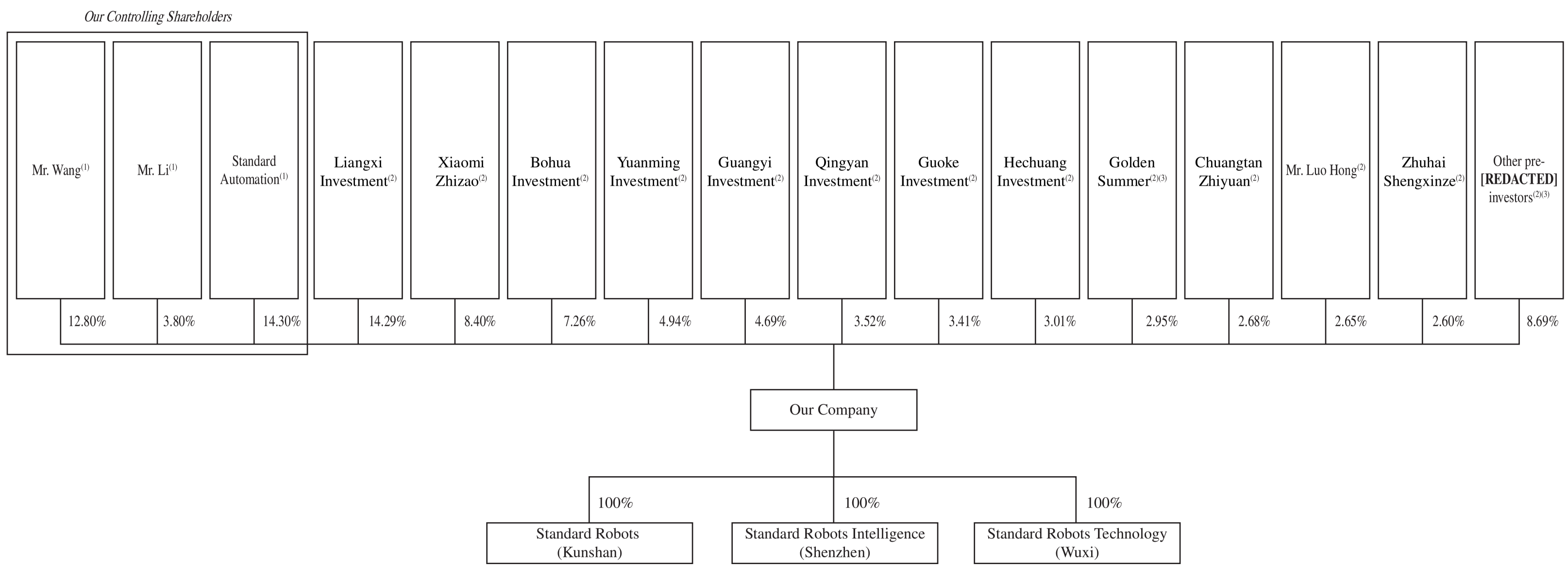
Name of Shareholder	Number of Shares as of the Latest Practicable Date taking into account the Share Subdivision	Ownership percentage as of the Latest Practicable Date	Number of Shares upon the [REDACTED] taking into account the Share Subdivision	Ownership percentage upon the [REDACTED]
		(%)		*(%)*
Standard Automation	31,612,950	14.30	31,612,950	**[REDACTED]**
Mr. Wang	28,294,560	12.80	28,294,560	**[REDACTED]**
Beijing Xiaomi Zhizao Equity Investment Fund Partnership (Limited Partnership) (北京小米智造股權投資基金合夥企業(有限合夥))	18,575,850	8.40	18,575,850	**[REDACTED]**
Zhangjiagang Bohua Venture Investment Partnership (Limited Partnership) (張家港博華創業投資合夥企業 (有限合夥))	16,048,840	7.26	16,048,840	**[REDACTED]**
Suzhou Yuanming Venture Investment Center (Limited Partnership) (蘇州源明創業投資中心 (有限合夥))	10,917,060	4.94	10,917,060	**[REDACTED]**
Shanghai Guangyi Investment Management Center (Limited Partnership) (上海光易投資管理中心(有限合夥))	10,374,630	4.69	10,374,630	**[REDACTED]**

Name of Shareholder	Number of Shares as of the Latest Practicable Date taking into account the Share Subdivision	Ownership percentage as of the Latest Practicable Date	Number of Shares upon the [REDACTED] taking into account the Share Subdivision	Ownership percentage upon the [REDACTED]
		(%)		(%)
Wuxi Liangxi Sci-Tech Innovation Industry Investment Fund Partnership (Limited Partnership) (無錫市梁溪科創產業投資基金合夥企業(有限合夥))	31,578,960	14.29	31,578,960	**[REDACTED]**
Mr. Li	8,410,820	3.80	8,410,820	**[REDACTED]**
Shenzhen Hechuang Intelligent and Health Venture Investment Fund (Limited Partnership) (深圳市合創智能及健康創業投資基金(有限合夥))	6,644,390	3.01	6,644,390	**[REDACTED]**
Zhuhai Qingyan Equity Investment Partnership (Limited Partnership) (珠海青岩股權投資合夥企業(有限合夥))	7,790,130	3.52	7,790,130	**[REDACTED]**
Tibet Guoke Dingyi Investment Center (Limited Partnership) (西藏國科鼎奕投資中心(有限合夥))	7,548,020	3.41	7,548,020	**[REDACTED]**
GOLDEN SUMMER HOLDING LIMITED	6,516,020	2.95	6,516,020	**[REDACTED]**
Beijing Qiji Chuangtan Zhiyuan Enterprise Management Center (Limited Partnership) (北京奇績創壇致遠企業管理中心(有限合夥))	5,932,890	2.68	5,932,890	**[REDACTED]**
Mr. Luo Hong (羅鴻)	5,847,910	2.65	5,847,910	**[REDACTED]**
Shenzhen Hongze Intelligent Manufacturing Investment Partnership (Limited Partnership) (深圳鴻澤智造投資合夥企業(有限合夥))	3,773,990	1.71	3,773,990	**[REDACTED]**

Name of Shareholder	Number of Shares as of the Latest Practicable Date taking into account the Share Subdivision	Ownership percentage as of the Latest Practicable Date	Number of Shares upon the [REDACTED] taking into account the Share Subdivision	Ownership percentage upon the [REDACTED]
		(%)		(%)
Beijing Zhixin Jianyuan Equity Investment Partnership (Limited Partnership) (北京置信建遠股權投資合夥企業(有限合夥))	3,715,180	1.68	3,715,180	**[REDACTED]**
MPlus HK I Limited	3,257,990	1.47	3,257,990	**[REDACTED]**
Shanghai Yaohong Venture Investment Management Co., Ltd. (上海要弘創業投資管理有限公司)	1,582,440	0.72	1,582,440	**[REDACTED]**
Zhuhai Shengxinze Investment Partnership Enterprise (Limited Partnership) (珠海盛鑫澤投資合夥企業(有限合夥))	5,750,000	2.60	5,750,000	**[REDACTED]**
Zhuhai Shengyinjing Investment Partnership Enterprise (Limited Partnership) (珠海盛銀璟投資合夥企業(有限合夥))	2,000,000	0.90	2,000,000	**[REDACTED]**
Shenzhen Huozhiyan Intelligent Manufacturing Entrepreneurship Investment Partnership Enterprise (Limited Partnership) (深圳火之焱智造創業投資合夥企業(有限合夥))	3,880,000	1.76	3,880,000	**[REDACTED]**
Suzhou Heji Phase I Venture Capital Partnership (Limited Partnership) (蘇州和基一期創業投資合夥企業(有限合夥))	1,000,000	0.45	1,000,000	**[REDACTED]**
[REDACTED] Shareholders	—	—	**[REDACTED]**	**[REDACTED]**
Total	**221,052,630**	**100.00**	**[REDACTED]**	**100.00**

CORPORATE STRUCTURE

The following chart sets forth our corporate structure as of the Latest Practicable Date and immediately prior to the **[REDACTED]**:



Note:

(1) Pursuant to the Acting in Concert Agreement, Mr. Wang, Standard Automation and Mr. Li will together be interested in, and control 30.90% of the voting rights in our Company as of the Latest Practicable Date and approximately **[REDACTED]**% of Shares immediately upon **[REDACTED]** (assuming the **[REDACTED]** is not exercised and taking into account the Share Subdivision), and taking into account the Voting Proxy Arrangements in note (3) below, they will be entitled to exercise approximately [30.20]% of voting rights in our Company and will constitute our Controlling Shareholders upon **[REDACTED]**.

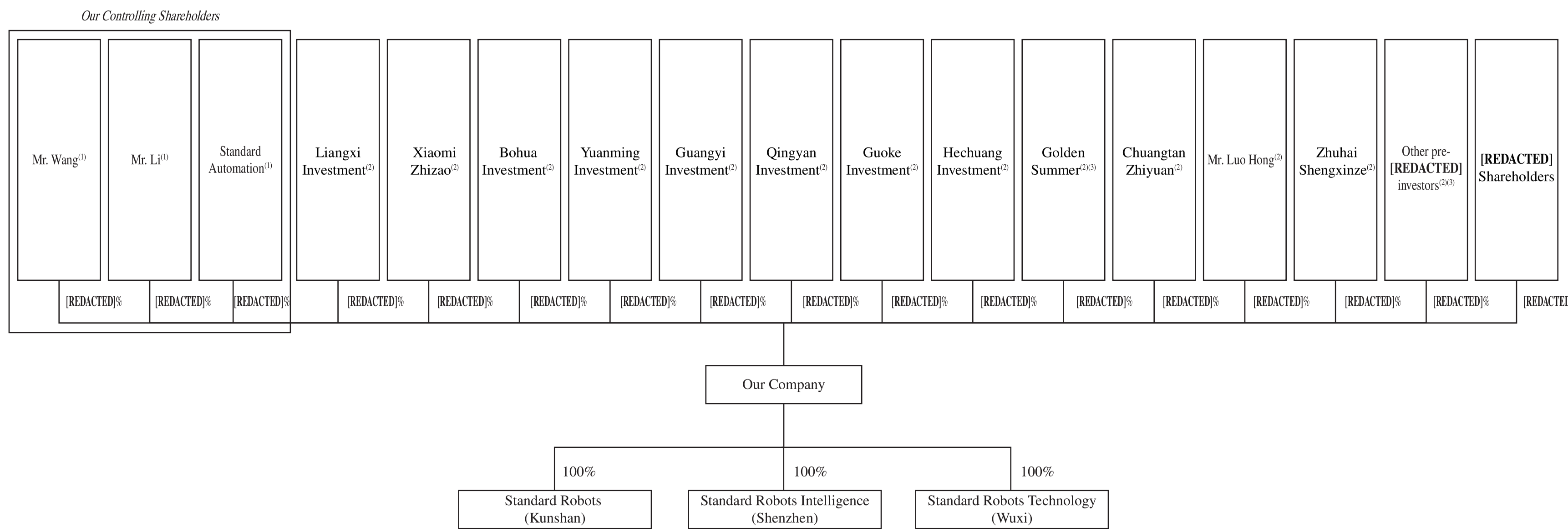
(2) See "— Pre-**[REDACTED]** Investments — Information About Our Pre-**[REDACTED]** Investors" and "— Capitalization of Our Company" for further details of our Shareholders and their respective shareholdings.

(3) In June 2025, Golden Summer, Shenzhen Hongze and Zhuhai Shengyinjing, each as a grantor, entered into the Voting Proxy Agreements respectively in favor of Mr. Wang. Pursuant to the Voting Proxy Agreements, Golden Summer, Shenzhen Hongze and Zhuhai Shengyinjing has each granted a voting proxy in favor of Mr. Wang in respect of, and Mr. Wang is entitled to the voting rights attached to 6,516,020, 1,547,370 and 2,000,000 Shares (taking into account the Share Subdivision), respectively, held by the aforementioned Shareholders in aggregate, representing **[REDACTED]**%, **[REDACTED]**% and **[REDACTED]**% of the voting rights (**[REDACTED]**% in total), respectively, in our Company for a period of two years upon **[REDACTED]**.

Remark:

The 221,052,630 Domestic Shares (taking into account the Share Subdivision) held by all existing Shareholders will be converted into H Shares under the "full circulation" application upon the completion of the **[REDACTED]**.

The following chart sets forth our corporate structure immediately following the **[REDACTED]**, assuming **[REDACTED]** is not exercised:



Notes:

(1)–(3) See notes to the corporate structure chart immediately prior to the **[REDACTED]** above.

Remark:

The 221,052,630 Domestic Shares (taking into account the Share Subdivision) held by all existing Shareholders will be converted into H Shares under the "full circulation" application upon completion of the **[REDACTED]**.

OVERVIEW

Mission

To lead a revolution in smart manufacturing through autonomous, digital and intelligent robotic technology (以自動化、數字化、智能化的機器人技術引領智能製造變革).

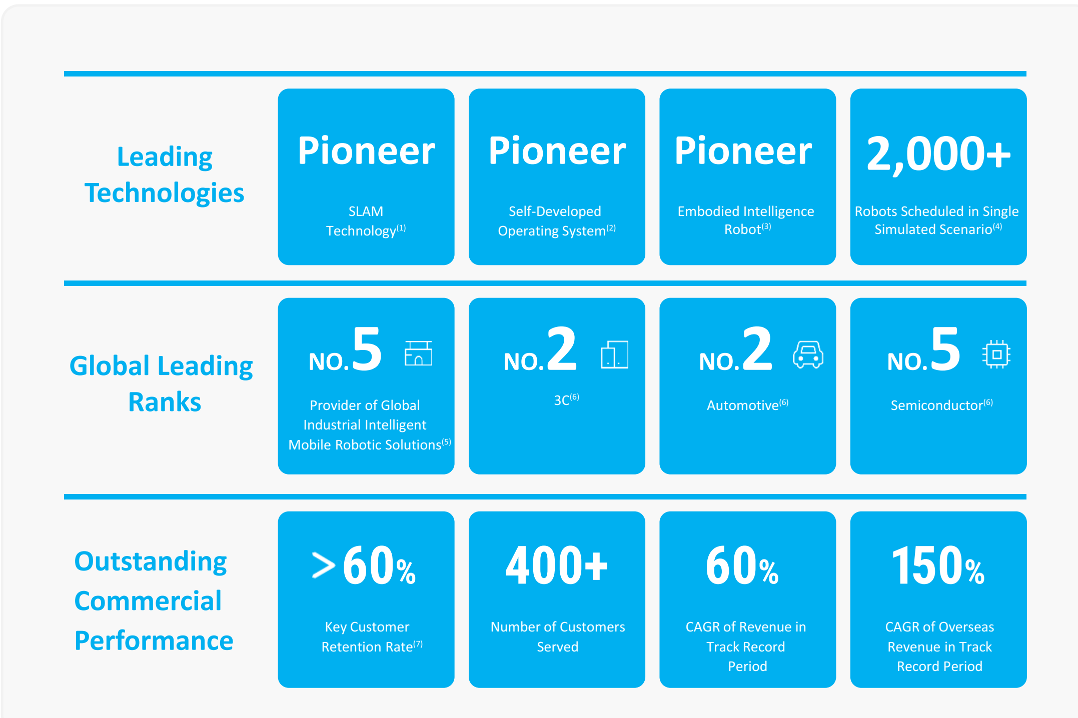
Vision

To promote evolution of robots towards greater versatility and intelligence and focus on providing standard smart manufacturing solutions for global industries (推動機器人向更通用、更智能進化，為全球工業提供標準化智能製造解決方案).

Who We Are

We are a global leader in industrial intelligent mobile robotic solutions, dedicated to empowering smart factories across a wide range of industrial scenarios. We are also a pioneer in industrial embodied intelligence robotic solutions. Our tailored one-stop robotic solutions comprise our core robotic technology platform, our industrial intelligent multi-functional robotic products and our all-in-one intelligent collaborative system, the RoboVerse system. In the year ended December 31, 2024, we were the world's fifth largest provider of the industrial intelligent mobile robotic solutions and the world's fourth largest provider of the industrial embodied intelligence robotic solutions by sales volume, according to CIC. Our premier solutions are 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 2024: second largest in the computer, communication and consumer electronics (3C) sector, second largest in the automotive sector and fifth largest in the semiconductor sector, 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 a pioneer of industrial intelligent robotic systems engineering in China and we were also one of the first in China to have developed our proprietary robotic operating system for industrial intelligent robots. We were among the first companies to launch simultaneous localization and map (SLAM) technology, according to CIC. We were also one of the first in the industry to have developed algorithms such as vision language action (VLA) for industrial scenarios, according to the same source. Our first-in-class advancements 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-robotic coordinative technologies, our robots possess collaborative intelligence. Building on our industry-leading robotic technology and leveraging artificial intelligence (AI) and proprietary data from actual industrial scenarios, we were among the first in China to have achieved world modeling and collaborative intelligence in industrial robotic systems, according to CIC. According to CIC, we are one of the few companies to have developed the capability of scheduling over 2,000 robots in a single simulated scenario. There are typically no more than 500 robots involved in a single real-world industrial scenario. Leveraging cutting-edge technologies, we stand at the forefront of robotic technologies to deliver high-performance solutions across a wide range of industrial scenarios.



Source: CIC

Notes:

(1) Among the first to develop SLAM technology based on prior information.

(2) One of the first in China to have self-developed operating system for industrial intelligent mobile robots.

(3) First wheeled embodied intelligence robot with the highest degree of freedom in industrial settings implemented in China.

(4) One of the few enterprises capable of scheduling over 2,000 robots in single simulated scenario.

(5) Ranked in terms of sales volume in 2024.

(6) Ranked in terms of shipment volume in respective sector in 2024.

(7) Calculated by dividing the number of key customers of year 2023 from whom we also generated revenue in year 2024 by the number of key customers of year 2023, multiplied by 100%.

Market Challenges

We are dedicated to providing robotic solutions in a wide range of industrial scenarios, particularly high-tech sectors such as 3C, automotive and semiconductor. These industries are characterized by complex processes, high precision requirements and rapid technological advancements. Traditional production management models increasingly face issues like inefficiency, low reliability and high labor costs, resulting in major bottlenecks in the path toward industrial transformation:

- **Low production efficiency and high hidden costs due to labor dependence:** Traditional production models rely heavily on manual labor, which is inherently less efficient and suspectable to human limitations. Issues such as material mismatches and production line interruptions can lead to significant hidden costs, undermining the competitiveness of industrial enterprises.

- **Complex production environments:** Factory operations involve the handling, storage and management of various materials, including raw materials, semi-finished products and finished goods. Such complexity increases the difficulty of production management. Additionally, factory layouts are often compact, necessitating efficient material handling and production within limited spaces.

- **Frequent changes in production plans:** Production plans often need to be adjusted due to fluctuations in market demand, order changes or equipment failures. Additionally, product iteration are frequent in high-tech industries, necessitating constant optimization of production plans. This leads to dynamic shifts in material management needs, requiring the production system to respond quickly and adjust flexibly in real time.

- **High time-sensitivity of material supply:** The production process imposes extremely strict time requirements on material supply. Any delay in any segment can lead to the stalling of the entire production line. Therefore, it is imperative to ensure that materials are accurately delivered to designated locations within specified timeframes.

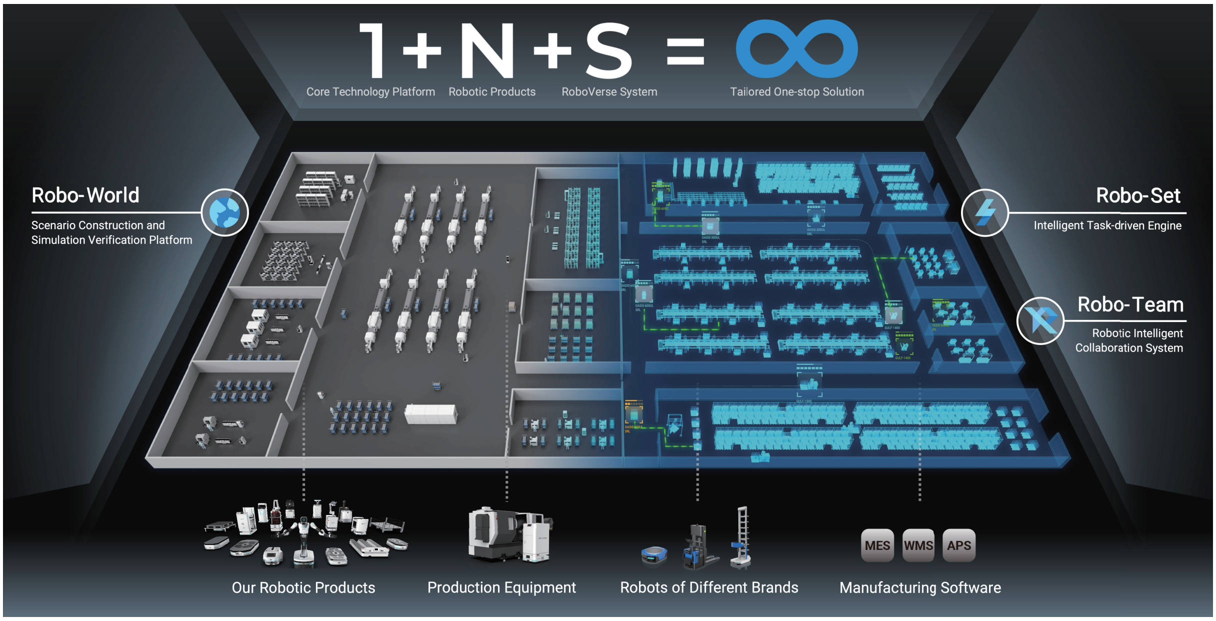
- **Poor compatibility among different types of automation equipment:** Incompatibility among various automated equipment types remains a significant challenge in industrial automation. This stems from factors such as inconsistent technical standards, rapid equipment iteration, limited collaboration among manufacturers and incompatible software systems. As a result, building integrated automation systems is often difficult, leading to suboptimal system performance, higher operational costs and increased maintenance complexity.

- **High demands for cross-departmental collaboration:** Factory operations are closely linked to functions such as production, procurement and sales, necessitating close collaboration among departments to achieve real-time information sharing and seamless process integration, thereby improving overall operational efficiency.

In today's rapidly evolving industrial landscape, there is significant demand for intelligent robotic systems that can operate autonomously and collaboratively in complex manufacturing environments. The markets for industrial intelligent mobile robotic solutions and for industrial embodied intelligence robotic solutions are poised for significant growth, driven by the increasing demand for automation in high-end manufacturing sectors. According to CIC, the global market for industrial intelligent mobile robotic solutions is approximately RMB15.3 billion in 2024 and is expected to increase to RMB81.4 billion by 2029, representing a CAGR of 39.8%. The market for industrial embodied intelligence robotic solutions is anticipated to grow from RMB1.4 billion in 2024 to over RMB15.2 billion by 2029, at a CAGR exceeding 61.1%. This robust growth is fueled by advancements in robotic technology, the need for flexible and efficient logistics solutions and the ongoing shift towards smart manufacturing across industries, particularly high-tech sectors such as 3C, automotive and semiconductor.

Our Robotic Solutions

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 products ("**N**") and the RoboVerse System ("**S**"), our all-in-one intelligent collaborative system, and encompass a wide range of industrial scenarios. Our goal is to provide infinite possibilities for smart manufacturing ("**∞**").



Our Core Robotic Technology Platform. Our core robotic technology platform consists of a self-developed core controller, our proprietary operating system SROS and algorithms. The core robotic technology platform meets the demands of high computing power, real-time responsiveness and stringent safety requirements, allows for efficient processing of complex and advaced algorithms, and equips our robots with intelligence, efficiency, reliability and safety.

Our Robotic Products. Our robotic products are built upon our core robotic technology platform, which governs essential robotic functions such as navigation, perception and manipulation. Our robotic products feature modular design — by adding modules serving different functions to the core robotic technology platform, these robotic products are versatile in application across a wide range of industrial scenarios. Our robotic products include standard robots, functional robots and embodied robots. Our standard robots offer mobility in a wide range of complex scenarios. Powered by our proprietary algorithms and advanced autonomous driving technology — including localization, navigation and control algorithms — standard robots can be seamlessly deployed in new scenarios without requiring any modifications to the specific scenario, such as the addition of QR codes or magnetic strips on the floor. As customer workflows change and evolve, standard robots can be efficiently redeployed to meet changing needs. Furthermore, they are equipped with a comprehensive set of external interfaces, enabling flexible and versatile functional extensions. Our functional robots, including lifting robots, transport robots, forklift robots and tugger robots, are engineered to adapt and perform efficiently in a variety of operational scenarios. By incorporating additional modules into the core robotic technology platform, these robots are equipped with advanced capabilities tailored to specific functional requirements. Our functional robots have lifting, drawing, and transporting functions, enabling precise execution of various tasks. The modular design of our functional robots allows for customization to meet the unique demands of different industries, ensuring that our functional robots serve as versatile and essential components in professional settings. Our embodied robots, including LINK, our classic industrial embodied robots, and DARWIN, our advanced embodied robots, enhance flexibility through increased degrees of freedom and enable more general capabilities through artificial general intelligence (AGI). These robots are designed to adapt to and perform a series of complex tasks in a wide range of industrial scenarios. Our embodied robots are versatile tools used in manufacturing sectors. enabling humans and machines to work together seamlessly and safely.

Our RoboVerse System. Our RoboVerse System is an all-in-one intelligent collaborative system. It comprises three constituent sub-systems, Robo-World, Robo-Set, and Robo-Team. Robo-World is a sophisticated 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, thereby reducing development time and deployment risks. 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 intelligent algorithms for efficient resource management, real-time path planning, and dynamic task allocation, ensuring robust operation and enhanced system efficiency. RoboVerse is used throughout pre-sales, delivery, and operational phases to tailor intelligent robotic solutions, simulate and manage digital factory scenarios, and enhance smart manufacturing efficiency, quality, and safety for our customers' industry needs.

Our robotic solutions are based on a thorough understanding of the actual needs of our customers across various industries, proprietary knowledge of specific industries, and accumulated data. We utilize our technology to simulate the real scenario of our customers' factories, which allows us to formulate and deliver tailored one-stop solutions to our customers, enabling them to achieve robots-centric automation, digitalization, and intelligence in smart manufacturing.

Our Technological Features

According to CIC, we are one of the few enterprises in the industry with self-developed full-stack technologies. We have successfully developed robotic technologies featuring intelligence, efficiency, and reliability and safety. Leveraging cutting-edge technologies, we stand at the forefront of robotic technologies to deliver tailored one-stop solutions comprising our core robotic technology platform, our industrial intelligent robotic products and the RoboVerse System.

Our core robotic technology platform consists of our core controller, our operating system, namely 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, robust, 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 first-in-class advancements in technologies infuse individual intelligence into our robots, enabling them to think, adapt and perform tasks with autonomy.

Drawing on years of experience in research, development, and delivery of industrial intelligent robotic solutions, we have established full-stack robotic systems engineering capabilities, which enable us to design our industrial intelligent robots in a modular design, cost-effective, and efficient manner.

Our RoboVerse system is based on self-developed industrial scene-oriented world modeling and mass scale multi-robotic coordinative 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-robotic coordinative 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 Go-To Market Strategy and Premium Customer Base

We employ a highly effective customer-centric go-to-market strategy, focusing on establishing a strong presence and cultivating long-term relationships with major and influential customers in the 3C, automotive and semiconductor sectors. By collaborating with these industry leaders, we design and deliver solutions that set new benchmarks, showcase our capabilities, and strengthen our reputation in the industrial intelligent robotic solutions market.

By collaborating with these industry leaders, we not only reinforce our market leadership but also gain valuable industry insights and data. This enhances our understanding of specific industry needs, resulting in premium-quality solutions and an improved customer experience. Our partnerships with established customers encourage mid-sized and smaller customers to adopt similar solutions, further expanding our market share and solidifying our position as a trusted provider of industrial intelligent robotic solutions.

Starting from 2019, we strategically expanded our global presence, targeting key international markets to drive growth. By 2023, we had established a comprehensive international strategy, dividing our overseas markets into the Asia-Pacific, North America and Europe. This global expansion enables us to deliver high-performance solutions tailored to the specific needs of each high-tech industry worldwide. By consistently delivering high-performance solutions tailored to the specific needs of each high-tech industry, we have built a strong foundation of trust and collaboration with our premium customers, such as Xiaomi Auto, Foxconn and OPPO. We serve a diverse array of industry leaders, reflecting our expertise and adaptability in delivering advanced robotic solutions.

Our Proven Success

We have achieved remarkable growth in recent years. Our total revenue increased from RMB96.3 million in 2022 to RMB162.2 million in 2023, and further to RMB250.5 million in 2024, representing a CAGR of 61.3%, well surpassing overall global industrial intelligent mobile robotic solutions market CAGR of 26.8%, according to CIC. Our revenue growth outpaced the increase of our cost of sales, leading to an increase in our gross profit with a CAGR of 180.1% during the Track Record Period. Our loss of the year decreased from RMB127.6 million in 2022 to RMB100.3 million in 2023, and further to RMB45.1 million in 2024.

STRENGTHS

Market Leadership in Industrial Intelligent Mobile Robotic Solutions and Industrial Embodied Intelligence Robotic Solutions

We are a global leader in providing industrial intelligent mobile robotic solutions, dedicated to empowering smart factories across a wide range of industrial scenarios. We are also a pioneer in providing industrial embodied intelligence robotic solutions. In the year ended December 31, 2024, we were the world's fifth largest provider of the industrial intelligent mobile robotic solutions and the world's fourth largest provider of the industrial embodied intelligence robotic solutions by sales volume, according to CIC.

Dedicated to providing robotic solutions for a wide range of industrial scenarios, we are trusted by customers with leading market share in 3C, automotive and semiconductor sectors. In the global market, we are one of the largest industrial intelligent mobile robotic solution providers in several high-tech sectors as measured by shipment, being the second largest in the 3C sector, the second largest in the automotive sector and the fifth largest in the semiconductor sector, according to CIC.

The global industrial intelligent mobile robotics market is projected to grow from RMB15.3 billion in 2024 to RMB81.4 billion by 2029, with a CAGR of 39.8%. The market for industrial embodied intelligence robotic solutions is anticipated to grow from RMB1.4 billion in 2024 to over RMB15.2 billion by 2029, at a CAGR exceeding 61.1%. Our dedications to innovation and industry-focused solutions have enabled us to capture leading market share, reinforcing our position as a leader in industrial automation. Key drivers of market growth include the upgrade of intelligent manufacturing systems, robust demand from downstream industries, labor shortages and rising costs, alongside mature supply chains and increased policy support. Our commitment to continuous innovation and adaptation to industry needs positions us to capitalize on these trends, fostering the widespread adoption of industrial intelligent mobile robotic solutions and industrial embodied intelligence robotic solutions.

Self-Developed Robotic Technologies Featuring Intelligence, Efficiency, and Reliability and Safety

According to CIC, we are one of the few enterprises in the industry with self-developed full-stack technologies. We started as a pioneer of industrial intelligent robotic systems engineering in China and we were also one of the first in China to have developed our proprietary robotic operating system for industrial intelligent robots. We were among the first companies to pivot into the SLAM technology, according to CIC. We were also one of the first in the industry to have developed VLA for industrial scenarios, according to the same source.

Our first-in-class advancements in localization, navigation and control, and perception and manipulation technologies equip our robots with intelligence, efficiency, and reliability and safety, infusing individual intelligence into our robots, enabling them to think, adapt and perform tasks with autonomy. Our robots achieve high-precision localization with ±2 mm repeat accuracy, navigation, perception and manipulation. Powered by world modeling and multi-robotic coordinative technologies, our robots possess collaborative intelligence. Building on our industry-leading robotic technology and leveraging AI and proprietary data from actual industrial scenarios, we were among the first in China to have achieved world modeling and collaborative intelligence in industrial robotic systems, according to CIC. They seamlessly adapt to a wide range of industrial scenarios without modifications, utilizing multi-level semantic maps, intelligent localization technology, and autonomous navigation algorithms to operate safely and efficiently even in dynamic scenarios. According to CIC, we are one of the few companies to have developed the capability of scheduling over 2,000 robots in a single simulated scenario. There are typically no more than 500 robots involved in a single real-world industrial scenario.

We have always prioritized R&D as a core driver of our business growth and innovation. We have successfully developed robotic technologies featuring intelligence, efficiency, and reliability and safety. We are committed to spearheading the development of industrial embodied intelligence robotic technologies, achieving collaborative intelligence, and ensuring our leadership in the industrial intelligent robotic industry.

Premier Solutions for Smart Manufacturing across a Wide Range of Industrial Scenarios

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 robotic products ("**N**") and the RoboVerse System ("**S**"), our all-in-one intelligent collaborative system, and encompass a wide range of industrial scenarios. Our goal is to provide infinite possibilities for smart manufacturing ("**∞**").

We provide tailored solutions to address unique operational needs of our customers. Our solutions are characterized by industry-leading intelligence, efficiency, reliability and safety. Drawing on our extensive experience and deep industry expertise, we work closely with customers to develop tailored one-stop solutions that address specific challenges and enhance operational efficiency. Our tailored solutions enable seamless integration with existing factory equipment, support cross-brand and multi-model robot collaboration, and adapt to complex manufacturing processes.

Extensive Deployment by Leading Enterprises

We are dedicated to providing robotic solutions to customers in a wide range of industrial scenarios, particularly leading enterprises in high-tech sectors such as 3C, automotive and semiconductor. Our robotic solutions have established a robust and loyal customer base, showcasing exceptional industry competitiveness. We have served over 400 customers, with a key customer retention rate of over 60%.

In the 3C sector, our solutions enhance production efficiency by ensuring timely and accurate material supply, adapting swiftly to varying production tasks. Based on shipment volumes of smartphones in 2024, we have served manufacturers represent up to 95% of the market share in China, according to CIC. In the automotive sector, we have provided solutions to four of the top five automotive groups in China, which accounted for over 50% of the passenger car market share based on shipment volumes in 2024. The strong load-bearing capacity and high-frequency mixed-line scheduling capabilities of our robots are essential for the simultaneous production of diverse vehicle models, addressing the industry's need for flexible and efficient manufacturing processes. In the semiconductor sector, our robots excel in high-precision, high-cleanliness scenarios, ensuring safe and accurate material handling. We have provided services to two of the top three enterprises in China's semiconductor outsourced semiconductor assembly and test market, which collectively commanded over 50% of the market share in terms of relevant revenue generated in 2024.

These accomplishments have built a broad and high-quality customer base, providing a solid foundation for sustained growth.

Visionary Management Team with Technical Expertise and Strategic Insight and Strong Support from Reputable Investors

We are led by a highly experienced management team. They have a proven track record of guiding us through periods of dynamic growth and have demonstrated their ability to commercialize products by tapping into previously unaddressed market needs. The strategic foresight, expertise and leadership of our Chief Executive Officer, Mr. Wang Yongkun, and our

Chief Technology Officer, Mr. Li Hongxiang have been instrumental in our growth and success. This stable core team has worked together since our inception, leveraging their professional research capabilities, passion for their work, and forward-looking industry insights to continue to grow as a market leader.

We committed to a path of independent R&D, choosing to innovate rather than modify foreign technologies. Our team has a keen understanding of industry trends and adapts swiftly to national policy directions, expanding from the initial 3C sector to the automotive and semiconductor sectors, maintaining competitive market positioning.

We have received investment and support from strategic partners such as Xiaomi, Qiji and Bohua. Many of these investors are prominent leaders in high-tech industries, which naturally present a wide array of applications for our products and solutions. Their contributions extend beyond significant financial resources; they enhance our brand reputation, deepen our industry insights, and expand our ability to seize future opportunities through their extensive networks.

STRATEGIES

We pursue strategies to deepen our competitive advantages in R&D, products and solutions, production capacities and our leading positions in domestic and global markets.

Increase Investment in the R&D of Industrial Embodied Intelligence Technologies

We plan to continue investing in the R&D of industrial embodied intelligence technologies to enhance the capabilities and diversity of our solutions.

We will further develop innovative types of embodied intelligence robots to expand our product lineup, while improving the quality and cost-effectiveness of our robotic products and solutions. By refining our localization, navigation and control algorithms, we aim to boost the overall motion performance of our robots.

We also envision ourselves to advance our perception and manipulation technologies to expand our robots' capabilities to perceive and interact with the physical world. Additionally, we will continue to strengthen our capacity to build world models and achieve collaborative intelligence.

Our focus is on creating industrial embodied intelligence technologies with general application capabilities. Building on this foundation, we plan to develop smarter robotic products and solutions to meet the ever-evolving demands of industrial intelligent transformation and technological innovation.

Deepen Our Expertise in Industrial Intelligent Robotic Solutions, Particularly in Industrial Embodied Intelligence Robotic Solutions

We aim to deepen our expertise in industrial intelligent robotic solutions, particularly in the rapidly growing market of industrial embodied robotic intelligence. Based on our "1 + N + S = ∞" of robotic solutions, we focuses on:

- **Core robotic technology platform:** Building a versatile robotic technology platform that integrates AI, machine learning, sensing and control systems, ensuring unified capabilities for easier updates and integration across industries.

- **Robotic products:** Developing a diverse range of robots with comprehensive functions, supported by advanced R&D equipment to enhance product robustness and application-specific functionalities.

- **RoboVerse system:** Iterating intelligent collaborative systems for smart manufacturing by advancing AI technology, expanding simulation scenarios, refining AI agents, and strengthening multimodal data collection, all backed by high-performance computing resources to accelerate AI development.

Enhance In-House Manufacturing Capabilities to Support Sustained Growth

Our production capabilities and production capacity directly impact product quality, delivery efficiency, and market competitiveness. Our Kunshan facility serves as our core production base, offering complete in-house production capabilities that ensure full control from research to delivery. We plan to further enhance our manufacturing capability and production capacity to support domestic and international market expansion.

We expect to purchase production equipment and develop new production lines. We plan to deploy our robotic solutions in our new production lines, aiming to establish this new plant as an industry-leading intelligent manufacturing demonstration factory.

Expand Our Influence among Current and Future Customers, Domestically and Internationally

We plan to invest in strategic brand marketing to enhance recognition and influence in domestic and international markets, expanding marketing channels and digital efforts, media partnerships, and local outreach. We will participate in industry exhibitions and seminars to showcase our brand and share industry trends, strengthening our image among a broader customer base.

We aim to expand market influence with current customers by offering embodied intelligence robots that address a wider range of needs, enhancing operational efficiency and fostering long-term partnerships. We will also transform tailored solutions for industry leaders into standardized, scalable modules, making advanced technologies accessible to more businesses and expanding our customer base while maintaining quality. Furthermore, we are expanding globally, focusing on strategic regions like Asia-Pacific, North America and Europe, tailoring our expansion plans to regional characteristics to build a competitive industrial intelligence brand and enhance global business and brand value.

OUR ROBOTIC SOLUTIONS

We are dedicated to providing industrial intelligent robotic solutions to empower smart manufacturing. The philosophy of our robotic solutions is "1 + N + S = ∞." Our tailored one-stop robotic solutions consist of the following elements and encompass a wide range of industrial scenarios.

The "1" — our core robotic technology platform.

The "N" — our industrial intelligent multi-functional robotic products, consisting of our standard robots, functional robots and embodied robots.

The "S" — the RoboVerse system, our all-in-one intelligent collaborative system, empowering robots to autonomously operate across scenarios and tasks.

The "∞" — our commitment to provide infinite possibilities for smart manufacturing.

Our Core Robotic Technology Platform

Our core robotic technology platform consists of our self-developed core controller, our proprietary operating system SROS and algorithms. Featuring a CPU+GPU+MCU multi-processor architecture, our core controller integrates self-developed operating system SROS to meet the demands of high computing power, real-time responsiveness and stringent safety requirements. This independently developed controller allows for efficient processing of complex and advanced algorithms. Our core controller is a pivotal component that equips our robots with intelligence, efficiency, reliability and safety.

Our Robotic Products

Our robotic products are built upon our core robotic technology platform, which governs essential robotic functions such as navigation, perception and manipulation. Our robotic products feature modular design — by adding modules serving different functions to the core robotic technology platform, these robotic products are versatile in application across different in a wide range of industrial scenarios.

Our robotic products include standard robots, functional robots and embodied robots.

Our Standard Robots

Our standard robots offer mobility in a wide range of complex scenarios. Powered by our proprietary algorithms — including localization, navigation and control algorithms — standard robots can be seamlessly deployed in new scenarios without requiring any modifications to the scenario, such as the addition of QR codes or magnetic strips on the floor. As customer workflows change and evolve, standard robots can be efficiently redeployed to meet changing needs. Furthermore, they are equipped with a comprehensive set of external interfaces, enabling flexible and versatile functional extensions.

Our Standard Robots have the below key features:

- **Versatile movement capabilities**: Equipped with forward, backward, in-place rotation movements, our robots offer precise navigation and localization. Certain models also support left and right lateral movements, allowing for omnidirectional navigation, which enhances maneuverability in confined spaces.

- **Flexible load capacities**: Covering load ranges up to 2,000 kg, customers can select models that best fit their specific requirements, ensuring scalability and adaptability to various operational demands.

- **High-precision navigation**: Our multi-sensor information fusion localization system achieves ±2 mm repeat localization accuracy, maintaining ±5 mm accuracy even in dynamic scenarios with up to 90% environmental changes.

- **Open integration**: Open electrical interfaces and standard communication protocols support easy integration with various application modules such as collaborative robotic arms and conveyor systems. This enables custom solutions tailored to specific industrial needs without extensive proprietary development efforts.

- **Advanced safety features**: Comprehensive safety systems, including emergency stop functions, obstacle detection, and overspeed monitoring, ensure safe operation in collaborative scenarios.

Our Functional Robots

Our functional robots are engineered to adapt and perform efficiently in a variety of operational scenarios. By incorporating additional modules into the core robotic technology platform, these robots are equipped with advanced capabilities tailored to specific functional requirements.

Our different types functional robots, including lifting robots, transport robots, forklift robots and tugger robots, are designed to optimize material handling and logistics within industrial scenarios, each offering specialized capabilities to enhance efficiency, precision, and adaptability across various sectors.

- **Lifting robots**: Designed for covert lifting and carrying within factories, lifting robots handle various types of carriers like material carts, racks, pallets and flat carriers. By automating intra-factory transfers, they address repetitive handling tasks and improve efficiency and accuracy. Our lifting robots support material handling from 300 kg to

2,000 kg, with high component reuse ensuring minimal after-sales concerns. The same core algorithm is used across models, guaranteeing consistency and precision. Industries such as 3C and automotive benefit from these advanced capabilities.

- **Transport robots**: These robots automate the transfer of trays, boxes, and other carriers between equipment interfaces, enhancing automated and precise loading and unloading functions and intelligent management within factories. They address challenges like low production space utilization and difficulties in data tracking and refined management. Equipped with our intelligent localization technology, they achieve high precision docking (±5 mm) and flexible deployment, adapting to varying customer requirements. Their motion control algorithms enable rapid reconstruction and parameter calibration for various configurations, ensuring superior motion stability and execution precision. Features like modular design allow for easy adaptation to different scenarios, and their high efficiency in narrow spaces maximizes operational effectiveness.

- **Forklift robots**: Forklift robots address challenges associated with intra-factory transfers, including high-density stacking, and high-level storage. They automate pallet logistics transfer, enhancing precision and efficiency. Equipped with AI-based perception and control algorithms for high-precision recognition and docking, they utilize our perception & manipulation framework. This includes a semantic-level spatial perception system that provides high-precision perception of objects, obstacles, and dynamic changes in the scenario. With comprehensive safety protection, incorporating our Security Technology such as emergency stop functions, obstacle detection, and safe speed control, these robots are suitable for industries such as 3C, automotive and semiconductor.

- **Tugger robots**: Tugger robots are designed to tow multiple carts, enhancing the efficient transfer of materials within industrial scenarios. Leveraging our proprietary algorithms and modular hook-and-gripper designs, tugger robots automate the identification and hooking of carts, while easily adapting to existing customer cart designs. Tugger robots benefit from our mass scale multi-robotic coordinative technology, which allows for seamless collaboration and operation in dynamic and complex scenarios.

Our Embodied Robots

Embodied robots enhance flexibility through increased degrees of freedom and enable more general capabilities through AGI. These robots are designed to adapt to and perform a series of complex tasks in a wide range of industrial scenarios. Embodied robots enable humans and machines to work together seamlessly and safely and are versatile tools across various industries.

LINK, our classic industrial embodied robots. Our LINK robots are generally equipped with a single robotic arm and, depending on the specific task to be performed, a special-purpose "hand" to perform the particular function, such as gripping, lifting, pushing and pulling. Equipped with these features, our LINK robots can operate machine interfaces, manipulate objects and transfer materials and finished products. They can perform complex tasks with precision, stability and flexibility, which makes them indispensable in high-tech industries. For example, in semiconductor production, our LINK robots help ensure the precise transfer and handling of fragile and high-value materials such as semiconductor wafers.

DARWIN, our advanced embodied robots. Our advanced embodied intelligence robot model, the DARWIN, represents a significant leap forward in industrial embodied intelligence robots. A wheeled humanoid robot equipped with two arms, DARWIN breaks the limitations of single-arm operation and can complete more complex tasks through coordinated operations with multiple hand-like end-effectors, achieving over 23 degrees of freedom. These features enable DARWIN to reach a wider range of work areas, whether in high places or confined spaces. Its flexible folding capability allows seamless transitioning between crouching and standing positions, adapting to various heights and complex operational requirements. Equipped with a quick-change dexterous hand system, it can rapidly switch between different hand-like end-effectors, efficiently handling tasks ranging from heavy material transport to precise manipulation of small components.

DARWIN features omnidirectional chassis, enabling it to navigate complex industrial scenarios with ease and stability at speeds exceeding two meters per second. Its advanced perception system, comprising a matrix of multiple sensors, delivers 360° x 360° dynamic environmental awareness, ensuring operational safety and adaptability.

DARWIN integrates cutting-edge AGI technologies. Multimodal perception algorithms and a rich sensor matrix allow DARWIN to accurately and comprehensively understand spatial relationships among objects in the physical world. Equipped with end-to-end models such as VLA, DARWIN can achieve cross-task generalization in perception, decision-making, and manipulation. Through continuous high-quality data accumulation and iterative model training, it delivers high efficiency, precision, and a high success rate in task execution.

Our RoboVerse System

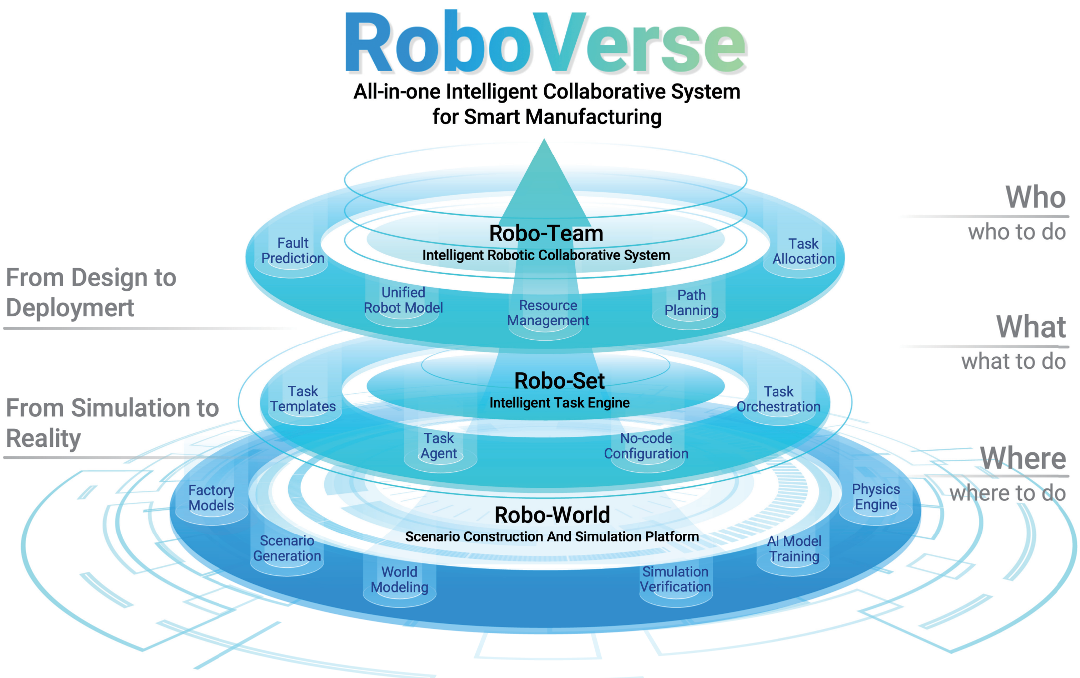
Our RoboVerse System is an all-in-one intelligent collaborative system. Our RoboVerse System comprises three constituent sub-systems, Robo-World, Robo-Set, and Robo-Team:

- Robo-World is a sophisticated 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, thereby reducing development time and deployment risks.

- 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 intelligent algorithms for efficient resource management, real-time path planning, and dynamic task allocation, ensuring robust operation and enhanced system efficiency.

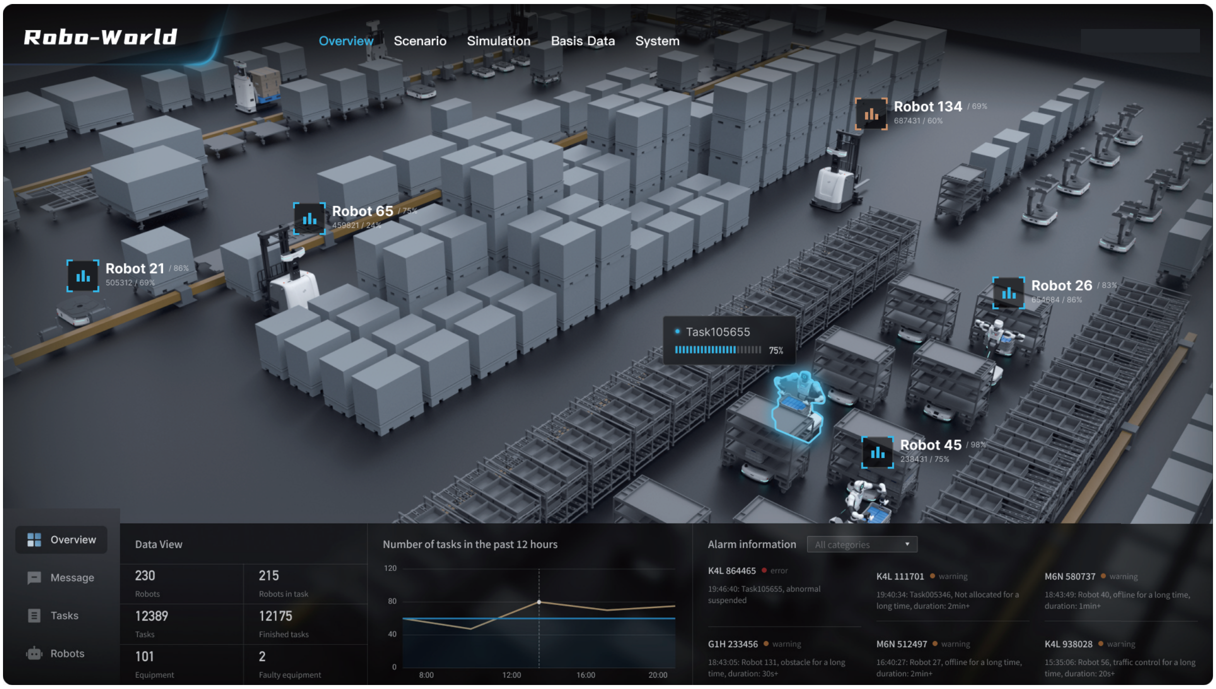
We use our RoboVerse system throughout pre-sales, delivery, and operational phases to tailor intelligent robotic solutions, simulate and manage digital factory scenarios, and enhance smart manufacturing efficiency, quality, and safety for our customers' high-tech industry needs.



Robo-World: Crafting the Intelligent Manufacturing Landscape ("Where"), Bringing Virtual World to Reality

Robo-World is a scenario construction and simulation verification platform based on world modeling. Robo-World incorporates a rich and extensive library of factory models, utilizing the powerful scene generation capabilities of world model technology. It can digitally reconstruct a customer's factory quickly and accurately using information from CAD, natural language and other sources. The reconstructed model fully includes the key elements of factory operations. With the high-precision physics engine as the underlying driver, Robo-World can achieve precise simulation of factory operations. It generates targeted production operation simulation reports, helping customers assess the rationality of smart manufacturing solutions and determine optimization directions based on data-driven insights. This significantly reduces the time and resources required for developing and validating smart manufacturing solutions. It ensures that solutions are highly adaptable to different industrial needs, thereby improving efficiency and reducing deployment risks.

Additionally, the high-precision physics engine supports the simulation of sensor data, which in turn supports the training, simulation, and debugging verification of various algorithms such as multimodal perception and VLA within Robo-World. This enhances algorithm iteration efficiency and reduces the development cycle and cost of algorithms.



Robo-Set: Orchestrating Intelligent Manufacturing Tasks ("What"), Simplifying Complexity with Intelligent Task Engines

Robo-Set is an intelligent task-driven engine. It helps factories quickly and efficiently build intelligent manufacturing production systems by orchestrating tasks across different production modes and processes. It drives the efficient operation of the production system through the methods of production task creation and management methods. By selecting a large number of built-in scenario templates and configuring task templates through a templated, no-code approach, the process becomes highly efficient and customer-friendly, lowering the barrier to entry and reducing reliance on specialized technical personnel. The built-in task agents continuously learn the production modes of smart factories. By inputting business requirements described in natural language, the task agents directly generate corresponding production tasks, further simplifying production process configuration and enabling rapid adaptation to changing needs.

Robo-Set streamlines the creation and management of production tasks, enhancing operational efficiency and adaptability. By simplifying task configuration and leveraging intelligent agents, it reduces configuration time and accelerates the implementation of intelligent manufacturing systems.

Robo-Team: The Collaborative Brain of Intelligent Robots ("Who"), Unifying Diverse Robots into a Cohesive Workforce

Robo-Team is an intelligent robotic collaboration system. It decouples hardware differences using a unified standard robot model. It supports efficient collaboration among robots of different forms and brands. It addresses the issues of poor compatibility and low collaboration efficiency found in traditional systems. Robo-Team employs various intelligent collaboration algorithms to achieve efficient resource management and allocation. For spatial resources, Robo-Team implements real-time dynamic path planning, real-time traffic cost update, deadlock avoidance and automatic resolution functions. For robotic resources, it supports real-time task reallocation and dynamic task changes, enhancing flexibility and responsiveness. Through intelligent fault prediction technology, Robo-Team monitors operational status of the robot cluster in real-time, conducts deep analysis of anomalies, and automatically adjusts scheduling strategies. This optimizes resource allocation, enhances system efficiency, and ensures robust operation.

Our Solutions

Our solutions are based on a thorough understanding of the actual needs of our customers across various industries, proprietary knowledge of specific industries, and accumulated data. We utilize our technology to simulate the real scenario of customers' factories, formulate, and deliver tailored, one-stop solutions to assist customers in achieving robots-centric automation, digitalization, and intelligence in smart manufacturing. The industrial intelligent mobile robotic solutions can adapt to various complex industrial scenario, offering higher load capacity and flexibility. Industrial embodied intelligence robots can achieve high-precision operations and flexible task execution, completing various complex assembly, and other tasks in industrial production scenarios, meeting the needs of different industries and settings.

In the pre-sales phase, we utilize our RoboVerse system to gain an in-depth understanding of the customer's needs, including products, processes, materials, factory layout, information system, and production cadence. Based on the understanding obtained in this phase, we then formulate tailored intelligent robotic solutions particular to each of our customers. Through Robo-World, we simulate a digital industrial scenario. Through Robo-Set, we simulate the operation process of the robot cluster in the customer's factory based on production materials and layout. Through Robo-Team, we simulate the collaboration of robot cluster with dynamic task changes. Supported with RoboVerse system, we select the appropriate models and quantities of robots.

In the delivery phase, we manufacture and deliver robots to the site and deploy our robotic solutions. Building upon pre-sales simulation results, through Robo-World, we deploy an actual digital model of the factory; through Robo-Set, we assign production tasks based on production needs; through Robo-Team, we schedule and manage robot operations on-site, achieving coordinated scheduling with existing personnel, production equipment, and other robots.

In the operational phase, our customers use our robotic solutions to achieve robots-centric smart manufacturing. By improving production efficiency, reducing production costs, ensuring production quality, and enhancing production safety, our robotic solutions specifically address the challenges of complex production in the high-tech industry, meeting the dynamic production needs of the high-tech industry, as well as the high precision and time requirements for material distribution and production needs.

Our solutions draw on our extensive experience and proven success in creating advanced robotic solutions from complex, high-tech manufacturing scenarios to all industries. The following case studies demonstrate how our solutions deliver exceptional value and drive success for our customers.

Case Study 1: Solution for a Leading New Energy Vehicle Super Factory

Background

A prominent new energy vehicle manufacturer embarked on constructing its strategic new energy vehicle manufacturing plant with exceptionally high standards. We leveraged our deep industry expertise and robust R&D capabilities to provide a tailored one-stop robotic solution for their super factory.

Challenges

- **Accelerated project timeline:** Due to high-stake and complex nature of the project, we have to constantly solve new issues and respond to evolving decision-making process from the customer. We were tasked with conducting extensive research and proposing multiple versions of proposals. This requires us to have R&D capability of iterating our proposals with quick turn-around and superb quality.

- **Fast-paced large-scale manufacturing:** The new energy vehicle production is characterized numerous heavy-load process requirements, with significant variations in component specifications, dimensions and weights across different models. Enabling a high-capacity production guarantee for on-time delivery.

- **"Just-in-sequence" needs:** Additionally, our customer imposes stringent requirements on production efficiency and materials being delivered "just in sequence." In automotive manufacturing, production processes are tightly interconnected, with any disruptions or logistical delays potentially triggering cascading effects, leading to production halts and substantial economic losses.

- **Mixed model production:** To meet market diversification demands, automotive manufacturers widely adopt mixed-model production lines, enabling the simultaneous production of multiple configurations or models on a single line. This requires robots with robust payload capacities and high-frequency mixed-model scheduling capabilities.

Solution

We deployed over 150 robots of different models in the workshops, with all robots centrally managed and dispatched by our RoboVerse system. Our solution empowers a functionally comprehensive and highly compact automotive manufacturing facility, with 100% automation in the key processes across its several core workshops.

Value Propositions

- **Cutting-edge solutions and swift deployment:** Our deep knowledge and extensive experience in automotive sector contributed to industry-leading proposals and exceptional implementation. The RoboVerse system allowed us to build a world map of the complex workshops. Through high-precision simulation and validation, we are able to adjust our design at our finger tips to meet accelerated timelines, perfect our proposal and achieve fast deployment.

- **Robust robots for high-capacity production:** Our different modules of robots with robust payload capacities can handle numerous heavy-load carriers. Our robots can achieve high accuracy under high dynamic environment. These features can support stable high-capacity production.

- **Reliable "just-in-sequence" delivery:** By coordinating over 150 robots across several workshops using our RoboVerse system, we achieved centralized management of robot collaborative operations and traffic control. This centralized system allowed all robots to be dispatched on a unified map, providing significant convenience for subsequent operation and maintenance. It enables a single staff to monitor and manage the operational status of all over 150 robots onsite through one interface. This capability supports just-in-sequence production, minimizing disruptions and logistical delays.

- **Flexible and adaptive mixed-model scheduling:** We provided a flexible solution featuring intelligent robots and the AI-powered mission agent in RoboVerse. Our system enabled rapid adaptation to frequent product updates and variations, supporting high-frequency mixed-model scheduling and quick product switching. This flexibility allows the factory to smoothly handle high-pressure production changes with ease, constantly adapting to upgrades in the production plan, and achieving 100% automation in several workshops.

Case Study 2: Solution for a Leading Smart Phone Module Mega Factory

Background

Our customer runs a mega factory focusing on manufacturing precision components related to smart phones. This project encompassed several assembly production lines, handling approximately 20,000 material movements every 24 hours, highlighting our solutions in meeting the high-frequency demands of intelligent manufacturing.

Challenges

- **Integration of complex production processes:** The factory featured dozens of distribution stations with automated sector transfer docking. The limited layout space raised additional challenges for navigation, operations and collaboration between workers and high-speed robots. It raises the issue of how to seamlessly integrate robots into existing workflows in a highly dynamic, busy and complex industrial scene.

- **High-volume task assignment:** Another challenge is to manage high-capacity production (featured by approximately 20,000 material movements daily across several assembly lines) without bottlenecks or delays. The frequent and repetitive natures of tasks call for a reliable and efficient automated solution.

- **Rapid product iterations and high flexibility scheduling problem:** The manufacturing process involves rapid product iterations, necessitating high flexibility to accommodate diverse production needs. It is crucial to adapt existing manufacturing workflows to support reoptimizing production layout for new products. The solution needs to support a smooth transition during production ramp-up phases.

Solution

We provided a comprehensive intelligent robotic solution, deploying around 50 robots, including our customized robots designed for the 3C sector, and implemented the RoboVerse system to integrate the complex production process.

Value Propositions

- **Precision, safety and integration in dynamic scenarios:** Utilizing intelligent localization and adaptive safety mechanisms, our robots operated with millimeter-level precision even with a 90% environmental change rate. This ensured safe and precise operations in a highly dynamic scenario where humans and high-speed robots worked side by side. The synchronized deployment of machinery and intelligent robots supports simultaneous debugging, reducing implementation timelines and increasing operational efficiency. We help our customer to achieve automation of the entire assembly workflow, encompassing component assembly, module installation and final assembly processes.

- **Reduced mistakes by comprehensive automation:** By achieving 100% automation in material transportation between processes and automated loading and unloading, we significantly reduced over 60 workers. This not only improved ROI with a payback period of within 18 months but also reduced the dependency on manual labor, enhancing overall operational efficiency.

- **Efficient and compatibility for smooth transition:** Our system adeptly integrated with both manual and robotic material handling modes, providing robust support to the customer during the production ramp-up phase. This ensured a stable and smooth transition to full automation without disrupting existing workflows.

Our Business Model

During the Track Record Period, our revenue was primarily derived from sales of our robotic solutions, and to a lesser extent, from the sales of individual robots and related accessories domestically and internationally.

Our tailored one-stop robotic solutions comprise our core robotic technology platform, our industrial intelligent multi-functional robotic products and the RoboVerse system. 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 to the core controller.

- Our RoboVerse System is an all-in-one intelligent collaborative system.

Our RoboVerse system is used by our clients and us throughout pre-sales, delivery, and operational phases. In the pre-sales phase, we gain an in-depth understanding of the customers' needs. Based on the understanding obtained in this phase, we simulate the digital industrial scenario, the operation process of the robot cluster in the customer's factory based on production materials and layout, and the collaboration of robot cluster with dynamic task changes. We then select the appropriate models and quantities of robots, and formulate tailored intelligent robotic solutions particular to each of our customers. In the delivery phase, we manufacture and deliver robots to the site and deploy our robotic solutions. We deploy an actual digital model of the factory, assign production tasks based on production needs, schedule and manage robot operations on-site, achieving coordinated scheduling with existing personnel. In the operational phase, our customers use our robotic solutions to achieve robots-centric smart manufacturing.

Our robotic solutions have been commercialized. 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 by adding components, software, and custom engineering to serve their clients' end applications. Our customers are mainly in Chinese mainland.

We have adopted a transaction-based model for the sales (i) robotic solutions and (ii) individual robots and related accessories. 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.

Commercialization

We operate under a business model that leverages our industry expertise and strong R&D capabilities to commercialize robotic solutions in a wide range of industrial scenarios and the expertise we develop while serving our customers in real-world industrial settings.

We are engaged in the design, development, manufacturing and commercialization of (i) robotic solutions, and (ii) robots and others, which primarily consist of sales of individual robots and related accessories. The table below sets out a summary of how our robotic solutions, robots and others fall within acceptable sectors of a Specialist Technology Industry as defined under Chapter 18C of the Listing Rules:

Specialty Technology Product	Relevant Specialist Technology Industry Sector	Function Analysis	Major Customer and Customer Demand Driver
(i) Robotic Solutions. . . (ii) Robots and Others	Robotics and automation (robot technology)	Our revenue is primarily derived from sales of our robotic solutions, and to a lesser extent, from the sales of individual robots and related accessories domestically and internationally. Our tailored one-stop robotic solutions comprise our core robotic technology platform, our industrial intelligent multi-functional robotic products and our all-in-one intelligent collaborative system, the RoboVerse system. 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 are built upon our core robotic technology platform by adding modules serving different functions to the core controller. Our RoboVerse system is used by our clients and us throughout pre-sales, delivery, and operational phases. Our robotic products, including standard robots, functional robots and embodied robots. Our standard robots offer mobility in a wide range of complex scenarios. Our functional robots are engineered to adapt and perform efficiently in a variety of operational scenarios. Our embodied robots enhance flexibility through increased degrees of freedom and enable more general capabilities through AGI. These robots are designed to adapt to and perform complex a series of tasks in a wide range of industrial scenarios.	Major Customer: We have a diversified customer base across various industries 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 by adding components, software, and custom engineering to serve their clients' end applications. Customer Demand Driver: According to CIC, driven by synergistic advancements in hardware and software, industrial intelligent robots have become a key force in upgrading smart manufacturing systems. Their adoption is accelerating in response to global industrial intelligence growth and robust downstream demand from sectors such as 3C, automotive, and semiconductor. By deploying industrial intelligent robots at scale and enabling collaborative operations among them, factories can achieve automated, intelligent, and flexible production processes.

Our industry consultant, CIC, confirms and our Directors are of the view that based on the information above, each of (i) robotic solutions, and (ii) robots and others fall within an acceptable sector of a Specialist Technology Industry as defined under Chapter 18C of the Listing Rules.

OUR CORE TECHNOLOGIES

Leveraging cutting-edge technologies, we stand at the forefront of robotic technologies to deliver tailored one-stop solutions comprising our core robotic technology platform, our industrial intelligent robotic products and the RoboVerse System.

Our core robotic technology platform consists of our core controller, our 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. Our self-developed algorithms include algorithms for localization, navigation and control and algorithms for perception and manipulation. Drawing on years of experience in research, development, and delivery of industrial intelligent robotic solutions, we have established full-stack robotic systems engineering capabilities, which enable us to design our industrial intelligent 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-robotic coordinative technologies.

Core Controller

Our core controller is a pivotal component that equips our robots with exceptional performance, precision and reliability:

- **Heterogeneous multi-processor architecture:** We adopt a CPU+GPU+MCU multi-processor architecture combined with our self-developed robot operating system to fully leverage hardware performance. This architecture simultaneously meets the demands for high computational power, real-time responsiveness and stringent safety requirements. Further more, this approach enhances the scalability of computing power and provides robust support for a variety of complex AI models.

- **Industrial-grade design:** We design our electric circulates to meet to industrial-grade design standards and conduct comprehensive electromagnetic compatibility design and validation. This ensures that our robots maintain stable operation in complex industrial scenarios. Furthermore, we embed an independent security monitoring processor within our controllers and ensure that the system remains safe even under extreme scenarios.

Robot Operating System — SROS

We have developed a universal robot operating system, SROS, suitable for various robot forms, utilizing a three-tier architecture comprising a hardware abstraction layer, resource support layer and core algorithm layer. Key features include:

- **Efficient communication mechanism**: We establish a multi-sensor data fusion communication bus and a loosely coupled asynchronous communication mechanism. Leveraging a highly optimized data serialization mechanism and "zero-copy" memory technology, processing latency is reduced to the microsecond level.

- **Heterogeneous processor task scheduling**: The operating system is capable of managing computation tasks across heterogeneous processors, ensuring optimal utilization of computing resources. Through a unified message structure and bus mechanism, the system supports horizontal scaling with additional processors to enhance overall computing power.

- **High real-time performance**: Through deterministic task scheduling, we ensure microsecond-level low-latency responses for critical system tasks, maintaining high real-time control even in robots with up to 28 motors.

- **Continuously evolving AI architecture**: This architecture is integrated with an incremental machine learning engine, building an efficient model production and deployment system. It supports operational data acquisition and efficient storage, online model updates, improving the iteration efficiency of core algorithm models and meeting various needs of intelligent manufacturing scenarios.

- **Security and reliability**: We implement hardware monitoring and fault prediction technologies, collecting operational data in real-time and preventing malicious attacks through operating system-level permission management.

- **Support for multiple robot forms**: Designed for general embodied intelligence robots, supporting various forms with two to over 23 degrees of freedom, offering excellent scalability.

Localization, Navigation & Control Algorithms

We have developed a high-precision, adaptive, robust and self-updating multi-sensor fusion localization and intelligent navigation system, along with a model-based robot control system. Highlights include:

- **Multi-level semantic maps:** We develop technology for building and updating global and local semantic maps, endowing robots with environmental understanding capabilities, enhancing intelligence and operational efficiency.

- **Localization technology:** Based on multi-sensor fusion technology, the repeat localization accuracy of our robots reaches ±2 millimeters and even with environmental changes up to 90%, maintains ±5 millimeter precision, demonstrating excellent capability to adapt to secenarios.

- **Autonomous environment learning**: Our robots continuously learn environmental changes, updating environmental change information to semantic maps and sharing synchronously with other robots, enhancing the adaptability of robot groups in dynamic scenarios.

- **Motion control technology**: We develop superior and generalizable algorithms that can achieve exceptional stability and execution precision across various types of robots.

- **Autonomous navigation algorithms**: Our algorithms combine neural network models with heuristic search, enabling intelligent decision-making and real-time obstacle avoidance, ensuring safe and efficient operation even in highly dynamic scenarios.

- **End-to-end navigation architecture**: We establish an industry-leading end-to-end navigation system, providing outstanding capability to adapt to scenarios and continuously optimizing through reinforcement learning (RL).

Perception & Manipulation Framework

Our robot systems achieve closed-loop intelligence from command understanding to action execution:

- **Spatial intelligent perception**: Our high-precision spatial intelligent perception technology excels in target pose capturing and dynamic obstacle detection, improving operational efficiency and safety.

- **Multi-modal perception**: Leveraging multi-modal perception algorithms and a rich sensor matrix, robots can accurately and comprehensively understand the semantic and spatial relationships of objects in the environment.

- **Remote operation and imitation learning (IL)**: Through low-latency remote operation technology, we achieve high-quality multi-modal data collection, accelerate the upgrade of IL skill models and enable robots to have smoother, more efficient and stable operation capabilities.

- **Hierarchical intelligent decision-making architecture**: We have developed a hierarchical embodied intelligence technology framework that integrates large language models (LLM), reinforcement learning and IL. This provides robots with the ability to understand commands and dynamically combine decisions, efficiently handling dexterous operations and long-chain task scenarios.

- **VLA framework**: We build a VLA model-based multi-modal intelligent execution framework with multi-modal understanding and generalization capabilities, enabling robots to comprehend complex natural language, recognize real environments and execute tasks that align with semantic expectations.

Robotic Systems Engineering

Drawing on years of experience in research, development, and delivery of industrial intelligent robotic solutions, we have established full-stack robotic systems engineering capabilities. Our comprehensive approach includes:

- **Mechatronic system architecture**: Developed a highly cohesive yet loosely coupled architecture, ensuring optimal performance while supporting independent iterative development and future scalability. Building upon our self-developed robotic core controller and leveraging high-reliability industrial buses our system innovatively merges centralized and distributed domain control architectures, covering various robotic solutions.

- **Solution rack**: Through a collaborative model that includes independent development and vertical integration, we have standardized and modularized robotic systems, subsystems and core components, achieving scenario closed-loop verification. We have accumulated over 200 high-reliability, mass-production-level common basic blocks, enhancing R&D efficiency, cost control, and quality assurance.

- **Dynamics design platform**: Our dedicated platform achieves high-precision dynamic modeling. It enables accurate measurement of dynamic coefficients and includes a database of multi-physical scenarios. Equipped with comprehensive testing and calibration systems, we have improved development efficiency by over 40% and achieved millimeter-level algorithm control precision across robot clusters.

- **Electrical and electronics engineering technology**: We have full-stack robotic electrical and electronic engineering capabilities, covering safety, reliability, electromagnetic compatibility, safety and environmental compliance and certification design. Our full-stack R&D capabilities and industrial-grade mass production experience encompass core components mass-producing controller, vision sensors, power supply and bus management units.

- **Security technology**: We establish a comprehensive robotic safety system covering emergency stops, personnel detection, overspeed monitoring, hardware diagnostics, and more. This enables us to tackle safety challenges across various scenarios, including traditional autonomous mobile robots (AMRs) and emerging humanoid robots. We have obtained major certifications like CE certification, US UL certification, Chinese CR certification and semiconductor Semi (S2) certifications.

- **Quantitative verification platform**: We develop a data-driven platform that conducts full-dimensional verification of robot systems. Integrating functional testing, performance evaluation, reliability testing, and quality inspection, it enhances R&D quality and iteration efficiency through automated stress testing and ensures full-chain quality control from supply chain to manufacturing.

This comprehensive technical system addresses stringent requirements regarding safety, reliability, task success rate, operational precision and delivery efficiency, laying a solid foundation for developing high-performance robotic solutions.

Industrial Scene-Oriented World Modeling Technology

Our technology integrates AI-driven modeling and prediction capabilities to enhance environmental perception and decision-making of robots:

- **Scene generation and prediction**: We utilize generative models and dynamic evolution modeling to capture environmental features, generate realistic scenes, and predict trends, optimizing robot decision-making.

- **Sim-to-real digital simulation**: Leverages high-fidelity simulation to recreate real production line scenarios, our robots optimizes navigation and operations through reinforcement learning.

- **Data-to-sim intelligent data platform**: This is an efficient automated training system integrating multi-modal data, enhancing scene generalization capabilities, and accelerating precise understanding and agile adaptation to complex environments of robots.

Mass Scale Multi-Robotic Coordinative Technology

Our technology enables efficient collaboration among robots, addressing efficiency bottlenecks and complex task distribution:

- **Multi-robot path planning ("MAPF")**: Our multi-robot path planning algorithms are designed based on MAPF, able to plan optimal paths in real-time based on path resource utilization, reducing congestion and improving resource utilization towards global optimality.

- **Heterogeneous map fusion**: Our technology integrates sensory data from multi-form robots in real-time into a unified scene description model, ensuring spatial consistency during collaboration and supporting large-scale automatic deployment.

- **Intelligent task allocation**: Combining operational research optimization algorithms and dynamic allocation techniques, we achieve real-time and efficient task distribution, improving system throughput and task execution efficiency.

- **Task agent technology**: Task agents can parse complex task requirements expressed by users in natural language, generate executable instruction flows for robots and allocate them. They support users in flexibly adjusting business needs.

- **Intelligent system fault prediction**: It monitors the operational data of robot clusters in real-time, using an AI reasoning framework to predict and diagnose issues, adjusting cluster collaboration strategies to improve efficiency and operational robustness.

RESEARCH AND DEVELOPMENT

We have always prioritized R&D as a core driver of our business growth and innovation. With strong R&D capabilities, we are one of the few companies in the industry to have self-developed full-stack core technologies, according to CIC. We are committed to spearheading the development of industrial embodied intelligence robotic technologies, achieving collaborative intelligence, and ensuring our leadership in the industrial intelligent robotic industry.

Our R&D Talents

As of December 31, 2024, our R&D team comprised 77 members. The core members of our R&D team have an average of nearly 10 years of industry experience, and many of them hold postgraduate degrees. Their leadership ensures us to remain at the forefront of industrial intelligent robotic innovation.

Mr. Hongxiang Li is our co-founder and Chief Technology Officer. Mr. Li obtained his Bachelor's Degree in Computer Science and Technology from Harbin Institute of Technology (哈爾濱工業大學) in the PRC in June 2014 and has joined us since our inception. With nearly a decade's experience in industrial intelligent mobile robots, he is in charge of the establishment of our core robotic technology platform, leads the research and development of our RoboVerse system, and is responsible for defining and implementing our robotic products and solutions.

Mr. Maolin Wang is our co-founder and Dean of the Innovation Research Institute. He holds a Bachelor's degree in Communication Engineering from Harbin Institute of Technology. With nearly a decade of experience in the field of industrial intelligent mobile robots, Mr. Wang leads our team in exploring embodied intelligence and facilitates the application and implementation of cutting-edge AI algorithms in our embodied intelligent robotic solutions. He is also responsible for strategy and incubation of our innovative businesses.

Mr. Yihao Zhao is our co-founder and Director of Robotics Research and Development. Mr. Zhao holds a Master's degree in Mechanical Engineering from Harbin Institute of Technology. As a core R&D leader with nearly a decade's experience, he has led our robot development efforts, including our core controller and major robotic products. He also led the team in launching our embodied intelligence robotic system architecture and product series.

Mr. Fengchi Lyu is our co-founder and Director of Algorithms. He holds a Bachelor's degree in Light Chemical Engineering from South China University of Technology and a Master's degree in Mechatronic Engineering from Harbin Institute of Technology. With around a decade's experience in robot intelligent algorithm, he has led breakthroughs and innovations in key technologies, such us localization, navigation and control, perception and manipulation, and VLA model, which equip robots with intelligence.

The salient terms of agreements with management and technical staff are set out below:

Confidentiality	During and after the employment, the employee shall not, without our consent, divulge, disseminate, publish or otherwise make known to any third party, or in any way use any information, such as technical and trade secrets, belonging to us or belonging to any other party for which we have a duty of confidentiality.
Ownership of intellectual properties	We own all rights (including patent rights, copyrights, know-how and all other intellectual property rights) relating to any and all Inventions, utility models and designs, know-how etc., by the employee during the term of the employment contract, and the employee shall take best effort to help us secure full rights and protect our legitimate interests.
Non-competition	During the term of employment and the non-competition period initiated by us, employees shall not engage in any competitive behavior specified in the agreements.
Non-solicitation	During and after the employment, the employee shall not, directly or indirectly, solicit other employees.

During the Track Record Period and to the best knowledge of our Directors, there was no legal claim or proceeding that may have an influence on the R&D of our Specialist Technology Products.

R&D Philosophy and Process

Our R&D process follows a structured development framework that integrates technology research with product application scenarios and commercialization considerations. From initial research to full-scale commercialization, we take a holistic approach to innovation, aligning each phase with rigorous decision reviews to ensure quality and market readiness.

Product Planning

The R&D process begins with product planning, where we identify potential new products or technology upgrades based on market demand and emerging technological trends. This phase involves a comprehensive analysis of technology feasibility, industry trends, and potential application scenarios. We conduct thorough conceptual designs and feasibility studies to explore innovative solutions.

Phase Milestone: Concept Decision Review

Project Initiation Decision

If the concept passes the internal Concept Decision Review, we proceed to formalize the project initiation. Upon passing the Project Initiation Decision Review, the project moves to the next phase — Development and Validation. This structured approach ensures that only viable and strategically aligned projects advance, optimizing resource allocation and focusing efforts on initiatives with the highest potential impact.

Phase Milestone: Project Initiation Decision Review

Development Phase

After completing the conceptual design and passing the necessary decision reviews, the project enters the development phase. For controllers and robots, this begins with prototype development and functional verification, followed by iterative optimization cycles. We leverage our robotic systems engineering capabilities to integrate mechatronic system architecture, dynamics design, and advanced control systems.

Phase Milestone: Design Review

Design Verification Development Phase

In this phase, we perform rigorous design validation to ensure the product meets all technical specifications and performance criteria. Our quantitative verification platform conducts full-dimensional verification of systems, subsystems, and components, utilizing data-driven approaches and AI algorithms for intelligent testing processes.

Phase Milestone: First Batch Sample Review

Small Batch Trial Production Process Validation Phase

We proceed to small batch trial production to validate the manufacturing process and identify any potential issues in a controlled environment. This phase allows us to refine production techniques, ensure quality consistency, and prepare for scale-up. If the product successfully passes the Release Decision Review, which assesses the readiness for mass production based on performance, safety, and market demand, it moves to the final stage — Mass Production Release.

Phase Milestone: Release Decision Review

Mass Production Release Phase

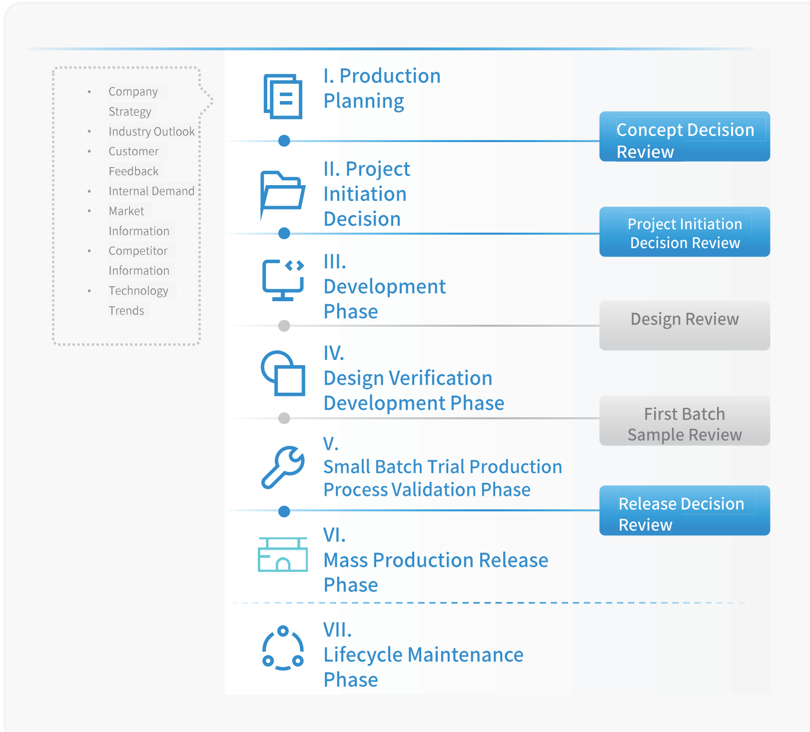
In the Mass Production Release Phase, the newly developed product is incorporated into our product portfolio. Our R&D and quality control teams ensure that the finished goods meet our stringent performance and safety standards. We apply our industrial-grade mass production experience and electrical and electronics engineering technology to achieve high reliability and consistency.

Lifecycle Maintenance Phase

Following the product launch, we implement comprehensive maintenance measures throughout the product lifecycle. This includes regular updates, technical support, and proactive monitoring. Our robot operation system supports over-the-air updates and remote diagnostics, allowing continuous improvement and adaptation. We engage in ongoing product management to adapt to technological advancements and maintain competitiveness. We ensure that our products evolve with industry needs and customer expectations.

This structured R&D process, guided by rigorous decision reviews at each critical juncture, ensures that our innovations are not only technologically advanced but also market-ready and aligned with customer needs. By integrating thorough planning, meticulous development and validation, and strategic commercialization efforts, we deliver high-quality robotic solutions that drive value and support our customers' success.

Phase Milestone: Product Withdrawal Review



R&D Investment

During the Track Record Period, we made substantial investments in R&D, with the majority of expenses attributed to compensation for our R&D staff, material costs, testing costs, depreciation and amortization, and professional service fees. For the years ended December 31, 2022, 2023 and 2024, our R&D expenses amounted to RMB55.5 million, RMB56.1 million and RMB36.6 million, respectively.

SALES AND MARKETING

Sales

We believe that our solutions speak for themselves. Our go-to-market strategy starts with market leaders in each industry we target to enter who are also early adopters of industrial intelligent robotic solutions. We demonstrate the value of our solutions and establish our reputation through collaborating with industry leaders. Once our value has been proven, we are able to expand our solutions quickly and penetrate further and provide solutions to other players, leveraging our understanding of the industries.

We have established a professional in-house sales team. Our sales team plays a pivotal role in shaping our brand image by directly engaging with customers to present our solutions, address inquiries, and gather real-time feedback. Armed with indepth product and industry knowledge, our sales force communicates with customers to understand their evolving demands, providing insights that directly inform our product development and marketing strategies. They also works closely with our product team to ensure that they can propose the best solutions to address the pain points faced by market participants in the relevant industry verticals.

Marketing

We enhance the awareness of our brand and promote our new and existing solutions through both offline and online channels. We participate in various offline events, such as industry conferences and forums, product launches and industry salons to showcase our technological advancements and develop relationships with industry participants. We also promote our solutions through various digital marketing activities and channels such as website and social media marketing, search engine optimization and online advertising.

In 2022, 2023 and 2024, our selling and marketing expenses were RMB57.7 million, RMB57.4 million and RMB64.6 million in 2022, 2023 and 2024, accounting for 59.9%, 35.4% and 25.8% of our revenue in 2022, 2023 and 2024, respectively.

OUR CUSTOMERS

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 applying our robotic solutions directly in their factories. Our customers also include system integrators that incorporate our robotic products into broader automation solutions by adding components, software, and custom engineering to serve their clients' end applications. We remain attuned to the evolving needs of complex industrial scenarios, refining products to meet diverse market demands, thereby expanding our market reach and deepening our industry exposure.

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

	Year ended December 31,		
	2022	2023	2024
Total revenue (RMB in thousands)	96,275	162,166	250,522
Number of customers	147	171	208
Number of new customers[(1)]	N/A	87	83
Average customer value[(2)] (RMB in thousands)	655	948	1,204
Number of transactions with customers	273	461	780
Average transaction value of customers[(3)] (RMB in thousands)	353	352	321
Customer retention rate[(4)]	N/A	42.2%	52.6%

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 by the number of customers in the same year.

(3) Calculated by dividing the revenue generated in a given year by the number of transactions in the same year.

(4) Calculated by dividing the difference between the number of customers in the respective year and the number of new customers in the respective year by the number of customers in the immediately preceding year, multiplied by 100%.

For the years ended December 31, 2022, 2023 and 2024, our top five customers collectively accounted for 26.0%, 36.8% and 41.3%, respectively, of our total revenue. Our largest customer in each year during the Track Record Period accounted for 8.1%, 9.2% and 12.5% of our total revenue for the respective year.

The tables below set forth information about our top five customers during the Track Record Period.

For the year ended December 31, 2022:

Customer	Solutions Provided	Background	Year of Commencement of Business Relationship	Transaction Amount	% of Total Revenue	Credit Term and Payment Method
				(RMB in thousands)		
Customer A . . .	Robots and Others	(1)	2019	7,808	8.1%	30-60 days; Bank transfer
Customer B . . .	Robotic Solutions	(2)	2022	5,303	5.5%	15–30 days; Bank transfer/banker's acceptance
Customer C . . .	Robots and Others	(3)	2021	4,992	5.2%	30 days; Bank transfer/banker's acceptance
Customer D . . .	Robotic Solutions	(4)	2021	4,188	4.4%	90 days; Bank transfer
Customer E . . .	Robotic Solutions	(5)	2021	2,738	2.8%	14–30 days; Bank transfer
Total				**25,029**	**26.0%**	

For the year ended December 31, 2023:

Customer	Solutions Provided	Background	Year of Commencement of Business Relationship	Transaction Amount	% of Total Revenue	Credit Term and Payment Method
				(RMB in thousands)		
Customer A . . .	Robots and Others	(1)	2019	14,897	9.2%	30-60 days; Bank transfer
Customer F . . .	Robotic Solutions	(6)	2022	13,516	8.3%	10–30 days; Bank transfer/banker's acceptance
Customer G . . .	Robotic Solutions	(7)	2021	13,334	8.2%	7–30 working days; Bank transfer/banker's acceptance
Customer H . . .	Robotic Solutions, Robots and Others	(8)	2019	10,757	6.6%	60–90 days; Bank transfer
Customer I . . .	Robotic Solutions	(9)	2022	7,292	4.5%	30-60 days; Bank transfer/banker's acceptance
Total				**59,796**	**36.8%**	

For the year ended December 31, 2024:

Customer	Solutions Provided	Background	Year of Commencement of Business Relationship	Transaction Amount	% of Total Revenue	Credit Term and Payment Method
				(RMB in thousands)		
Customer J . . .	Robotic Solutions, Robots and Others	(10)	2024	31,289	12.5%	7–60 days; Bank transfer
Customer G . . .	Robotic Solutions	(7)	2021	23,359	9.3%	7–30 working days; Bank transfer/banker's acceptance
Customer H . . .	Robotic Solutions, Robots and Others	(8)	2019	22,535	9.0%	60–90 days; Bank transfer
Customer D . . .	Robotic Solutions	(4)	2021	13,971	5.6%	90 days; Bank transfer
Customer A . . .	Robots and Others	(1)	2019	12,264	4.9%	30-60 days; Bank transfer
Total				**103,418**	**41.3%**	

Notes:

(1) Customer A is a limited liability company incorporated in Japan in 2005, with a capital of JPY3.0 million and principally engaged in the sales and maintenance of computer hardware and software.

(2) Customer B is a limited liability company established in the PRC in 2015, with a registered capital of RMB22.9 million and principally engaged in the provision of software and information technology services.

(3) Customer C is a limited liability company established in the PRC in 2020, with a registered capital of RMB14.7 million and principally engaged in the provision of technology promotion and application services.

(4) Customer D consists of a number of subsidiaries of a listed company incorporated in Taiwan in 1974, which is listed on the Taiwan Stock Exchange with a market capitalisation of approximately NT$3 trillion as at December 31, 2024, and is principally engaged in the provision of electronics contract manufacturing services.

(5) Customer E consists of a number of subsidiaries of a listed company established in the PRC in 1980, which is listed on the Stock Exchange and the Shanghai Stock Exchange with a market capitalisation of approximately RMB300 billion as at December 31, 2024, and is principally engaged in manufacturing of electrical machinery and equipment.

(6) Customer F is a limited liability company established in the PRC in 2021, with a registered capital of RMB4.5 billion and principally engaged in electricity and thermal power generation and supply. Its holding company is a listed company on the Shanghai Stock Exchange.

(7) Customer G is a limited liability company established in the PRC in 2003, with a registered capital of RMB75.8 million and principally engaged in the manufacturing business.

(8) Customer H consists of a number of subsidiaries of a listed company incorporated in Taiwan in 1971, which is listed on the Taiwan Stock Exchange with a market capitalisation of approximately NT$1 trillion as at December 31, 2024, and is principally engaged in the provision of power and thermal management solutions.

(9) Customer I is a limited liability company established in the PRC in 2020, with a registered capital of RMB20.0 million and principally engaged in instrument and meter manufacturing.

(10) Customer J is a limited liability company incorporated in Hong Kong in 1990, with a paid-up capital of HK$309.5 million and principally engaged in the industrial supplies business.

None of our Directors, their close associates or any Shareholders which, to the knowledge of our Directors, own more than 5% of our share capital as of the Latest Practicable Date, or have any interest in any of our five largest customers. To our knowledge, none of our major customers is our supplier or vice versa.

The salient terms and conditions of our agreements with customers are set out below:

- **Product delivery:** Typically, we are responsible for delivering products to the customer's designated location.

- **Payment term:** We typically require payment in installments: an initial portion of the purchase amount is paid upon signing the contract, a second portion upon our shipment of the ordered products, a third portion upon receipt and acceptance, and the final installment upon the expiration of the warranty period. Some customers may opt to pay the full lump sum upon receipt and acceptance.

- **Warranty:** We typically offer a warranty period of 12 months for both our solutions and robots and related products. The warranty covers general repairs of defects during the warranty period, with certain exclusions for misuse or damage caused by external factors.

- **Credit term:** We typically offer a credit period up to 90 days to our customers.

- **Product return policy:** We generally do not allow product returns after the customers' acceptance.

- **Termination:** Generally, the contract can be terminated upon mutual agreement.

After-Sales Services

We are dedicated to providing comprehensive after-sales support that adapts to the changing needs of our customers. Within the warranty period, we deliver repair and maintenance services at no cost. Once the warranty period concludes, we continue to offer assistance. Replacement parts are billed at cost, while labor services are available for a fee. Our team ensures that customers receive the necessary help to maintain optimal product performance. During the Track Record Period and up to the Latest Practicable Date, there had been no material claims between customers and us regarding product returns and refunds.

Our after-sales service team is available 24/7 to provide continuous support. Our team is equipped to address various technical issues, ensuring swift resolution. We are committed to respond to customer requests within 6 hours, and help customers address issues within 7 days. We offer ongoing technical support through multiple channels, including manuals, online resources, and on-site visits. Our team is trained to provide guidance and assistance, helping customers make the most of our products. By offering dependable, responsive, and cost-effective after-sales support, we help customers minimize disruptions and maximize the value they gain from our solutions. Our focus is on customer satisfaction, ensuring our solutions continue to meet their needs effectively.

OUR SUPPLIERS

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. We predominantly procure these materials from domestic suppliers, and we are progressively incorporating domestically manufactured components into our supply chain. At present, all imported core components utilized in our products have domestic alternatives, underscoring our strategic focus on enhancing supply chain resilience and fostering local innovation.

For the years ended December 31, 2022, 2023 and 2024, our purchases from our five largest suppliers accounted for 35.2%, 27.7% and 37.7% of our total procurement amount, respectively, while our purchase from the largest supplier accounted for 9.2%, 9.1% and 18.5% of our total procurement amount, respectively, for the same periods.

The salient terms and conditions of our agreements with suppliers are set out below:

- **Delivery:** Suppliers are generally responsible for delivering the raw materials to our designated locations in accordance with the agreed delivery schedule.

- **Quality control:** All components must comply with applicable national and industry standards as well as our technical specifications. We conduct inspections upon delivery and reserve the right to reject or return non-compliant goods.

- **Payment:** Payments are subject to satisfactory completion of our inspection process and formal acceptance of the delivered materials.

- **Credit term:** Our suppliers typically grant us a credit term of 90 days.

- **Warranty period:** Suppliers generally provide us with a warranty period of 12 to 36 months from the date of acceptance.

- **Confidentiality:** Suppliers must keep all technical and commercial information confidential, both during and after the term of the agreement.

- **Termination:** Generally, the contract can be terminated upon mutual agreement.

The tables below set forth information about our top five suppliers during the Track Record Period.

For the year ended December 31, 2022

Supplier	Products/Services Provided	Background	Year of Commencement of Business Relationship	Transaction Amount	% of Total Procurement Amount	Payment Term and Method
				(RMB in thousands)		
Supplier A. . . .	Forklifts	(1)	2021	11,329	9.2%	Shipment upon receipt of payment; Bank transfer
Supplier B. . . .	LiDAR	(2)	2018	11,257	9.2%	Shipment upon receipt of payment; Bank transfer/banker's acceptance
Supplier C. . . .	Docking station	(3)	2022	10,601	8.6%	10 working days; Bank transfer/ banker's acceptance
Supplier D . . .	Automation control components	(4)	2018	5,464	4.4%	30/60 days; Bank transfer/banker's acceptance
Supplier E. . . .	AGV System	(5)	2021	4,683	3.8%	10–30 working days; Bank transfer/banker's acceptance
Total				**43,334**	**35.2%**	

For the year ended December 31, 2023

Supplier	Products/Services Provided	Background	Year of Commencement of Business Relationship	Transaction Amount	% of Total Procurement Amount	Payment Term and Method
				(RMB in thousands)		
Supplier D . . .	Automation control components	(4)	2018	7,958	9.1%	60/90 days; Bank transfer/banker's acceptance
Supplier F. . . .	Forklifts	(6)	2021	4,630	5.3%	30 days; Bank transfer/ banker's acceptance
Supplier G . . .	Buffer racks	(7)	2022	4,275	4.9%	5 working days–6 months; Bank transfer/ banker's acceptance
Supplier H . . .	Charging pile	(8)	2019	3,768	4.3%	30 days; Bank transfer/ banker's acceptance
Supplier B. . . .	LiDAR	(2)	2018	3,575	4.1%	Shipment upon receipt of payment; Bank transfer/banker's acceptance
Total				**24,206**	**27.7%**	

For the year ended December 31, 2024

Supplier	Products/Services Provided	Background	Year of Commencement of Business Relationship	Transaction Amount	% of Total Procurement Amount	Payment Term and Method
				(RMB in thousands)		
Supplier I	ASRS System	(9)	2022	15,740	18.5%	90 days; Bank transfer/ banker's acceptance
Supplier D . . .	Automation control	(4)	2018	5,326	6.3%	90 days; Bank transfer/banker's acceptance
Supplier J	6-axis robotic arms	(10)	2022	3,937	4.6%	90 days; Bank transfer/banker's acceptance
Supplier C. . . .	Docking station	(3)	2022	3,784	4.4%	10 working days; Bank transfer and banker's acceptance
Supplier K . . .	PCBA	(11)	2018	3,357	3.9%	30 days; Bank transfer/ banker's acceptance
Total				**32,144**	**37.7%**	

Notes:

(1) Supplier A is a limited liability company established in the PRC in 2012, with a registered capital of RMB42.0 million and principally engaged in manufacturing general-purpose equipment.

(2) Supplier B is a limited liability company established in the PRC in 2006, with a registered capital of €4.0 million and principally engaged in the sales of machinery equipment and electronic products.

(3) Supplier C is a limited liability company established in the PRC in 2011, with a registered capital of RMB110.0 million and principally engaged in manufacturing computers, telecommunications and other electronic equipment. Its holding company is a listed company on the Shenzhen Stock Exchange.

(4) Supplier D is a limited liability company established in the PRC in 2007, with a registered capital of RMB150.0 million and principally engaged in manufacturing computers, telecommunications and other electronic equipment. Its holding company is a listed company on the Shanghai Stock Exchange.

(5) Supplier E is a limited liability company established in the PRC in 2016, with a registered capital of RMB1.0 billion and principally engaged in manufacturing general-purpose equipment.

(6) Supplier F is a limited liability company established in the PRC in 2001, with a registered capital of RMB31.2 million and principally engaged in manufacturing of electrical machinery and equipment.

(7) Supplier G is a limited liability company established in the PRC in 2018, with a registered capital of RMB1.0 million and principally engaged in the sales of machinery equipment and electronic products.

(8) Supplier H is a limited liability company established in the PRC in 2016, with a registered capital of RMB19.1 million and principally engaged in manufacturing of electrical machinery and equipment.

(9) Supplier I is a limited liability company established in the PRC in 2015, with a registered capital of RMB5.0 million and principally engaged in industrial robot manufacturing.

(10) Supplier J is a limited liability company established in the PRC in 2019, with a registered capital of RMB5.0 million and principally engaged in industrial robot manufacturing.

(11) Supplier K is a listed company established in the PRC in 2003, which is listed on the Shenzhen Stock Exchange with a market capitalisation of approximately RMB7 billion as at December 31, 2024, and is principally engaged in electronics manufacturing services.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant fluctuation in prices set by our suppliers, material breach of contract on the part of our suppliers, or material delay in delivery of our orders from our suppliers.

To the best of our Directors' knowledge, none of our Directors or their respective close associates or any person who, to the knowledge of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest suppliers in each year during the Track Record Period.

Supplier Management

We have developed a comprehensive supplier management system designed to ensure product quality, delivery reliability, services and efficiency in the supply of raw materials, while also taking costs into consideration. We have established a robust procurement management system that clearly delineates roles and responsibilities, organizes dedicated teams for procurement and cost management, and integrates project procurement engineers and strategic procurement engineers into these teams.

We uphold stringent requirements for supplier admission, assessment, and auditing throughout the supplier lifecycle. Our supplier assessment process evaluates quality, supply reliability, cost, technology and service indicators. We employ a tiered management strategy, incorporating rewards for excellence, supervised improvement plans, and the removal of underperforming suppliers, thereby optimizing our supplier base and maintaining our competitiveness.

Furthermore, to promote environmental, social, and governance practices among our suppliers, we typically require them to sign a supplier quality assurance agreement, social responsibility commitment, and integrity commitment, ensuring that our suppliers align with our values and standards, fostering a responsible and sustainable supply chain. During the Track Record Period, over 90% of our suppliers signed integrity commitment with us.

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

According to CIC, the industrial intelligent robotic solutions industry comprises multiple specialized segments, including component design and manufacturing, robot design and development, manufacturing, assembly and integration, and algorithm and software development. To satisfy the evolving demands of customers, market players in the industry often procure products or services from peers to deliver comprehensive solutions. As a result, it is common for upstream and downstream enterprises within the industry to engage in transactions with each other as both suppliers and customers.

We are a solutions provider in the industrial intelligent robotics ecosystem. On the one hand, we procure raw materials from other industry participants to support our product development and solutions offering. On the other hand, these enterprises may also procure our robotic solutions, robots and related products to enhance their own capabilities. This overlap between customers and suppliers reflects the highly interconnected nature of the intelligent robotics ecosystem facilitating mutual growth and innovation across the industry.

Customer I, being our fifth largest customer in 2023, was also our supplier in 2022 and 2023. We mainly sold robotic solutions to Customer I, and procure AGV systems from them. In 2022, 2023 and 2024, our sales to Customer I amounted to nil, RMB7.3 million and RMB2.6 million, accounting for nil, 4.5% and 1.1% of our total revenue, respectively. In 2022, 2023 and 2024, our purchases from Customer I amounted to RMB131.0 thousand, RMB188.6 thousand and nil, respectively, and accounted for 0.1%, 0.2% and nil of our total procurement costs for the corresponding year.

Supplier E, being our fifth largest supplier in 2022, was also a customer in 2023 and 2024. We sold robotic solutions, robots and other related products to Supplier E in 2023 and 2024, and mainly procured AGV system from Supplier E in 2022, 2023 and 2024. In 2023 and 2024, our sales to Supplier E amounted to RMB1.1 million and RMB2.2 million, accounting for 0.7% and 0.9% of our total revenue, respectively. In 2022, 2023 and 2024, our purchases from Supplier E amounted to RMB4.7 million, RMB606.6 thousand and RMB540.3 thousand, accounting for 3.8%, 0.7% and 0.6% of our total procurement amount for 2022, 2023 and 2024, respectively.

Supplier I, being our largest supplier in 2024, was also a customer in 2022. We sold robots and other related products to Supplier I in 2022, and mainly procured ASRS system from Supplier I. In 2022, our sales to Supplier I amounted to RMB166.4 thousand, accounting for 0.2% of our total revenue for that year. Our purchases from Supplier I amounted to nil, RMB558.1 thousand and RMB15.7 million, accounting for nil, 0.6% and 18.5% of our total procurement amount for 2022, 2023 and 2024, respectively.

Negotiations of the terms of our sales to and purchases from the overlapping customer and supplier were conducted on a project-by-project basis and purchases were neither interconnected nor inter-conditional with each other. Our Directors confirmed that all of our sales to and purchases from these overlapping customers and suppliers were entered into after due consideration taking into account the prevailing purchase and selling prices at the relevant times, conducted in the ordinary course of business under normal commercial terms and on arm's length basis.

PRODUCTION

We formulate production schedules and plans according to the market demand, taking into consideration the level of our stock and utilization rates of our production facilities. We have implemented a set of internal production and operation policies to promote our compliance with applicable national and international industry standards. We carry out regular inspections to assess the conditions of our production facilities and conduct necessary repairs and maintenance. We have also introduced and implemented a stringent reporting system to all the accidents and malfunction of the equipment and keep all the relevant records.

Our Production Processes

The following diagram illustrates the principal steps of the production process generally applicable to our industrial robotics products.

We have established a comprehensive production manufacturing system that integrates production plan, raw materials procurement and management, production, quality control and packaging and storage.

- **Production plan:** Following the design phase, we establish a production plan guided by key milestones identified during the project kickoff meeting. Weekly sales and operations planning (S&OP) meetings are conducted to confirm project delivery plans for the upcoming two weeks, resulting in a rolling plan that directs suppliers in material delivery and secondary plans for semi-finished product production and master production schedule for finished products.

- **Material management:** We formulate our material procurement plans based on our master production schedule and the status of our raw materials, work-in-progress and finished products, inventory and in-transit material status to generate material procurement plans. Through kit completeness checks, we form the weekly material delivery plan, and request delivery of materials from suppliers, as well as formulate our secondary plan for semi-finished product production.

- **Manufacturing:** We have pioneered the introduction of assembly line production modes in the robotics industry, tailored to the characteristics of different products. We have established three types of production lines: the semi-automatic production line, single-piece flow production line and flexible custom product line.

  In addition, we incorporate automation system in our production processes to ensure product consistency, and utilize information technology to achieve data sharing and real-time communication, eliminating paper-based processes through electronic dashboards and paperless workflows.

- **Quality control:** Quality control is a critical component of our production process, encompassing initial inspections during production, regular and random in-process quality control (IPQC) inspections, and independent quality engineers conducting comprehensive tests on finished products. All products must pass 100% inspection before being stored, ensuring they meet our stringent quality standards.

- **Storage and delivery:** Prior to shipment, products undergo a second quality check to mitigate potential risks during storage. Packaging adheres to strict standards, with export packaging protocols established for overseas transportation. This ensures that high-quality products are delivered to our customers, maintaining the integrity and reliability of our offerings throughout the storage and delivery process.

Our Production Facility

As of the Latest Practicable Date, we have one production facility located in Kunshan, Jiangsu Province, with a gross floor area of approximately 6,129.27 square meters. Our Kunshan Robots Production Base is designed with production lines tailored to the characteristics of various products, including a semi-automatic line, a single-piece flow line, and a flexible custom product line. The facility also includes a pre-assembly area for semi-finished products, a warehousing and logistics area, and a quality inspection area. As we continue to expand our business scale, we plan to establish new production lines to accommodate the growing demand.

The following table sets forth the details of our production facility during the Track Record Period.

Year ended December 31,	Designed Annual Production Capacity(1)	Production Volume(2)	Utilization Rate(3)
2022	2,000 units	1,414 units	70.7%
2023	2,000 units	1,633 units	81.7%
2024	2,000 units	1,578 units	78.9%

Notes:

(1) The designed capacity for each period is calculated based on the hourly capacity and the operating hours of relevant product lines for such period. During the Track Record Period, the operating hours are calculated by multiplying 8 hours per day by the number of working days in the period, with each year approximately based on 250 working days.

(2) The production volume refers to the actual output for the relevant period.

(3) Utilization rate is calculated by dividing the actual production volume by the designed production capacity for the relevant year.

LOGISTICS AND INVENTORY MANAGEMENT

We leverage our own warehouse for storing work-in-progress, finished products and certain components and raw materials, and we engage third-party logistics service providers for delivery services. Finished products that have passed quality inspections are delivered by the logistics service providers from our production facility directly to our customers or to locations specified by our customers.

Our inventories include raw materials, work-in-process, finished goods and contract fulfillment costs. We have set up a comprehensive inventory management system to cover the of inventory storage, acceptance and dispatch, monitor the status of inventories and conduct inventory counting. As of December 31, 2022, 2023 and 2024, our inventories were RMB111.5 million, RMB110.5 million and RMB59.4 million, respectively. See "Financial Information — Discussion on Key Items of Consolidated Statements of Financial Position — Inventories." We have a strict inventory control policy to monitor our inventory levels to minimize obsolete inventory. Through close coordination with our customers and suppliers, we are committed to carrying less raw materials and in-process products and lowering our inventory risk.

QUALITY CONTROL

Quality control and assurance are integral to our operations, ensuring that our products meet the highest standards of safety and performance. We have implemented a comprehensive quality management system to help ensure that all products comply with national and industry standards, such as ISO9001, ISO45001, ISO14001 and ISO27001 standards, covering all aspects of our operations, and are committed to preventing any significant quality incidents. We have established a comprehensive set of internal quality management policies and rigorous quality management procedures to regulate product quality control throughout all relevant aspects of our operation. Our quality control procedures involve multiple stages of inspection: incoming quality control for materials received from suppliers, process quality control for monitoring quality of work-in-progress and final quality control for finished goods, preventing non-conforming products from being shipped. These procedures are aligned with industry practices, ensuring that our products consistently meet high-quality standards. Our quality assurance framework is designed to uphold the integrity and reliability of our products, supported by a dedicated team. The quality department is responsible for overseeing the quality engineering team, supplier quality team and process quality team. These teams are responsible for managing product quality comprehensively, spanning from product development and production processes to supplier management, ensuring quality at every stage.

We have not experienced any significant product returns, liability claims, or legal issues related to product safety or quality control during the Track Record Period, nor have we had any product or service recalls up to the Latest Practicable Date.

INFORMATION TECHNOLOGY

We utilize a number of information technology systems to manage all aspects of our operations, including but not limited to procurement, production, inventory management, financial reporting and human resources. The following information technology systems are the most critical to our business among our collective integrated information systems:

Operations Platform

The Operations Platform is an enterprise management system providing comprehensive solutions for sales, delivery, supply and production-related activities. It serves as a collaborative and interactive platform for employees such as sales managers, solution engineers, project managers, and personnel involved in procurement and production. By enabling real-time information sharing and critical risk decision-making, the platform helps ensure contract quality and reduce delivery costs. The system includes modules for budget applications, project initiation, quotation approvals, technical and contract reviews, and lifecycle tracking, among others.

SRM System

The Supplier Relationship Management ("**SRM**") System is a comprehensive solution focused on procurement-related activities, facilitating collaboration and information exchange between internal procurement personnel and external suppliers. By enabling real-time information sharing, instant notifications, and timely follow-ups, the SRM system ensures high coordination between external supply and internal production needs, thereby enhancing operational efficiency. The SRM system includes modules for supplier development, quotation management, order management, delivery planning and supplier performance evaluation.

ERP System

The Enterprise Resource Planning ("**ERP**") System is an integrated enterprise management software that consolidates core business processes such as finance, supply chain, production, sales and human resources. By automating workflows and optimizing resource allocation, the ERP system enhances operational efficiency, optimizes cost structures, and strengthens competitive capabilities. It facilitates real-time cross-departmental data sharing, ensuring seamless integration between financial, procurement and production departments. The ERP system serves as the foundational data source for our other business systems, supporting integrated and complementary functions across the enterprise.

The capabilities and the stability of our IT infrastructure are vital to our business operations. The IT department performs system checks, data back-ups, system maintenance and other activities to secure the continual operation of the critical IT systems and facilities. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material failure or general breakdown of our IT systems which had resulted in a material adverse impact on our overall business operations.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we had 120 issued patents and more than 50 pending patent applications in the PRC. As of the Latest Practicable Date, we had 11 copyrights, 16 registered trademarks and one registered domain name in use in the PRC. 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. We self-developed and self-owned all of our material intellectual property rights for both of our robotic solutions and robots and related products. All of our material intellectual property rights are attributing to and protecting both our robotic solutions and robots and related products. The table below sets forth our core invention patents.

No.	Patent Title	Application Number	Application Date	Authorization Date	Country
1	A SLAM Method and Device Based on Prior Information	2017108267141	2017/09/14	2020/07/03	China
2	A Dynamic Pallet Recognition and Localization Method, System, and Medium Based on Kinect	2017108299157	2017/09/15	2020/06/26	China
3	An AGV with Automatic Alignment Device and Its Alignment Method	2017114091692	2017/12/22	2024/05/31	China
4	A Tight-Coupled Vision SLAM Method, Terminal, and Computer-Readable Storage Medium	2018800010298	2018/03/06	2022/04/12	China
5	A Multi-Degree-of-Freedom Charging Pile Mechanism	2018105789892	2018/06/07	2019/05/03	China

No.	Patent Title	Application Number	Application Date	Authorization Date	Country
6	An Automatic Guided Vehicle and Warehouse Storage System	2019800001363	2019/02/13	2021/08/27	China
7	A Robot Task Allocation Method and Device	2019101588511	2019/03/01	2021/11/05	China
8	A Robot Path Planning Method and Device	2019101623500	2019/03/04	2022/04/29	China
9	An Obstacle Detection Method and Device	2019107822141	2019/08/23	2022/05/27	China
10	A Filtering Method and Device, Electronic Equipment, and Computer Storage Medium	2019107839195	2019/08/23	2021/07/23	China
11	Logistics Robot Equipment and Handling Method	2020102589410	2020/04/03	2020/09/01	China
12	A Multi-Degree-of-Freedom Charging Pile Device	2020103092176	2020/04/20	2020/07/31	China
13	A Calibration Method, Device, and Equipment for a Mobile Robot	2020113016395	2020/11/19	2022/01/25	China
14	Pallet Access Method, Device, Computer Equipment, and Storage Medium	2022104568827	2022/04/28	2025/03/11	China
15	Omnidirectional Mobile Equipment and Industrial Application Mobile Robot	202210833426X	2022/07/15	2024/07/02	China
16	A Dynamic Charging Pile Recognition and Localization Method and System Based on Kinect	2017108277321	2017/09/14	2020/05/22	China

We fully comply with the relevant laws and regulations, including the Patent Law of the People's Republic of China (《中華人民共和國專利法》) and the Trademark Law of the People's Republic of China (《中華人民共和國商標法》). We have established internal management policies to manage intellectual property registration, filing, and application. Our intellectual property team centrally manages and safeguards our intellectual property throughout all operational stages, ensuring protection against infringement. We also engage third-party professionals for legal support in our intellectual property endeavors.

We require that all R&D contracts with domestic and international entities or individuals must include provisions for intellectual property protection. These contracts are reviewed by the intellectual property team and require senior management approval. We have implemented reward and penalty systems to encourage innovation and enhance intellectual property protection awareness among employees.

To prevent the infringement of others' intellectual property, we have implemented a rigorous management process. Prior to initiating product and technology development projects or modifications, the intellectual property team works with relevant departments to conduct patent literature searches and analyses, offering corresponding corrective recommendations and preventive measures to avoid duplication of research or infringement. During the development and completion phases, the intellectual property team continuously tracks and searches patent literature and trademarks, strengthening the identification and mitigation of related risks, and thereby promoting the standardized management of intellectual property.

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.

COMPETITION

Driven by the demand for smart manufacturing system upgrades, robust downstream demand growth, rising labor costs, maturing supply chain and industrial ecosystem and strengthened policy support, the global market size of industrial intelligent mobile robotic solutions increased from RMB5.8 billion in 2020 to RMB15.3 billion in 2024, with a CAGR of 27.2%, and is expected to further increase to RMB81.4 billion in 2029, with a CAGR of 39.8% from 2024 to 2029, 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 RMB0.4 billion in 2020 to RMB1.4 billion in 2024, representing a CAGR of 39.5%, and is projected to increase to RMB15.2 billion in 2029 at a CAGR of 61.1%.

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 2024, the top five participants collectively account for 48.4% of the market share. In this highly competitive sector, we were the world's fifth largest provider of industrial intelligent mobile robotic solutions by sales volume in 2024, according to CIC. The global industrial embodied intelligence robotic solution industry is very fragmented. In terms of relevant robot units sold of global industrial embodied intelligence robotic solutions in 2024, the top five participants collectively account for 11.6% of the market share. In this highly competitive sector, we are the world's fourth largest provider of the industrial embodied intelligence robotic solutions by sales volume in 2024, according to CIC. Benefitting from the growth potential of industrial intelligent mobile robotic solution and embodied intelligence robotic solution markets, 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.

SEASONALITY

We are subject to seasonality that impacts our financial performance, driven by our customers' business practices. Typically, we record higher revenue during the fourth quarter, primarily because (i) many customers tend to concentrate their order placements and/or complete their inspection toward the end of the calendar year driven by their annual budget practices, and (ii) customers generally tend to schedule their procurement before the end of the year in China and in advance of the major holidays in overseas markets, many of which are in the fourth quarter, to avoid potential supply chain issues associated with the holidays. According to CIC, such seasonality is generally prevalent in the industrial intelligent robotic solutions industry.

The seasonal trends we have experienced in the past may not be indicative of our future operating results. See "Risk Factors — Risks Related to Our Business and Industry — Our sales are subject to seasonal fluctuations."

EMPLOYEES

As of December 31, 2024, we had 281 full-time employees, among which a few were based outside of the PRC. The following table sets forth the number of our employees by function as of December 31, 2024:

Function	Number of Employees
Management	6
Sales and marketing	41
Delivery and services	86
R&D	77
Production and supply chain	41
General and administrative	30
Total	**281**

Our ability to attract, retain and motivate employees is critical to our success. We primarily recruit our employees through recruitment agencies, on-campus job fairs, referrals, and online channels including our website and social networking platforms. We believe that we offer our employees competitive compensation so that we are able to attract and retain qualified personnel and maintain a stable core management team. We place significant emphasis on employee career development, and offer comprehensive training and development programs. These programs are aimed at enhancing employees' comprehensive quality and professional competencies, fostering their professional growth, broadening career advancement opportunities, and ultimately contributing to our sustainable development.

We enter into standard labor, confidentiality and non-compete agreements with our key employees. The non-compete restricted period typically expires six months to two years after the termination of the employment relationship, and we agree to compensate the employee with a certain percentage of his or her pre-departure salary during the restricted period.

As required by laws and regulations in China, we participate in a number of employee social security plans organized by municipal and provincial government including, among others, pensions, medical insurance, unemployment insurance, maternity insurance, unemployment insurance, work-related injury insurance and housing fund plans through a PRC government-mandated benefit-contribution plan. We are required by PRC law to contribute to employee benefit plans at specific rates based on employee salaries, bonuses, and certain allowances, up to limits set by local regulations. During the Track Record Period, we met these requirements in all material respects without incurring any significant administrative fines or penalties. During the Track Record Period, our PRC subsidiaries engaged third-party human resources agencies to pay social insurance premiums and housing provident funds for several employees per their request, and we did not make full social insurance and housing provident fund contribution for certain employees in strict compliance with relevant laws and regulations. As of the Latest Practicable Date, we had not received any notice for payment of penalties of social insurance premium and housing provident funds from the competent authorities, nor any administrative penalty or labor arbitration application from employees for the agency arrangement with third-party human resources agencies. For details, please refer to "Risk Factors — Risks Related to Our Business and Industry — We may be subject to fines and penalties as a result of non-compliance with certain PRC laws and regulations regarding social insurance and the housing provident fund during the Track Record Period" in this document.

BUSINESS SUSTAINABILITY

We are at the early stage of commercialization of our robotic solutions. We have experienced sustained business growth as we successfully commercialize new products and solutions during the Track Record Period. During the Track Record Period, attributable to our continuous endeavors in R&D, product development, and continuously expanding high-quality customer base, the sales volume of our robots increased from 725 units in 2022 to 1,932 units in 2024. As a result, our revenue increased at a CAGR of 61.3% from RMB96.3 million in 2022 to RMB250.5 million in 2024. Benefiting from the solid foundation we have built and the momentum we have seized, we believe that we are able to maintain sustainability and growth of our business.

Our gross profit increased by 312.9% from RMB12.4 million in 2022 to RMB51.2 million in 2023, and further increased by 89.8% to RMB97.2 million in 2024. Our selling and marketing expenses, administrative expenses and R&D expenses as a percentage of our revenue all decreased during the Track Record Period. Our selling and marketing expenses accounted for 59.9%, 35.4% and 25.8% of our total revenue in 2022, 2023 and 2024, respectively, our administrative expenses accounted for 21.8%, 15.7% and 9.4% during the same years, while our R&D expenses accounted for 57.7%, 34.6% and 14.6% during the same years, indicating that our continuous efforts to elevate operational efficiency have been paying off.

Historical Loss-making

Despite our rapid growth, our revenue had yet been able to fully cover the various costs and expenses incurred during the Track Record Period. Although we were loss-making during this period, our net loss has been narrowing year by year, which decreased by 21.4% from RMB127.6 million in 2022 to RMB100.3 million in 2023, and further decreased by 55.0% to RMB45.1 million in 2024. Eliminating impact of share-based payment, our adjusted net losses (Non-HKFRS

Measure) improved from RMB123.7 million in 2022 to RMB94.9 million in 2023, and further improved to RMB39.3 million in 2024. Correspondingly, our net loss margin decreased from 132.6% in 2022 to 61.9% in 2023, and continued to decrease to 18.0% in 2024.

Our net losses during the Track Record Period were primarily due to the following reasons:

- During the Track Record Period, our cost of sales amounted to RMB83.9 million, RMB111.0 million and RMB153.4 million for the years 2022, 2023 and 2024, respectively, represented 87.1%, 68.4% and 61.2% of total revenue for each corresponding year. The high costs of sales to revenue ratio in 2022 was a key factor impacting our profitability for that year. However, since 2023, following the lifting of pandemic-related containment measures, and the successful development and continuous optimization of our next-generation of robots based on our core robotic technology platform with improved product versatility and enhanced modularity, leading to a substantial reduction in our production and delivery costs. Additionally, the increased utilization of domestically sourced components further contributed to a decrease in material costs. Despite these improvements, the elevated costs of sales during the earlier period remained a significant factor in our net loss.

- The intelligent robotic solution industry are highly R&D-intensive, requiring substantial upfront investments in developing proprietary core technologies, product development and upgrades, as well as acquiring and retaining R&D talent to build competitiveness. Innovations in areas like robotic systems engineering, SLAM technology are essential to our business, necessitating significant financial and time commitments. Additionally, there is a high demand for product upgrades and technology iterations. While revenues may grow, a considerable portion is reinvested into further development. Since our inception, we have achieved key breakthroughs in the development of our robotic technologies, significantly enhancing the robustness, adaptability and efficiency of our solutions. In 2022, we comprehensively upgraded our localization, navigation and control technologies, achieving real-time multi-sensor fusion, autonomous environmental learning, and model-based motion control algorithms. These advancements significantly enhanced the performance of our robots in unstructured and highly dynamic scenarios. In 2023, we successfully developed a hybrid scheduling collaboration algorithm based on swarm intelligence for large-scale robots, capable of scheduling over 2,000 robots in a single simulated scenario. In 2024, we upgraded our robot operating system to a next-generation architecture oriented towards AI, incorporating multi-layer semantic maps, intelligent localization technology and autonomous navigation algorithms, laying a solid foundation for the efficient development of VLA model. These efforts resulted in significant R&D expenses during the Track Record Period, totaling RMB55.5 million, RMB56.1 million and RMB36.6 million in 2022, 2023 and 2024, respectively. To increase our competitiveness in the market, we will continue to invest in core technologies, including robot algorithms, our robotic operating system and controller.

- To expand our customer base and promote brand awareness, especially in overseas markets, we have incurred substantial expenses related to participating in exhibitions, maintaining customer relationships, travel and sales commissions. These efforts are aimed at driving the adoption of our robotic solutions in competitive global markets. While these advertising and promotional efforts are essential for long-term success, they have contributed to short-term losses. Our sales and marketing expenses were RMB57.7 million, RMB57.4 million and RMB64.6 million in 2022, 2023 and 2024, respectively.

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 driving sustainable revenue growth and business scale and effectively managing our costs and expenses.

Driving Sustainable Revenue Growth and Business Scale

- **Strengthening our industry leading position in industrial intelligent robotic solution sector:** Driven by the demand for smart manufacturing system upgrades, rising labor costs and maturing supply chain and industrial ecosystem, the global market size of industrial intelligent mobile robotic solutions is expected to grow from RMB15.3 billion in 2024 to RMB81.4 billion in 2029, with a CAGR of 39.8%, according to CIC. Against the backdrop of AGI's rapid advancement, the global market size for industrial embodied intelligence robotic solutions is projected to increase from RMB1.4 billion in 2024 to RMB15.2 billion in 2029 at a CAGR of 61.1%, according to the same source. In the year ended December 31, 2024, we were the world's fifth largest provider of the industrial intelligent mobile robotic solutions and the world's fourth largest provider of the industrial embodied intelligence robotic solutions by sales volume, according to CIC. 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 revenue and business scale growth.

- **Upgrade and optimize our robotic solutions:** Our robotic solutions are subject to rapidly evolving technological advancements and customer demands. We plan to further upgrade and optimize our robotic technology platform, our robotic products and the RoboVerse system to enhance their adaptability and keep pace with the fast iterations of products in our customers' underlying industries. We aim to develop more versatile and quickly deliverable robots with enhanced modular and configurable designs to achieve better production and deployment efficiency, greater adaptability and intelligence of our robots in industrial settings at lower costs, thereby expanding their applicability across a wider range of industrial production scenarios and serving a broader customer base from industry leaders to mid-tier customers.

- **Strengthen collaborations with existing customers and attracting new customers:** By aligning closely with the evolving needs of our customers, we have cultivated long-standing partnerships with key customers, driving significant business through repeat orders and large-scale deployments. In 2024, we achieved a key customer retention rate of over 60%. We are dedicated to cultivating deeper relationships with existing customers through multiple expansion pathways, including both the increasing deployment of robotic solutions in their production facilities and the upgrades of their legacy robotic solutions. At the same time, expanding our reach to new customers, particularly in emerging sectors and underserved geographic markets, remains equally important to continue our revenue growth. We plan to expand our sales force and enhance marketing and brand awareness promotion efforts to attract new customers, driving the adoption of our robotic solutions in competitive global markets.

- **Further expand overseas markets:** We plan to expand our business beyond Chinese mainland and bring our solutions to global customers. We are expanding globally, focusing on strategic regions such as Asia-Pacific, North America and Europe with expansion plans tailored to regional characteristics, aiming to build a competitive industrial robotic solution brand. We also aim to enhance our international market competitiveness by strengthening worldwide solutions delivery capabilities. We also plan to strategically grow our sales team and actively participate in international industry exhibitions and technical forums to elevate our brand recognition and technological influence globally.

Continually Improving Profitability

- **Enhance product competitiveness**: We aim to develop and launch higher-margin solutions and enhance our pricing power. In particular, we will focus on robotic solutions that command premium pricing and higher margins compared to basic robotic solutions with pricing advantage driven by both the technical sophistication and measurable impact on customer operations. For example, we are actively engaged in the R&D of embodied robots including DARWIN. We are developing embodied intelligence VLA model and accumulating high-quality real data from vertical industrial scenarios to construct a world model for industrial applications, in order to enhance the cross-scenario and cross-task generalization capabilities of our embodied robots. By continuously innovating and upgrading our robotic solutions, we plan to offer more competitive products with advanced features and functionalities that meet evolving customer needs, thereby differentiating our offerings from competitors and justifying premium pricing.

- **Modular and configurable designs**: We are committed to implementing modular and configurable designs for our robots, enabling us to offer versatile, flexible and adaptable solutions that cater to a wide range of application scenarios. This approach not only reduces production costs and enhances cost efficiency but also improves scalability and ensures timely deployment across diverse project needs. By adopting modular designs, we significantly decrease R&D time for multi-project development, thereby lowering development costs and simplifying manufacturing processes, which in turn reduces errors and waste. Additionally, these designs facilitate quicker deployment and faster delivery times, ultimately enhancing customer satisfaction and expanding our market reach. We continue to invest in the performance, reliability, cost-effectiveness, manufacturability and maintainability of the mechatronic systems of our robots, aiming to enhance the competitiveness and mass production capabilities of our robotic solutions.

- **Optimize product costs**: To optimize our product costs and enhance our profitability, we are increasing the proportion of self-developed critical components in our robotic solutions. By deepening our in-house R&D capabilities, we achieve direct material cost savings through streamlined designs, and higher product margin retention as we internalize value-added components rather than paying supplier premiums. In addition, we plan to enhance production efficiency by strategically integrating our proprietary industrial robotic solutions into our production lines, thereby elevating the level of automation within our manufacturing processes and achieving lower overall product costs.

- **Reduce solution deployment costs**: We plan to lower our robotic solution deployment costs by leveraging AI-powered deployment software and tools, enabling remote and automated deployment processes, thereby significantly reducing commissioning time and enhancing operational efficiency. By integrating advanced machine learning modules into our robots, we enable autonomous self-learning and self-commissioning capabilities, which streamline the deployment process and reduce reliance on highly skilled field engineers. This innovation reduces on-site commissioning, allowing our deployment teams to handle more projects simultaneously while lowering labor costs. Additionally, the system's adaptive capabilities minimize reconfiguration efforts when production layouts change, further improving long-term service margins. By transforming robotic deployment from a labor-intensive process into a AI-powered automated solution, we will be able to achieve higher project throughput with lower marginal costs, directly contributing to improved profitability.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Corporate Governance

Board Diversity

We uphold the principle of board diversity in the selection of directors, taking into full account a wide range of factors including gender, age, cultural and educational background, competencies, skills, professional experience, independence, and knowledge. Currently, the Board of Directors comprises seven members, including one female Director, representing 14.29% of the Board. Board members possess diverse expertise and professional backgrounds, of which two Directors have specific expertise in finance and auditing, contributing valuable insights across multiple business areas and ensuring the professionalism and effectiveness of corporate governance. For further details, please refer to the section titled "Directors and Senior Management."

ESG Governance

ESG Management Framework

We are committed to continuously strengthening our management of environmental, social, and governance ("**ESG**") matters by embedding a sustainability philosophy into our strategic decision-making and daily operations. We have established an ESG Management Policy (《ESG管理制度》) to define our ESG governance framework and clarify the organizational structure and responsibilities. An ESG Management Committee, established under the Board of Directors, functions as the executive body of ESG management within the Company, responsible for the overall implementation and coordination of ESG affairs. Its responsibilities include monitoring and studying ESG-related laws and regulations, identifying and managing material ESG risks and opportunities, ensuring the Company's ESG disclosures are compliant with regulatory requirements, and providing ongoing oversight of sustainability performance. To support the execution of ESG initiatives, an ESG Working Group has been established to coordinate ESG-related issues across the Company and to provide operational support in implementing ESG policies and action plans. The Board of Directors convenes no fewer than once annually to review ESG performance reports submitted by various departments, to continuously enhance the Company's ESG governance capabilities. Looking forward, we will continue to improve our ESG governance mechanisms to ensure robust structural support for the implementation of ESG issues.

Business Ethics

We strictly comply with the Criminal Law of the People's Republic of China (《中華人民共和國刑法》), the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), the Civil Code of the People's Republic of China (《中華人民共和國民法典》), and other applicable laws and regulations. We unequivocally prohibit any form of misconduct, including but not limited to fraud, bribery, corruption, and money laundering. To uphold integrity within the supply chain management, all categories of suppliers are required to sign a Integrity Commitment (《廉潔承諾書》) during the onboarding process, and suppliers found to be in breach of this commitment will be placed on a blacklist.

To address potential violations of business ethics, the Company has established multiple reporting channels — including email, WeChat, DingTalk, and Feishu — accessible to employees and business partners. Whistleblowers' legal rights are strictly protected, and all personal information is handled with strict confidentiality. As of the end of the reporting period, we were not involved in any pending or concluded legal proceedings related to corruption.

ESG Materiality Assessment

Based on the nature of our operations and strategic direction, we have conducted targeted identification and assessment of ESG-related risks through a formal risk evaluation process. Our Company has adopted corresponding mitigation measures across various risk topics to reduce potential exposure. The following table presents the identified material ESG-related risk topics the Company assessed and prioritized, along with their associated potential impacts, and corresponding mitigation measures:

Risk Topics	Potential Impacts	Mitigation Measures
Environmental Compliance Management	Non-compliance with environmental laws or regulations (e.g., discharge standards for wastewater, air pollutants, noise, and hazardous waste disposal) may result in administrative penalties and legal action, thereby increasing compliance-related costs. Moreover, such violations may also lead to enforced suspension of operations for rectification, operational disruption, reputational damage, and ultimately diminished market competitiveness.	The Company has obtained ISO 14001 environmental management system certification; environmental aspects are systematically identified and assessed associated with the Company's operations, with compliance ensured through the implementation of procedural and operational controls; environmental management plans are formulated and executed to control significant environmental impacts during operations, with control measures reviewed and inspected at least quarterly; emergency response plans are developed and implemented for significant environmental risks under emergency scenarios.
Addressing Climate Change.	Climate change may intensify extreme weather events (e.g., heavy rainfall, high temperatures), potentially disrupting the supply chain and threatening the safety of production facilities. Under China's "30·60" Dual Carbon Goals (carbon peaking by 2030 and carbon neutrality by 2060), failure to advance the Company's green transition (e.g., reducing energy consumption or developing low-carbon products) may result in regulatory or compliance-related risks, rising carbon costs, and market competitive disadvantage in an increasingly low-carbon industry and economy.	A *Natural Disaster Emergency Response Plan* (《自然災害事故應急預案》) has been formulated, and a dedicated emergency rescue and response team established to effectively address natural disaster risks (e.g., floods, typhoons); monitoring and early warning systems for extreme weather have been strengthened; regular risk inspection and assessments are conducted in climate-vulnerable areas; employees are trained in disaster preparedness through regular drills, training sessions, and awareness campaigns.
Packaging and Material Use	Failure to optimize packaging design or utilize environmentally sustainable materials (e.g., minimizing excessive packaging or adopting biodegradable alternatives) may lead to non-compliance with environmental regulations, resulting in potential penalties and increased costs associated with material procurement and waste management.	Packaging materials are reduced through recycling, reuse, and supplier-led recovery programs for cartons, PE bags, and other materials, thereby lowering overall operational costs and minimizing resource waste.

Risk Topics	Potential Impacts	Mitigation Measures
Employee Health and Safety.	Inadequate provision of a safe working environment or failure to foster a strong awareness of occupational health and safety may expose the Company to risks of employee well-being, such as occupational illnesses or injuries, increased staff turnover, and consequently, higher operational costs.	Facilities in Shenzhen and Kunshan are certified under ISO 45001 occupational health and safety management system; safety risk inspections are conducted regularly to ensure safe operations across all production sites; annual health check-ups are provided for all employees to ensure their occupational health; emergency drills are conducted annually; workplace safety or traffic safety training sessions are held on a regular or ad hoc basis; operations and activities involving major hazards are strictly controlled daily, and all on-site personnel are equipped with required personal protective equipment to maintain a safe and compliant working environment.
Employee Development and Training	Failure to establish a robust employee training and career development system may result in shortages of talent in key technical roles and critical skill gaps, reducing production efficiency and impairing innovation capability; furthermore, limited opportunities for professional advancement may diminish employee motivation, increase the risk of turnover, and ultimately weaken the Company's long-term competitiveness.	The Company has established dual career development pathways, management and technical, to provide employees with diverse opportunities for advancement; a structured training program is provided to employees, including onboarding training, on-the-job training, technical skills training, safety training, and external learning opportunities; all employees are required to complete a minimum of 24 hours of training annually; post-training evaluations and follow-up interviews are conducted to assess training effectiveness and drive continuous improvement.

Risk Topics	Potential Impacts	Mitigation Measures
Sustainable Supply Chain Management	Failure to incorporate environmental and social responsibility in supplier management (e.g., environmental compliance, labor rights) may lead to supply chain disruptions (e.g., supplier shutdowns due to violations), and reputational damage (e.g., association with negative incidents). Additionally, as ESG requirements become increasingly stringent, non-compliance by suppliers with sustainable procurement requirements may hinder customer order access and lead to higher supply chain costs.	Preference is given to qualified suppliers with relevant certifications during the admission process; new suppliers must sign the Supplier Quality Assurance Agreement (《供應商質量保證協議》), Social Responsibility Commitment (《社會責任承諾書》), and Integrity Commitment (《廉潔承諾書》) during the entry, which clearly define expectations and requirements for compliance, anti-corruption, environmental responsibilities, and other risks; top three suppliers with recurring quality issues are assigned improvement plans and coached by supplier quality engineers with targeted professional support to enhance their performance.
Product Quality and Safety.	Inadequate quality review and risk assessments during key stages such as product development, incoming material inspection, and final product testing may undermine product quality, potentially leading to decreased customer satisfaction, product recalls, reduced revenue, and increased production costs.	The Company has established a comprehensive quality management framework and process system certified under the ISO 9001 quality management system, implementing end-to-end quality control across all stages — from product development and supplier management to production processes and final product inspection; supplier quality controls and material inspection procedures are continuously optimized; regularly conducts initiatives such as "Quality Week" and monthly quality review meetings to implement targeted improvements and address recurring quality issues.
Customer Relationship Management	Failure to efficiently capture and respond to customer needs and feedback through multiple channels, or a decline in market sensitivity during product design and material procurement stages, may adversely affect business performance and lead to a reduction in revenue.	The customer complaint resolution mechanism is continuously optimized to ensure prompt identification of root causes and closed-loop resolution; annual customer satisfaction surveys are conducted for key customers; additional feedback is collected through telephone, fax, and customer interviews on an ongoing basis.

Risk Topics	Potential Impacts	Mitigation Measures
Compliance and Risk Control	A lack of a robust compliance management system may hinder the Company's ability to effectively prevent and control misconduct in operational processes. Similarly, the absence of a comprehensive risk control mechanism could expose the Company to both operational and ESG-related risks, posing threats to business continuity, and potentially leading to reduced revenue and increased operational costs.	Processes for identifying, analyzing, and responding to risks/opportunities have been established; a risk register has been developed to identify and categorize risks (e.g., market, financial, operational, legal, natural), with corresponding mitigation measures; compliance training is provided to all new employees one to two times annually, which contains instruction on the Company's compliance requirements.

ESG Risk Management

We place a strong emphasis on risk and compliance management and has established a suite of internal policy documents to provide regulatory support for safe and compliant operations, including the Risk and Opportunity Control Procedures (《風險與機遇控制程序》), Management Procedures for Compliance Obligation and Compliance Evaluation (《合規義務及合規性評價管理程序》), Internal Audit Control Procedures (《內審控制程序》), and Incident Investigation and Handling Procedures (《事件調查與處理程序》). We have implemented a structured, three-tier risk management framework, comprising the Board of Directors, the management representative, and department heads, with clearly defined roles and responsibilities and standardized procedures, overseeing risks associated with the Company's operations, including those related to ESG matters. The Board of Directors is responsible for reviewing and approving response measures related to risk and compliance issues across all business units. The management representative oversees the management and supervision throughout the entire process of risk and compliance issues, identification and communication of related laws and regulation updates, as well as the development of the annual internal audit plan. Department heads are responsible for the identification, analysis, evaluation, and mitigation of risks and compliance issues within their respective functions, and are required to report regularly to the management representative on the results of risk and compliance management.

We have established systematic procedures and methodologies for the identification, analysis, evaluation, and mitigation of risks, with assessments covering key areas such as strategy and market dynamics, financial risk, legal compliance, operational risk, and ESG-related risk. Regular monitoring and improvements are conducted to ensure the effectiveness of the Company's risk management and control efforts. In addition, we have standardized its incident response procedures to ensure timely and effective handling of unforeseen events. As of the end of the reporting period, we had not recorded any compliance violations.

Environmental

Environmental Compliance Management

We rigorously follow the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Environmental Impact Assessment Law of the People's Republic of China (《中華人民共和國環境影響評估法》), and other environmental laws and regulations. We set up internal systems, such as the Environmental Operation Control Procedures (《環境運行控制程序》) and the Environmental Factor Identification and Evaluation Control Procedures (《環境因素識別與評價控制程序》), to systematically identify, evaluate, and effectively control its environmental aspects, ensuring compliance with management requirements, and proactively minimizes the potential adverse impacts of our operations and production activities on the environment and natural resources. We have obtained ISO 14001 certification for our environmental management system and have not been subject to administrative penalties or negative publicity for environmental-related violations during the reporting period.

Waste Management

We adhere to the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》), and other related laws and regulations, and formulates Solid Waste Management Rules (《固體廢棄物管理規定》) to strengthen solid waste management, maximize waste recycling, and minimize secondary pollution. Additionally, we have standardized the process of waste material disposal through Warehouse Management Procedures (《倉儲管理程序》), which clearly define the entire process of material flow from receipt to disposal, thereby ensuring full process waste control.

We require each department to manage all generated solid waste and coordinate with local sanitation departments for its proper disposal. Concurrently, we maintain the Solid Waste Disposal Account (《固體廢棄物處理台帳》) for waste registration and explicitly prohibits the open burning of chemicals or any other waste.

We actively promote the comprehensive utilization of resources by classifying and recycling waste to minimize resource depletion and environmental contamination and has set and achieved a management target of 100% waste recycling and disposal rate. The following table presents the historical non-hazardous waste generation data.

Metrics	Unit	2022	2023	2024
Total non-hazardous waste . .	Tonne	63.7	54.4	49.8
Non-hazardous waste intensity	Tonne/RMB million of revenue	0.7	0.3	0.2

Addressing Climate Change

We fully recognize the business risks posed by climate change. In response to global climate governance requirements, we have established a climate risk identification, assessment, and management system, while consistently implementing mitigation measures.

Name of Risk	Risk Description	Potential Impact	Mitigation Measures
Physical Risk			
Extreme weather such as rainstorms and typhoons	Extreme weather events triggered by climate change, such as typhoons, rainstorms, heat waves, and cold snaps.	Extreme weather events can disrupt the transportation of raw materials and products, compromise the safety of facilities, and trigger utility outages (e.g., power and water). These disruptions may lead to production cessation, operational paralysis, equipment damage, and personnel casualties. Additionally, prolonged high temperature can necessitate increased air conditioning usage, escalating operational costs. Concurrently, fluctuating temperatures may adversely affect product storage conditions, diminishing battery lifespan and performance, thereby increasing product costs.	• We build an emergency management system involving the Common Emergency and Response Plan (《常用應急與響應預案》) and the Natural Disaster Emergency Response Plan (《自然災害事故應急預案》). The Company sets up an emergency rescue and response team, defines emergency response measures for extreme environmental conditions (e.g., rainstorms, strong typhoons), and develops emergency response plans. • We implement regular inspection and early warning mechanisms. This mechanism involves providing meteorological monitoring equipment to track weather developments in real-time and to acquire timely warning information regarding catastrophic weather events such as flooding and typhoons. The safety management department is responsible for disseminating timely warning information to all relevant departments by leveraging both meteorological department alerts and actual monitoring data. Furthermore, the department regularly inspects facilities and equipment, strengthens protective measures for infrastructure, and enhances education initiatives. These proactive measures collectively aim to minimize operational risks stemming from extreme weather conditions.

Name of Risk	Risk Description	Potential Impact	Mitigation Measures
Transitional Risk			
Policy and legal impacts	Regulators are indeed intensifying corporate disclosure requirements, particularly in response to the "dual carbon" policy and related regulations, which significantly elevate the standards for reporting on clean energy use, carbon emissions data, ESG performance, and environmental management.	The growing stringency of regulatory requirements for information disclosure exposes the Company to compliance risks, with potential violations leading to operational disruptions and reduced revenues.	• We would disclose environmental and social matters that meet the requirements of the Stock Exchange during the **[REDACTED]** stage, which would reflect the Board's involvement in ESG, we also identify and response to ESG-related risks proactively, and disclose quantitative environmental data, which would lay the foundation for improving ESG compliance in the future.
	The regulatory landscape is becoming increasingly stringent regarding environmental protection requirements for companies and their products. For instance, the discharge of hazardous waste by the Company or our suppliers may result in significant environmental pollution due to violations of established environmental protection regulations.	Environmental infractions committed by the Company or our suppliers may incur administrative penalties, such as fines or business closures, which could disrupt normal business operations and subsequently increase operating costs or decrease revenues.	• We have formulated internal systems such as Environmental Operation Control Procedures (《環境運行控製程序》) and Environmental Factor Identification and Evaluation Control Procedures (《環境因素識別與評價控制程序》) to standardize and manage our environmental behavior and ensure compliance with regulatory requirements.
Technological risks	The development of products or technologies may not keep pace with trends in sustainable transformation.	The Company's increasing demand for environmental protection products and energy-saving technologies has driven up costs associated with these goods.	• We actively promote the green upgrading of core components during the product design and development stages, achieving comprehensive reductions in product energy consumption through advancements in battery technology.

Name of Risk	Risk Description	Potential Impact	Mitigation Measures
Market risk	Heightened public awareness of environmental protection has resulted in a growing consumer preference for low-carbon products and sustainable manufacturing practices. Consequently, shifts in consumption patterns present potential market risks for companies.	Failure to meet customer demand for low-carbon products in a timely manner may lead to a decline in the Company's sales, which could subsequently impact operating income.	• We integrate environmental performance criteria for suppliers into the assessment process, thereby fostering the sustainable development of the supply chain. • We embed energy-saving concepts throughout the entire product design and R&D processes, reducing carbon emissions across the product lifecycle by substituting traditional batteries with higher energy density options that offer longer service life. The Company develops low-carbon products that cater to consumer needs.
Reputational risk	Stakeholders are increasingly focused on climate change and related ESG information.	Shifts in stakeholder priorities may influence consumer preferences and prompt inquiries from capital markets, potentially affecting the Company's overall operations and resulting in reduced revenue.	• In terms of risk control, we actively address climate change-related risks by establishing an effective risk management mechanism that includes countermeasures for extreme weather events, thereby mitigating potential impacts on corporate reputation. • Regarding stakeholder communication, we plan to regularly identify major risk issues while actively incorporating feedback from customers, investors, and other stakeholders.

Energy and Resource Use

We rigorously adhere to the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》), the Water Law of the People's Republic of China (《中華人民共和國水法》), and other relevant regulations. We formulate the Energy Conservation and Reduced Energy Consumption Management Standards (《節能降耗管理規範》) and various internal management systems to govern its energy usage. Additionally, a dedicated position is established to oversee the implementation of energy conservation measures among employees and to address any irregularities promptly. To promote resource conservation and emission reduction, we have set targets for electricity consumption of ≤13,000 kWh per month and water consumption of ≤80 m^3 per quarter. Furthermore, we continuously reform and optimize the design and processes of the entire product range in line with the requirements of CE (Conformité Européenne) certification, aiming to decrease energy and raw material consumption.

We display posters promoting water and electricity conservation throughout office premises and implements the following measures to effectively reduce unnecessary energy and resource consumption in daily operations and production processes:

- Air conditioners are set to a maximum temperature of 25 degrees Celsius and must be turned off when the office is unoccupied;

- Lighting is used only as necessary and must be turned off at the end of each day;

- Printing paper is recycled repeatedly to enhance paper utilization;

- Material management in the production process is strengthened to minimize instances of water running, risking, dripping, and leaking, thereby reducing the quantity of pollutants generated;

- Quality control in the production process is enhanced to increase the product qualification rate, minimize scrap loss, and reduce energy consumption.

In daily operations, the main resources we consume are water and electricity. The following table presents energy and resource consumption during the previous reporting period.

Metrics	Unit	2022	2023	2024
Purchased electricity consumption	kWh	633,186	564,541	450,961
Electricity intensity	kWh/RMB million of revenue	6,577	3,481	1,800
Water consumption	Tonne	565	438	251
Water intensity	Tonne/RMB million of revenue	5.9	2.7	1.0

Greenhouse Gas ("GHG") Emission

Our GHG emissions predominantly stem from indirect emissions associated with the consumption of outsourced electricity for lighting and air conditioning in office and manufacturing facilities.

The table below presents historical quantification data for GHG emissions from our office and manufacturing facilities. The GHG emissions intensity metrics, calculated per RMB million of revenue, are relevant for peer group benchmarking, and our actual performance exceed the industry average.

Metrics	Unit	2022	2023	2024
CO_2 emissions (scope 1)[(1)]	Tonne CO_2e	0	0	0
CO_2 emissions (scope 2)	Tonne CO_2e	370.8	330.6	264.1
CO_2 emissions (scope 1 and 2)	Tonne CO_2e	370.8	330.6	264.1
GHG emission intensity	Tonne CO_2e/RMB million of revenue	3.9	2.0	1.1

Note:

(1) Our business operations do not involve the direct consumption of fossil fuels such as gasoline or diesel. Going forward, we will continue to enhance our energy statistical management system and further improve our energy consumption monitoring and indicator control mechanisms, aiming to increase energy efficiency and strengthen transparency in environmental data disclosure.

Packaging and Material Use

The packaging materials used by the company across R&D, production, and warehousing logistics operations primarily comprise wood, metal products, plastics, paper products, and other ancillary materials.

Regarding packaging material reduction, we have taken several optimization measures to mitigate operational expenditures and minimize resource depletion. We require suppliers of forklift trucks to provide iron pallets directly, thereby obviating redundant pallet procurement. Flight cases utilized in exhibitions are mandated for recycling and storage, facilitating their subsequent reuse post-exhibition. Furthermore, a mechanism for recycling supplier packaging is established, enabling the reuse of accessory cardboard boxes and PE bags for outbound shipments from warehouses following inbound material receipt from production. Additionally, discarded cardboard boxes are repurposed through supplier recycling programs and the sale of scrap materials, collectively minimizing environmental impact.

Social Responsibilities

Information Security

We adhere strictly to the relevant laws and regulations, including the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), and the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》). We have established internal management supporting policies, such as the Personal Information Security Management Policy of Standard Robots (Wuxi) Co., Ltd. (《斯坦德機器人(無錫)股份有限公司個人信息安全管理辦法》). We have established a comprehensive information security management system and internal management initiatives, and our suppliers are required to sign a Supplier Confidentiality Agreement (《供應商保密協議》) to ensure they do not disclose any confidential information about us, thereby fully safeguarding our information security. For further details, please refer to the "— Data Privacy and Security" section.

Customer Management

We adhere strictly to the Law of the People's Republic of China on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》) and all other relevant regulations. Internal management systems, including Customer Service Control Procedures (《客戶服務控制程序》) and Delivery and After-sales Service Management Standards (《交付及售後服務管理規範》), govern the conduct of sales and service personnel. A comprehensive, team-based service system, encompassing sales, pre-sales plan, delivery, and after-sales support, strengthens the relevance of sales, commercial, technical, and after-sales services for customers at all levels and enhances customer relationship management efficiency.

We continually refine the customer complaint handling process. Customers can submit complaints through email, the website, or a dedicated hotline. Upon receiving a complaint, we immediately analyze the root cause, develop a prompt solution, and monitor the issue after resolution to ensure closure. An annual customer satisfaction survey, distributed through various channels, gathers quantitative feedback from key customers regarding our products and solutions. Furthermore, business personnel proactively engage with customers through telephone, online communication, and in-person visits to understand their needs and relay feedback to relevant departments, thereby maximizing customer satisfaction.

We carry ongoing training for sales and after-sales personnel, including weekly sales meetings, bi-weekly sales director meetings, and monthly and quarterly meetings, emphasizes monitoring the customer service process and important nodes. During the Track Record Period, we had received no customer complaints regarding product quality, service, or customer usage.

Supplier Management

We comply with relevant laws and regulations, including the Civil Code of the People's Republic of China (《中華人民共和國民法典》), the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法》), and Regulation on the Implementation of the Bidding Law of the People's Republic of China (《中華人民共和國招標投標法實施條例》). We develop comprehensive internal systems, including Supplier Management Procedures (《供應商管理程序》), Procurement Control Procedures (《採購控制程序》), Procurement Operation Management Policy (《採購作業管理制度》), and Pricing Management Standards (《核價管理規範》). These systems provide policy guidance for standardizing the procurement of raw materials and the management of the supply chain. We establish a procurement management system that delineates clear roles and responsibilities, and have incorporated ESG-related criteria such as product quality and safety into supplier assessments. Furthermore, we provide regular coaching and training programs for the three suppliers with the most significant quality issues. These programs, delivered by supplier quality engineers, address specific quality problems and promote substantial improvements in supplier product quality and professionalism. For further details, please refer to the "OUR SUPPLIERS" section.

Occupational Health and Safety

We strictly adhere to the Workplace Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), the Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》), and other laws and regulations. We have established a comprehensive suite of internal management systems, including the Employee Health Management Rules (《職工健康管理規定》), the Environmental Safety Management Rules (《環境安全管理規定》), the Common Emergency and Response Plans (《常用應急與響應預案》), the Fire Protection Safety Management Policy (《消防安全管理制度》), and the Workplace Safety Management Standards (《安全生產管理規範》). These systems clearly define safety inspections across all work processes, electrical safety protocols, rules of the road in the production area, and safety precautionary measures in workshops, among others. Through these measures, we manage operational activities related to occupational health and safety and continuously strives to enhance performance in this domain.

All work activities in the Company undergo occupational health and safety assessment, with responsibilities and management measures assigned to dedicated personnel. To ensure employee occupational health, we organize annual health check-ups for all employees. The general department and the supply chain department conduct quarterly and daily inspections of our occupational health and safety performance. This includes managing critical environmental factors and hazardous sources, analyzing non-compliance issues, and formulating corrective and preventive action plans. Furthermore, we have developed comprehensive emergency response plans for incidents such as electric shock, trauma, fire, poisoning, typhoons, and rainstorms, aiming to minimize accident risks. In the event of an accident, incidents are handled in strict compliance with the Workers' Compensation Insurance Ordinance (《工傷保險條例》) and our internal protocols.

We conduct internal safety training on an irregular basis, and provides annual external training opportunities for safety officers and chief safety officers to enhance employees' awareness of both traffic and workplace safety. Furthermore, we have set an occupational health and safety target of zero safety-related casualties and zero occupational diseases. As of the end of the reporting period, we reported 0 workplace fatalities.

PROPERTIES

As of the Latest Practicable Date, we did not own any real property.

As of the Latest Practicable Date, we leased five properties in the PRC with an aggregate gross floor area of approximately 10,294 square meters from third parties. These properties were used primarily as premises of offices, production and storage. Our lease agreements in respect of the abovementioned leased properties generally have lease terms ranging from six months to three years.

Pursuant to PRC laws and regulations, property lease agreements must be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC to obtain the property leasing filing certificates. As of the Latest Practicable Date, five of our lease agreements were not registered with the relevant authorities. According to our PRC Legal Advisor, the failure to complete such registration process does not affect the legality, validity or enforceability of the relevant property lease agreements, but the competent housing authorities may order us to register the lease agreements in a prescribed period of time and a maximum penalty of RMB10,000 may be imposed for the non-registration of each lease agreement. As of the Latest Practicable Date, we have not received ownership certificates or other proof of authorizations of three properties we leased from the lessor. Despite the lack of certain ownership certificates of our leased properties, those leased properties are easily replaceable and do not serve as the primary production sites for us, we believe that alternative property can be readily secured and that any relocation would have minimal impact on our operations. During the Track Record Period, we have not fully obtained construction permits, completed as-built acceptance filings, or fire protection filings for certain of our construction projects due to the historical legacy of the relevant lands or properties, which could subject us to administrative penalties including orders of correction and fines. We have not received regulatory inquiries and administrative penalties imposed on us during the Track Record Period and up to the Latest Practicable Date. We have conducted inquiries and interviews with the competent governmental authorities which confirmed that, in general, the failure to do so will not result in penalties against us. Based on such interviews, our PRC Legal Advisor is of the view that, such defect of such leased properties would not have a material adverse impact on our continued use of such construction projects. For more details, see "Risk Factors — Risks Related to Our Business and Industry — Our leased property interests may be defective, and our right to lease the properties could be challenged due to such defects. Additionally, failure to renew our current leases or locate desirable alternatives could materially and adversely affect our business."

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material penalties arising from the non-registration of our lease agreements, had not experienced any dispute arising out of, or in relation to, our leased properties, and had not received any notices or administrative penalty decisions from the relevant authorities requiring us to complete lease registration filings for certain leased properties.

INSURANCE

We believe we have adequate insurance coverage for our business operations by implementing all mandatory insurance policies required by PRC laws and regulations. As mandated by PRC laws, we maintain standard employee-related insurance, which includes pension, maternity, unemployment, work-related injury and medical insurance. In line with general market practice, we do not maintain any business interruption insurance or product liability, nor do we maintain key-man life insurance, which are not mandatory under the relevant PRC laws. We do not maintain insurance policies covering damages to our IT infrastructure or information technology systems. Overall, as advised by CIC, we believe our insurance coverage align with general market practices within the industry. During the Track Record Period, we did not file any material insurance claims related to our business. For more information, please refer to "Risk Factors — Risks Related to Our Business and Industry — We have limited insurance coverage, and any claims beyond our coverage may result in substantial costs and a diversion of resources."

RISK MANAGEMENT AND INTERNAL CONTROL

We are dedicated to the establishment and maintenance of a robust risk management and internal control system. We have adopted and continually improve our internal control system consisting of policies and procedures that are appropriate for our business operations, across critical areas of our business, including financial reporting, IT, compliance, intellectual property, human resources, and investment management. Furthermore, we conduct periodic reviews of the implementation of our risk management policies and internal control measures to ensure their effectiveness and sufficiency.

We are committed to promoting a compliance culture and adopt policies and procedures on various compliance matters, including the Stock Exchange's requirements on corporate governance and environmental, social and governance matters.

Our Board is collectively responsible for establishing and implementing such risk management mechanisms and overseeing our overall risk management. Our Directors are of the view that our current internal control measures are adequate and effective to ensure compliance with relevant laws and regulations.

Operational Risk Management

Operational risk refers to the risk of direct or indirect financial loss resulting from incomplete or problematic internal processes, personnel mistakes, IT system failures or external events. We have established a series of internal procedures to manage such risk. We take a comprehensive approach with regard to operational risk management, and we have implemented a mechanism with detailed and decentralized responsibilities and clear rewards and punishment systems. Our information technology, human resources, finance and operations departments are collectively responsible to ensure the compliance of our operations with internal procedures. In the event of a major adverse event, the matter will be escalated to our legal department to take appropriate measures. Through effective operational risk management, we expect to control operational risks within a reasonable range by identifying, measuring, monitoring and containing operational risks to reduce potential losses.

Human Resources Risk Management

We provide regular and specialized training tailored to the needs of our employees in different departments. These trainings enable our staff to improve their skill sets and better address our customers' needs. We have in place an employee handbook approved by our management and distributed to all our employees, which contains internal rules and guidelines regarding best commercial practices, work ethics, fraud prevention mechanisms, negligence, and corruption.

Financial Reporting and Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management, such as financial report management policies, treasury management policies, and reimbursement management policies. We have various procedures in place to implement accounting policies, and our financial department reviews our management accounts based on such procedures.

Credit Risk Management

We seek to maintain strict control over our outstanding receivables and have implemented a policy to minimize credit risk. We maintain regular communication with our customers, address potential payment issues proactively, and conduct detailed risk assessments. Our finance department conducts regular reviews of overdue accounts and recoverability of our outstanding balances, prioritizing high-value or long-overdue balances, and when appropriate, provides for impairment of these trade receivables. For significantly overdue accounts with no resolution, we escalate to legal proceedings.

Audit Committee Experience and Qualification and Board Oversight

To monitor the ongoing implementation of our risk management policies, we have established an Audit Committee to review and supervise our financial reporting process and internal control system on an ongoing basis to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. See "Directors and Senior Management — Board of Directors."

In addition to our internal control department, we have also established an internal audit department which is responsible for reviewing the effectiveness of internal controls and reporting issues identified and improving our internal control system and procedures by identifying internal control failures and weaknesses on an ongoing basis. The internal audit department reports any major issues identified to the Audit Committee and Board of Directors on a timely basis.

DATA PRIVACY AND SECURITY

In providing our robotic solutions, we engage in certain data-related activities to ensure their functionality and efficiency. For instance, we may access data related to the design, development, production and functionality of our robotic solutions, including production line and equipment layout in manufacturing workshops, appearance and technical specifications of equipment, type of materials, shape of products, and other information related to production and facilities. We comply with our customers' confidentiality requirements and do not disclose their data without their prior consent.

During the use of our robotic products, we do not collect any personal data or information from customers. During the course of our business operation, with the prior consent of our customers, suppliers and other business partners, we collect and maintain their contact information to the extent necessary and in accordance with the applicable laws and regulations on data privacy and security. We have taken measures to maintain the confidentiality of such information to ensure regulatory compliance. We have set up an access control system for personal information in our internal system so that it cannot be viewed without proper authorization or exported in bulk. We set up firewalls to prevent information loss or leakage caused by cyber-attacks. In addition, we from time to time examine the security of our data storage system. We strictly restrict the range of data that our employees are authorized to access based on their role and function. We continue to pay close attention to the legislative and regulatory developments in cybersecurity and data protection and conduct routine cybersecurity and data protection compliance checks and rectification to keep pace with regulatory developments.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material data leakage or data loss, nor did we encounter any significant unauthorized use of personal information belonging to customers, suppliers, other business partners or employees.

As of the Latest Practicable Date, we have not encountered any disputes, controversies, or lawsuits related to violations of information security laws and regulations. Our PRC Legal Advisor is of the view that we are in compliance with the relevant PRC laws and regulations relating to cybersecurity and data protection in all material aspects.

LICENSES AND PERMITS

Our Directors, as advised by our PRC Legal Advisor, confirm that, during the Track Record Period and up to the Latest Practicable Date, we had complied with relevant PRC laws and regulations in all material respects and had obtained all material licenses, approvals and permits from relevant PRC authorities for our operations in Chinese mainland.

We currently do not expect any material impediment in timely renewing our material permits and licenses as they expire, if applicable. For more information about the laws and regulations that we are subject to in the PRC, please see "Regulatory Overview."

The following tables set out the material licenses and permits held by us as of the Latest Practicable Date:

Holder	License/Permit/Approval	Issue Authority	Issuance Date	Expiration Date
Our Company	Business License	Wuxi Municipal Administration for Market Regulation	June 20, 2025	N/A
Our Company	Import and Export Goods Consignee and Consignor Registration Certificate	Fuzhong Custom Bureau	February 9, 2023	December 31, 2099
Standard Robot (Kunshan) Co., Ltd	Import and Export Goods Consignee and Consignor Registration Certificate	Kunshan Custom Bureau	June 11, 2025	December 31, 2099
Standard Robot (Kunshan) Co., Ltd	Registration Receipt for Stationary Pollution Sources	N/A	October 16, 2021	October 15, 2026

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time become a party to various legal, arbitral or administrative proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we had not been a party to, and were not aware of any threat of, any material legal, arbitral or administrative proceedings, against us or our Directors that could, individually or in the aggregate, have a material adverse effect on business, financial condition and results of operations.

Compliance

We are subject to various regulatory requirements and guidelines issued by regulatory authorities. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on business, financial condition and results of operations.

AWARDS AND RECOGNITIONS

During the Track Record Period and up to the Latest Practicable Date, we received numerous recognitions for our technologies as well as our solutions. Some of the significant awards and recognition we received are set forth below.

Award Year	Award/Recognition	Awarding Institution/Authority
2024	Guangdong Province Manufacturing Single Champion Enterprise (廣東省製造業單項冠軍企業)	Guangdong Provincial Department of Industry and Information Technology of the People's Republic of China
2024	Top 500 Innovative Enterprises in Bao'an District (寶安區創新五百強企業)	Shenzhen Bao'an District Industry and Information Technology Bureau of the People's Republic of China
2024	"Gaogong Golden Ball Award" Annual Overseas Enterprise ("高工金球獎"年度出海企業)	Gaogong Robotics
2024	Global Gazelle Companies List (2024胡潤全球獵豹企業榜)	Hurun Report

Award Year	Award/Recognition	Awarding Institution/Authority
2023	National Specialized and New "Little Giant" Enterprise (國家級專精特新「小巨人」企業)	MIIT
2023	2023 China Automation Society Technology Invention Award First Prize (2023中國自動化學會技術發明獎一等獎)	China Association of Automation
2023	Leading Enterprise Award in the Robotics Industry (機器人產業領軍企業獎)	Shenzhen Robotics Association
2023	Guangdong Province Intelligent Manufacturing Ecosystem Partner (廣東省智能製造生態合作夥伴)	Guangdong Provincial Department of Industry and Information Technology of the People's Republic of China
2022	Top 100 Shenzhen Industry Leader Enterprises in 2022 (2022深圳行業領袖企業100強)	Co-organized by Shenzhen Industry Leaders Enterprise Development Promotion Association and Press
2022	Guangdong Provincial Engineering Technology Research Center (廣東省工程技術研究中心)	Guangdong Provincial Department of Science and Technology of the People's Republic of China
2022	Foxconn Technology Group Gold Supplier (富士康科技集團金牌供應商)	Foxconn Technology Group

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

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

OVERVIEW

We are a global leader in industrial intelligent mobile robotic solutions, dedicated to empowering smart factories across a wide range of industrial scenarios. We are also a pioneer in industrial embodied intelligence robotic solutions. Our tailored one-stop robotic solutions comprise our core robotic technology platform, our industrial intelligent multi-functional robotic products and our all-in-one intelligent collaborative system, the RoboVerse system. During the Track Record Period, our revenue was primarily derived from our robotic solutions, and to a lesser extent, from the sales of individual robots and other related products.

We have achieved remarkable growth in recent years. Our total revenue increased from RMB96.3 million in 2022 to RMB162.2 million in 2023, and further to RMB250.5 million in 2024, representing a CAGR of 61.3%, well surpassing overall global industrial intelligent mobile robotic solutions market CAGR of 26.8%, according to CIC. Our revenue growth outpaced the increase of our cost of sales, leading to an increase in our gross profit with a CAGR of 180.1% during the Track Record Period. Our loss of the year decreased from RMB127.6 million in 2022 to RMB100.3 million in 2023, and further to RMB45.1 million in 2024.

BASIS OF PRESENTATION

The historical financial information has been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (together, "**HKFRS**"), issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. All HKFRS Accounting

Standards effective for the accounting period commencing from January 1, 2024, together with the relevant transitional provisions, have been early adopted by us in the preparation of the historical financial information throughout each of the years ended December 31, 2022, 2023 and 2024.

The historical financial information has been prepared under the historical cost convention except for certain financial instruments which have been measured at fair value.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

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

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

We operate in the rapidly growing industrial intelligent robotics market. Our business, financial performance, results of operations and future growth are affected by the development of the global industrial intelligent robotics sector and the growth of the industries in which our customers operate.

According to CIC, the global industrial intelligent mobile robotic solution market in terms of sales revenue increased at a CAGR of 27.2% from RMB5.8 billion in 2020 to RMB15.3 billion in 2024, and is expected to continue growing at a CAGR of 39.8% to reach RMB81.4 billion in 2029. According to the same source, the global market size for industrial embodied intelligence robotic solutions surged from RMB0.4 billion in 2020 to RMB1.4 billion in 2024, representing a CAGR of 39.5%, and is projected to increase to RMB15.2 billion in 2029 at a CAGR of 61.1%. Factors such as increasing smart manufacturing system upgrades demand, maturing supply chain and industrial ecosystem and strengthened policy support are driving demand and incentivizing the utilization of robots. As a provider of industrial robotic solution, our performance is closely tied to the industry trends. Slower-than-expected industry expansion, delays in customers' automation investments, or the emergence of alternative technologies could adversely affect demand for our robotic solutions. Conversely, accelerated adoption of robotic solutions in industrial settings may present growth opportunities, provided that we maintain our competitive positioning.

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

Our ability to maintain technology leadership and product development

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

Our R&D capabilities are the cornerstone of our ability to enhance and develop industrial intelligent robotic solutions. We have invested, and plan to continue investing, significant resources in our R&D efforts. During the Track Record Period, our R&D expenses were RMB55.5 million, RMB56.1 million and RMB36.6 million in 2022, 2023 2024, respectively. Given the R&D-intensive nature of the robotics industry, it requires substantial investments in developing proprietary core technologies, product development and upgrades and R&D talent to build competitiveness. We remain committed to investing in areas such as robotic systems engineering capabilities, SLAM technology, product upgrades and technology iterations, as well as talent acquisition and retention. Additionally, while we strive for efficiency in our R&D efforts, it is important to acknowledge that similar initiatives in the robotic solution industry are often associated with uncertainties in both process and outcome. We may experience fluctuations in R&D expenses, and the results and returns on such investments may be unpredictable.

Customer acquisition and commercialization capabilities

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

We strategically focus on high-tech sectors such as 3C, automotive and semiconductor. These industries are characterized by complex processes, high precision requirements and rapid technological advancements, and demand intelligent robotic system that can operate autonomously and collaboratively in complex manufacturing scenarios. By aligning closely with the evolving needs of our existing customers, we have cultivated long-standing partnerships with key customers, driving significant business through repeat orders and large-scale deployments. In 2024, we achieved a key customer retention rate of over 60%. We are dedicated to cultivating deeper relationships with existing customers through multiple expansion pathways, including the increasing deployment of robotic solutions in their production facilities and the upgrades of their legacy robotic solutions. In addition, the successful onboarding of new customers, particularly in emerging sectors and underserved geographic markets, serves as a critical growth driver that demonstrates the broadening applicability of our industrial intelligent robotic solutions.

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

Competition and pricing

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

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

Our ability to manage our costs and achieve operational efficiency

Our ability to achieve profitability and sustainable growth depends in part on our management of cost of sales. In 2022, 2023 and 2024, our cost of sales was RMB83.9 million, RMB111.0 million and RMB153.4 million, respectively, accounting for 87.1%, 68.4% and 61.2% of our revenue for the same years, respectively. Our cost of sales primarily consists of cost of raw materials, production and deployment expenses, logistics expenses and inventory write-down. Changes in any major component of our cost of sales and our overall cost structure could have an impact on our gross profit and gross profit margin. For instance, our cost of raw materials accounted for 54.3%, 63.3% and 70.5% of our total cost of sales in 2022, 2023 and 2024, respectively. The procurement costs for such raw materials may fluctuate due to a number of factors beyond our control, such as supply chain disruptions and inflation, and we are susceptible to significant changes in the availability, price and standard of key raw materials. We have implemented cost management measures against such potential disruptions to our supply chain. In addition, our cost of sales and gross margin may, from time to time, be affected by the write-down of obsolete or slow-moving inventories.

Our business and results of operations are also significantly affected by our operating expenses, which primarily comprised selling and marketing expenses, administrative expenses and R&D expenses during the Track Record Period. Our operating expenses ratio, defined as total operating expenses (consisting of selling and marketing expenses, administrative expenses and R&D expenses) divided by total revenue, decreased from 139.4% in 2022 to 49.8% in 2024. Our R&D, selling and marketing and administrative expenses may continue to increase as our business scale and together account for a significant portion of our revenue. For details of our measures to improve management of costs and expenses, see "Business — Business Sustainability."

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

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

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

MATERIAL ACCOUNTING POLICY INFORMATION

Revenue Recognition

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which we will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sales of Robotic Solutions

Robotic solutions involve design, production, deployment and commissioning of customized robotic systems, which can complete required tasks in specified scenarios as indicated in the sales contract. We determine that the promised goods and services in robotic solutions represent one performance obligation, because these promises are highly interdependent, and the customer is unable to derive significant benefits from the access to an individual promise for the intended purposes without receipt of the other goods or services.

As none of the criteria under paragraph 35 of HKFRS15 can be met for the control transfers over time, revenue from the sale of robotic solutions is recognized at point in time when the robotic solutions are accepted by the customers.

Sales of Robots and Others

Revenue from the sale of robots and others is recognized at the point in time when control of the product is transferred to the customer, generally on delivery or acceptance of the products as agreed in the sales contracts.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labor and an appropriate proportion of overheads. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Provisions

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognized for a provision is the present value at the end of each of the years ended December 31, 2022, 2023 and 2024 the expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

We provide warranties in relation to the sale of products for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by us are initially recognized based on sales volume and past experience of the level of repairs and returns. The warranty-related cost is revised annually.

Impairment of Financial Assets

We recognize an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that we expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General Approach

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a "**12-month ECL**"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a "**lifetime ECL**").

At the end of each year of Track Record Periods, we assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, we compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

We consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, we may also consider a financial asset to be in default when internal or external information indicates that we are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by us.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortized cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified Approach

For trade receivables and contract assets that do not contain a significant financing component or when we apply the practical expedient of not adjusting the effect of a significant financing component, we apply the simplified approach in calculating ECLs. Under the simplified approach, we do not track changes in credit risk, but instead recognize a loss allowance based on lifetime ECLs at each reporting date. We have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Contract Liabilities

A contract liability is recognized when a payment is received or a payment is due (whichever is earlier) from a customer before we transfer the related goods or services. Contract liabilities are recognized as revenue when we perform under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

We operate share award schemes. Our employees (including directors) receive remuneration and rewards in the form of share-based payments, whereby employees render services as consideration for equity instruments ("**equity-settled transactions**"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in Note 33 of the Accountants' Report in Appendix I to this document.

The cost of equity-settled transactions is recognized in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at the end of each year of the Track Record Periods until the vesting date reflects the extent to which the vesting period has expired and our best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of our best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an option unless there are also service and/or performance conditions. For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognized. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. Where an equity-settled option is cancelled, it is treated as if it had vested on the date of cancelation, and any expense not yet recognized for the option is recognized immediately.

A liability is recognized for the fair value of cash-settled transactions. The fair value is measured initially at the grant date and at each reporting date up to and including the settlement date, further details of which are given in Note 33 of the Accountants' Report in Appendix I to this document. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The cumulative expense recognized for cash-settled transactions at the end of 2022, 2023 and 2024 until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of awards that will ultimately vest.

Income Tax

Income tax comprises current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the country in which we operate.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary difference; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, and the carry-forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary difference; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if we have a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

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

	Year ended December 31,		
	2022	2023	2024
	(RMB in thousands)		
Revenue	96,275	162,166	250,522
Cost of sales	(83,893)	(110,997)	(153,364)
Gross profit	**12,382**	**51,169**	**97,158**
Other income and gains	7,292	7,080	7,920
Selling and marketing expenses	(57,695)	(57,358)	(64,595)
Administrative expenses	(21,005)	(25,466)	(23,575)
R&D expenses	(55,525)	(56,098)	(36,611)
Impairment losses on financial assets and contract assets	(10,504)	(14,709)	(22,853)
Other expenses	(101)	(2,634)	(1,208)
Finance costs	(2,458)	(2,332)	(1,380)
Loss before tax	**(127,614)**	**(100,348)**	**(45,144)**
Income tax expense	—	—	—
Loss for the year	**(127,614)**	**(100,348)**	**(45,144)**
Attributable to owners of the parent	**(127,614)**	**(100,348)**	**(45,144)**

NON-HKFRS FINANCIAL MEASURE

To supplement our consolidated financial statements, which are presented in accordance with HKFRSs, we also use adjusted net loss 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 profit as profit for the year adjusted by adding back share-based payment expenses. The following table reconciles our adjusted net loss presented to the most directly comparable financial measure calculated and presented in accordance with HKFRSs, which is loss for the year.

	Year ended December 31,		
	2022	**2023**	**2024**
		(RMB in thousands)	
Loss for the year	(127,614)	(100,348)	(45,144)
Add:			
— Equity-settled share-based payment expenses[1]	3,907	5,417	5,806
Adjusted net loss *(non-HKFRS measure)*	**(123,707)**	**(94,931)**	**(39,338)**

Note:

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

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

Revenue by Product Type

During the Track Record Period, our revenue was primarily derived from our robotic solutions, and to a lesser extent, from the sales of individual robots and other related products. The following table sets forth our revenue breakdown by product type in absolute amount and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Robotic solutions	85,307	88.6	141,982	87.6	228,087	91.0
Robots and others[(1)]	10,968	11.4	20,184	12.4	22,435	9.0
Total	**96,275**	**100.0**	**162,166**	**100.0**	**250,522**	**100.0**

Note:

(1) Primarily represents the revenue derived from the sales of individual robots and related accessories.

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 indicated. Export sales requiring customs declaration are categorized under "Others".

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Chinese mainland[(1)]	86,500	89.8	141,883	87.5	190,123	75.9
Others[(2)]	9,775	10.2	20,283	12.5	60,399	24.1
Total	**96,275**	**100.0**	**162,166**	**100.0**	**250,522**	**100.0**

Notes:

(1) Excluding free trade zone and bonded warehouse.

(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.

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 years indicated.

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
3C	45,159	46.9	42,944	26.5	121,287	48.4
Automotive	12,074	12.5	29,616	18.3	53,134	21.2
Semiconductor	6,227	6.5	25,658	15.8	17,242	6.9
Others[(1)]	32,815	34.1	63,948	39.4	58,859	23.5
Total	**96,275**	**100.0**	**162,166**	**100.0**	**250,522**	**100.0**

Note:

(1) Includes new energy, biopharmaceutical and others.

During the Track Record Period, our robotic solutions were primarily deployed in 3C manufacturing scenarios, representing our largest served industry. The automotive sector emerged as our second largest served market in 2024, demonstrating significant growth momentum throughout the Track Record Period. Additionally, we have successfully expanded our customer base across other strategic industries such as semiconductor and new energy, which have meaningfully contributed to our customer diversification. The annual revenue contributions from each sector fluctuate as affected by various external factors such as the downstream industry trends, customers' factory expansion timelines and automation adoption rates.

Cost of Sales

Our cost of sales consists primarily of:

- **Raw materials:** Mainly include power batteries, motors, LiDAR, structural components, and other materials and components.

- **Production and deployment expenses:** Expenses and labor costs associated with the production and deployment of our robots.

- **Logistics expenses:** Expenses associated with shipping and delivering robotic solutions to customers, including freight charges and handling fees.

- **Write-down of inventories:** Write-down of inventories represents the costs of inventories exceeding the net realizable value.

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

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Raw materials	45,518	54.3	70,248	63.3	108,108	70.5
Production and deployment expenses	10,473	12.4	15,910	14.3	24,612	16.1
Logistics expenses	1,596	1.9	1,614	1.5	1,572	1.0
Inventory write-down	26,306	31.4	23,225	20.9	19,072	12.4
Total	**83,893**	**100.0**	**110,997**	**100.0**	**153,364**	**100.0**

The following sensitivity analysis illustrates the effects of hypothetical fluctuations in our cost of raw materials on our gross profit for the years indicated, assuming all other factors affecting our profitability had remained unchanged.

	Year ended December 31,		
	2022	2023	2024
	(RMB in thousands)		
Change in cost of raw materials			
+/-5%	+/-2,276	+/-3,512	+/-5,405
+/-10%	+/-4,552	+/-7,025	+/-10,811

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

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Robotic solutions	76,601	91.3	105,182	94.8	147,409	96.1
Robots and others	7,292	8.7	5,815	5.2	5,955	3.9
Total	**83,893**	**100.0**	**110,997**	**100.0**	**153,364**	**100.0**

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales, and our gross margin represents gross profit divided by our revenue, expressed as a percentage. In 2022, 2023 and 2024, we had gross profit of RMB12.4 million, RMB51.2 million and RMB97.2 million, respectively. During the same years, we had gross margin of 12.9%, 31.6% and 38.8%, respectively.

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

	Year ended December 31,					
	2022		2023		2024	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(RMB in thousands)	%	*(RMB in thousands)*	%	*(RMB in thousands)*	%
Robotic solutions	8,706	10.2	36,800	25.9	80,678	35.4
Robots and others	3,676	33.5	14,369	71.2	16,480	73.5
Total	**12,382**	**12.9**	**51,169**	**31.6**	**97,158**	**38.8**

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

Other Income and Gains

During the Track Record Period, our other income primarily consisted of (i) government grants, primarily representing government subsidies and grants from Kunshan and Shenzhen authorities in relation to our business operation, certain R&D projects and incentives for technology innovation; and (ii) investment income from financial assets at FVTPL, which consisted of interest income from structured deposits. Our other income and gains amounted to RMB7.3 million, RMB7.1 million and RMB7.9 million in 2022, 2023 and 2024, respectively. The following table sets forth a breakdown of our other income and gains in absolute amount and as a percentage of our total other income and gains for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Other income						
Government grants	6,218	85.3	4,181	59.1	6,142	77.6
Bank interest income	455	6.2	416	5.9	181	2.3
Interest income from certificate of deposits	—	—	—	—	37	0.5
Investment income from financial assets at FVTPL	62	0.9	1,117	15.8	573	7.2
Others	25	0.3	38	0.5	50	0.6
Gains						
Foreign exchange gains	530	7.3	—	—	734	9.3
Gains on disposal of property, plant and equipment, net	2	0.0	598	8.4	128	1.6
Gains on lease termination	—	—	730	10.3	67	0.8
Fair value gains on financial assets at FVTPL	—	—	—	—	8	0.1
Total	**7,292**	**100.0**	**7,080**	**100.0**	**7,920**	**100.0**

Selling and Marketing Expenses

During the Track Record Period, our selling and marketing expenses consisted of (i) employee compensation and benefits; (ii) after-sales services expenses, (iii) travel and business development expenses, (iv) advertising and promotion expenses, (v) depreciation and amortization, and (vi) other miscellaneous selling and marketing expenses. Our selling and marketing expenses amounted to RMB57.7 million, RMB57.4 million and RMB64.6 million in 2022, 2023 and 2024, accounting for 59.9%, 35.4% and 25.8% of our revenue in 2022, 2023 and 2024, respectively. The following table sets forth a breakdown of our selling and marketing expenses in absolute amount and as a percentage of our total selling and marketing expenses for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Employee compensation and benefits	30,760	53.3	31,090	54.2	30,705	47.5
After-sale services expenses[(1)]	6,253	10.8	7,756	13.5	15,708	24.3
Travel and business development expense	5,264	9.1	7,312	12.7	6,933	10.7
Advertising and promotion expenses	7,500	13.0	4,198	7.3	5,711	8.8
Depreciation and amortization	5,779	10.0	4,968	8.7	3,583	5.5
Share-based payment	956	1.7	1,504	2.6	1,594	2.5
Others[(2)]	1,183	2.1	530	0.9	361	0.6
Total	**57,695**	**100.0**	**57,358**	**100.0**	**64,595**	**100.0**

Notes:

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

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

Administrative Expenses

During the Track Record Period, our administrative expenses consisted of (i) employee compensation and benefits; (ii) consultation fees for professional services; (iii) depreciation and amortization; (iv) office and lease expenses; and (v) other miscellaneous administrative expenses. Our administrative expenses amounted to RMB21.0 million, RMB25.5 million and RMB23.6 million in 2022, 2023 and 2024, accounting for 21.8%, 15.7% and 9.4% of our revenue in 2022, 2023 and 2024, respectively. The following table sets forth a breakdown of our administrative expenses in absolute amounts and as a percentage of our total administrative expenses for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Employee compensation and benefits	12,160	57.9	16,648	65.4	15,259	64.7
Consultation fees	1,671	8.0	1,328	5.2	1,727	7.3
Depreciation and amortization	1,750	8.3	2,394	9.4	3,021	12.8
Office and lease expenses	2,656	12.6	1,127	4.4	458	1.9
Share-based payment	1,141	5.4	1,726	6.8	1,315	5.6
Others[(1)]	1,627	7.8	2,243	8.8	1,795	7.6
Total	**21,005**	**100.0**	**25,466**	**100.0**	**23,575**	**100.0**

Note:

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

R&D Expenses

During the Track Record Period, our R&D expenses consisted of (i) employee compensation and benefits; (ii) R&D materials expenses; (iii) share-based payment; (iv) depreciation and amortization; and (v) other miscellaneous R&D expenses. Our R&D expenses amounted to RMB55.5 million, RMB56.1 million and RMB36.6 million in 2022, 2023 and 2024, accounting for 57.7%, 34.6% and 14.6% of our revenue in 2022, 2023 and 2024, respectively. The following table sets forth a breakdown of our R&D expenses in absolute amount and as a percentage of our total R&D expenses for the years indicated:

	Year ended December 31,					
	2022		2023		2024	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)					
Employee compensation and benefits	46,558	83.8	38,908	69.4	26,904	73.5
Materials expenses	3,159	5.7	9,517	17.0	3,333	9.1
Depreciation and amortization	3,775	6.8	4,678	8.3	3,454	9.4
Share-based payment	1,810	3.3	2,814	5.0	2,825	7.7
Others[1]	223	0.4	181	0.3	95	0.3
Total	**55,525**	**100.0**	**56,098**	**100.0**	**36,611**	**100.0**

Note:

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

Impairment Losses on Financial Assets and Contract Assets

During the Track Record Period, we recorded impairment losses on financial assets and contract assets of RMB10.5 million, RMB14.7 million and RMB22.9 million in 2022, 2023 and 2024, respectively. Our impairment losses on financial assets and contract assets were primarily due to provision for trade and bills receivable and contract assets.

Other Expenses

During the Track Record Period, our other expenses primarily consist of loss from loss related to early termination of lease contracts and foreign exchange losses. Our other expenses amounted to RMB0.1 million, RMB2.6 million and RMB1.2 million in 2022, 2023 and 2024, respectively.

Finance Costs

During the Track Record Period, our finance costs primarily included interest expenses on bank borrowings and other loans and interest expenses on lease liabilities. Our finance costs amounted to RMB2.5 million, RMB2.3 million and RMB1.4 million in 2022, 2023 and 2024, respectively.

Income Tax Expense

During the Track Record Period, we did not incur any income tax expenses as we recorded loss before tax in our operation for 2022, 2023 and 2024.

We are subject to PRC income tax on an entity basis on profits arising in or derived from Chinese mainland. Under the EIT Law and the EIT Implementation Regulations, the EIT rate of our PRC subsidiaries is 25%, while our Company was qualified as high and new technology enterprises and entitled to a preferential EIT rate of 15% during the Track Record Period. See Note 11 of the Accountants' Report in Appendix I to this document.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material dispute with any tax authority.

Loss for the Year

As a result of the foregoing, during the Track Record Period, our loss for the year amounted to RMB127.6 million, RMB100.3 million and RMB45.1 million in 2022, 2023 and 2024, respectively.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

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

Revenue

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

The growth in the sales of our robotic solutions and robots and other related products was primarily driven by increased customer demand and enhanced acceptance of our products and solutions, resulting in higher sales volume of robots, which increased from 1,212 robots in 2023 to 1,932 robots in 2024, with the addition of major new customers in the 3C and automotive industries in 2024.

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

Cost of Sales

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

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

Gross Profit and Gross Profit Margin

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

Other Income and Gains

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

Selling and Marketing Expenses

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

Administrative Expenses

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

R&D Expenses

Our R&D expenses decreased by 34.7% from RMB56.1 million in 2023 to RMB36.6 million in 2024, and at the same time, the percentage of R&D expenses to total revenue dropped significantly from 34.6% in 2023 to 14.6% in 2024, primarily due to (i) our implementation of efficiency improvements, leading to a reduction in R&D personnel compensation, with a significant impact on costs due to the relatively higher salaries for R&D personnel, and (ii) the successful development and continuous optimization of our robots with improved product versatility and enhanced modularity in previous years, resulting in decreased R&D expenditure in 2024.

Impairment Losses on Financial Assets and Contract Assets

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

Other Expenses

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

Finance Costs

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

Loss for the Year

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

Year Ended December 31, 2023 Compared with Year Ended December 31, 2022

Revenue

Our revenue increased by 68.4% from RMB96.3 million in 2022 to RMB162.2 million in 2023, attributable to increase in revenue generated from both sale of our robotic solutions and robots and other related products, as well as in both domestic and overseas market.

The growth in the sales of our robotic solutions and robots and other related products was primarily driven by an increase in the sales volume of our robots, which grew from 725 units in 2022 to 1,212 units in 2023. This surge was attributable to the release of pent-up customer demand from 2022, leading to heightened market demand and a significant increase in orders in 2023. Additionally, in 2023, we actively expanded our customer base across various industries, leading to the acquisition of new customers from different sectors.

Our revenue from Chinese mainland increased by 64.0% from RMB86.5 million in 2022 to RMB141.9 million in 2023, primarily attributable to the release of pent-up customer demand and our increased sales efforts. Our revenue from countries and regions outside Chinese mainland increased by 107.5% from RMB9.8 million in 2022 to RMB20.3 million in 2023, primarily attributable to our expanded sales efforts in the Japanese and Southeast Asian markets.

Cost of Sales

Our cost of sales increased by 32.3% from RMB83.9 million in 2022 to RMB111.0 million in 2023, compared to our revenue growth rate of 68.4% during the same period, primarily due to (i) our record of less inventory write-down in 2023 at RMB23.2 million, compared to an inventory write-down of RMB26.3 million in 2022, and (ii) the slower increase rate of raw materials costs at only 54.3%, as our new series of robots sold in 2023 predominantly utilized domestically sourced components, which reduced overall raw material procurement costs. Our logistics expenses remained relatively stable at RMB1.6 million for both 2022 and 2023, despite the growth of revenue during the period, as logistics expenses are more correlated with the frequency of transportation and does not necessarily increase proportionately with revenue.

Gross Profit and Gross Profit Margin

As a result of the above, our gross profit increased significantly from RMB12.4 million in 2022 to RMB51.2 million in 2023. Our gross profit margin increased from 12.9% in 2022 to 31.6% in 2023. The gross profit margin was relatively low in 2022, primarily due to (i) the delivery inefficiencies in 2022 under the pandemic-related containment measures, and (ii) inventory write-downs of RMB26.3 million in 2022 to phase out legacy products following the successful launch of our next-generation robot series.

Other Income and Gains

Our other income and gains decreased slightly from RMB7.3 million in 2022 to RMB7.1 million in 2023, primarily due to decrease in government grants of RMB2.0 million, partially offset by (i) increase in net gains on early termination of certain production premise lease of RMB0.7 million, and (ii) increase in investments income from financial assets at FVTPL of RMB1.1 million, attributable to the fluctuations in interest income from structured deposits.

Selling and Marketing Expenses

Our selling and marketing expenses remained relatively stable at RMB57.4 million in 2023 compared to RMB57.7 million in 2022.

Administrative Expenses

Our administrative expenses increased by 21.2% from RMB21.0 million in 2022 to RMB25.5 million in 2023, primarily attributable to the increase in employee compensation and benefits, due to one-time severance payments and other expenses associated with cost optimization initiatives.

R&D Expenses

Our R&D expenses increased slightly from RMB55.5 million in 2022 to RMB56.1 million in 2023, primarily due to the increase in our R&D materials expenses of RMB6.4 million as a result of our continuous optimization of our new robot series during the year, partially offset by decrease in employee compensation and benefits caused by our implementation of efficiency improvements, leading to a reduction in R&D personnel compensation.

Impairment Losses on Financial Assets and Contract Assets

Our impairment losses on financial assets and contract assets increased from RMB10.5 million in 2022 to RMB14.7 million in 2023, primarily due to the expansion in the scale of trade and bills receivable and contract assets in line with increased revenue, resulting in a larger provision for impairment.

Other Expenses

Our other expenses increased significantly from RMB0.1 million in 2022 to RMB2.6 million in 2023, primarily due to loss related to early termination of lease contracts incurred in 2022.

Finance Costs

Our finance costs decreased slightly from RMB2.5 million in 2022 to RMB2.3 million in 2023, primarily due to our termination of some office and factory leases in 2023, which reduced our interest expenses on lease liabilities.

Loss for the Year

As a result of the foregoing, our loss for the year decreased by 21.4% from RMB127.6 million in 2022 to RMB100.3 million in 2023.

DISCUSSION ON KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,		
	2022	**2023**	**2024**
		(RMB in thousands)	
Total current assets	189,273	216,331	277,442
Total non-current assets	41,790	18,545	28,337
Total assets	**231,063**	**234,876**	**305,779**
Total current liabilities	212,305	141,204	159,503
Total non-current liabilities	16,868	8,000	5,809
Total liabilities	**229,173**	**149,204**	**165,312**
Net assets	**1,890**	**85,672**	**140,467**
Paid-in capital	4,949	5,673	6,015
Reserves	(3,059)	79,999	134,452
Total equity	**1,890**	**85,672**	**140,467**
Total liabilities and equity	**231,063**	**234,876**	**305,779**

Current Assets and Liabilities

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

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	(RMB in thousands)			
				(unaudited)
Current assets				
Inventories	111,481	110,460	59,432	63,094
Trade and bills receivables	28,994	51,817	93,422	91,057
Debt investments at fair value through other comprehensive income	1,205	1,896	697	—
Contract assets	4,974	8,464	12,834	11,689
Prepayments, other receivables and other assets	12,490	9,850	6,435	15,849
Financial assets measured at FVTPL	—	—	17,008	30,008
Restricted cash	—	390	3,256	7,851
Time deposits	—	—	1,000	1,000
Cash and cash equivalents	30,129	33,454	83,358	55,658
Total current assets	**189,273**	**216,331**	**277,442**	**276,206**
Current liabilities				
Trade payables	64,171	45,785	52,299	66,543
Other payables and accruals	24,058	23,608	20,171	19,791
Interest-bearing bank and other borrowings	59,728	25,028	42,881	33,029
Lease liabilities	11,636	4,565	4,286	4,049
Contract liabilities	44,299	34,054	16,111	31,842
Deferred income	—	—	8,000	8,000
Provisions	8,413	8,164	15,755	15,755
Total current liabilities	**212,305**	**141,204**	**159,503**	**179,009**
Net current (liabilities)/assets	**(23,032)**	**75,127**	**117,939**	**97,197**

Our net current assets decreased by 17.6% from RMB117.9 million as of December 31, 2024 to RMB97.2 million as of April 30, 2025, primarily due to (i) an increase in financial assets at FVTPL of RMB13.0 million, (ii) a decrease in cash and cash equivalents of RMB27.7 million, (iii) an increase in trade payables of RMB14.2 million, and (iv) an increase in contract liabilities of

RMB15.7 million, partially offset by (i) an increase in prepayments, other receivables and other assets of RMB9.4 million, and (ii) a decrease in interest-bearing bank and other borrowings of RMB9.9 million.

Our net current assets increased by 57.0% from RMB75.1 million as of December 31, 2023 to RMB117.9 million as of December 31, 2024, primarily due to (i) an increase in trade and bills receivables of RMB41.6 million, (ii) an increase in financial assets at FVTPL of RMB17.0 million, (iii) an increase in cash and cash equivalents of RMB49.9 million, and (iv) a decrease in contract liabilities of RMB17.9 million, partially offset by (i) a decrease in inventories of RMB51.0 million, (ii) an increase in trade payables of RMB6.5 million, (iii) an increase in interest-bearing bank and other borrowings of RMB17.9 million, (iv) an increase in deferred income of RMB8.0 million, and (v) an increase in provisions of RMB7.6 million.

We recorded net current assets of RMB75.1 million as of December 31, 2023 as compared to net current liabilities of RMB23.0 million as of December 31, 2022, primarily due to (i) an increase in trade and bills receivables of RMB22.8 million, (ii) a decrease in trade payables of RMB18.4 million, (iii) a decrease in interest-bearing bank and other borrowings of RMB34.7 million, (iv) a decrease in lease liabilities of RMB7.1 million and (v) a decrease in contract liabilities of RMB10.2 million, partially offset by a decrease in prepayments, other receivables and other assets of RMB2.6 million.

We recorded net current liabilities of RMB23.0 million in 2022, primarily due to the relatively large amount of contract liabilities of RMB44.3 million as of December 31, 2022, resulted from the inefficiencies in our deliveries due to pandemic-related containment measures.

Inventories

Our inventories primarily consisted of raw materials, work in process, finished goods and goods in transit. The following table sets out a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in thousands)		
Raw materials	18,042	20,232	15,108
Work in progress	21,610	6,814	5,801
Finished goods	7,320	9,094	9,693
Contract fulfillment costs	64,509	74,320	28,830
Total	**111,481**	**110,460**	**59,432**

Our inventories consist of raw materials, work in process and finished goods and contract fulfillment costs. Contract fulfillment costs include on-site materials such as robotic products and accessories, delivery personnel salaries and other delivery expenses. The amount of raw materials, work in process and finished goods fluctuated at year-end due to varying material states during inventory counts. However, the combined total amount of these categories decreased year over year, largely benefiting from our enhanced inventory management practices, including more procurement based on order demand, coupled with limited space following lease terminations, which reduced the stocking of materials and products.

Our inventories decreased slightly from RMB111.5 million as of December 31, 2022 to RMB110.5 million as of December 31, 2023, primarily due to the decrease in the combined amount of raw materials, work in process and finished goods, and partially offset by the increase in contract fulfillment costs, mainly due to a higher number of robotic solutions in delivery at the end of 2023. Our inventories decreased significantly by 46.2% from RMB110.5 million as of December 31, 2023 to RMB59.4 million as of December 31, 2024, driven by both (i) the decrease in the combined amount of raw materials, work in process and finished goods, and (ii) the decrease in the contract fulfillment costs from RMB74.3 million as of December 31, 2023 to RMB28.8 million as of December 31, 2024, primarily due to our improved delivery capabilities.

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

	As of December 31,		
	2022	2023	2024
		(RMB in thousands)	
Within 1 year	138,743	98,282	57,798
1 to 2 years	172	42,122	15,139
2 to 3 years	—	73	6,074
Less: Write-down of inventories	27,434	30,017	19,579
Total	**111,481**	**110,460**	**59,432**

Our management periodically reviews our inventory levels for slow-moving inventory, obsolescence or decline in market value. Allowance is made when the net realizable value of inventories falls below the cost or any of the inventories is identified as obsolete. We assess the net realizable value of the inventories as well as the required amount of write-down of inventories at the end of each reporting period, which involves significant judgment on determination of the estimated selling price of our products in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on our current market condition, contract price of products if they are held for particular contracts and the historical experience of distributing and selling products of similar nature. As at 31 December 2022, 2023 and 2024, we had inventory write-down of RMB27.4 million, RMB30.0 million and RMB19.6 million, respectively. Our management believes that sufficient provision has been made at the end of each of the reporting periods.

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

	Year Ended December 31,		
	2022	**2023**	**2024**
Inventory turnover days(1)	418.4	459.4	261.2

Note:

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

Our inventory turnover days increased from 418.4 days in 2022 to 459.4 days in 2023, and then decreased to 261.2 days in 2024. The extended inventory turnover days in 2022 were largely attributable to the pandemic, during which our order volume was relatively low, and pandemic control measures delayed order deliveries and prolonged inventory cycles. In 2023, although our delivery lead times improved as the impacts of the pandemic eased, the simultaneous rise in customer orders prompted us to strategically build inventory reserves to ensure fulfillment, resulting in an increase in inventory turnover days. The notable reduction in inventory turnover days in 2024 was primarily due to (i) our enhanced inventory management practices, including more procurement based on order demand, coupled with limited space following lease terminations, which reduced the stocking of raw materials; and (ii) our improved delivery capabilities, beneficial from our new products with improved product versatility and enhanced modularity, which accelerated the turnover of inventory.

As of April 30, 2025, RMB18.0 million, or 30.5% of our inventories as of December 31, 2024, had been consumed.

Trade and Bills Receivables

Our trade and bills receivables primarily refer to trade receivables from third parties, less impairment and bills receivables. The following table sets forth a breakdown of our trade and bills receivables as of the dates indicated:

	As of December 31,		
	2022	**2023**	**2024**
		(RMB in thousands)	
Bill receivables	2,710	9,764	5,503
Trade receivables	49,525	78,604	145,461
Allowance for credit losses	(23,241)	(36,551)	(57,542)
Total	**28,994**	**51,817**	**93,422**

We typically require payment in installments: an initial portion of the purchase amount is paid upon the signing of agreement, a second portion upon shipment of the ordered products, a third portion upon receipt and acceptance, and the final installment upon the expiration of the warranty period, which typically lasts one year. However, at the request of certain major customers, this practice may vary; for example, some customers may opt to pay the full lump sum upon receipt and acceptance. Our trade and bills receivables increased from RMB29.0 million as of December 31, 2022 to RMB51.8 million as of December 31, 2023, and further increased to RMB93.4 million as of December 31, 2024, which is generally in line with the increase in our business scale.

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

	As of December 31,		
	2022	**2023**	**2024**
		(RMB in thousands)	
Within 1 year	27,585	51,040	90,093
1 to 2 years	1,409	777	3,329
Total	**28,994**	**51,817**	**93,422**

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

	Year Ended December 31,		
	2022	**2023**	**2024**
Trade and bills receivables turnover days[1].	184.2	144.2	163.2

Note:

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

Our trade and bills receivables turnover days decreased from 184.2 days in 2022 to 144.2 days in 2023, and then increased to 163.2 days in 2024. The decrease in trade and bills receivables turnover days in 2023 was primarily due to our strengthened customer management and increased efforts in the collection of accounts receivable. In 2024, the increase in trade and bills receivables turnover days in 2024 was in line with our increased sales volume and our allocation of more resources to support business expansion, coupled with influence by payment delays from certain major customers.

As of April 30, 2025, RMB37.3 million, or 24.7% of our trade and bills receivables as of December 31, 2024, had been settled.

Contract Assets

Our contract assets comprise warranty retention receivables, which typically amount to 10 percent of the contract value for our robotic solutions. Our contract assets increased from RMB5.0 million as of December 31, 2022 to RMB8.5 million as of December 31, 2023, and further increased to RMB12.8 million as of December 31, 2024. These increases align with the growth in our revenue over the same period.

Prepayments, Other Receivables and Other Assets

The current portion of our prepayments, other receivables and other assets consisted of (i) prepayments, (ii) value-added tax recoverable, and (iii) other receivables and deposit, which represents bid security and lease security. The following table sets out a breakdown of the current portion of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,		
	2022	**2023**	**2024**
		(RMB in thousands)	
Prepayments	8,639	6,568	3,650
Value-added tax recoverable	911	175	362
Other receivables and deposit	2,940	3,107	2,423
Total	**12,490**	**9,850**	**6,435**

The decrease in the current portion of our prepayments, other receivables and other assets from RMB12.5 million as of December 31, 2022 to RMB9.9 million as of December 31, 2023, and further deceased to RMB6.4 million as of December 31, 2024, primarily due to the decrease in our prepayments. Our prepayments decreased by 23.3% from RMB8.6 million as of December 31, 2022 to RMB6.6 million as of December 31, 2023 and further decreased by 43.9% to RMB3.7 million as of December 31, 2024. This continuous reduction in prepayments during the Track Record Period resulted from our refined procurement policies, which focus on procuring raw materials based on order demands rather than maintaining large stockpiles. Additionally, as our business operations have scaled up, our bargaining power has strengthened, allowing us to negotiate longer payment terms and reduced prepayment requirements. We adhere to a strict policy on prepayment management and aim to maintain a relatively low level of prepayments as a percentage of our total purchase amount.

Financial Assets Measured at FVTPL

Our financial assets measured at FVTPL consisted of wealth management products issued by commercial banks in the PRC with variable interest rates. During the Track Record Period, we didn't have any wealth management products as of December 31, 2022 and 2023. We recorded financial assets measured at FVTPL at an amount of RMB17.0 million as of December 31, 2024, as we purchased wealth management product to fully utilize our spare funds.

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

After the **[REDACTED]**, our investments in financial assets at FVTPL will be subject to compliance with Chapter 14 of the Listing Rules.

Trade Payables

Our trade payables primarily consisted of the amount payables to our suppliers. Our trade payables decreased by 28.7% from RMB64.2 million as of December 31, 2022 to RMB45.8 million as of December 31, 2023, primarily due to improved cash flow in 2023, which enabled us to expedite the settlement of longstanding trade payables. Our trade payables increased by 14.2% from RMB45.8 million as of December 31, 2023 to RMB52.3 million as of December 31, 2024, primarily driven by the growth of our business and sales, leading to a rise in trade payables.

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

	As of December 31,		
	2022	**2023**	**2024**
		(RMB in thousands)	
Within 1 year	61,660	35,469	42,853
Over 1 year	2,511	10,316	9,446
Total	**64,171**	**45,785**	**52,299**

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

	Year Ended December 31,		
	2022	2023	2024
Trade payables turnover days(1)	191.9	180.8	116.7

Note:

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

Our trade payables turnover days decreased from 191.9 days in 2022 to 180.8 days in 2023, and further decreased to 116.7 days in 2024, primarily because we expedited the settlement of our trade payables due to our improved cash flow.

As of April 30, 2025, RMB21.7 million, or 41.6% of our trade payables as of December 31, 2024, had been settled.

Other Payables and Accruals

Our other payables and accruals decreased slightly from RMB24.1 million as of December 31, 2022 to RMB23.6 million as of December 31, 2023, and further decreased to RMB20.2 million as of December 31, 2024, primarily attributable to the decreases in the combined amount of payroll payables and cash settled share-based payments to our employees during the same period. The following table sets out a breakdown of our other payables and accruals as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in thousands)		
Payroll payables	7,708	11,018	9,494
Cash settled share-based payments	9,574	3,625	3,709
Output value added tax to be transferred	5,514	4,209	1,889
Other tax payables	1,010	3,150	1,443
Other payables	252	1,606	3,636
Total	**24,058**	**23,608**	**20,171**

Contract Liabilities

Our contract liabilities primarily represent advances from customers for our sale of robotic solutions. Our contract liabilities decreased by 23.1% from RMB44.3 million as of December 31, 2022 to RMB34.1 million as of December 31, 2023, and further decreased by 52.7% to RMB16.1 million as of December 31, 2024. This reduction was primarily driven by the enhancement of our delivery capabilities, which enabled us to complete projects more swiftly and recognize revenue more promptly.

Provisions

We generally provide warranties of one year to our customers for our robotic solutions for general repairs of defects occurring during the warranty period. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. We recorded provisions for the warranties of RMB8.4 million, RMB8.2 million and RMB15.8 million as of December 31, 2022, 2023 and 2024, respectively.

Non-Current Assets and Liabilities

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

	As of December 31,		
	2022	**2023**	**2024**
		(RMB in thousands)	
Non-current assets			
Property, plant and equipment	18,449	13,289	7,312
Right-of-use assets	18,732	4,035	10,011
Other intangible assets	1,125	807	490
Prepayments, other receivables and other assets	3,484	414	10,524
Total non-current assets	**41,790**	**18,545**	**28,337**
Non-current liabilities			
Lease liabilities	8,868	—	5,809
Deferred income	8,000	8,000	—
Total non-current liabilities	**16,868**	**8,000**	**5,809**

Property, Plant and Equipment

Our property, plant and equipment consisted of (i) machinery and equipment, (ii) office equipment and fixtures, (iii) motor vehicles, (iv) other equipment and (v) leasehold improvement. Our property, plant and equipment decreased by 28.0% from RMB18.4 million as of December 31, 2022 to RMB13.3 million as of December 31, 2023, primarily due to (i) disposal of obsolete equipment and leasehold improvements after our termination of some office and factory leases and (ii) depreciation provided during the year, partially offset by increase in leasehold improvement for the renovation of our office. Our property, plant and equipment subsequently decreased by 45.0% to RMB7.3 million as of December 31, 2024, primarily due to (i) disposal of office equipment and fixtures after our termination of some office leases and (ii) depreciation provided during the year.

Right-of-Use Assets

Our right-of-use assets consisted of lease for buildings. Our right-of-use assets decreased by 78.6% from RMB18.7 million as of December 31, 2022 to RMB4.0 million as of December 31, 2023, primarily due to early termination of some office and factory leases and depreciation charge for the year. Our right-of-use assets increased by 148.1% to RMB10.0 million as of December 31, 2024, primarily due to the renew of leasing agreement.

LIQUIDITY AND CAPITAL RESOURCES

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

Our cash burn rate refers to the average monthly aggregate amount of (i) net cash used in operating activities, (ii) purchase of property, plant and equipment and purchase of intangible assets, and (iii) lease payment and lease interests. Our historical cash burn rate was RMB9.2 million, RMB11.2 million and RMB2.8 million in 2022, 2023 and 2024, respectively. We had a relatively high cash burn rate in 2023, primarily due to significant outflows for settling outstanding supplier payables accumulated in prior year. In 2024, we observe a notable reduction in the cash burn rate, attributable to (i) the delayed benefits of prior cost-saving measures materializing through leaner operations, and (ii) strategic business mix optimization, with increased share of high-margin orders, facilitating faster cash conversion.

We had cash and cash equivalents, time deposits, financial assets at FVTPL and unutilized banking facilities of RMB116.5 million in aggregate as of December 31, 2024. We estimate that we will receive net **[REDACTED]** of approximately HK$**[REDACTED]** million after deducting the estimated **[REDACTED]** commissions and other fees and expenses paid and payable by us in connection with the **[REDACTED]**, assuming no **[REDACTED]** is exercised and assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]**, being the mid-point of the indicative **[REDACTED]** range as set out in this document. Assuming that the average cash burn rate going forward will be RMB2.8 million, similar to the cash burn rate level in 2024, although which is 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, time deposits, financial assets at FVTPL and unutilized banking facilities as of December 31, 2024 will be able to maintain our financial viability for approximately [41.4] months or, if we take into account 10% of the estimated net **[REDACTED]** from the **[REDACTED]** (namely, the portion allocated for our working capital and other general corporate purposes), approximately **[REDACTED]** months or, if we take into account 100% of the estimated net **[REDACTED]** from the **[REDACTED]**, approximately **[REDACTED]** months.

We have no concrete plan for future financing after the **[REDACTED]** for purpose of our commercialization plan as disclosed in this document taking into account our available cash, **[REDACTED]** from the **[REDACTED]** and based on our cash burn rate. However, with the continuing expansion of our business and development of our solutions or services, or if we discover suitable targets for acquisition or business collaboration, we could not exclude the possibility to require further funding through public or private equity 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.

Consolidated Statements of Cash Flow

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

	As of December 31,		
	2022	2023	2024
	(RMB in thousands)		
Net cash flows used in operating activities	(89,777)	(120,123)	(27,184)
Net cash flows from/(used in) investing activities	5,207	(2,980)	(28,038)
Net cash flows from financing activities	43,844	126,415	105,094
Net (decrease)/increase in cash and cash equivalents	**(40,726)**	**3,312**	**49,872**

	As of December 31,		
	2022	2023	2024
		(RMB in thousands)	
Cash and cash equivalents at beginning of year	70,774	30,129	33,454
Effect of foreign exchange rate changes, net	81	13	32
Cash and cash equivalents at end of year	**30,129**	**33,454**	**83,358**

Net Cash Used in Operating Activities

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

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

In 2022, we had net cash flows used in operating activities of RMB89.8 million, as compared to loss before tax of RMB127.6 million. The principal items accounting for the difference were the adjustments of: (i) depreciation of property, plant and equipment expenses of RMB6.0 million; (ii) depreciation of right-of-use assets of RMB11.0 million; (iii) write-down of inventories to net realizable value of RMB26.3 million; and (iv) impairment of financial assets and contract assets of RMB10.5 million. The amount was further adjusted by changes in itemized balances of operating assets and liabilities, which primarily consisted of (i) increase in inventories of RMB101.7 million, (ii) increase in trade payables of RMB38.1 million, and (iii) increase in contract liabilities of RMB32.7 million.

Net Cash Flows Used in Investing Activities

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

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

In 2022, our net cash flows from investing activities were RMB5.2 million, which was primarily attributable to proceeds from redemption of wealth management product of RMB15.7 million, and partially offset by (i) the purchase of items of property, plant and equipment of RMB9.6 million, (ii) acquisition of intangible assets of RMB0.9 million.

Net Cash Flows from Financing Activities

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

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

In 2022, our net cash flows from financing activities were RMB43.8 million, attributable to (i) new bank borrowings of RMB71.0 million and (ii) receipts of cash-settled share-based payments of RMB9.6 million, and offset by (i) repayment of bank loans of RMB25.0 million, (ii) principal payments of lease liabilities of RMB9.3 million, and (iii) interest paid of RMB2.4 million.

CASH OPERATING COSTS

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

	As of December 31,		
	2022	**2023**	**2024**
		(RMB in thousands)	
Direct production costs, including materials[1]	66,797	98,008	148,402
Workforce employment[2]	91,136	90,341	82,963
Product marketing[3]	21,156	21,300	30,307
R&D costs[4]	8,676	15,198	8,270
Non-income taxes and other charge	3,404	4,062	12,766
Contingency allowances	—	—	—
Total	**191,169**	**228,909**	**282,708**

Notes:

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

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

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

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

INDEBTEDNESS

As of December 31, 2022, 2023 and 2024 and April 30, 2025, our indebtedness included lease liabilities and interest-bearing bank borrowings. The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of April 30,
	2022	2023	2024	2025
	(RMB in thousands)			
				(unaudited)
Current:				
Lease liabilities	11,636	4,565	4,286	4,049
Interest-bearing bank loans	59,728	25,028	42,881	33,029
Non-current:				
Lease liabilities	8,868	—	5,809	4,672
Total	**80,232**	**29,593**	**52,976**	**41,750**

Lease Liabilities

As of December 31, 2022, 2023 and 2024 and April 30, 2025, our total lease liabilities (including current and non-current portions) amounted to RMB20.5 million, RMB4.6 million, RMB10.1 million and RMB8.7 million, respectively.

Our total lease liabilities significantly decreased from RMB20.5 million as of December 31, 2022 to RMB4.6 million as of December 31, 2023, primarily due to our termination of some office and factory leases, and subsequently significantly increased to RMB10.1 million as of December 31, 2024, primarily due to renewal of existing leases.

Interest-Bearing Bank and Other Borrowings

As of December 31, 2022, 2023 and 2024 and April 30, 2025, our interest-bearing bank loans amounted to RMB59.7 million, RMB25.0 million, RMB42.9 million, and RMB33.0 million, respectively.

Our interest-bearing bank loans significantly decreased from RMB59.7 million as of December 31, 2022 to RMB25.0 million as of December 31, 2023, primarily because we repaid certain bank loans and borrowings after our equity financing in 2023; and subsequently increased by 71.6% to RMB42.9 million as of December 31, 2024, primarily driven by the need to support business development, which led to the incurring of additional bank borrowings.

No Other Outstanding Indebtedness

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

Except as disclosed above, as of April 30, 2025, being the most recent practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there has been no material change in our indebtedness from April 30, 2025 to the date of this document.

CONTINGENT LIABILITIES

As of December 31, 2022, 2023 and 2024 and April 30, 2025, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against us or any member of our Group that is likely to have a material and adverse effect on our business, financial condition and result of operations.

R&D EXPENDITURE AND TOTAL OPERATING EXPENDITURE

During the Track Record Period, our R&D expenditure is consistent with our R&D expenses and we didn't capitalize any R&D expenses. The following table sets forth our annual and total R&D expenditure for the years indicated:

	Year ended December 31,		
	2022	**2023**	**2024**
		(RMB in thousands)	
Annual R&D expenditure	55,525	56,098	36,611
Total R&D expenditure for the three financial years prior to [REDACTED]			**148,234**

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

	Year ended December 31,		
	2022	**2023**	**2024**
		(RMB in thousands)	
R&D expenses	55,525	56,098	36,611
Selling and marketing expenses	57,695	57,358	64,595
Administrative expenses	21,005	25,466	23,575
Annual operating expenditure	**134,225**	**138,922**	**124,781**
Total operating expenditure for the three financial years prior to [REDACTED]			**397,928**

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

	Year ended December 31,		
	2022	**2023**	**2024**
Annual R&D expenditure ratio(1)	**41.4%**	**40.4%**	**29.3%**
Total R&D expenditure ratio			**37.3%**

Notes:

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

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

CAPITAL EXPENDITURES AND COMMITMENTS

During the Track Record Period, our capital expenditure primarily consisted of (i) purchase of items of property, plant and equipment; and (ii) purchase of intangible assets. The table below sets forth our capital expenditure for the years indicated:

	Year ended December 31,		
	2022	2023	2024
		(RMB in thousands)	
Purchase of property, plant and equipment	9,568	4,739	896
Purchase of intangible assets	942	—	—
Total	**10,510**	**4,739**	**896**

We had capital expenditures of RMB10.5 million, RMB4.7 million and RMB0.9 million in 2022, 2023 and 2024, respectively. The purchase of property, plant and equipment totaling RMB9.6 million in 2022 was primarily attributed to our office renovations. We funded the expenditure mainly with cash generated from business operations and financing activities.

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

As of December 31, 2022, 2023 and 2024, our capital commitments were RMB6.8 million, RMB0.6 million and RMB0.1 million, respectively, which comprised of purchases of items of property, plant and equipment that had been contracted but not provided for.

KEY FINANCIAL RATIOS

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

	As of/For the Year ended December 31,		
	2022	2023	2024
Gross profit margin[1]	12.9%	31.6%	38.8%
Net loss margin[2]	(132.6)%	(61.9)%	(18.0)%
Current ratio[3]	0.9	1.5	1.7
Quick ratio[4]	0.4	0.7	1.4
Gearing ratio[5]	42.5	0.3	0.4

Notes:

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

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

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

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

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

RELATED PARTY TRANSACTIONS

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

Our Directors are of the view that each of the related party transactions set out in Note 36 to the Accountants' Report included in Appendix I to this document was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

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

FINANCIAL RISKS DISCLOSURE

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

The main risks arising from our financial instruments are foreign currency risk, credit risk and liquidity risk. Our Board of Directors reviews and agrees policies for managing each of these risks and they are summarized below.

Foreign Currency Risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which we conduct business may affect our financial condition and results of operations.

Credit Risk

We trade only with recognized and creditworthy parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and our exposure to bad debts is not significant. The credit risk of our other financial assets, which comprise cash and cash equivalents and financial assets included in prepayments, other receivables and other assets, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

For other receivables and other assets, our management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. Our Directors believe that there is no material credit risk inherent in our outstanding balance of other receivables.

Liquidity Risk

Our objective is to maintain a balance between continuity of funding and flexibility through the use of internally generated cash flows from operations and lease liabilities. We regularly review our major funding positions to ensure that we have adequate financial resources in meeting our financial obligations.

Capital Management

The primary objectives of our capital management are to safeguard our ability to continue as a going concern and to maintain healthy capital ratios in order to support our business and maximize shareholders value.

We manage our capital structure and make adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, we may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. We are not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Track Record Periods.

DIVIDENDS

During the Track Record Period, no dividend has been paid or declared by our Company. Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. We currently do not have any dividend policy or fixed dividend pay-out ratio. 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 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 December 31, 2024, we had no distributable reserves.

[REDACTED] EXPENSES

[REDACTED] expenses represent professional fees, **[REDACTED]** commissions and other fees incurred in connection with the **[REDACTED]**. We estimate that our **[REDACTED]** expenses will be approximately HK$**[REDACTED]** million (assuming an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]** range) and no exercise of the **[REDACTED]**), representing **[REDACTED]**% of the gross **[REDACTED]** (based on the mid-point of our indicative price range for the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised) of the **[REDACTED]**. During the Track Record Period, no **[REDACTED]** expenses has been incurred. We expect HK$**[REDACTED]** million is expected to be recognized in the consolidated statements of profit or loss as administrative expenses and HK$**[REDACTED]** million is expected to be recognized as a deduction in equity directly upon the **[REDACTED]**. By nature, our **[REDACTED]** expenses are composed of (i) **[REDACTED]** commission of HK$**[REDACTED]** million, and (ii) non-**[REDACTED]** related expenses of HK$**[REDACTED]** million, which consist of fees and expenses of legal advisors and Reporting Accountants of HK$**[REDACTED]** million and other fees and expenses of HK$**[REDACTED]** million.

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II — **[REDACTED]**."

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this document there has been no material adverse change in our financial or trading position or prospects since December 31, 2024, being the end date of the periods reported in Appendix I to this document, and there is no event since December 31, 2024 that would materially affect the information as set out in the Accountants" Report in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

OVERVIEW

On April 1, 2025, Mr. Wang and Mr. Li, our executive Director and Chief Technology Officer, entered into the Acting-in-Concert Agreement (in replacement of the acting-in-concert agreement dated September 26, 2018) to confirm that they have acted in concert when addressing matters pertaining to the operational development of the Group and those requiring resolutions by a Shareholders' meeting. For details, see "History and Corporate Structure — Acting-in-Concert Arrangement" of this Document. 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 directly owned by him, and (ii) 3,161,295 Shares indirectly owned by him 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 directly owned by him. By virtue of the Acting-in-Concert Agreement, Mr. Wang, 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 Agreement, Mr. Wang is entitled to the voting rights of approximately 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)) respectively in our Company, representing **[REDACTED]**%, **[REDACTED]**% and **[REDACTED]**% of the voting rights, respectively, in our Company upon **[REDACTED]**. For details, see "History and Corporate Structure — Voting Proxy Arrangement". Immediately upon completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), they will be entitled to exercise approximately **[REDACTED]**% of voting rights in our Company and will constitute our Controlling Shareholders under the Listing Rules upon **[REDACTED]**. Standard Automation is a share incentive platform of our Company.

For background and biographical details of Mr. Wang and Mr. Li, see "Directors and Senior Management" in this Document.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Management Independence

Our business is primarily managed and conducted by our Board and senior management. Upon the completion of the **[REDACTED]**, our Board will comprise of three executive Directors, one non-executive Director and three independent non-executive Directors. See "Directors and Senior Management" for more information.

Our Directors believe that our Board and senior management is able to manage our business and function independently from our Controlling Shareholders based on the following reasons:

(1) each of our Directors is aware of his/her fiduciary duties as a Director of our Company which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interest;

(2) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Directors shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum;

(3) we have three independent non-executive Directors, who have extensive experience in different areas and have been appointed to ensure that the decisions of our Board are made after due consideration of independent and impartial opinions. Certain matters of our Company must always be referred to the independent non-executive Directors for review in accordance with the Listing Rules, the applicable laws and our Articles of Association and internal policies;

(4) our daily management and operations are carried out by our senior management team. Except Mr. Wang and Mr. Li, our senior management team members are independent from our Controlling Shareholders, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interest of our Group; and

(5) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. See "— Corporate Governance."

Operation Independence

We have established our own organizational structure comprised of individual departments, each with specific areas of responsibilities. We have also established various internal controls procedures to facilitate the effective operation of our business. Our Group is not operationally dependent on our Controlling Shareholders. Our Company (through our subsidiaries) holds or enjoys the benefit of all relevant licenses and owns all relevant intellectual property and R&D facilities necessary to carry on our business. We have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders. We also have independent access to our customers and suppliers.

Based on the above, our Directors believe that we are capable of carrying on our business independently of our Controlling Shareholders and their close associates.

Financial Independence

We have an independent financial system. Our Group's accounting and finance functions are independent of our Controlling Shareholders and their close associates. Our Group makes financial decisions according to our own business needs. Our Group's major finance operations are handled by our financial management department, which operates independently from our Controlling Shareholders and their close associates. We do not share any other functions or resources with any of our Controlling Shareholders or their close associates.

During the Track Record Period, we primarily financed our business operations through cash generated from our business activities and equity financing activities. As of the Latest Practicable Date, we did not have any outstanding borrowings from our Controlling Shareholders or any of their respective close associates.

During the Track Record Period, Mr. Wang provided guarantees over certain loans for the benefit of our Group which were applied in our ordinary course of business. As of the Latest Practicable Date, we had an aggregate of approximately RMB25 million outstanding loans (including accrued interest) guaranteed by Mr. Wang. Notwithstanding the above, our Directors are of the view that we are financially independent of our Controlling Shareholders and/or their close associates for the following reasons:

(1) our Company will seek to discharge the aforementioned guarantees prior to the **[REDACTED]**. In the event that the lending banks are not willing to discharge the guarantees, our Company will repay the outstanding loans before the **[REDACTED]**; and

(2) we have an independent financial system and make financial decisions according to our Group's own business needs independently. We have internal control and accounting systems and a finance department which can make financial decisions independently. None of our Controlling Shareholders and/or their close associates interferes with our use of funds. We have also established an Audit Committee in compliance with Rule 3.21 of the Listing Rules.

Based on the above, our Directors are of the view that we are capable of carrying on our business independently of, and do not place undue reliance on, our Controlling Shareholders and their respective close associates after the **[REDACTED]**.

Based on the above, our Directors believe that our Group is able to operate with financial independence from our Controlling Shareholders and their close associates.

CORPORATE GOVERNANCE

We have put in place sufficient corporate governance measures to manage the conflict of interest and potential competition from our Controlling Shareholders and safeguard the interest of our Shareholders, including:

(1) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their close associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(2) our Company has established internal control mechanism to identify connected transactions. After the **[REDACTED]**, our Company will comply with the requirements in connection with connected transactions under the Listing Rules;

(3) where our Directors reasonably request the advice of independent professionals, such as independent financial advisors, the appointment of such independent professional will be made at our Company's expense;

(4) we have appointed Somerley Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance;

(5) we have established the audit committee, remuneration committee and nomination committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code;

(6) our Controlling Shareholders will confirm the status of their non-competing interest on an annual basis and to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by our Company; and

(7) our Company will disclose decisions (with basis), if any, on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements.

Our Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between our Controlling Shareholders and their respective close associates and our Group and to protect the interests of our Shareholders, in particular, the minority Shareholders.

OVERVIEW

Upon the **[REDACTED]**, the Board will consist of seven Directors, including three executive Directors, one non-executive Director and three independent non-executive Directors. The Board is responsible, and has general authority for, the management and operation of the Company. Our Directors are appointed for a term of three years and are eligible for re-election upon expiry of their term of office.

Our senior management is responsible for the day-to-day operations of the Company.

All of the Directors and senior management have met the qualification requirements under the relevant PRC laws and regulations and the Listing Rules for their respective positions.

BOARD OF DIRECTORS

The following table sets forth certain information regarding the members of our Board.

Name	Age	Position	Date of joining our Group	Date of appointment as a Director	Responsibility	Relationship with other Directors and senior management
Executive Directors						
Mr. Wang Yongkun (王永錕).	33	Executive Director, Chairman of the Board, Chief Executive Officer	June 2016	March 2018	Responsible for overall strategic planning and operational decisions	N/A
Mr. Li Hongxiang (李洪祥).	33	Executive Director, Chief Technology Officer	June 2016	January 2019	Responsible for product R&D management	N/A
Mr. Wang Jinpeng (王金鵬).	36	Executive Director, Chief Operating Officer	April 2017	August 2020	Responsible for domestic and overseas marketing, sales and client operation	N/A

Name	Age	Position	Date of joining our Group	Date of appointment as a Director	Responsibility	Relationship with other Directors and senior management
Non-executive Director						
Mr. Wei Xiaoan (衛曉安)	48	Non-Executive Director	October 2021	October 2021	Responsible for providing guidance on overall strategic planning, corporate governance and business direction of our Group	N/A
Independent non-executive Directors						
Dr. Zang Yunzhi (臧蘊智)	45	Independent non-executive Director	May 2025	May 2025	Responsible for providing independent opinion and judgment to the Board	N/A
Mr. Sun Wei Yung Kevin (孫偉勇)	53	Independent non-executive Director	May 2025	May 2025	Responsible for providing independent opinion and judgment to the Board	N/A
Dr. Fan Zhiyong (范智勇)	49	Independent non-executive Director	May 2025	May 2025	Responsible for providing independent opinion and judgment to the Board	N/A

Executive Directors

Mr. Wang Yongkun (王永錕), aged 33, is our founder, executive Director, chairman of the Board and Chief Executive Officer mainly responsible for the Company's overall strategic planning and operational decisions.

Mr. Wang joined our Group as our Chief Technology Officer in June 2016, and has served as the executive Director, chairman of the Board and Chief Executive Officer of our Company since March 2018.

Mr. Wang obtained his bachelor's degree in automation, and master's degree in control engineering, from Harbin Institute of Technology (哈爾濱工業大學) in the PRC in July 2013 and July 2015, respectively.

Mr. Li Hongxiang (李洪祥), aged 33, is our co-founder, executive Director and Chief Technology Officer mainly responsible for the Company's product research and development management since he joined our Group as our head of research and development department in June 2016.

Prior to joining our Group, Mr. Li obtained his bachelor's degree in computer science and engineering (計算機科學與技術) from Harbin Institute of Technology (哈爾濱工業大學) in the PRC in June 2014.

Mr. Wang Jinpeng (王金鵬) , aged 36, is our executive Director and Chief Operating Officer mainly responsible for the Company's domestic and overseas marketing, sales and client operation.

Prior to joining our Group, Mr. Wang obtained his bachelor's degree in mechanical design, manufacturing and automation (機械設計製造及其自動化), and his master's degree in software engineering (軟件工程), from Harbin Institute of Technology (哈爾濱工業大學) in the PRC in July 2012 and October 2014, respectively. He obtained his master's degree in computer science and technology from Blaise Pascal University (Clermont-Ferrand II) in France in January 2025. Mr. Wang further pursued his doctorate degree in computer vision and machine learning from University of Birmingham in the United Kingdom from December 2014 to December 2016.

Non-executive Director

Mr. Wei Xiao'an (衛曉安), aged 48, is our non-executive Director mainly responsible for the Company's guidance on overall strategic planning, corporate governance and business direction of our Group.

Mr. Wei has served as the partner of Beijing Bohua Capital Co., Ltd. (北京博華資本有限公司) from September 2017. From June 2015 to September 2017, Mr. Wei served as Managing Director at Jiantou Investment Co., Ltd. (建投投資有限公司) and Jiantou Huawen Investment Co., Ltd. (建投華文投資有限公司). From May 2004 to March 2015, Mr. Wei served at Beijing Hony Investment Advisory Co., Ltd. (北京弘毅投資顧問有限公司) and Beijing Hony Horizon Investment Advisory Co., Ltd. (北京弘毅遠方投資顧問有限公司).

Mr. Wei has obtained the Fund Practitioner Qualification from Asset Management Association of China (中國證券投資基金業協會) in January 2018.

Mr. Wei obtained his bachelor's degree in international finance from University of International Business and Economics (對外經濟貿易大學) in the PRC in July 1999. He obtained his Master of Business Administration from Rotterdam School of Management in Netherlands in March 2003.

Independent Non-executive Directors

Dr. Zang Yunzhi (臧蘊智), aged 45, is our independent non-executive Director mainly responsible for providing independent opinion and judgment to the Board.

Since September 2024, Dr. Zang has been appointed as the co-director of the Center for Securities Analysis with Financial Technology at the Hong Kong University of Science and Technology. Dr. Zang has also served as an associate professor at the department of accounting in the Hong Kong University of Science and Technology since July 2015. Dr. Zang served as an assistant professor at the department of accounting in the Hong Kong University of Science and Technology from July 2009 to July 2015, and as an assistant professor at the Simon School of Business, University of Rochester from July 2006 to June 2009.

Dr. Zang has been an independent non-executive director of China East Education Holdings Limited (中國東方教育控股有限公司), a company listed on the Stock Exchange (stock code: 667) since May 2021.

Dr. Zang obtained her bachelor's degree in accounting from Tsinghua University in July 2001 and a Ph.D. degree in business administration from Duke University in December 2006. Dr. Zang has extensive experience in accounting and teaching. She has held positions at the editorial boards of *The Accounting Review (TAR)* since 2017 and is currently an editorial member of *Contemporary Accounting Research (CAR)*. Dr. Zang had passed all exams at the Certified General Accountants Association of Canada in 2001.

Mr. Sun Wei Yung Kevin (孫偉勇), aged 53, is our independent non-executive Director mainly responsible for providing independent opinion and judgment to the Board.

Mr. Sun has over 30 years of experience in the travel and hospitality industry. During 2009 to 2021, Mr. Sun established and acted as a director of Prolink Development Limited. From 1999 to 2008, Mr. Sun served as the associate director of customer services, leasing manager, director of development and vice president of consulting services in the business units of, Hyatt Regency Hong Kong, a subsidiary of Associated International Hotels Limited (stock code: 0105), Beijing Oriental Plaza CO., Ltd., belongs to CK Asset Holdings Limited (stock code: 1113), and Macro Polo Hotels, a subsidiary of the Wharf (Holdings) Limited (stock code: 0004), which are companies listed on the Stock Exchange, and HVS Global Hospitality Services. From 1995 to 1999, Mr. Sun worked on the hotel project developments at Champion Hotel Management Company Limited.

Mr. Sun has been an independent non-executive director of SY Holdings Group Limited (盛業控股集團有限公司), a company listed on the Stock Exchange (stock code: 6069.HK) since October 2024.

Mr. Sun received his bachelor of science degree from the Cornell University School of Hotel Administration in 1994. Mr. Sun has been active in public service for many years. Currently, Mr. Sun is serving as the Hong Kong deputy to the 14th National People's Congress of the PRC.

Dr. Fan Zhiyong (范智勇), aged 49, is our independent non-executive Director mainly responsible for providing independent opinions and judgment to the Board.

Dr. Fan has been a faculty member at the department of electronic and computer engineering at HKUST since May 2010. He started his career as an Assistant Professor and was promoted to Associate Professor in 2016 and then to Professor in 2019. In July of 2023, he was promoted to Chair Professor. Prior to joining HKUST, he was a postdoctoral scholar employee in the Department of Electrical Engineering and Computer Sciences at the University of California, Berkeley from February 2007 to April 2010.

Dr. Fan earned his bachelor's and master's degrees in Physics Electronics from Fudan University in July of 1998 and 2001. And he obtained his Ph.D. in Interdisciplinary Materials Science from the University of California, Irvine in December 2006.

SENIOR MANAGEMENT

Mr. Wang Yongkun (王永錕) is our Chief Executive Officer. For details of his biography, see "— Board of Directors" in this section.

Mr. Li Hongxiang (李洪祥) is our Chief Technology Officer. For details of his biography, see "— Board of Directors" in this section.

Mr. Wang Jinpeng (王金鵬) is our Chief Operating Officer. For details of his biography, see "— Board of Directors" in this section.

Mr. Yuan Caiwen (袁才文), aged 40, has joined our Group since March 2017 and is our Chief Financial Officer mainly responsible for the Company's management of financial operations.

Before joining our Group, Mr. Yuan served as the vice manager of the financial management office in Shenzhen Taiping Investment Co., Ltd. (深圳太平投資有限公司) from May 2016 to March 2017. From January 2015 to May 2016, he served as the audit supervisor at the audit department in Fangda Group Co., Ltd. (方大集團股份有限公司). Prior to that, Mr. Yuan was a senior audit manager in Zhongzheng Tiantong Accounting Firm (Special General Partnership) (中證天通會計師事務所(特殊普通合夥)) from July 2007 to November 2014.

Mr. Yuan obtained his bachelor's degree in accounting from Beijing Forestry University (北京林業大學) in the PRC in July 2007.

Ms. Ling Qian (凌倩), aged 33, joined our Group in June 2025 as our vice president, Board secretary and one of our joint company secretaries, mainly responsible for our Group's capital markets matters, investor relations and corporate governance related matters.

Before joining our Group, Ms. Ling worked at several investment banks specialized in private equity financings, mergers and acquisitions, restructurings, and capital markets. From June 2018 to June 2025, she served at the investment banking department of China International Capital Corporation Limited (中國國際金融股份有限公司) with last position as vice president. Prior to that, she worked at the investment banking department of CITIC Securities Company Limited (中信證券股份有限公司) from July 2016 to June 2018.

Ms. Ling graduated with a bachelor's degree in economics and management from the Southwestern University of Finance and Economics in June 2013. She subsequently obtained a master's degree in financial engineering from the National University of Singapore in June 2016 and a master's degree in management from the Peking University in July 2016.

Save as disclosed above and "5. Other Information — 5.5 Other information about our Directors" in Appendix VI of this document, each of our Directors and senior management members confirms with respect to himself or herself that (1) he or she had no other relationship with any Director, senior management or substantial Shareholder of our Company as at the Latest Practicable Date; (2) he or she did not hold any other directorships in the three years prior to the Latest Practicable Date in any public companies of which the securities are listed on any stock exchange in Hong Kong and/or overseas; and (3) there are no other matters concerning our Directors' appointment that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

JOINT COMPANY SECRETARIES

Ms. Ling Qian (凌倩) was appointed as a joint company secretary of our Company with effect from June 2025. For details of her biography, please refer to "— Senior Management" in this section.

Ms. Li Ching Yi (李菁怡), was appointed as a joint company secretary of our Company with effect from June 2025.

Ms. Li is a senior manager of the Listed & Fiduciary Corporate Services Department of Trident Corporate Services (Asia) Ltd., a global professional services firm. She has over 9 years of professional experience in company secretarial field.

She is currently serving as the company secretary of Yadong Group Holdings Limited (stock code: 1795.HK), a joint company secretary of Yidu Tech Inc. (stock code: 2158.HK), Pop Mart International Group Limited (stock code: 9992.HK), Acotec Scientific Holdings Limited (stock code: 6669.HK), 3D Medicines Inc. (stock code: 1244.HK), Sipai Health Technology Co., Ltd. (stock code: 0314.HK) and Laopu Gold Co., Ltd. (stock code: 6181.HK), respectively. All of these companies are listed on the Stock Exchange.

Ms. Li is an associate member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom and The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries). Ms. Li obtained a bachelor's degree in social sciences in October 2011 from Lingnan University in Hong Kong and a master's degree in professional accounting and corporate governance in July 2015 from City University of Hong Kong.

BOARD COMMITTEES

The Company has established three committees under the Board of Directors, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

Audit Committee

The Audit Committee consists of three Directors, namely Dr. Zang Yunzhi, Mr. Sun Wei Yung Kevin and Dr. Fan Zhiyong, with Dr. Zang Yunzhi currently serving as the chairperson. Dr. Zang Yunzhi has the appropriate professional qualification and experiences as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee is mainly responsible for reviewing and overseeing the financial reporting procedure, risk management and internal control system of our Group and has the terms of reference in compliance with the relevant PRC laws and regulations and Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Remuneration Committee

The Remuneration Committee consists of three Directors, namely Mr. Wang Yongkun, Dr. Fan Zhiyong and Mr. Sun Wei Yung Kevin, with Dr. Fan Zhiyong currently serving as the chairman. The Remuneration Committee is mainly responsible for evaluating the remuneration polices for Directors and senior management of our Group and making recommendations thereon to the Board of Directors and has the terms of reference in compliance with relevant laws and regulations of the PRC and paragraph E.1 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Nomination Committee

The Nomination Committee consists of three Directors, namely Mr. Wang Yongkun, Dr. Zang Yunzhi and Dr. Fan Zhiyong, with Mr. Wang Yongkun currently serving as the chairman. The Nomination Committee is mainly responsible for identifying, screening and recommending to the Board of Directors qualified candidates to serve as the Directors and senior management and monitoring the procedures for evaluating the performance of the Board of Directors and has the terms of reference in compliance with the relevant laws and regulations of the PRC and paragraph B.3 of part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

DIVERSITY POLICY OF THE BOARD OF DIRECTORS

The Board of Directors has adopted a board diversity policy (the "**Board Diversity Policy**") in order to enhance the effectiveness of our Board of Directors and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board of Directors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board of Directors.

Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management, finance and accounting, robot technology and law. The Board of Directors is of the view that our Board of Directors satisfies the Board Diversity Policy. In addition, our Board of Directors has a wide range of age, ranging from 33 years old to 53 years old. One of our Directors is female. Our Board of Directors will also ensure that appropriate balance of gender diversity is achieved with reference to investors' expectation, and international and local recommended best practices.

The Nomination Committee is responsible for reviewing the diversity of the Board of Directors. After **[REDACTED]**, the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

CORPORATE GOVERNANCE

Our Directors recognize the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. Save as disclosed below, our Group is expected to comply with the code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

Pursuant to code provision C.2.1 of Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive and Mr. Wang currently performs these two roles. Our Board believes that vesting the roles of both the chairman of our Board and general manager in the same person has the benefit of (1) ensuring consistent leadership within our Company, (2) enabling more effective and efficient overall strategic planning for our Company, and (3) facilitating the flow of information between the management and our Board. Our Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of the chairman of our Board and the general manager of our Company at a time when it is appropriate by taking into account the circumstances of our Company as a whole.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The compensation and remuneration of the Directors and members of the senior management of the Company are determined by the Shareholders' meetings and the Board of Directors as appropriate in the form of salaries and bonuses. The Company also reimburses them for expenses which are necessary and reasonably incurred in providing services to the Company or discharging their duties in relation to the operations of the Company. When reviewing and determining the specific remuneration packages for our Directors and members of the senior management of the

Company, the Shareholders' meetings and the Board of Directors take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, the Company also participates in various defined contribution plans organized by relevant provincial and municipal government authorities and welfare schemes for employees of the Company, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

The Company offers executive Directors and senior management members, who are our employees, compensation in the form of salaries, bonuses, social security plans, housing provident fund plans and other benefits. The independent non-executive Directors receive compensation based on their responsibilities.

The aggregate amounts of remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses and excluding share-based payment) paid to the Directors for the three years ended December 31, 2022, 2023 and 2024, were RMB2.1 million, RMB4.7 million and RMB3.9 million, respectively.

The aggregate amounts of remuneration (including fees, salaries, contribution to pension schemes, housing allowances, other allowances and benefits-in-kind and discretionary bonuses and excluding share-based payment) paid to the five highest paid individuals, excluding Directors and chief executive, for the three years ended December 31, 2022, 2023 and 2024, were RMB3.3 million, RMB2.0 million and RMB2.0 million, respectively.

It is estimated that remuneration equivalent to approximately RMB3.2 million in aggregate will be paid to the Directors by the Company for the year ending December 31, 2025, based on the arrangements in force as of the date of this document. The actual remuneration of Directors in 2025 may be different from the expected remuneration.

No remuneration was paid by the Company to the Directors or the five highest paid individuals as inducement to join or upon joining the Company or as a compensation for loss of office during the Track Record Period. Furthermore, none of the Directors had waived or agreed to waive any remuneration during the Track Record Period.

COMPLIANCE ADVISOR

The Company appointed Somerley Capital Limited as the compliance advisor pursuant to Rules 3A.19 of the Listing Rules, and the compliance advisor will advise the Company in the following circumstances:

(i) before the publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

(iii) where the Company proposes to use the **[REDACTED]** of the **[REDACTED]** in a manner that is different from that detailed in this document or where our business activities, developments or results deviate from any forecasts, estimates or other information in this document; and

(iv) where the Stock Exchange makes an inquiry of the Company regarding unusual movements in the price or trading volume of the Shares, the possible development of a false market in the Shares or any other matters.

The terms of the appointment of the compliance advisor will commence on the **[REDACTED]** and end on the date when the Company distributes the annual report of its financial results for the first full financial year commencing after the **[REDACTED]**.

CORE R&D TEAM MEMBERS

For further details of the experience of our core R&D team members, see "Business — Research and Development — Our R&D Talents" in this document.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that, as of the Latest Practicable Date, he or she did not have any interest in any business which competes, or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (1) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on June 16, 2025; and (2) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors confirms (1) his/her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules; (2) that he/she has no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date; and (3) that there are no other factors that may affect his/her independence at the time of his/her appointment.

SHARE CAPITAL

This section presents certain information regarding our share capital prior to and following the completion of the **[REDACTED]** and the Conversion of Domestic Shares into H Shares.

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the registered and issued share capital of our Company was RMB22,105,263, comprising 22,105,263 Domestic Shares with a nominal value of RMB1.00 each.

Immediately prior to the **[REDACTED]**, the ordinary shares of our Company will be split on a one for ten basis, and the registered share capital of our Company will be RMB**[REDACTED]**, comprising of **[REDACTED]** Domestic Shares in issue of nominal value RMB0.10 each.

UPON COMPLETION OF THE SHARE SUBDIVISION AND THE [REDACTED]

Immediately following completion of the **[REDACTED]** and the Conversion of Domestic Shares into H Shares, assuming that the **[REDACTED]** is not exercised and taking into account the Share Subdivision, the registered and issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the enlarged issued share capital after the [REDACTED]
Domestic Shares	—	—
H Shares converted from Domestic Shares	221,052,630	**[REDACTED]**
H Shares to be issued under the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**100.00%**

See "— Conversion of Domestic Shares into H Shares" below for further details.

Immediately following completion of the **[REDACTED]** and the Conversion of Domestic Shares into H Shares, assuming that the **[REDACTED]** is fully exercised and taking into account the Share Subdivision, our registered and issued share capital will be as follows:

Description of Shares	Number of Shares	Approximate percentage of the enlarged issued share capital after the [REDACTED]
Domestic Shares	—	—
H Shares converted from Domestic Shares	221,052,630	**[REDACTED]**
H Shares to be issued under the **[REDACTED]**	**[REDACTED]**	**[REDACTED]**
Total	**[REDACTED]**	**100.00%**

See "— Conversion of Domestic Shares into H Shares" below for further details.

OUR SHARES

Upon completion of the **[REDACTED]** we will only have one class of Shares. Domestic Shares and H Shares are all ordinary Shares in the share capital of our Company. Apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural PRC persons. H Shares may only be subscribed for and traded in Hong Kong dollars.

RANKING

Domestic Shares and H Shares shall rank *pari passu* with each other in all other respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

CONVERSION OF DOMESTIC SHARES INTO H SHARES

According to stipulations made by the State Council's securities regulatory authority and the Articles of Association, our Domestic Shares may be converted into H Shares, and such converted H Shares may be listed or traded on an overseas stock exchange, provided that prior to the conversion and trading of such converted Shares, the requisite internal approval processes have been duly completed and the approvals from the relevant PRC regulatory authorities, including the CSRC, and the relevant overseas stock exchange have been obtained. In addition, such conversion, trading and listing shall in all respects comply with the regulations prescribed by the State Council's securities regulatory authorities and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

The Conversion of Domestic Shares into H Shares will involve an aggregate of 221,052,630 Domestic Shares held by existing Shareholders (taking into account the Share Subdivision) (the "**Full Circulation Participating Shareholders**").

[REDACTED] Review and Approval by the CSRC

In accordance with the Guidelines for Applying "Full Circulation" for Domestic Unlisted Shares of H-share Listed Companies (H股公司境內未上市股份申請「全流通」業務指引) and Trial Administrative Measures and relevant five guidelines announced by the CSRC, H-share listed companies which apply for the conversion of domestic unlisted shares into H shares for listing and circulation on the Stock Exchange shall conform to relevant regulations promulgated by the CSRC, and authorize the company to file with the CSRC on their behalf.

Our Company [has applied] for a "Full Circulation" with the CSRC on [•], and submitted the application reports, authorization documents of the Shareholders of Domestic Shares for which an H-share "Full Circulation" was applied, commitment about the compliance of share acquisition and other documents in accordance with the requirements of the CSRC.

[REDACTED]

We will perform the following procedures for the Conversion of Domestic Shares into H Shares after receiving the approval of the Stock Exchange: (1) giving instructions to our **[REDACTED]** regarding the relevant share certificates of the converted H Shares; and (2) enabling the converted H Shares to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the CCASS. The Full Circulation Participating Shareholders may only deal in the H Shares upon completion of the domestic procedures as disclosed in this section.

TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

The PRC Company Law provides that in relation to the public offering of a company, the shares issued prior to the public offering shall not be transferred within a period of one year from the date on which the publicly offered shares are listed on any stock exchange. Accordingly, Shares issued by our Company prior to the **[REDACTED]** shall be subject to this statutory restriction and not be transferred within a period of one year from the **[REDACTED]**.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

For details of circumstances under which our Shareholders' general meeting is required, please see "Appendix V — Summary of Articles of Association — Requirements for Annual Shareholders' Meeting" in this document.

To the best of our Directors' knowledge and information, the following persons will, immediately following the completion of the **[REDACTED]** and the Conversion of Domestic Shares into H Shares, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at any general meeting of our Company:

		As of the Latest Practicable Date taking into account the Share Subdivision		Immediately following the completion of the [REDACTED] and the Conversion of Domestic Shares into H Shares (assuming the [REDACTED] is not exercised and taking into account the Share Subdivision)[1]			
Shareholder	Nature of interest	Number of Domestic Shares	Approximate percentage of shareholding in the total issued share capital of our Company	Number of Shares	Description of Shares	Approximate percentage of shareholding in the relevant class of Shares	Approximate percentage of shareholding in the total issued share capital of our Company[1]
Mr. Wang[2][3][4]	Beneficial owner	28,294,560	12.80%	28,294,560	H Shares	[REDACTED]	[REDACTED]
	Interest in controlled corporation	31,612,950	14.30%	31,612,950	H Shares	[REDACTED]	[REDACTED]
	Interest held jointly with other persons	8,410,820	3.80%	8,410,820	H Shares	[REDACTED]	[REDACTED]
	Interest of a party to an agreement regarding interest in our Company	—	—	10,833,010	H Shares	[REDACTED]	[REDACTED]
Mr. Li[3]	Beneficial owner	8,410,820	3.80%	8,410,820	H Shares	[REDACTED]	[REDACTED]
	Interest held jointly with other persons	59,907,510	27.10%	59,907,510	H Shares	[REDACTED]	[REDACTED]
Standard Automation[2][3]	Beneficial owner	31,612,950	14.30%	31,612,950	H Shares	[REDACTED]	[REDACTED]
Wuxi Liangxi							
Wuxi Liangxi Sci-Tech Innovation Industry Investment Fund Partnership (Limited Partnership) (無錫市梁溪科創產業投資基金合夥企業(有限合夥))[4][5]	Beneficial owner	3,157,896	14.29%	3,157,896	H Shares	[REDACTED]	[REDACTED]
Wuxi Liangxi Kechuang Industrial Investment Management Co., Ltd. (無錫市梁溪科創產業投資管理有限公司)[4][5]	Interest in controlled corporation	3,157,896	14.29%	3,157,896	H Shares	[REDACTED]	[REDACTED]

SUBSTANTIAL SHAREHOLDERS

		As of the Latest Practicable Date taking into account the Share Subdivision		Immediately following the completion of the [REDACTED] and the Conversion of Domestic Shares into H Shares (assuming the [REDACTED] is not exercised and taking into account the Share Subdivision)(1)			
Shareholder	Nature of interest	Number of Domestic Shares	Approximate percentage of shareholding in the total issued share capital of our Company	Number of Shares	Description of Shares	Approximate percentage of shareholding in the relevant class of Shares	Approximate percentage of shareholding in the total issued share capital of our Company(1)
Jiangsu Boshang Investment Management Co., Ltd. (江蘇博尚私募基金管理有限公司)(4)(5) . . .	Interest in controlled corporation	3,157,896	14.29%	3,157,896	H Shares	[REDACTED]	[REDACTED]
Beijing Bohua Capital Co., Ltd. (北京博華資本有限公司)(4)(5) . .	Interest in controlled corporation	3,157,896	14.29%	3,157,896	H Shares	[REDACTED]	[REDACTED]
Mr. Xu Wenbo (徐文博)(5)(6)(7) . . .	Interest in controlled corporation	3,157,896	14.29%	3,157,896	H Shares	[REDACTED]	[REDACTED]
Xiaomi							
Beijing Xiaomi Zhizao Equity Investment Fund Partnership (Limited Partnership) (北京小米智造股權投資基金合夥企業(有限合夥))(5)(6)	Beneficial owner	1,857,585	8.40%	1,857,585	H Shares	[REDACTED]	[REDACTED]
Beijing Xiaomi Enterprise Management Co., Ltd. (北京小米企業管理有限公司)(5)(6)	Interest in controlled corporation	1,857,585	8.40%	1,857,585	H Shares	[REDACTED]	[REDACTED]
Xiaomi Private Equity Fund Management Co., Ltd. (小米私募股權基金管理有限公司)(5)(6) . . .	Interest in controlled corporation	1,857,585	8.40%	1,857,585	H Shares	[REDACTED]	[REDACTED]
Xiaomi Inc. (小米科技有限責任公司)(5)(6).	Interest in controlled corporation	1,857,585	8.40%	1,857,585	H Shares	[REDACTED]	[REDACTED]
Xiaomi Corporation(5)(6)	Interest in controlled corporation	1,857,585	8.40%	1,857,585	H Shares	[REDACTED]	[REDACTED]
Bohua							
Zhangjiagang Bohua Venture Investment Partnership (Limited Partnership) (張家港博華創業投資合夥企業 (有限合夥))(6)(7) . . .	Beneficial owner	1,604,884	7.26%	1,604,884	H Shares	[REDACTED]	[REDACTED]

		As of the Latest Practicable Date taking into account the Share Subdivision		Immediately following the completion of the [REDACTED] and the Conversion of Domestic Shares into H Shares (assuming the [REDACTED] is not exercised and taking into account the Share Subdivision)(1)			
Shareholder	Nature of interest	Number of Domestic Shares	Approximate percentage of shareholding in the total issued share capital of our Company	Number of Shares	Description of Shares	Approximate percentage of shareholding in the relevant class of Shares	Approximate percentage of shareholding in the total issued share capital of our Company(1)
Zhangjiagang Bohua Yaoshi Investment Partnership (Limited Partnership) (張家港博華耀世投資合夥企業(有限合夥))(6)(7) . . .	Interest in controlled corporation	1,604,884	7.26%	1,604,884	H Shares	[REDACTED]	[REDACTED]
Beijing Bohua Capital Co., Ltd. (北京博華資本有限公司)(6)(7) . .	Interest in controlled corporation	1,604,884	7.26%	1,604,884	H Shares	[REDACTED]	[REDACTED]
Mr. Xu Wenbo (徐文博)(6)(7)	Interest in controlled corporation	1,604,884	7.26%	1,604,884	H Shares	[REDACTED]	[REDACTED]

(1) The calculation is based on the assumption that (i) the Share Subdivision is completed; (ii) the **[REDACTED]** is not exercised; (iii) 221,052,630 Domestic Shares (taking into account the Share Subdivision) will be converted into H Shares; and (iv) the total number of Shares in issue will be **[REDACTED]** H Shares immediately after the completion of the **[REDACTED]**.

(2) As of the Latest Practicable Date, Mr. Wang is the general partner of Standard Automation and is responsible for its overall management and entitled to exercise the voting rights held by Standard Automation at his full and absolute discretion. Therefore, Mr. Wang is deemed to be interested in the Shares held by Standard Automation under the SFO.

(3) Pursuant to the Acting-in-Concert Agreement, Mr. Wang and Mr. Li confirm that they have acted in concert when addressing matters pertaining to the operational development of the Group and those requiring resolutions by a Shareholders' meeting. For further details, see "History and Corporate Structure — Acting-in-Concert Arrangement". Therefore, under the SFO, each of Mr. Wang, Mr. Li and Standard Automation is deemed to be interested in the Shares held by each other.

(4) Pursuant to the Voting Proxy Agreements, Mr. Wang has the right to vote certain number of Shares held by the respective grantors. See the section headed "History and Corporate Structure — Voting Proxy Arrangements" for further details.

(5) As of the Latest Practicable Date, the general partner of Wuxi Liangxi Sci-Tech Innovation Industry Investment Fund Partnership (Limited Partnership) (無錫市梁溪科創產業投資基金合夥企業(有限合夥)) ("**Wuxi Liangxi**") is Wuxi Liangxi Kechuang Industrial Investment Management Co., Ltd. (無錫市梁溪科創產業投資管理有限公司) ("**Liangxi Kechuang**"). The controlling shareholder of Liangxi Kechuang is Jiangsu Boshang Investment Management Co., Ltd. (江蘇博尚私募基金管理有限公司) ("**Jiangsu Boshang**"), which is ultimately controlled by Beijing Bohua Capital Co., Ltd. (北京博華資本有限公司) ("**Bohua Capital**"), which is in turn controlled by Mr. Xu Wenbo (徐文博) ("**Mr. Xu**"). Therefore, each of Mr. Xu, Bohua Capital, Jiangsu Boshang and Liangxi Kechuang is deemed to be interested in the Shares held by Wuxi Liangxi under the SFO.

(6) As of the Latest Practicable Date, the general partner of Beijing Xiaomi Zhizao Equity Investment Fund Partnership (Limited Partnership) (北京小米智造股權投資基金合夥企業(有限合夥)) ("**Xiaomi Zhizao**") is Beijing Xiaomi Enterprise Management Co., Ltd. (北京小米企業管理有限公司) ("**Xiaomi Enterprise Management**"), which is in turn wholly-owned by Xiaomi Private Equity Fund Management Co., Ltd. (小米私募股權基金管理有限公司) ("**Xiaomi Fund Management**"), which is in turn wholly-owned by Xiaomi Inc. (小米科技有限責任公司). Xiaomi Inc. is controlled by Xiaomi Corporation, a company listed on the Stock Exchange (stock code: 1810). Therefore, each of Xiaomi Corporation, Xiaomi Inc., Xiaomi Fund Management and Xiaomi Enterprise Management is deemed to be interested in the Shares held by Xiaomi Zhizao under the SFO.

(7) As of the Latest Practicable Date, the general partner of Zhangjiagang Bohua Venture Investment Partnership (Limited Partnership) (張家港博華創業投資合夥企業(有限合夥)) ("**Bohua Investment**") is Zhangjiagang Bohua Yaoshi Investment Partnership (Limited Partnership) (張家港博華耀世投資合夥企業(有限合夥)) ("**Bohua Yaoshi**"). Bohua Investment is managed by Bohua Capital, which is controlled by Mr. Xu. Therefore, each of Mr. Xu, Bohua Capital and Bohua Yaoshi is deemed to be interested in the Shares held by Bohua Investment under the SFO.

Save as disclosed above and in "Appendix VI — Statutory and General Information" of this document, our Directors are not aware of any person who will, immediately following the completion of the **[REDACTED]** and the Conversion of Domestic Shares into H Shares (and the **[REDACTED]** of any additional H Shares pursuant to the **[REDACTED]**), have an interest or short position in the Shares or underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of our Group.

FUTURE PLANS

See the section headed "Business — Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

We estimate that we will receive net **[REDACTED]** from the **[REDACTED]** of approximately HK$**[REDACTED]** million, after deducting **[REDACTED]** commissions, fees and estimated expenses payable by us in connection with the **[REDACTED]**, assuming **[REDACTED]** is not exercised, at the **[REDACTED]** of HK$**[REDACTED]** per H Share.

In line with our strategies, we plan to apply the net **[REDACTED]** from the **[REDACTED]** in the following amounts and manner, subject to changes in light of our evolving business needs and changing market conditions:

(a) **Research and Development:** approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, is expected to be used to advance our core robotic technology platform, robotic products and the RoboVerse system and develop relevant proprietary robotics technologies. We intend to invest resources to advance our robotic products, core robotic technology platform and the RoboVerse system, enhancing our technological capabilities and driving solution advancements to maintain our leadership in the robotic industry. For details, see "Business — Strategies — Increase Investment in the R&D of Industrial Embodied Intelligence Technologies" in this document. Specifically:

(i) approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be allocated to the enhancement and development of our robotics products. This initiative encompasses, but is not limited to: (1) the design and development of foundational robotic components, such as next-generation high-performance controller systems and motor drivers; (2) the upgrade of standard and functional robotic product lines, focusing on enhancing modularity, reducing weight and costs, and expanding application-specific functionalities; (3) the design and development of embodied intelligence robotic product series, including advancements in next-generation robotic body design, real-time sensor fusion systems, and the establishment of data collection systems; and (4) the acquisition of various R&D equipment, including high-performance computing servers, high-precision positioning systems, and reliability testing apparatus, to bolster our computational reserves and design verification capabilities, ensuring product robustness. We plan to recruit R&D personnel with relevant academic backgrounds and prior experience, while retaining key staff through competitive compensation packages.

(ii) approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be allocated to the development of core robotic technology platform and the RoboVerse system. In particular, we aim to: (1) enhancing our AGI technology capabilities by developing next-generation AI models, including VLA algorithms, to improve autonomous decision-making and adaptability in robotic systems, and extensively integrating these models into our RoboVerse system to continuously elevate its intelligence; (2) expanding our simulation scenarios, further developing world models, and refining task-specific AI agents for effective real-world deployment; (3) strengthening our multimodal data collection capabilities to encompass a broader range of industrial application scenarios; and (4) acquiring various R&D equipment, including advanced high-performance GPU servers and cloud-based computing resources, to accelerate AI training and development while bolstering our computational reserves. We plan to recruit additional R&D personnel and retain key staff through competitive compensation packages. Prospective R&D personnel will be expected to possess relevant work experience in the aforementioned fields.

(b) **Sales and Service Network Expansion and Brand Promotion:** approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, 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. In particular:

(i) Sales and service network expansion

(1) approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be used to develop and expand our sales network and service teams based in China to support our ongoing business growth and execute our medium- to long-term strategic plans. We plan to retain and hire experienced sales and marketing staff domestically to facilitate our business collaborations with domestic and global suppliers and customers.

(2) approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be used to establish our market presence, sales and deploy capacity and service capabilities internationally. We plan to develop a global sales framework tailored to our international markets system for our international markets, set up overseas subsidiaries, lease office spaces, recruit oversea sales staff, build up our local sales teams and technical support centers, attract top talent, and provide regional market expertise to drive sales growth across key overseas markets. To better serve our overseas customers, we plan to establish

dedicated teams responsible for key markets including (i) Hong Kong, China, (ii) Japan, (iii) Southeast Asia and (iv) Europe. Additionally, we plan to implement comprehensive support systems abroad to manage local sales, deployment, operation, support and value-added services for international customers.

(ii) **Brand marketing and promotion:** approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, is expected to be used for our brand promotion in domestic and overseas markets.

We plan to invest in strategic brand marketing initiatives that will enhance our brand recognition and influence across both domestic and international markets. We also plan to expand our marketing channels and bolstering our digital marketing efforts, media partnerships and local outreach to a broader customer base. Additionally, we plan to host seminars and participate in industry exhibitions and forums, showcasing our brand and sharing the latest industry trends with potential customers and collaboration partners worldwide, strengthening our brand image and influence among a broader customer base.

(c) **Development of Manufacturing Capabilities and New Production Lines:** approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, is expected to be used for the development of manufacturing capabilities and new production lines. In particular:

(i) approximately **[REDACTED]**%, or HK**[REDACTED]** million, is expected to be used to develop and expand production and factory operation teams.

(ii) approximately **[REDACTED]**%, or HK$**[REDACTED]** million, is expected to be used to purchase production equipment and develop new production lines. We plan to deploy our robotic solutions in our new production lines, aiming to establish this new plant as an industry-leading intelligent manufacturing demonstration factory.

(d) **General Corporate Purposes and Working Capital:** approximately **[REDACTED]**% of the net **[REDACTED]**, or approximately HK$**[REDACTED]** million, 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 **[REDACTED]** will be adjusted on a pro-rata basis in the event that the **[REDACTED]** is fixed below or above the mid-point of the indicative price range. If the **[REDACTED]** is set at HK$**[REDACTED]** per Share, which is the high end of our indicative **[REDACTED]** range, the net **[REDACTED]** from the **[REDACTED]** will decrease to approximately HK$**[REDACTED]** million.

Any additional **[REDACTED]** received from the exercise of the **[REDACTED]** will also be allocated to the above purposes on a pro-rata basis. In the event that the **[REDACTED]** is exercised in full, we will receive net **[REDACTED]** of HK$**[REDACTED]** million (after deducting the estimated **[REDACTED]** commissions and other fees and expenses payable by us in connection with the **[REDACTED]** and assuming an **[REDACTED]** of HK$**[REDACTED]** per Share, being the midpoint of our indicative **[REDACTED]** range).

To the extent that the net **[REDACTED]** of the **[REDACTED]** are not immediately required for the above purposes or if we are unable to put into effect any part of our development plan as intended, we may deposit the net **[REDACTED]** into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions). In such event, we will comply with all applicable disclosure requirements as mandated by the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF STANDARD ROBOTS (WUXI) CO., LTD. AND CITIC SECURITIES LIMITED AND GUOTAI JUNAN CAPITAL LIMITED

Introduction

We report on the historical financial information of Standard Robots (Wuxi) Co., Ltd. (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-3 to I-[•], which comprises the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for each of the years ended 31 December 2022, 2023 and 2024 (the "**Relevant Periods**"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2022, 2023 and 2024 and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-3 to I-[•] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated **[REDACTED]** (the "**Document**") in connection with the initial **[REDACTED]** of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the

Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2022, 2023 and 2024 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 12 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

Certified Public Accountants
Hong Kong

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December		
	Notes	**2022**	**2023**	**2024**
		RMB'000	*RMB'000*	*RMB'000*
REVENUE	*5*	96,275	162,166	250,522
Cost of sales		(83,893)	(110,997)	(153,364)
Gross profit		12,382	51,169	97,158
Other income and gains	*6*	7,292	7,080	7,920
Selling and marketing expenses		(57,695)	(57,358)	(64,595)
Administrative expenses		(21,005)	(25,466)	(23,575)
Research and development expenses		(55,525)	(56,098)	(36,611)
Impairment losses on financial assets and contract assets		(10,504)	(14,709)	(22,853)
Other expenses		(101)	(2,634)	(1,208)
Finance costs	*7*	(2,458)	(2,332)	(1,380)
LOSS BEFORE TAX	*8*	(127,614)	(100,348)	(45,144)
Income tax expense	*11*	—	—	—
LOSS FOR THE YEAR		(127,614)	(100,348)	(45,144)
Attributable to:				
Owners of the parent		(127,614)	(100,348)	(45,144)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted				
— For loss for the year	*13*	(0.84)	(0.59)	(0.25)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December		
	Notes	**2022**	**2023**	**2024**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*14*	18,449	13,289	7,312
Other intangible assets	*15*	1,125	807	490
Right-of-use assets	*16*	18,732	4,035	10,011
Prepayments, other receivables and other assets	*23*	3,484	414	10,524
Total non-current assets		41,790	18,545	28,337
CURRENT ASSETS				
Inventories	*19*	111,481	110,460	59,432
Trade and bills receivables	*20*	28,994	51,817	93,422
Debt investments at fair value through other comprehensive income	*21*	1,205	1,896	697
Contract assets	*22*	4,974	8,464	12,834
Prepayments, other receivables and other assets	*23*	12,490	9,850	6,435
Financial assets at fair value through profit or loss ("**FVTPL**")	*18*	—	—	17,008
Restricted cash	*24*	—	390	3,256
Time deposits	*24*	—	—	1,000
Cash and cash equivalents	*24*	30,129	33,454	83,358
Total current assets		189,273	216,331	277,442
CURRENT LIABILITIES				
Trade payables	*25*	64,171	45,785	52,299
Contract liabilities	*28*	44,299	34,054	16,111
Other payables and accruals	*26*	24,058	23,608	20,171
Interest-bearing bank and other borrowings	*27*	59,728	25,028	42,881
Lease liabilities	*16*	11,636	4,565	4,286
Deferred income	*29*	—	—	8,000
Provisions	*30*	8,413	8,164	15,755
Total current liabilities		212,305	141,204	159,503
NET CURRENT (LIABILITIES)/ASSETS		(23,032)	75,127	117,939
TOTAL ASSETS LESS CURRENT LIABILITIES		18,758	93,672	146,276

		As at 31 December		
	Notes	**2022**	**2023**	**2024**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES				
Lease liabilities	*16*	8,868	—	5,809
Deferred income	*29*	8,000	8,000	—
Total non-current liabilities		16,868	8,000	5,809
Net assets		1,890	85,672	140,467
EQUITY				
Equity attributable to owners of the parent				
Paid-in capital	*31*	4,949	5,673	6,015
Reserves	*32*	(3,059)	79,999	134,452
Total equity		1,890	85,672	140,467

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Attributable to owners of the parent				
	Paid-in capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 31)	*(note 32)*	*(note 33)*		
As at 1 January 2022	4,949	263,994	116,000	(259,346)	125,597
Loss for the year	—	—	—	(127,614)	(127,614)
Total comprehensive loss for the year	—	—	—	(127,614)	(127,614)
Share-based payments *(note 33)*	—	—	3,907	—	3,907
Capital contribution by shareholders	—	—	—	—	—
As at 31 December 2022	4,949	263,994*	119,907*	(386,960)*	1,890

Year ended 31 December 2023

	Attributable to owners of the parent				
	Paid-in capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 31)	*(note 32)*	*(note 33)*		
As at 1 January 2023	4,949	263,994	119,907	(386,960)	1,890
Loss for the year	—	—	—	(100,348)	(100,348)
Total comprehensive loss for the year	—	—	—	(100,348)	(100,348)
Share-based payments *(note 33)*	—	—	4,980	—	4,980
Capital contribution by shareholders	724	178,426	—	—	179,150
As at 31 December 2023	5,673	442,420*	124,887*	(487,308)*	85,672

Year ended 31 December 2024

	Attributable to owners of the parent				
	Paid-in capital	**Capital reserve**	**Share-based payment reserve**	**Accumulated losses**	**Total equity**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(note 31)	*(note 32)*	*(note 33)*		
As at 1 January 2024	5,673	442,420	124,887	(487,308)	85,672
Loss for the year	—	—	—	(45,144)	(45,144)
Total comprehensive loss for the year	—	—	—	(45,144)	(45,144)
Share-based payments *(note 33)*	—	—	5,050	—	5,050
Capital contribution by shareholders	342	94,547	—	—	94,889
As at 31 December 2024	6,015	536,967*	129,937*	(532,452)*	140,467

* The reserve accounts comprise the consolidated (deficits)/reserve of RMB(3,059,000), RMB79,999,000 and RMB134,452,000 in the consolidated statements of financial position as at 31 December 2022, 2023 and 2024, respectively.

CONSOLIDATED STATEMENT OF CASH FLOWS>

		Year ended 31 December		
	Notes	**2022**	**2023**	**2024**
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		(127,614)	(100,348)	(45,144)
Adjustment for:				
Finance costs	*7*	2,458	2,332	1,380
Bank interest income	*6*	(455)	(416)	(181)
Interest income from a certificate of deposits	*6*	—	—	(37)
Depreciation of property, plant and equipment	*8*	6,042	7,817	6,644
Depreciation of right-of-use assets	*8*	11,035	8,109	5,095
Amortisation of other intangible assets	*8*	212	318	317
Write-down of inventories to net realisable value	*8*	26,306	23,225	19,072
Impairment of financial assets and contract assets, net	*8*	10,504	14,709	22,853
(Gain)/loss on disposal of property, plant and equipment, net	*8*	(2)	1,027	(124)
Gain on lease termination		—	(730)	(67)
Investment income from financial assets at fair value through profit or loss		(62)	(1,117)	(573)
Fair value gains on financial assets at fair value through profit or loss	*6*	—	—	(8)
Foreign exchange (gains)/losses	*6*	(530)	67	(734)
Share-based payment compensation	*33*	3,907	6,114	5,928
		(68,199)	(38,893)	14,421
(Increase)/decrease in inventories		(101,740)	(22,204)	31,956
Increase in trade and bills receivables		(1,752)	(36,739)	(63,253)
(Increase)/decrease in debt investments at fair value through other comprehensive income		(1,205)	(691)	1,199
Increase in contract assets		(771)	(2,345)	(4,370)
Decrease in prepayments, other receivables and other assets		4,305	4,979	3,409
Increase in restricted cash		—	(390)	(2,866)
Increase/(decrease) in trade payables		38,139	(19,260)	6,012
Increase/(decrease) in other payables and accruals		6,997	5,498	(3,521)
Increase/(decrease) in contract liabilities		32,713	(10,245)	(17,943)
Increase/(decrease) in provisions		1,281	(249)	7,591
Cash used in operations		(90,232)	(120,539)	(27,365)
Interest received		455	416	181
Net cash flows used in operating activities		(89,777)	(120,123)	(27,184)

	Notes	2022	2023	2024
		Year ended 31 December		
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of items of property, plant and equipment		(9,568)	(4,739)	(896)
Purchase of intangible assets		(942)	—	—
Purchase of a certificate of deposits		—	—	(10,000)
Purchase of wealth management products		—	—	(17,000)
Proceeds from redemption of wealth management products		15,712	1,117	573
Proceeds from disposal of property, plant and equipment		5	642	285
Purchase of time deposits		—	—	(1,000)
Net cash flows from/(used in) investing activities		5,207	(2,980)	(28,038)
CASH FLOWS FROM FINANCING ACTIVITIES				
New bank borrowings		71,000	45,000	68,000
Repayment of bank loans		(25,000)	(79,650)	(50,150)
Principal portion of lease payments	*16*	(9,330)	(8,620)	(5,474)
Interest paid		(2,400)	(2,382)	(1,377)
Capital contribution	*32*	—	179,150	94,889
Receipts of cash-settled share-based payments	*33*	9,574	—	—
Settlement of cash-settled share based payments	*33*	—	(7,083)	(794)
Net cash flows from financing activities		43,844	126,415	105,094
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(40,726)	3,312	49,872
Cash and cash equivalents at beginning of year		70,774	30,129	33,454
Effect of foreign exchange rate changes, net		81	13	32
CASH AND CASH EQUIVALENTS AT END OF YEAR		30,129	33,454	83,358
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents as stated in the consolidated statements of financial position	*24*	30,129	33,454	83,358

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		
	Notes	**2022**	**2023**	**2024**
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*14*	8,110	7,282	3,756
Other intangible assets	*15*	1,125	807	490
Right-of-use assets	*16*	14,398	3,773	8,126
Investment in subsidiaries	*17*	40,180	40,543	59,096
Prepayments, other receivables and other assets	*23*	2,027	12	10,479
Total non-current assets		65,840	52,417	81,947
CURRENT ASSETS				
Inventories	*19*	88,227	84,352	35,068
Trade and bills receivables	*20*	47,633	80,441	102,248
Debt investments at fair value through other comprehensive income	*21*	1,205	1,896	697
Contract assets	*22*	4,974	8,464	12,834
Prepayments, other receivables and other assets	*23*	8,232	7,740	4,981
Financial assets at fair value through profit or loss ("**FVTPL**")	*18*	—	—	17,008
Restricted cash	*24*	—	390	3,256
Time deposits	*24*	—	—	1,000
Cash and cash equivalents	*24*	27,923	30,959	72,980
Total current assets		178,194	214,242	250,072
CURRENT LIABILITIES				
Trade payables	*25*	78,950	57,995	44,785
Contract liabilities	*28*	43,509	33,305	15,497
Other payables and accruals	*26*	22,295	21,606	17,385
Interest-bearing bank and other borrowings	*27*	59,728	25,028	42,881
Lease liabilities	*16*	7,733	4,279	2,668
Provisions	*30*	8,413	8,164	15,755
Total current liabilities		220,628	150,377	138,971

		As at 31 December		
	Notes	**2022**	**2023**	**2024**
		RMB'000	*RMB'000*	*RMB'000*
NET CURRENT (LIABILITIES)/ASSETS		(42,434)	63,865	111,101
TOTAL ASSETS LESS CURRENT LIABILITIES		23,406	116,282	193,048
NON-CURRENT LIABILITIES				
Lease liabilities	*16*	8,191	—	5,543
Total non-current liabilities		8,191	—	5,543
Net assets		15,215	116,282	187,505
EQUITY				
Paid-in capital	*31*	4,949	5,673	6,015
Reserves	*32*	10,266	110,609	181,490
Total equity		15,215	116,282	187,505

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company, formerly known as Standard Robot Co., Ltd, was established in the People's Republic of China (the "**PRC**") as a limited liability company on 14 June 2016 and converted into a joint stock company with limited liability on 29 May 2025. The address of the Company's registered office is No. 98 Jianghai West Road, Liangxi District, Wuxi City, Jiangsu Province, PRC.

During the Relevant Periods, the Company and its subsidiaries (together, the "Group") were mainly engaged in the design, development, manufacture and commercialisation of intelligent service robots.

In the opinion of the directors, the Controlling Shareholders of the Company included: (i) Mr. Wang Yongkun; (ii) Mr. Li Hongxiang;

As at the date of this report, the Company had direct interests in its subsidiaries, all of which are private limited liability companies, the particulars of the principal subsidiaries are set out below:

Name	*Notes*	Place and date of establishment and place of operations	Registered share capital	Percentage of equity attributable to the Company	Principal activities
				Direct	
Standard Robot (Kunshan) Co., Ltd.* 斯坦德機器人(昆山)有限公司	*(a)*	PRC/Chinese Mainland 8 March 2021	RMB50,000,000	100%	Manufacture of intelligent robots
Standard Robot intelligent (Shenzhen) Co., Ltd.* 斯坦德機器人智能(深圳)有限公司	*(b)*	PRC/Chinese Mainland 10 April 2025	RMB50,000,000	100%	Research and development company

* The English names of these companies represent the best effort made by the directors of the Company to translate the Chinese names as these companies have not been registered with any official English names.

Notes:

(a) The statutory financial statements of the entity for the years ended 31 December 2022, 2023 and 2024, prepared in accordance with Accounting Standards for Business Enterprises — Basic Standard and specific accounting standards, implementation guidance, interpretations and other relevant provisions ("**PRC GAAP**") issued by the Ministry of Finance, were audited by Shenzhen Guangyi Certified Public Accountants (深圳廣宜會計師事務所), certified public accountants registered in the PRC.

(b) No audited financial statements of the entity has been prepared since these dates of establishment as the entity was not subject to any statutory audit requirements under the relevant rules and regulations in the jurisdictions of establishment or newly established.

2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. All HKFRS Accounting Standards effective for the accounting period commencing from 1 January 2024, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention except for certain financial instruments which have been measured at fair value.

Basis of consolidation

The Historical Financial Information includes the financial statements of the Group for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not applied the following revised HKFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information.

Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to HKAS 21	*Lack of Exchangeability*[2]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[3]
Amendments to HKFRS 9 and HKFRS 7	*Contract Referencing Nature-dependent Electricity*[3]
HKFRS 18	*Presentation and Disclosure in Financial Statements*[4]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[4]
Annual Improvements to HKFRS Accounting Standards — Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[3]

1 No mandatory effective date yet determined but available for adoption
2 Effective for annual periods beginning on or after 1 January 2025
3 Effective for annual periods beginning on or after 1 January 2026
4 Effective for annual reporting periods beginning on or after 1 January 2027

The Group is in the process of making a detailed assessment of the impact of these new and revised HKFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised HKFRS Accounting Standards, except for HKFRS 18, may result in changes in accounting policies but are unlikely to have a significant impact on the Group's financial performance and financial position in the period of initial application. The application of HKFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the statements of profit or loss and other comprehensive income and statements of cash flows and disclosures in the future financial information. The Group will continue to assess the impact of HKFRS 18 on the Group's financial information.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Fair value measurement

The Group measures its financial assets at FVTPL and debt investments at fair value through other comprehensive income at fair value at the end of each of the reporting periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the reporting periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, financial assets and other non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the reporting periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives and residual values are as follows:

	Estimated useful lives	Residual value
Leasehold improvements	Shorter of lease term and estimated useful life	NA
Machinery and equipment	3 to 5 years	0% to 5%
Office equipment and fixtures	3 to 5 years	0% to 5%
Motor vehicles	4 years	0% to 5%
Other equipment	5 years	0% to 5%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 to 5 years.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets.

Buildings	2 to 5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that is considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade and bills receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade and bills receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statements of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At the end of each of the Relevant Periods, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, interest-bearing bank borrowings and lease liabilities.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade and other payables, and loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting periods the expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

The Group provides for warranties in relation to the sale of products for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are initially recognised based on sales volume and past experience of the level of repairs and returns. The warranty-related cost is revised annually.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the country in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary difference; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry-forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary difference; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(a) Sales of robotic solutions

Robotic solutions involve design, production, deployment and commissioning of customised robotic systems, which can complete required tasks in specified scenarios as indicated in the sales contract. The Group determines that the promised goods and services in robotic solutions represent one performance obligation, because these promises are highly interdependent, and the customer is unable to derive significant benefits from the access to an individual promise for the intended purposes without receipt of the other goods or services.

As none of the criteria under paragraph 35 of HKFRS15 can be met for the control transfers over time, revenue from the sale of robotic solutions is recognised at point in time when the robotic solutions are accepted by the customers.

(b) Sales of robots and others

Revenue from the sale of robots and others is recognised at the point in time when control of the product is transferred to the customer, generally on delivery or acceptance of the products as agreed in the sales contracts.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract assets

If the Group performs by transferring services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

Share-based payments

The Company operates share award schemes. Employees (including directors) of the Group receive remuneration and rewards in the form of share-based payments, whereby employees render services as consideration for equity instruments ("**equity-settled transactions**").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 33 to the Historical Financial Information.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each of the Relevant Periods until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an option unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled option are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the option are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled option is cancelled, it is treated as if it had vested on the date of cancelation, and any expense not yet recognised for the option is recognised immediately.

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially at the grant date and at each reporting date up to and including the settlement date, further details of which are given in note 33 to the Historical Financial Information. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The cumulative expense recognised for cash-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of awards that will ultimately vest.

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in Chinese Mainland are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Housing fund and other social insurances — Chinese Mainland

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group's liability in respect of these funds is limited to the contributions payable in each reporting period.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e.,translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make Judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Recognition of income taxes and deferred tax assets

Determining income tax provision involves judgement on the future tax treatment of certain transactions and when certain matters relating to the income taxes have not been confirmed by the local tax bureau. Management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of such transactions are reconsidered periodically to take into account all changes in tax legislation.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Development expenses

Expenses incurred on each pipeline project to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Fair value of share-based payments

The equity-settled share-based payments were estimated based on fair value of the awards as at the date of grant using valuation model depending on the terms and conditions of the grant. The fair value of the cash-settled share-based payments was estimated at the grant date and at each reporting date up to and including the settlement date using valuation models. This requires the Group to determine the most appropriate inputs to the valuation model and make assumptions about them. Further details are included in note 33 to the Historical Financial Information.

Provision against obsolete and slow-moving inventories

The Group reviews the condition of its inventories at the end of each of the Relevant Periods and makes provisions against obsolete and slow-moving inventory items which are identified as no longer suitable for sale or use based on sales forecasts. Such sales forecasts are prepared based on agreements or orders on hand and estimated sales in the foreseeable future based on historical experiences with its customers and current market conditions of robots' industry. Management estimates the net realisable value for those obsolete and slow-moving inventories based primarily on the latest invoice prices and current market conditions. The estimation is reassessed at the end of each of the Relevant Periods. The provision against obsolete and slow-moving inventories requires the use of judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such difference will impact on the carrying value of inventories and the write-down of inventories recognised in the periods in which such estimates have been changed.

Provision for expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in note 20 and note 22 to the Historical Financial Information, respectively.

Leases — estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has one reportable operating segment.

The information reported to the directors, who are the chief operating decision makers, for the purpose of resource allocation and assessment of performance does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Chinese mainland (exclude free trade zone)	86,500	141,883	190,123
Others*	9,775	20,283	60,399
	96,275	162,166	250,522

The revenue information above is based on the locations of the customers.

* Primarily consists of (i) Japan, (ii) Taiwan, China, and (iii) 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.

(b) Non-current assets

The Group's most of non-current assets are located in Chinese Mainland. Thus, no geographic information is presented.

(c) Information about major customers

Revenue from a major customer which accounted for 10% or more of the Group's revenue during the Relevant Periods are set out below:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Customer 1	N/A*	N/A*	31,289

* The corresponding revenue of the customer is not disclosed as the revenue individually did not account for 10% or more of the Group's revenue during the corresponding period.

5. REVENUE

An analysis of revenue is as follows:

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Types of goods			
Robotic solutions	85,307	141,982	228,087
Robots and others*	10,968	20,184	22,435
Total	96,275	162,166	250,522
Timing of revenue recognition			
Goods transferred at a point in time	96,275	162,166	250,522

* Robots and others primarily represents the revenue derived from the sales of individual robots and related accessories.

The following table shows the amounts of revenue recognised in the Relevant Periods that were included in the contract liabilities at the beginning of each of the Relevant Periods:

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	11,586	43,270	34,054

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sales of robotic solutions

The performance obligation is satisfied when the customer takes possession of and accepts the robotic solution. Payment terms and conditions are based on the billing schedule established in the contracts with customers.

Sale of products

The performance obligation is satisfied upon delivery and acceptance of products and payment is generally due within 3 months from delivery.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	As at 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Amounts expected to be recognised as revenue			
Within one year	62,691	140,229	38,128
Total	62,691	140,229	38,128

The amounts of transaction prices allocated to the remaining performance obligations mainly relate to robotic solutions, of which the performance obligations are to be satisfied within one year.

6. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Other income			
Government grants*	6,218	4,181	6,142
Bank interest income	455	416	181
Interest income from certificate of deposits	—	—	37
Investment income from financial assets at fair value through profit or loss	62	1,117	573
Others	25	38	50
Gains			
Foreign exchange gains	530	—	734
Gains on disposal of property, plant and equipment, net	2	598	128
Gains on lease termination	—	730	67
Fair value gains on financial assets at FVTPL	—	—	8
Total other income and gains	7,292	7,080	7,920

* Certain government grants have been received related to the Group's day-to-day activities. Government grants included compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group. There are no unfulfilled conditions or contingencies relating to these grants.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Interest expenses on:			
Bank and other borrowings	1,514	1,913	1,150
Lease liabilities	944	419	230
Total	2,458	2,332	1,380

8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December		
		2022	2023	2024
		RMB'000	RMB'000	RMB'000
Cost of inventories sold*		83,893	110,997	153,364
Depreciation of property, plant and equipment**	14	6,042	7,817	6,644
Depreciation of right-of-use assets**	16(a)	11,035	8,109	5,095
Amortisation of other intangible assets**	15	212	318	317
Research and development costs		55,525	56,098	36,611
(Gain)/loss on disposal of property, plant and equipment***	6	(2)	1,027	(124)
Gain on lease termination***		—	(730)	(67)
Foreign exchange difference, net***		(530)	67	(734)
Lease payments not included in the measurement of lease liabilities	16(c)	110	102	63
Auditor's remuneration		9	16	30
Impairment losses of trade and bills receivables	20	9,385	11,869	18,148
Impairment losses of contract assets		1,119	2,840	4,705
Write-down of inventories to net realisable value*		26,306	23,225	19,072
Product warranty provision****	30	6,253	7,756	15,708
Employee benefit expense (excluding directors', supervisors' and chief executive's remuneration *(note 9)*):	9			
—Wages and salaries		93,985	95,515	78,925
— Pension scheme contributions		5,080	3,891	3,531
— Share-based payment expenses		3,165	5,372	5,186
Total		102,230	104,778	87,642

* The amounts disclosed for cost of inventories sold included the write-down of inventories to net realisable value.

** The depreciation of property, plant and equipment, amortisation of other intangible assets, and depreciation of right-of-use assets are included in "Cost of sales", "Selling and distribution expenses", "Administrative expenses", and "Research and development expenses" in profit or loss.

*** The amounts are included in "Other income and gains" and "Other expenses" in profit or loss.

**** The amount is included in "Selling and marketing expenses" in profit or loss.

9. DIRECTORS' CHIEF EXECUTIVE'S AND SUPERVISORS' REMUNERATION

Directors', chief executive's and supervisors' remuneration for the Relevant Periods disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Fees	—	—	—
Other emoluments:			
Salaries, allowances and benefits in kind	1,340	2,790	3,005
Performance related bonuses	—	1,128	147
Pension scheme contributions	43	40	44
Share-based payment expenses	742	742	742
Total	2,125	4,700	3,938

(a) Directors, supervisor and the chief executive

Year ended 31 December 2022

	Fees	Salaries, allowances and benefits in kinds	Performance related bonuses	Pension scheme contributions	Share-based payment expenses	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors and chief executive:						
Mr. Wang Yongkun *(i)*	—	340	—	13	—	353
Mr. Li Hongxiang *(ii)*	—	378	—	10	—	388
Mr. Wang Jinpeng *(iii)*	—	285	—	10	530	825
Mr. Wang Maolin *(iv)*	—	337	—	10	212	559
Mr. Zhu Jia *(v)*	—	—	—	—	—	—
Mr. Zhang Xingchen *(vi)*	—	—	—	—	—	—
Mr. Luo Hong *(vii)*	—	—	—	—	—	—
Mr. Wei Xiao'an *(viii)*	—	—	—	—	—	—
Mr. Chen Hongwu *(ix)*	—	—	—	—	—	—
Supervisor:						
Mr. Lin Enfeng *(x)*	—	—	—	—	—	—
Total	—	1,340	—	43	742	2,125

Year ended 31 December 2023

	Fees	Salaries, allowances and benefits in kinds	Performance related bonuses	Pension scheme contributions	Share-based payment expenses	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors and chief executive:						
Mr. Wang Yongkun *(i)*	—	783	420	10	—	1,213
Mr. Li Hongxiang *(ii)*	—	650	144	10	—	804
Mr. Wang Jinpeng *(iii)*	—	789	420	10	530	1,749
Mr. Wang Maolin *(iv)*	—	568	144	10	212	934
Mr. Zhu Jia *(v)*	—	—	—	—	—	—
Mr. Zhang Xingchen *(vi)*	—	—	—	—	—	—
Mr. Luo Hong *(vii)*	—	—	—	—	—	—
Mr. Wei Xiao'an *(viii)*	—	—	—	—	—	—
Mr. Ni Liang *(xi)*	—	—	—	—	—	—
Supervisor:						
Mr. Lin Enfeng *(x)*	—	—	—	—	—	—
Mrs. Tai Hanning *(xii)*	—	—	—	—	—	—
Mr. Qiu Lianyong *(xiii)*	—	—	—	—	—	—
Total	—	2,790	1,128	40	742	4,700

Year ended 31 December 2024

	Fees	Salaries, allowances and benefits in kinds	Performance related bonuses	Pension scheme contributions	Share-based payment expenses	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Directors and chief executive:						
Mr. Wang Yongkun *(i)*	—	1,091	100	11	—	1,202
Mr. Li Hongxiang *(ii)*	—	586	—	11	—	597
Mr. Wang Jinpeng *(iii)*	—	803	—	11	530	1,344
Mr. Wang Maolin *(iv)*	—	525	47	11	212	795
Mr. Zhu Jia *(v)*	—	—	—	—	—	—
Mr. Zhang Xingchen *(vi)*	—	—	—	—	—	—
Mr. Wei Xiao'an *(viii)*	—	—	—	—	—	—
Mr. Lin Enfeng *(x)*	—	—	—	—	—	—
Mr. Ni Liang *(xi)*	—	—	—	—	—	—
Supervisor:						
Mr. Qiu Lianyong *(xiii)*	—	—	—	—	—	—
Total	—	3,005	147	44	742	3,938

Notes:

(i) Mr. Wang Yongkun was appointed as the executive chairman in April 2018.

(ii) Mr. Li Hongxiang was appointed as an executive director in June 2016.

(iii) Mr. Wang Jinpeng was appointed as an executive director in August 2020.

(iv) Mr. Wang Maolin was appointed as an executive director in October 2021 and retired as executive director in May 2025.

(v) Mr. Zhu Jia was appointed as non-executive director in August 2020. Mr. Zhu Jia did not receive any director's emolument, annual performance bonus and/or share based payments granted from the Company.

(vi) Mr. Zhang Xingchen was appointed as a non-executive director in September 2020. Mr. Zhang Xingchen did not receive any director's emolument, annual performance bonus and/or share based payments granted from the Company.

(vii) Mr. Luo Hong was appointed a non-executive director in June 2016. Mr. Luo Hong did not receive any director's emolument, annual performance bonus and/or share based payments granted from the Company.

(viii) Mr. Wei Xiao'an was appointed a non-executive director in October 2021. Mr. Wei Xiao'an did not receive any director's emolument, annual performance bonus and/or share based payments granted from the Company.

(ix) Mr. Chen Hongwu was appointed a non-executive director in October 2019. Mr. Chen Hongwu did not receive any director's emolument, annual performance bonus and/or share based payments granted from the Company.

(x) Mr. Lin Enfeng was appointed as non-executive director in August 2017, changed to supervisor in August 2020, and resigned as supervisor in March 2023. Mr. Lin Enfeng did not receive any director's emolument, annual performance bonus and/or share based payments granted from the Company.

(xi) Mr. Ni Liang was appointed as non-executive director in March 2023. Mr. Ni Liang did not receive any director's emolument, annual performance bonus and/or share based payments granted from the Company.

(xii) Mrs. Tai Hanning was appointed as supervisor in March 2023 and resigned as supervisor in November 2023. Mrs. Tai Hanning did not receive any director's emolument, annual performance bonus and/or share based payments granted from the Company.

(xiii) Mr. Qiu Lianyong was appointed as supervisor in November 2023. Mr. Qiu Lianyong did not receive any director's emolument, annual performance bonus and/or share based payments granted from the Company.

(xiv) Mr. Zang Yunzhi, Mr. Sun Wei Yung* Kevin and Mr. Fan Zhiyong were appointed as independent non-executive directors of the Company in May 2025.

During the Relevant Periods, share awards were granted to certain directors in respect to their services rendering to the Group, further details of which are set out in note 33 to the Historical Financial Information. The fair value of such granted share awards, which has been recognised in profit or loss, was determined as at the date of grant and the amount included in the Historical Financial Information is included in the above directors' remuneration disclosures.

Save for the above disclosures, there was no arrangement under which a director or the chief executive or a supervisor waived or agreed to waive any remuneration during the Relevant Periods.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the Relevant Periods included nil, three, and two directors of the Company, respectively, details of whose remuneration are set out in note 9 to the Historical Financial Information above. Details of the remuneration the remaining five, two, three, highest paid employees who are neither a director nor chief executive of the Company for the five highest paid employees during the Relevant Periods are as follows:

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	3,190	1,805	1,761
Performance related bonuses	25	16	187
Pension scheme contributions	108	20	62
Share-based payment expenses	8	109	—
Total	3,331	1,950	2,010

The emoluments of the five highest paid individuals were within the following bands:

	Year ended 31 December		
	2022	**2023**	**2024**
HKD500,001 to HKD1,000,000	5	1	3
HKD1,000,001 to HKD1,500,000	—	1	—
Total	5	2	3

During the Relevant Periods, share awards were granted to certain highest paid employees in respect of their services and contributions to the Group, further details of which are set out in note 33 to the Historical Financial Information. The fair value of such awards, which has been recognised in profit or loss immediately upon the date of grant or over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above highest paid employees' remuneration disclosures.

11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The provision for corporate income tax in Chinese Mainland is based on the statutory rate of 25% of the assessable profits, in accordance with the PRC Income Tax Law and the respective regulations which were approved and became effective on 1 January 2008.

The Company was qualified as a high and new technology enterprise and was subject to income tax at a preferential tax rate of 15% during the Relevant Periods.

A reconciliation of the tax expense applicable to loss before tax at the statutory rate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Loss before tax	(127,614)	(100,348)	(45,144)
Tax at the statutory tax rate	(31,904)	(25,087)	(11,286)
Effect of different tax rates enacted by local authorities	11,961	8,307	2,872
Effect of research and development expenses that are additionally deducted	(7,635)	(8,162)	(5,038)
Expenses not deductible for tax	774	1,127	1,076
Effect of deductible temporary difference not recognised	3,755	2,551	2,441
Tax losses not recognised	23,049	21,264	9,935
Total	—	—	—

According to the PRC Corporate Income Tax regulations, the Company is entitled to additional deduction of qualified research and development expenses from the taxable income. The percentage of additional deduction was 100% during the Relevant Periods.

Deferred tax assets have not been recognised in respect of the following items:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Tax losses	307,256	432,976	484,105
Deductible temporary differences	89,012	90,346	111,607
	396,268	523,322	595,712

The Group has accumulated tax losses in Chinese Mainland of RMB307,256,000, RMB432,976,000 and RMB484,105,000 as at 31 December 2022, 2023 and 2024, respectively, that would expire in one to ten years for offsetting against future taxable profits of the companies located in Chinese Mainland in which the tax losses arose.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilised.

12. DIVIDEND

No dividend has been paid or declared by the Company during the Relevant Periods.

13. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amounts is based on the loss for each of the Relevant Periods attributable to ordinary equity holders of the parent, and the weighted average number of share capital issue during the Relevant Periods. The weighted average numbers of ordinary shares in issue for the Relevant Periods before the conversion of the Company into a joint stock company were determined by assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio of 1:3.08 as upon conversion of the Company into a joint stock company in May 2025.

Because the diluted loss per share amount is decreased when taking share-based payment into account, the share-based payment had an anti-dilutive effect on the basic loss per share for the Relevant Periods and were ignored in the calculation of diluted loss per share.

The calculation of basic loss per share is based on:

	Year ended 31 December		
	2022	**2023**	**2024**
Loss attributable to ordinary equity holders of the parent *(RMB'000)*	(127,614)	(100,348)	(45,144)
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation *('000)**	152,322	170,399	180,352

* The weighted average number of ordinary shares in issue used in the basic loss per share calculation has been adjusted retrospectively to reflect the subdivision of shares on a one-for-ten basis.

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery and equipment	Office equipment and fixtures	Motor vehicles	Other equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December, 2022						
At 1 January 2022:						
Cost	6,548	912	106	6,060	7,165	20,791
Accumulated depreciation	(40)	(285)	(4)	(1,086)	(1,916)	(3,331)
Net carrying amount	6,508	627	102	4,974	5,249	17,460
At 1 January 2022, net of accumulated depreciation	6,508	627	102	4,974	5,249	17,460
Additions	236	1,156	—	3,144	2,499	7,035
Depreciation provided during the year	(1,156)	(297)	(25)	(2,429)	(2,135)	(6,042)
Disposals	—	—	—	(4)	—	(4)
At 31 December 2022, net of accumulated depreciation	5,588	1,486	77	5,685	5,613	18,449
At 31 December 2022:						
Cost	6,784	2,068	106	9,198	9,664	27,820
Accumulated depreciation	(1,196)	(582)	(29)	(3,513)	(4,051)	(9,371)
Net carrying amount	5,588	1,486	77	5,685	5,613	18,449

	Machinery and equipment	Office equipment and fixtures	Motor vehicles	Other equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December, 2023						
At 1 January 2023:						
Cost	6,784	2,068	106	9,198	9,664	27,820
Accumulated depreciation	(1,196)	(582)	(29)	(3,513)	(4,051)	(9,371)
Net carrying amount	5,588	1,486	77	5,685	5,613	18,449
At 1 January 2023, net of accumulated depreciation	5,588	1,486	77	5,685	5,613	18,449
Additions	160	—	448	80	3,637	4,325
Depreciation provided during the year	(1,169)	(362)	(109)	(2,711)	(3,466)	(7,817)
Disposals	(26)	(146)	—	(233)	(1,263)	(1,668)
At 31 December 2023, net of accumulated depreciation	4,553	978	416	2,821	4,521	13,289
At 31 December 2023:						
Cost	6,894	1,507	554	7,838	10,466	27,259
Accumulated depreciation	(2,341)	(529)	(138)	(5,017)	(5,945)	(13,970)
Net carrying amount	4,553	978	416	2,821	4,521	13,289

	Machinery and equipment	Office equipment and fixtures	Motor vehicles	Other equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December, 2024						
At 1 January 2024:						
Cost	6,894	1,507	554	7,838	10,466	27,259
Accumulated depreciation	(2,341)	(529)	(138)	(5,017)	(5,945)	(13,970)
Net carrying amount	4,553	978	416	2,821	4,521	13,289
At 1 January 2024, net of accumulated depreciation	4,553	978	416	2,821	4,521	13,289
Additions	62	—	—	332	434	828
Depreciation provided during the year	(1,171)	(277)	(137)	(2,008)	(3,051)	(6,644)
Disposals	—	(112)	—	(49)	—	(161)
At 31 December 2024, net of accumulated depreciation	3,444	589	279	1,096	1,904	7,312
At 31 December 2024:						
Cost	6,956	1,272	554	7,943	10,900	27,625
Accumulated depreciation	(3,512)	(683)	(275)	(6,847)	(8,996)	(20,313)
Net carrying amount	3,444	589	279	1,096	1,904	7,312

The Company

	Machinery and equipment	Office equipment and fixtures	Motor vehicles	Other equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December, 2022						
At 1 January 2022:						
Cost	355	635	3	4,201	1,480	6,674
Accumulated depreciation	(36)	(267)	(2)	(966)	(1,238)	(2,509)
Net carrying amount	319	368	1	3,235	242	4,165
At 1 January 2022, net of accumulated depreciation	319	368	1	3,235	242	4,165
Additions	236	1,155	—	2,857	2,055	6,303
Depreciation provided during the year	(53)	(245)	—	(1,905)	(151)	(2,354)
Disposals	—	—	—	(4)	—	(4)
At 31 December 2022, net of accumulated depreciation	502	1,278	1	4,183	2,146	8,110
At 31 December 2022:						
Cost	591	1,790	3	7,052	3,535	12,971
Accumulated depreciation	(89)	(512)	(2)	(2,869)	(1,389)	(4,861)
Net carrying amount	502	1,278	1	4,183	2,146	8,110

	Machinery and equipment	Office equipment and fixtures	Motor vehicles	Other equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December, 2023						
At 1 January 2023:						
Cost	591	1,790	3	7,052	3,535	12,971
Accumulated depreciation	(89)	(512)	(2)	(2,869)	(1,389)	(4,861)
Net carrying amount	502	1,278	1	4,183	2,146	8,110
At 1 January 2023, net of accumulated depreciation	502	1,278	1	4,183	2,146	8,110
Additions	—	—	447	—	3,603	4,050
Depreciation provided during the year	(59)	(311)	(85)	(2,141)	(1,744)	(4,340)
Disposals	(26)	(86)	—	(76)	(350)	(538)
At 31 December 2023, net of accumulated depreciation	417	881	363	1,966	3,655	7,282
At 31 December 2023:						
Cost	541	1,332	450	5,944	6,705	14,972
Accumulated depreciation	(124)	(451)	(87)	(3,978)	(3,050)	(7,690)
Net carrying amount	417	881	363	1,966	3,655	7,282

	Machinery and equipment	Office equipment and fixtures	Motor vehicles	Other equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December, 2024						
At 1 January 2024:						
Cost	541	1,332	450	5,944	6,705	14,972
Accumulated depreciation	(124)	(451)	(87)	(3,978)	(3,050)	(7,690)
Net carrying amount	417	881	363	1,966	3,655	7,282
At 1 January 2024, net of accumulated depreciation	417	881	363	1,966	3,655	7,282
Additions	63	—	—	311	—	374
Depreciation provided during the year	(54)	(244)	(112)	(1,582)	(1,751)	(3,743)
Disposals	—	(112)	—	(45)	—	(157)
At 31 December 2024, net of accumulated depreciation	426	525	251	650	1,904	3,756
At 31 December 2024:						
Cost	604	1,097	450	6,037	6,705	14,893
Accumulated depreciation	(178)	(572)	(199)	(5,387)	(4,801)	(11,137)
Net carrying amount	426	525	251	650	1,904	3,756

15. OTHER INTANGIBLE ASSETS

The Group and the Company

	Software
	RMB'000
31 December, 2022	
Cost at 1 January, 2022, net of accumulated amortisation	395
Additions	942
Amortisation during the year	(212)
At 31 December, 2022	1,125
At 31 December, 2022:	
Cost	1,495
Accumulated amortisation	(370)
Net carrying amount	1,125
31 December, 2023	
Cost at 1 January, 2023, net of accumulated amortisation	1,125
Additions	—
Amortisation during the year	(318)
At 31 December, 2023	807
At 31 December, 2023:	
Cost	1,495
Accumulated amortisation	(688)
Net carrying amount	807
31 December, 2024	
Cost at 1 January, 2024, net of accumulated amortisation	807
Additions	—
Amortisation during the year	(317)
At 31 December, 2024	490
At 31 December, 2024:	
Cost	1,495
Accumulated amortisation	(1,005)
Net carrying amount	490

16. LEASES

The Group as a lessee

During the Relevant Periods, the Group entered into certain long-term lease contracts for buildings which generally have lease terms between two and five years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

	Buildings
	RMB'000
As at 1 January, 2022	8,476
Additions	21,291
Depreciation charge	(11,035)
As at 31 December, 2022	18,732

	Buildings
	RMB'000
As at 1 January, 2023	18,732
Additions	244
Early termination	(6,832)
Depreciation charge	(8,109)
As at 31 December, 2023	4,035

	Buildings
	RMB'000
As at 1 January, 2024	4,035
Additions	11,465
Early termination	(394)
Depreciation charge	(5,095)
As at 31 December, 2024	10,011

The Company

	Buildings
	RMB'000
As at 1 January, 2022	427
Additions	21,291
Depreciation charge	(7,320)
As at 31 December, 2022	14,398

	Buildings
	RMB'000
As at 1 January, 2023	14,398
Additions	244
Early termination	(5,223)
Depreciation charge	(5,646)
As at 31 December, 2023	3,773

	Buildings
	RMB'000
As at 1 January, 2024	3,773
Additions	8,234
Early termination	(394)
Depreciation charge	(3,487)
As at 31 December, 2024	8,126

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year	8,543	20,504	4,565
New leases	21,291	244	11,465
Accretion of interest recognised during the year	944	419	230
Payments	(10,274)	(9,039)	(5,704)
Early termination	—	(7,563)	(461)
Carrying amount at the end of the year	20,504	4,565	10,095
Analysed into:			
Current portion	11,636	4,565	4,286
Non-current portion	8,868	—	5,809

The Company

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at the beginning of the year	389	15,924	4,279
New leases	21,291	244	8,234
Accretion of interest recognised during the year	709	346	159
Payments	(6,465)	(6,412)	(4,000)
Early termination	—	(5,823)	(461)
Carrying amount at the end of the year	15,924	4,279	8,211
Analysed into:			
Current portion	7,733	4,279	2,668
Non-current portion	8,191	—	5,543

The maturity analysis of lease liabilities is disclosed in note 40 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

The Group

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	944	419	230
Depreciation charge of right-of-use assets	11,035	8,109	5,095
Expense relating to short-term leases*	110	102	63
Total amount recognised in profit or loss	12,089	8,630	5,388

The Company

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	709	346	159
Depreciation charge of right-of-use assets	7,320	5,646	3,487
Expense relating to short-term leases*	104	96	42
Total amount recognised in profit or loss	8,133	6,088	3,688

* Included in "Administrative expenses" and "Selling and marketing expenses" in profit or loss.

(d) The total cash outflow for leases is set out in note 34 to the Historical Financial Information.

17. INVESTMENT IN SUBSIDIARIES

The Company

	As at 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Investment in subsidiaries, at cost	40,180	40,543	59,096

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and the Company

	As at 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Wealth management products	—	—	17,008

As at 31 December 2024, the financial assets at fair value through profit or loss represented floating return monetary fund and wealth management products issued by certain banks in Chinese Mainland, with expected return rates ranging from 1.14% to 1.87% per annum. They were classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

19. INVENTORIES

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	18,042	20,232	15,108
Work in progress	21,610	6,814	5,801
Finished goods	7,320	9,094	9,693
Contract fulfillment costs	64,509	74,320	28,830
Total	111,481	110,460	59,432

As at 31 December 2022, 2023 and 2024, the amount of inventories was net of a write-down of approximately RMB27,434,000, RMB30,017,000 and RMB19,579,000, respectively.

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	9,810	1,994	755
Work in progress	7,014	797	211
Finished goods	6,894	7,241	5,272
Contract fulfillment costs	64,509	74,320	28,830
Total	88,227	84,352	35,068

As at 31 December 2022, 2023 and 2024, the amount of inventories was net of a write-down of approximately RMB24,855,000, RMB25,881,000 and RMB14,825,000, respectively.

20. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Bills receivable	2,710	9,764	5,503
Trade receivables	49,525	78,604	145,461
	52,235	88,368	150,964
Less: Allowance for credit losses	(23,241)	(36,551)	(57,542)
Total	28,994	51,817	93,422

Bills receivable are subject to impairment under the general approach and the impairment is considered to be minimal.

The Group's trading terms with its customers are mainly on credit. For sales of products, the credits period is normally 90 days. For sales of robotic solutions, the settlement is made in accordance with the terms specified in the sales contracts. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of each of the Relevant Periods, based on the revenue recognition date and net of allowance for expected credit losses, is as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	27,585	51,040	90,093
1 to 2 years	1,409	777	3,329
Total	28,994	51,817	93,422

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	As at 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	12,838	23,241	36,551
Impairment losses, net of reversal *(note 8)*	9,385	11,869	18,148
Transfer from contract assets	1,018	1,441	2,843
Total	23,241	36,551	57,542

The increase in the loss allowance was due to an increase in the gross carrying amount after the settlement of trade receivables and origination of new trade receivables.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by product/service, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Trade receivables for which the counterparties failed to make the demanded repayments are defaulted receivables. The Group has provided full impairment for the defaulted receivables.

Set out below is the information about the credit risk exposure on the Group's trade and bills receivables using a provision matrix:

	As at 31 December 2022		
	Amount	**Expected loss rate**	**Impairment**
	RMB'000	*%*	*RMB'000*
Defaulted receivables	1,022	100.00	1,022
Other trade receivables aged:			
Within 1 year	33,515	17.69	5,930
1 year to 2 years	15,672	91.01	14,263
Over 2 years	2,026	100.00	2,026
Total	52,235	44.49	23,241

	As at 31 December 2023		
	Amount	Expected loss rate	Impairment
	RMB'000	*%*	*RMB'000*
Defaulted receivables	1,022	100.00	1,022
Other trade receivables aged:			
Within 1 year	63,641	19.80	12,601
1 year to 2 years	9,930	92.18	9,153
Over 2 years	13,775	100.00	13,775
Total	88,368	41.36	36,551

	As at 31 December 2024		
	Amount	Expected loss rate	Impairment
	RMB'000	*%*	*RMB'000*
Defaulted receivables	1,022	100.00	1,022
Other trade receivables aged:			
Within 1 year	119,398	24.54	29,305
1 year to 2 years	16,312	79.59	12,983
Over 2 years	14,232	100.00	14,232
Total	150,964	38.12	57,542

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Bills receivable	2,110	7,611	4,937
Trade receivables	49,525	78,604	142,877
Due from subsidiaries	19,239	30,777	11,312
	70,874	116,992	159,126
Less: Allowance for credit losses	(23,241)	(36,551)	(56,878)
Total	47,633	80,441	102,248

The Company estimated that the expected loss rate for its trade receivables due from subsidiaries is minimal.

An aging analysis of the trade and bills receivables as at the end of each of the Relevant Periods, based on the revenue recognition date and net of allowance for expected credit losses, is as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	43,804	79,664	98,919
1 to 2 years	3,829	777	3,329
Total	47,633	80,441	102,248

21. DEBT INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Bank acceptance bills	1,205	1,896	697

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Bank acceptance bills	1,205	1,896	697

The above bank acceptance bills are issued by reputable banks in Chinese Mainland. They are classified and measured at fair value through other comprehensive income as they are held within a business model with the objective of both collecting contractual cashflows and selling. The fair value approximates to the carrying value due to the short maturity.

22. CONTRACT ASSETS

The Group and the Company

	As at 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Contract assets arising from:			
Warranty retention receivables	6,160	11,049	17,281
Less: Impairment of contract assets	(1,186)	(2,585)	(4,447)
Net carrying amount	4,974	8,464	12,834

Contract assets are mainly generated by the robotic solutions contracts. According to the contract term, a certain percentage of contract amount is retention receivables which will be collected upon the completion of warranty period. The retention receivables are recognised as contract assets when the robotic solutions are accepted by the customer and are reclassified to trade receivables upon the completion of warranty period which is one year.

The movements in the loss allowance for impairment of contract assets are as follows:

	As at 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	1,085	1,186	2,585
Impairment losses, net	1,119	2,840	4,705
Transfer to trade and bills receivables	(1,018)	(1,441)	(2,843)
At the end of the year	1,186	2,585	4,447

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are referred to those of the trade and bills receivables as the contract assets and the trade and bills receivables are from the same customer bases. The provision rates of contract assets have also considered the probability of default, historical loss record as well as forward-looking information. The calculation are adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Set out below is the information about the credit risk exposure on contract assets:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Expected credit loss rate	19.25%	23.40%	25.73%
Gross carrying amount	6,160	11,049	17,281
Expected credit losses	(1,186)	(2,585)	(4,447)

23. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Prepayments for property, plant and equipment	2,533	414	68
Other receivables and deposits	951	—	419
Certificate of deposits *(note (a))*	—	—	10,037
	3,484	414	10,524
Current:			
Prepayments	8,639	6,568	3,650
Value-added tax recoverable	911	175	362
Other receivables and deposits	2,940	3,107	2,423
	12,490	9,850	6,435
Total	15,974	10,264	16,959

The Company

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Prepayments for property, plant and equipment	2,027	12	23
Other receivables and deposits	—	—	419
Certificate of deposits *(note (a))*	—	—	10,037
	2,027	12	10,479
Current:			
Prepayments	5,441	5,195	3,079
Other receivables	2,791	2,545	1,902
	8,232	7,740	4,981
Total	10,259	7,752	15,460

(a) Certificate of deposits are issued by banks in Chinese Mainland and they are classified and measured at amortised costs as they are held within the business model with the objective to collect contractual cashflows.

The other receivables and deposits are interest-free and unsecured.

As of 31 December 2022, 2023 and 2024, the impairment of the other receivables and deposits were measured based on 12-month expected credit loss if they were not past due and there was no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on lifetime expected credit loss.

24. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TIME DEPOSITS

The Group

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	30,129	33,844	87,614
Less: Restricted cash	—	390	3,256
Time deposits with maturity over three months	—	—	1,000
Cash and cash equivalents	30,129	33,454	83,358
Denominated in:			
RMB	29,627	32,671	80,383
US$	502	783	2,975
Total cash and bank balances	30,129	33,454	83,358

The Company

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	27,923	31,349	77,236
Less: Restricted cash	—	390	3,256
Time deposits with maturity over three months	—	—	1,000
Cash and cash equivalents	27,923	30,959	72,980
Denominated in:			
RMB	27,421	30,176	70,005
US$	502	783	2,975
Total cash and bank balances	27,923	30,959	72,980

The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

As at 31 December 2023 and 2024, restricted cash comprised of cash frozen by judicial authority for certain lawsuit case in the amount of RMB390,000 and RMB1,859,000, respectively. As at 31 December 2024, restricted cash also included deposits held for the designated purposes of RMB1,397,000.

25. TRADE PAYABLES

The Group

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	64,171	45,785	52,299
Total	64,171	45,785	52,299

An analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date or billing date, is as follows:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	61,660	35,469	42,853
Over 1 year	2,511	10,316	9,446
Total	64,171	45,785	52,299

Trade payables are non-interest-bearing and are normally settled within six months.

The Company

	As at 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	39,031	27,159	23,966
Due to subsidiaries	39,919	30,836	20,819
Total	78,950	57,995	44,785

An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	76,522	48,620	36,144
Over 1 year	2,428	9,375	8,641
Total	78,950	57,995	44,785

Trade payables are non-interest-bearing and are normally settled within six months.

26. OTHER PAYABLES AND ACCRUALS

The Group

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Payroll payables	7,708	11,018	9,494
Other tax payables	1,010	3,150	1,443
Output value added tax to be transferred	5,514	4,209	1,889
Cash settled share-based payments *(note 33)*	9,574	3,625	3,709
Other payables and accruals	252	1,606	3,636
Total	24,058	23,608	20,171

The Company

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Payroll payables	7,191	9,705	8,253
Other tax payables	999	3,142	1,430
Output value added tax to be transferred	5,409	4,111	1,809
Cash settled share-based payments *(note 33)*	8,446	3,043	3,260
Other payables and accruals	250	1,605	2,633
Total	22,295	21,606	17,385

27. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group

	Year ended 31 December								
	2022			2023			2024		
	Effective interest rate (%)	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*	*Effective interest rate (%)*	*Maturity*	*RMB'000*
Bank loans — secured*	3.85-4.57	2023	47,712	3.5-3.95	2024	15,016	2.60-3.60	2025	32,870
Bank loans — unsecured	4.36	2023	12,016	3.85	2024	10,012	3.45	2025	10,011
Total			59,728			25,028			42,881

* The bank loans were guaranteed by Mr. Wang Yongkun (note 36).

28. CONTRACT LIABILITIES

The Group

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities	44,299	34,054	16,111

The Company

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities	43,509	33,305	15,497

Contract liabilities mainly include advance payment for sales of robotic solutions. The decrease in contract liabilities in years ended 31 December, 2022, 2023 and 2024 were mainly due to the Group fulfilled its obligations under contracts at the end of each year.

29. DEFERRED INCOME

The Group

	As at 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Government grants	8,000	8,000	8,000
Analysed into:			
Current portion	—	—	8,000
Non-current portion	8,000	8,000	—

The Group's deferred income represented government grants received for projects with conditions to be satisfied. It was classified as current liabilities as at 31 December 2024 as the due date for the conditions to be met is within 12 months.

30. PROVISIONS

The Group and the Company

	Warranties
	RMB'000
At 1 January 2022	7,132
Additional provision	6,253
Amounts utilised during the year	(4,972)
At 31 December 2022	8,413
At 1 January 2023	8,413
Additional provision	7,756
Amounts utilised during the year	(8,005)
At 31 December 2023	8,164
At 1 January 2024	8,164
Additional provision	15,708
Amounts utilised during the year	(8,117)
At 31 December 2024	15,755

The Group generally provides warranties of one year to its customers on certain of its products for general repairs of defects occurring during the warranty period. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs and returns. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

31. PAID-IN CAPITAL

Paid-in capital

	RMB'000
As at 1 January 2022	4,949
Capital contribution by shareholders	—
As at 31 December 2022	4,949

	RMB'000
As at 1 January 2023	4,949
Capital contribution by shareholders*	724
As at 31 December 2023	5,673

	RMB'000
As at 1 January 2024	5,673
Capital contribution by shareholders*	342
As at 31 December 2024	6,015

* During the year ended 31 December 2023, the Company received capital contributions of RMB179,150,000, net of transaction costs. The capital contribution increased the paid-in capital and capital reserve by RMB724,000 and RMB178,426,000, respectively.

** During the year ended 31 December 2024, the Company received capital contributions of RMB94,889,000, net of transaction costs. The capital contribution increased the paid-in capital and capital reserve by RMB342,000 and RMB94,547,000, respectively.

In May 2025, the Company converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company as of the conversion base date, including the paid-in capital, capital reserves and accumulated losses, were converted into 20,000,000 ordinary shares of RMB1.00 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company's capital reserve.

32. RESERVES

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

(a) Capital reserve

The share premium of the Group represents the difference between the par value of the shares issued and the consideration received.

(b) Share-based payment reserve

The share-based payment reserve represents the equity-settled share based payments as set out in note 33 to the Historical Financial Information.

The Company

The amounts of the Company's reserves and the movements therein for the Relevant Periods are presented as follows:

	Capital reserve	Share-based payment reserve	Accumulated losses	Total reserve
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2022	263,994	116,000	(254,028)	125,966
Loss for the year	—	—	(119,607)	(119,607)
Total comprehensive loss for the year	—	—	(119,607)	(119,607)
Share-based payments	—	3,907	—	3,907
Capital contribution by shareholders	—	—	—	—
As at 31 December 2022	263,994	119,907	(373,635)	10,266

	Capital reserve	Share-based payment reserve	Accumulated losses	Total reserve
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	263,994	119,907	(373,635)	10,266
Loss for the year	—	—	(83,063)	(83,063)
Total comprehensive loss for the year	—	—	(83,063)	(83,063)
Share-based payments	—	4,980	—	4,980
Capital contribution by shareholders	178,426	—	—	178,426
As at 31 December 2023	442,420	124,887	(456,698)	110,609

	Capital reserve	Share-based payment reserve	Accumulated losses	Total reserve
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	442,420	124,887	(456,698)	110,609
Loss for the year	—	—	(28,716)	(28,716)
Total comprehensive loss for the year	—	—	(28,716)	(28,716)
Share-based payments	—	5,050	—	5,050
Capital contribution by shareholders	94,547	—	—	94,547
As at 31 December 2024	536,967	129,937	(485,414)	181,490

33. SHARE INCENTIVE PLAN

Share Award Scheme

The Group approved and adopted the share award scheme (the "**Share Award Scheme**") for certain employees of the Group in order to recognise their contributions to the growth and development of the Group.

In order to implement the Share Award Scheme, Standard Automation (Shenzhen) Studio (Limited Partnership) ("**Standard Automation**") was established and designated as share incentive platform to hold the shares specially awarded to the eligible participants as the ultimate beneficial owners. The Group has no control over the share incentive platform.

In 2017 and 2018, Mr. Wang Huaiqing transferred 458,220 shares and 877,590 shares of the Company to Standard Automation, at a consideration of RMB1 per share and RMB1 per share, respectively. In October 2021, Mr. Wang Yongkun subscribed for 271,590 shares of the Company at a subscription price of RMB92.5 per share, and the subscription price was modified to RMB1 per share in March 2025 pursuant to the written resolutions of the shareholders of the Company.

The shares held by Standard Automation have been granted to the Mr. Wang Yongkun and other eligible employees as at the beginning of the Relevant Periods. The share awards granted to the Mr. Wang Yongkun were vested immediately. The share awards granted to other eligible employees are subject to the vesting condition of the **[REDACTED]**, which would be satisfied when the ordinary shares of the Company are successfully listed on a recognised stock exchange, and the related share-based payment expenses are amortised over the vesting period.

During the years ended 31 December 2022, 2023 and 2024, the Group recognised equity-settled share-based payment expenses under Share Award Scheme of RMB2,908,000, RMB3,361,000 and RMB2,908,000, respectively.

2022 Employee Option Scheme

In April 2022, the Company passed a written resolution of the shareholders of the Company to grant four types of share options to certain directors and employees of the Group ("**2022 Employee Option Scheme**").

Cash-settled share options

One type of the share options under 2022 Employee Option Scheme has cash settlement alternatives where the employees can receive cash settlement of the share awards in March 2023 and upon **[REDACTED]**, respectively, at the pre-determined redemption prices, on condition that the employees remain in its employment. This type of share options is accounted for as cash-settled share-based payment transactions.

The Group recognises a liability at the fair value, initially and at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in profit or loss. The fair value of the liability is determined, by reference to the latest subscription price of the underlying shares, taking into account the terms and conditions on which the cash-settled transaction was granted, and the extent to which the employees have rendered service to date.

The carrying amounts of cash-settled share-based payment liability and the movements during the Relevant Periods are as follows:

	For the year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at 1 January	—	9,574	3,625
Receipts of subscriptions	9,574	—	—
Cost of awards recognised during the year	—	1,134	878
Cash settlement	—	(7,083)	(794)
Carrying amount at 31 December	9,574	3,625	3,709

Equity-settled share options

The three types of share options under 2022 Employee Option Scheme are equity-settled share options.

During the years ended 31 December 2022, 2023 and 2024, the Group granted 29,641, 1,509, and 6,496 equity-settled share options, respectively, which will be vested in instalments and the vesting of share options is also subject to the **[REDACTED]** Condition. The exercise prices of share options ranged from RMB0.00 to RMB225 per share.

The fair values of the share option granted were estimated as at the grant date by using the Black-Scholes option pricing model. The following table lists the key inputs to the fair value model used:

	For the year ended 31 December		
	2022	2023	2024
Risk-free interest rate *(%)*	2.70%–2.82%	2.68%–2.83%	2.29%
Volatility *(%)*	48.85%–50.19%	46.03%–48.44%	43.61%

The share options granted and outstanding during the Relevant Periods are as follows:

	Number of share options
At 1 January 2022	—
Granted during the year	29,641
At 31 December 2022	29,641
At 1 January 2023	29,641
Granted during the year	1,509
At 31 December 2023	31,150
At 1 January 2024	31,150
Granted during the year	6,496
At 31 December 2024	37,646

During the years ended 31 December 2022, 2023 and 2024, the Group recognised share award expenses of RMB999,000, RMB1,620,000 and RMB2,142,000, respectively, for the above equity-settled share options.

34. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2022, 2023, 2024, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB21,291,000, RMB244,000, and RMB11,465,000, respectively, in respect of lease arrangements for buildings.

During the year ended 31 December 2024, the Group entered into agreements with certain customers and suppliers, pursuant to which, the Group settled trade receivables in the amount of RMB1,590,000 by using the trade payables due to the suppliers.

(b) Changes in liabilities arising from financing activities

	Interest-bearing bank and other borrowings	Lease liabilities
	RMB'000	*RMB'000*
At 1 January, 2022	13,670	8,543
Changes from financing cash flows	44,544	(10,274)
New lease addition	—	21,291
Accretion of interest	1,514	944
At 31 December, 2022 and 1 January, 2023	59,728	20,504
Changes from financing cash flows	(36,613)	(9,039)
New lease addition	—	244
Accretion of interest	1,913	419
Early termination of lease liabilities	—	(7,563)
At 31 December, 2023 and 1 January, 2024	25,028	4,565
Changes from financing cash flows	16,703	(5,704)
New lease addition	—	11,465
Accretion of interest	1,150	230
Early termination of lease liabilities	—	(461)
At 31 December, 2024	42,881	10,095

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within operating activities	110	102	63
Within financing activities	10,274	9,039	5,704
	10,384	9,141	5,767

35. COMMITMENTS

The Group had the following capital commitments at the end of each of the Relevant Periods:

	Year ended 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Contracted, but not provided for:			
Purchases of items of property, plant and equipment	6,754	586	121

36. RELATED PARTY TRANSACTIONS

The Directors are of the view that the following companies are related parties that have material transactions or balances with the Group during the Relevant Periods.

(a) Name and relationships of the related parties:

Name	Relationship
Mr. Wang Yongkun	Director

(b) Certain of the Group's bank loans are secured by:

	As at 31 December		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Mr. Wang Yongkun	47,712	15,016	32,870

Mr. Wang Yongkun has guaranteed certain bank loans made to the Group as at the end of each of the Relevant Periods, as disclosed in note 27 to the Historical Financial Information. The guarantee period is 12 to 24 months.

(c) Compensation of key management personnel of the Group:

The remuneration of key management personnels was as follows:

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind . .	1,784	3,316	3,528
Performance related bonuses	—	1,211	194
Pension scheme contributions	52	48	57
Share-based payment expenses	901	901	901
Total compensation paid to key management personnel.	2,737	5,476	4,680

Further details of directors' and the chief executive's and supervisors' remuneration are set out in note 9 to the Historical Financial Information.

37. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

At 31 December 2022, 2023 and 2024, the Group endorsed certain bills receivable in Chinese Mainland (the "**Endorsed Bills**") with a carrying amount of RMB2,089,000, RMB3,026,000 and RMB1,069,000 to certain of its suppliers in order to settle the trade payables due to such suppliers (the "**Endorsement**"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of the trade payables settled by the Endorsed Bills during the year to which the suppliers have recourse was RMB3,984,000, RMB13,957,000 and RMB11,955,000 as at 31 December 2022, 2023 and 2024.

Transferred financial assets that are derecognised in their entirety

At 31 December 2022, 2023 and 2024, the Group endorsed certain bills receivable in Chinese Mainland (the "**Derecognised Bills**") to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB1,294,000, RMB1,654,000 and RMB6,152,000. The Derecognised Bills had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "**Continuing Involvement**"). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the year ended 31 December 2022, 2023 and 2024, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The endorsement has been made evenly throughout the year.

38. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

	As at 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets at fair value:			
Financial assets at FVTPL	—	—	17,008
Debt investments at fair value through other comprehensive income	1,205	1,896	697
Financial assets at amortised cost:			
Trade and bills receivables	28,994	51,817	93,422
Financial assets included in prepayment, other receivables and other assets	3,891	3,107	12,879
Restricted bank deposits	—	390	3,256
Time deposits	—	—	1,000
Cash and cash equivalents	30,129	33,454	83,358
Total	64,219	90,664	211,620
Financial liabilities			
Financial liabilities at fair value:			
Cash settled share-based payments	9,574	3,625	3,709
Financial liabilities at amortised cost:			
Trade payables	64,171	45,785	52,299
Financial liabilities included in other payables and accruals	18	1,140	2,999
Interest-bearing bank and other borrowings	59,728	25,028	42,881
Lease liabilities	20,504	4,565	10,095
Total	153,995	80,143	111,983

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair values

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the financial director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At the end of each of the Relevant Periods, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the financial assets at fair value through profit or loss and debt investments at fair value through other comprehensive income have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The fair value of the cash-settled liability of share-based payments was estimated as at the end of each of the Relevant Periods with reference to the latest subscription prices of the underlying shares, taking into account the terms and conditions upon which the options were granted.

Fair value hierarchy

As at 31 December, 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Debt investments at fair value through other comprehensive income	—	1,205	—	1,205
Financial liabilities				
Cash settled share-based payments	—	9,574	—	9,574

As at 31 December, 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Debt investments at fair value through other comprehensive income	—	1,896	—	1,896
Financial liabilities				
Cash settled share-based payments	—	3,625	—	3,625

As at 31 December, 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets				
Debt investments at fair value through other comprehensive income	—	697	—	697
Financial assets at fair value through profit or loss	—	17,008	—	17,008
Total	—	17,705	—	17,705
Financial liabilities				
Cash settled share-based payments	—	3,709	—	3,709

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, restricted cash and financial assets at fair value through profit or loss. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks.

Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between RMB and other currencies in which the Group conducts business may affect the Group's financial condition and results of operations.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's loss before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

	Increase/(decrease) in basis points	Increase/(decrease) in profit before tax	(Decrease)/ increase in equity
	%	*RMB'000*	*RMB'000*
Year ended 31 December 2022			
If RMB weakens against the US$	5	229	229
If RMB strengthens against the US$	(5)	(229)	(229)
Year ended 31 December 2023			
If RMB weakens against the US$	5	626	626
If RMB strengthens against the US$	(5)	(626)	(626)
Year ended 31 December 2024			
If RMB weakens against the US$	5	1,963	1,963
If RMB strengthens against the US$	(5)	(1,963)	(1,963)

Credit risk

The Group trades only with recognised and creditworthy parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and financial assets included in prepayments, other receivables and other assets, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

For other receivables and other assets, management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The Directors believe that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets.

At 31 December, 2022

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	—	—	—	52,235	52,235
Financial assets included in prepayments, other receivables and other assets**	3,891	—	—	—	3,891
Debt investments at fair value through other comprehensive income	1,205	—	—	—	1,205
Cash and cash equivalents	30,129	—	—	—	30,129
	35,225	—	—	52,235	87,460

At 31 December, 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	—	—	—	88,368	88,368
Financial assets included in prepayments, other receivables and other assets**	3,107	—	—	—	3,107
Debt investments at fair value through other comprehensive income	1,896	—	—	—	1,896
Restricted cash	390	—	—	—	390
Cash and cash equivalents	33,454	—	—	—	33,454
	38,847	—	—	88,368	127,215

At 31 December, 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables*	—	—	—	150,964	150,964
Financial assets included in prepayments, other receivables and other assets**	12,879	—	—	—	12,879
Debt investments at fair value through other comprehensive income	697	—	—	—	697
Restricted cash	3,256	—	—	—	3,256
Time deposits	1,000	—	—	—	1,000
Cash and cash equivalents	83,358	—	—	—	83,358
	101,190	—	—	150,964	252,154

* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 20 and note 22 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

As at 31 December 2022, 2023 and 2024, the Group had certain concentrations of credit risk as 8.46%, 11.26% and 10.99% of the Group's trade and bills receivables and contract assets were due from the Group's largest customer, 31.65%, 27.21% and 35.36% of the Group's gross carry amount of trade and bills receivables and contract assets were due from five largest customers.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of internally generated cash flows from operations and lease liabilities. The Group regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

The maturity profile of the Group's financial liabilities and lease liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, was as follows:

As at 31 December 2022

	Less than 12 months or on demand	**1 to 5 years**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	64,171	—	64,171
Financial liabilities included in other payables and accruals	9,592	—	9,592
Interest-bearing bank and other borrowings	62,216	—	62,216
Lease liabilities	12,018	9,160	21,178
	147,997	9,160	157,157

As at 31 December 2023

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	35,469	10,316	45,785
Financial liabilities included in other payables and accruals	4,765	—	4,765
Interest-bearing bank and other borrowings	25,933	—	25,933
Lease liabilities	4,639	—	4,639
	70,806	10,316	81,122

As at 31 December 2024

	Less than 12 months or on demand	1 to 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	42,853	9,446	52,299
Financial liabilities included in other payables and accruals	6,708	—	6,708
Interest-bearing bank and other borrowings	44,227	—	44,227
Lease liabilities	4,472	6,061	10,533
	98,260	15,507	113,767

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The asset-liability ratios as at the end of each of the Relevant Periods are as follows:

	Year ended 31 December		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Total assets	231,063	234,876	305,779
Total liabilities	229,173	149,204	165,312
Asset-liability ratio	99%	64%	54%

Note: Asset-liability ratio is calculated by dividing total liabilities by total assets and multiplying the product by 100%.

41. EVENTS AFTER THE RELEVANT PERIODS

(1) Convert into a joint stock company

In May 2025, the Company converted into a joint stock company with limited liability under the Company Law of the PRC. The net assets of the Company as of the conversion base date, including the paid-in capital, capital reserves and accumulated losses, were converted into 20,000,000 ordinary shares of RMB1.00 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company's capital reserve.

(2) Investments by Wuxi Liangxi Sci-Tech Innovation Industry Investment Fund Partnership (Limited Partnership) ("Liangxi Investment")

Pursuant to the investment agreement signed on 31 May 2024, Liangxi Investment had agreed to subscribe for 684,005 shares (equivalent to 2,105,263 shares after the conversion into a joint stock company) of the Company at the consideration of RMB200 million. On 16 June 2025, the registered capital of the Company had been increased by RMB2,105,263 to RMB22,105,263 and Liangxi Investment had become interested in 3,158,263 shares, comprising approximately 14.29% of the total issued share capital of the Company.

(3) Capital Increase through Share Subdivision

On 16 June 2025, resolutions were passed by the shareholders approving, among others, the Share Subdivision, whereby each of the shares with a nominal value of RMB1.00 each shall be sub-divided into 10 shares with a nominal value of RMB0.10 each, and such Share Subdivision shall take effect immediately before the **[REDACTED]**, upon which the registered capital of the Company shall be divided into 221,052,630 Shares with a nominal value of RMB0.10 per Share.

(4) Modification of cash-settled share-based payment

In June 2025, the Company amended the terms of the arrangement, relating to the cash-settled share options, as set out in note 33 to the Historical Financial Information, from cash-settled to equity-settled. Eligible employees will receive restricted stock units instead of cash compensation.

(5) 2025 Share Option Scheme

The Company adopted a share option scheme (the "**2025 Share Option Scheme**") which was approved and adopted by the written resolutions of all the shareholders of the Company passed on 29 May 2025 for the purpose of providing incentives or rewards to eligible persons for their contribution to, and continuing efforts to promote the interests of the Group. Eligible persons of the 2025 Share Option Scheme include any director or employee of the Group who has contributed to or will contribute to the Group. On 10 June 2025, certain share options under the 2025 Share Option Scheme were granted to eligible employees and directors of the Group.

42. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of its subsidiaries in respect of any period subsequent to 31 December 2024.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

PRC TAXATION

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of the H Shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current law and practice and has not taken into account the expected change or amendment to the relevant laws or policies. The discussion has no intention to cover all possible tax consequences resulting from the investment in H Shares, nor does it take the specific circumstances of any particular investor into account, some of which may be subject to special regulations. Accordingly, you should consult your own tax advisor regarding the tax consequences of an investment in H Shares. The discussion is based upon laws and relevant interpretations in effect as of the date of the Latest Practicable Date, which is subject to change and may have retrospective effect.

Taxation on Dividends

Individual Investors

Under the provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), last amended on August 31, 2018, and the Regulations on Implementation of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), last amended on December 18, 2018 (collectively referred to as the "**IIT Law**"), dividends disbursed by Chinese enterprises are subject to a flat individual income tax rate of 20%. For foreign individuals who are not residents of China, dividends received from a Chinese enterprise are generally taxed at 20%, unless there are specific exemptions granted by the State Council's tax authority or reductions under an applicable tax treaty. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) issued on September 7, 2015 and effective on September 8, 2015, where an individual holds the shares of a listed company obtained from the public offering for more than one year and transfers the stock of the listed company on the stock market, the dividend and bonus income shall be temporarily exempted from individual income tax. Where an individual acquires shares of a listed company from the public offering and transfers the stock of the listed company on the stock market, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if the holding period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

According to the Announcement of State Taxation Administration on Promulgation of the Administrative Measures on Non-resident Taxpayers Enjoying Treaty Benefits (《國家稅務總局關於發布<非居民納稅人享受協定待遇管理辦法>的公告》), which came into effect on 1 January 2020, non-resident taxpayers claiming treaty benefits shall be handled in accordance with the principles of "self-assessment, claiming benefits, retention of the relevant materials for future inspection". Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through the withholding agent, simultaneously gather and retain the relevant materials pursuant to the provisions of the Measures for future inspection, and accept follow-up administration by the tax authorities. For withholding at source and designated withholding, a non-resident taxpayer asserting that it satisfies the criteria for claiming treaty benefits and need to claim such benefits shall complete an "Information Report on Non-resident Taxpayers Claiming Treaty Benefits" truthfully, submit to the withholding agent voluntarily, gather and retain the relevant materials pursuant to the relevant provisions.

In accordance with the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), signed on August 21, 2006, the PRC Government has the authority to impose taxes on dividends paid by a PRC company to Hong Kong residents, including both natural persons and legal entities. The tax levied shall not exceed 10% of the total dividends payable by the PRC company. However, if a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company and meets certain conditions as the beneficial owner of the equity, the tax imposed shall not exceed 5% of the total dividends payable by the PRC company.

The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》), in effect since December 6, 2019, introduces specific criteria determining entitlement to treaty benefits. According to this protocol, if, after all the relevant facts and circumstances are considered, it could be reasonably determined that gaining such tax benefit is one of the primary purposes of any arrangement or transaction that directly or indirectly provides benefits, such benefits shall not apply to the relevant proceeds, except it could be confirmed that under such circumstances, providing such benefits align with the objectives and goals of the relevant provisions of the Arrangement.

Additionally, the application of the dividend clause of tax agreements is bound by the stipulations outlined in the PRC tax laws and regulations, including the guidelines specified in the Notice of the State Taxation Administration on the Issues Concerning the Application of the

Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) (Guo Shui Han [2009] No. 81). Compliance with these regulations is essential in determining the taxation applicable to dividends under the Arrangement.

Enterprise Investors

Pursuant to the provisions outlined in the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》), enacted by the National People's Congress of the PRC (NPC) on March 16, 2007, and enforced from January 1, 2008, subsequently amended on February 24, 2017, and December 29, 2018, and in alignment with the Implementation Provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), promulgated by the State Council on December 6, 2007, and effective from January 1, 2008, last amended on December 6, 2024 and effective on January 20, 2025 (collectively referred to as the "**EIT Law**"), it is established that a non-resident enterprise is generally liable to a 10% enterprise income tax on income sourced within the PRC. Such income includes dividends and bonuses received from a PRC resident enterprise. This taxation applies to non-resident enterprises that lack a physical establishment or premises in the PRC. Alternatively, if an establishment or premise exists within the PRC, but the PRC-sourced income is unrelated to said establishment or premise, it is subject to the aforementioned taxation.

The withholding tax for non-resident enterprises is mandated to be deducted at the source, whereby the entity making the payment assumes the role of the withholding agent. Consequently, the withholding agent is obligated to withhold the income tax from the payment or due payment each time it is disbursed or becomes due.

The Circular of the State Taxation Administration (STA) on Issues Relating to the Withholding and Remitting of Enterprise Income Tax on Dividends Paid by PRC Resident Enterprises to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897), which was issued by the STA and implemented on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate flat of 10% on the dividends of 2008 and onwards that it distributes to overseas non-resident enterprise shareholders of H Shares. In addition, the Response to Issues on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B-shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》) (Guo Shui Han [2009] No. 394) which was issued by the STA and implemented on July 24, 2009, further provides that any PRC-resident enterprise that is listed on overseas stock exchanges must withhold enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further changed pursuant to the tax treaty or agreement that China has concluded with relevant jurisdictions, where applicable. Accordingly, dividends paid to non-PRC resident enterprise (including HKSCC Nominees) shall be subject to withholding enterprise income tax at a rate of 10%.

In accordance with the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion, the PRC Government is authorized to impose taxes on dividends disbursed by a PRC company to Hong Kong residents, including both individuals and legal entities, not exceeding 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, the tax shall not surpass 5% of the total dividends if the Hong Kong resident qualifies as the beneficial owner of the equity, and specific conditions are met.

Furthermore, the Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion, introduces additional criteria for qualifying for treaty benefits. While other provisions may exist within the Arrangement, if, after all the relevant facts and circumstances are considered, it could be reasonably determined that gaining such tax benefit is one of the primary purposes of any arrangement or transaction that directly or indirectly provides benefits, such benefits shall not apply to the relevant proceeds, except it could be confirmed that under such circumstances, providing such benefits align with the objectives and goals of the relevant provisions of the Arrangement.

It is important to note that the application of the dividend clause of tax agreements is contingent upon compliance with PRC tax laws and regulations, including the guidelines provided in the Notice of the State Taxation Administration on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) (Guo Shui Han [2009] No. 81).

Tax Treaties

Non-resident investors residing in jurisdictions that have established treaties or arrangements for the avoidance of double taxation with the PRC may qualify for a reduction in the PRC enterprise income tax levied on dividends received from PRC companies. Currently, the PRC has entered into Avoidance of Double Taxation Treaties or Arrangements with several countries and regions, including the Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, and the United States.

Non-PRC resident enterprises eligible for preferential tax rates under these relevant taxation treaties or arrangements are required to submit an application to the PRC tax authorities for a refund of the enterprise income tax that exceeds the agreed tax rate. The approval of the refund application is subject to the evaluation and decision of the PRC tax authorities.

Taxation on Share Transfer

Value-Added Tax and Local Surcharges

Under the guidelines outlined in the Notice on the Full Implementation of the Pilot Program for Transition from Business Tax to Value-Added Tax (《關於全面推開營業稅改徵增值稅試點的通知》) (Cai Shui [2016] No. 36) (referred to as "**Circular 36**"), effective from May 1, 2016, and subsequently amended on July 11, 2017, December 25, 2017, and March 20, 2019, individuals and entities conducting service transactions within the PRC are obligated to pay Value-Added Tax (VAT). "Sales of services within the PRC" are defined as transactions where either the service provider or the recipient is situated within the PRC.

Furthermore, Circular 36 specifies that the transfer of financial products, including the ownership transfer of marketable securities, is subject to a VAT rate of 6% on the taxable income. Taxable income, in this context, refers to the sales price balance after deducting the purchase price. This VAT obligation applies to both general and foreign VAT taxpayers. Notably, individuals are exempt from VAT obligations when engaging in the transfer of financial products.

As per the aforementioned regulations, non-resident individuals selling or disposing of H shares are exempt from VAT in the PRC. However, if the holders are non-resident enterprises, they may avoid VAT in the PRC only if the buyers of the H shares are individuals or entities located outside of the PRC. Conversely, the holders might be subject to VAT in the PRC if the buyers of the H shares are individuals or entities situated within the PRC.

Income Taxes

Individual investors

Under the IIT Law, gains arising from the transfer of equity interests in PRC resident enterprises are subject to individual income tax at a rate of 20%. However, in accordance with the Circular of the Ministry of Finance (MOF) and the STA on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《財政部、國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61), issued jointly by the MOF and STA on March 30, 1998, gains obtained by individuals from the transfer of shares of listed companies have been temporarily exempted from individual income tax since January 1, 1997.

However, on December 31, 2009, the MOF, the STA, and the CSRC jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167). The circular, effective from January 1, 2010, stipulates that individuals' income derived from the transfer of listed shares acquired through public offerings and trading on the Shanghai Stock Exchange and the Shenzhen Stock Exchange remains exempt from individual income tax. This exemption applies to shares not subject to sales restrictions, as defined in the Supplementary Notice on Issues Concerning the Individual Income Tax on Individuals' Income from the Transfer of Restricted Stocks of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70), jointly issued by the three aforementioned departments and effective from November 10, 2010.

As of the Latest Practicable Date, there are no provisions expressly stating that individual income tax shall be imposed on non-PRC resident individuals for the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise investors

In accordance with the Enterprise Income Tax Law and the Implementation Provisions of the Enterprise Income Tax Law of the PRC, non-resident enterprises are typically subject to a 10% enterprise income tax on income sourced within the PRC. This includes gains realized from the disposal of equity interests in a PRC resident enterprise. However, this taxation applies only if the non-resident enterprise does not maintain a physical establishment or premises in the PRC, or if it does have such establishments in the PRC, but its PRC-sourced income is not genuinely connected with those establishments.

The withholding of income tax for non-resident enterprises is executed at the source, with the entity making the payment acting as the withholding agent. This withholding agent is obliged to deduct the income tax from each payment or due payment made to the non-resident enterprise. It's important to note that the tax liability may be reduced or exempted in accordance with applicable tax treaties or agreements on the avoidance of double taxation.

Stamp Duty

In compliance with the PRC Stamp Duty Law (《中華人民共和國印花稅法》), as issued by the SCNPC on June 10, 2021, and enforced from July 1, 2022 (referred to as the "**Stamp Duty Law**"), all entities and individuals involved in securities transactions within the PRC are obligated to pay stamp duty as per the regulations outlined in the Stamp Duty Law. Consequently, the stipulations concerning stamp duty applied to the transfer of shares of PRC-listed companies do not extend to the transfer and disposal of H Shares by non-PRC investors outside the PRC.

Estate duty

Under prevailing PRC legislation, there is presently no imposition of estate duty within the jurisdiction.

Major Taxes on the Company in the PRC

Please refer to the section headed "Regulatory Overview" of this document.

FOREIGN EXCHANGE

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The SAFE, with the authorization of the People's Bank of China (the "**PBOC**"), is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The Regulations of the PRC on the Management of Foreign Exchange (《中華人民共和國外匯管理條例》, the "**Regulations on the Management of Foreign Exchange**"), which was promulgated by the State Council on January 29, 1996 and effective on April 1, 1996, classifies all international payments and transfers into current items and capital items. Most of the current items are not subject to the approval of foreign exchange administrative authorities, while capital items are subject to the approval of foreign exchange administrative authorities. According to the Regulations on the Management of Foreign Exchange as amended on January 14, 1997 and August 5, 2008, the PRC will not impose any restriction on international current payments and transfers.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》, the "**Settlement Regulations**"), which was promulgated by the PBOC on June 20, 1996 and effective on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current items, while imposing existing restrictions on foreign exchange transactions under capital items.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》) (PBOC Announcement [2005] No. 16), which was issued by the PBOC on July 21, 2005 and effective on the same date, the PRC began to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies from July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. The PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

On August 5, 2008, the State Council promulgated the revised Regulation on the Management of Foreign Exchange, which has made substantial changes to the foreign exchange supervision system of the PRC. First, it has adopted an approach of balancing the inflow and outflow of foreign exchange. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities; second, it has improved the RMB exchange rate formation mechanism based on market supply and demand; third, in the event that international balance of payment suffer or may suffer a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard or control measures against international balance of payment; fourth, it has enhanced the supervision and administration of foreign exchange transactions and grant extensive authorities to the SAFE to enhance its supervisory and administrative powers.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment from foreign exchange accounts opened at the designated foreign exchange banks, on the strength of valid transaction receipt or proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange (such as our Company) may, on the strength of resolutions of the Board of Directors or the shareholders' meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange banks or effect exchange and payment at the designated foreign exchange banks.

On October 23, 2014, the State Council promulgated the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) (Guo Fa [2014] No. 50), which decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

On December 26, 2014, the SAFE implemented the Notice of the SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) (Hui Fa [2014] No. 54), pursuant to which, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the Administration of Foreign Exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the PRC or deposited overseas, but the use of the proceeds shall be consistent with the contents as specified in the document and other disclosure documents.

According to the Guidelines for the Foreign Exchange Business under the Capital Account (2024) (《資本項目外匯業務指引(2024年版)》) issued by SAFE on April 3, 2024, in principle, the funds raised by overseas listings of domestic companies should be repatriated to China in a timely manner, and can be repatriated in RMB or foreign currency. The use of funds shall be consistent with the relevant contents listed in the prospectus or corporate bond offering documents, shareholder circulars, resolutions of the board of directors or shareholders' meeting and other publicly disclosed documents. Domestic companies using the funds raised from overseas listings to carry out overseas direct investment, overseas securities investment, overseas lending and other businesses shall comply with the relevant foreign exchange management regulations.

According to the Notice of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (Hui Fa [2015] No. 13) promulgated by the SAFE on February 13, 2015 and took effect on June 1, 2015, and amended on December 30, 2019, two of the administrative examination and approval items, being the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment have been canceled, the foreign exchange registration under domestic direct investment and overseas direct investment shall be directly examined and handled by banks. The SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Administration of Foreign Exchange Settlement under Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (Hui Fa [2016] No. 16) issued by the SAFE and came into effect on June 9, 2016, the settlement of foreign exchange receipts under the capital account (including the foreign exchange capital, external debts and funds recovered from overseas listing, etc.) that are subject to discretionary settlement as already specified by relevant policies may be handled at banks based on the domestic institutions' actual requirements for business operation. The proportion of discretionary settlement of domestic institutions' foreign exchange receipts under the capital account is temporarily determined as 100%. The SAFE may, based on the international balance of payments, adjust the aforesaid proportion at appropriate time.

On January 26, 2017, the SAFE issued the Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》) (Hui Fa [2017] No. 3) to further expand the scope of settlement for domestic foreign exchange loans, allow settlement for domestic foreign exchange loans with export background under goods trading; allow repatriation of funds under domestic guaranteed foreign loans for domestic utilization; allow settlement for domestic foreign exchange accounts of foreign institutions operating in the Free Trade Pilot Zones; and adopt the model of full-coverage RMB and foreign currency overseas lending management, where a domestic institution engages in overseas lending, the sum of its outstanding overseas lending in RMB and outstanding overseas lending in foreign currencies shall not exceed 30% of its owner's equity in the audited financial statements of the preceding year.

On October 23, 2019, the SAFE issued the Circular of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) (Hui Fa [2019] No. 28), which stipulated that on the basis that investing foreign-funded enterprises may make domestic equity investments with their capital funds in accordance with laws and regulations, non-investing foreign-funded enterprises are permitted to legally make domestic equity investments with their capital funds under the premise that the existing Special Administrative Measures (Negative List) for the Access of Foreign Investment (《外商投資准入特別管理措施(負面清單)》) are not violated and domestic invested projects are true and compliant.

PRC LAWS AND REGULATIONS

The PRC Legal System

The PRC legal system is based on the Constitution of the PRC (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC Government is a signatory, and other regulatory documents. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

Pursuant to the Constitution and the Legislation Law of the PRC (2023 Revision) (《中華人民共和國立法法(2023修正)》) (the "**Legislation Law**"), the NPC and SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend the basic laws governing criminal and civil matters, State institutions and other matters. The SCNPC formulates and amends laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people's congresses of the provinces, autonomous regions and municipalities and their standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people's congresses of cities with districts and their respective standing committees may formulate local regulations with respect to urban and rural construction and administration, ecological civilization construction, historical and cultural protection, grassroots governance and other aspects according to the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. If the law provides otherwise on the formulation of local regulations by cities divided into districts, those provisions shall prevail. Such local regulations of cities with districts will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions. The standing committees of the people's congresses of the provinces or autonomous regions examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. Where, during the examination for approval of local regulations of cities divided into districts by the standing committees of the people's congresses of the provinces or autonomous regions, conflicts are identified with the rules and regulations of the people's governments of the provinces or autonomous regions concerned, a decision should be made by the standing committees of the people's congresses of provinces or autonomous regions to resolve the issue. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the ethnic groups in the areas concerned. The ministries, commissions of the State Council, the PBOC, the National Audit Office, institutions with administrative functions directly under the State Council, and other institutions stipulated by law may formulate rules and regulations within the power of their respective departments based on the laws, administrative regulations, decisions and rulings of the State Council. Matters governed by the departmental rules and regulations should be those for the enforcement of the laws, administrative regulations, decisions and rulings of the State Council. The people's governments of provinces, autonomous regions and municipalities directly under the central government and cities divided into districts and autonomous regions may formulate rules, in accordance with laws, administrative regulations and relevant local regulations of provinces, autonomous regions and municipalities directly under the central government.

Pursuant to the Resolution of the SCNPC Providing an Improved Interpretation of the Law (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, issues related to the further clarification or supplement of laws or decrees should be interpreted by the SCNPC or provided by with decrees, issues related to the application of laws in a court trial should be interpreted by the Supreme People's Court, issues related to the application of laws in a prosecution process should be interpreted by the Supreme People's Procuratorate, and the application of other laws and decrees in matters other than those involved in trial or prosecution process should be interpreted by the State Council and the competent authorities. The State Council and its ministries and commissions are also vested with the power to give interpretations of the administrative regulations and departmental rules which they have promulgated. At the regional level, the power to interpret regional laws and regulations is vested in the regional legislative and administrative authorities which promulgate such laws and regulations.

The PRC Judicial System

Under the Constitution, the Law of Organization of the People's Courts of the PRC (2018 revision) (《中華人民共和國人民法院組織法(2018修訂)》) and the Law of Organization of the People's Procuratorate of the PRC (2018 revision) (《中華人民共和國人民檢察院組織法(2018修訂)》), the people's courts of the PRC are classified into the Supreme People's Court, the local people's courts at various levels, and other special people's courts. The local people's courts at various levels are divided into three levels, namely, the primary people's courts, the intermediate people's courts and the higher people's courts. The primary people's courts may set up a number of people's tribunals based on the facts of the region, population and cases. The Supreme People's

Court is the highest judicial authority. The Supreme People's Court shall supervise the judicial work of the local people's courts at all levels and special people's courts, and people's courts at higher levels shall supervise the judicial work of people's courts at lower levels. The Chinese People's Procuratorates are divided into the Supreme People's Procuratorate, local people's procuratorates at various levels, and specialized people's procuratorates such as the Military Procuratorate. The Supreme People's Procuratorate is the highest procuratorial organ. The Supreme People's Procuratorate directs the work of the local people's procuratorates and specialized people's procuratorates at all levels, and the people's procuratorates at higher levels direct the work of the people's procuratorates at lower levels.

The people's court takes the rule of the second instance as the final rule, that is, the judgments or rulings of the second instance of the people's court are final. The parties may appeal against the judgment or ruling of the first instance of a local people's court. The people's procuratorate may present a protest to the people's court at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's court are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court are final. The first judgments or rulings of the Supreme People's Court are also final. However, if the Supreme People's Court or a people's court at the next higher level discovers an error in the final and binding judgment or ruling which has taken effect in any people's court at a lower level, or the presiding judge of a people's court discovers an error in a final and binding judgment which has taken effect in the court over which he presides, a retrial of the case may be initiated according to the judicial supervision procedures.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the "**PRC Civil Procedure Law**") adopted on April 9, 1991 and amended five times on October 28, 2007, August 31, 2012, June 27, 2017, December 24, 2021 and September 1, 2023 prescribes the conditions for instituting a civil action, the jurisdiction of the people's courts, the procedures for conducting a civil action, and the procedures for enforcement of a civil judgment or ruling. Each party to a civil action conducted within the PRC must comply with the relevant provisions of the PRC Civil Procedure Law. A civil case is generally heard by the court located in the defendant's place of domicile. The court of jurisdiction in respect of a civil action may also be chosen by explicit agreement among the parties to a contract, provided that the people's court having jurisdiction should be located at places directly connected with the disputes, such as the plaintiff's or the defendant's place of domicile, the places where the contract is executed or signed or the place where the subject-matter of the action is located. Meanwhile, such selection cannot violate the stipulations of hierarchical jurisdiction and exclusive jurisdiction in any case.

A foreign individual, a person without nationality, a foreign enterprise and organization is given the same litigation rights and obligations as a citizen, a legal person and other organization of the PRC when initiating actions or defending against litigation at the people's court. Should a foreign court limit the litigation rights of citizens, a legal person, and other organizations of the PRC, the PRC court may apply the same limitations to the civil litigation rights to citizens, enterprises and organizations of such foreign country. A foreign individual, a person without nationality, a foreign enterprise and organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at the people's court. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigation and collect evidence and conduct other actions on its behalf. A people's court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

All parties to a civil action shall perform the legally effective judgments and rulings. If any party to a civil action refuses to abide by a judgement or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same within two years subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgement which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgement on the party.

Where a party applies for enforcement of a legally effective judgement or ruling made by a people's court, and the opposite party or his property is not within the territory of the PRC, the applicant may directly apply to a foreign court with jurisdiction for recognition and enforcement of the judgement or ruling, or the people's court may, in accordance with the provisions of international treaties to which the PRC is a signatory or in which the PRC is a participant or the principle of reciprocity, request recognition and enforcement by a foreign court. Similarly, where an effective judgment or ruling made by a foreign court needs to be recognized and enforced by the people's court of the PRC, unless the people's court considers that the recognition or enforcement of the judgment or ruling would violate the basic legal principles of the PRC, national sovereignty, national security or social and public interest, the parties involved may directly apply to an intermediate people's court of the PRC with jurisdiction for recognition and enforcement, or the foreign court may, in accordance with the provisions of international treaties entered into or acceded to by that country and the PRC or according to the principle of reciprocity, request the people's court to recognize and enforce it.

The Company Law of the PRC, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and the Guidelines for the Articles of Association of Listed Companies

The Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "**PRC Company Law**") was adopted by the Standing Committee of the Eighth NPC at its Fifth Session on December 29, 1993 and came into effect on July 1, 1994. It was successively amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The newly revised PRC Company Law has been implemented on July 1, 2024.

On February 17, 2023, CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**")) (which came into effect on March 31, 2023) and its relevant interpretative guidelines, which is applicable to direct and indirect overseas share subscription and listing of domestic companies, which also stipulates the filing administrative measures and regulatory requirements for the overseas securities offering and listing by domestic companies.

On March 28, 2025, the CSRC Promulgated the latest amended Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidelines for the Articles of Association**"). According to the Overseas Listing Trial Measures and its supporting guidelines, Guidelines for the Application of Regulatory Rules – Overseas Listing Category No. 1, domestic enterprises that are directly listed overseas shall formulate its Articles of Association with reference to the Guidelines for the Articles of Association and other relevant provisions of the CSRC on main provisions of the PRC Company Law, the Overseas Listing Trial Measures and the Guidelines for the Articles of Association.

General Provisions

A joint stock limited company refers to an enterprise legal person incorporated under the PRC Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its creditors for an amount equal to the total value of its assets.

A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. If it is prescribed by any law that a company shall not become a capital contributor that shall bear the joint and several liability for the debts of the enterprises it invests in, such provisions shall prevail.

Incorporation

A joint stock limited company may be incorporated by promotion or raising. A joint stock limited company shall be incorporated by one to 200 promoters, provided that at least more than half of the promoters must reside in the PRC. Where a joint stock limited company is to be established by means of promotion, promoters shall fully subscribe for the shares that shall be issued at the time of the establishment of the company as provided for in the Articles of Association. If a joint stock limited company is to be established by means of raising, the promoters shall subscribed for not less than 35% of the total shares that shall be issued at the time of the establishment of the company as provided for in the Articles of Association; however, where laws and administrative regulations provide otherwise, such provisions shall prevail.

A prospectus shall be published and a subscription letter shall be prepared when the promoters offer shares to the public. The subscriber shall fill in the number of shares subscribed for, amount and domicile and affix his/her signature or seal to the subscription letter. The subscriber shall make full payment for the shares subscribed for. Where a promoter is offering shares to the public, such offer shall be underwritten by security companies established under PRC laws, and an underwriting agreement shall be concluded thereon. A promoter offering shares to the public shall also enter into agreements with banks in relation to the receipt of subscription monies. The receiving banks shall receive and keep in custody the subscription monies, issue receipts to subscribers who have paid the subscription monies and furnish evidence of receipt of those subscription monies to relevant authorities. After the share capital for a public offering has been paid in full, a capital verification institution established under PRC law must be engaged to conduct a capital verification and furnish a certificate thereof. Where the shares to be issued have not been fully subscribed for at the time of the establishment of a company, or the promoters fail to hold an establishment meeting within 30 days after the full payment has been made for the shares to be issued, subscribers may claim against the promoters for refund of the payment for shares plus the interest on the bank deposits for the same term. The promoters and subscribers may not withdraw their share capital after they have made payment for the shares or delivered non-monetary property as capital contributions, except that the shares have not been fully subscribed for within the time limit, the promoters fail to hold the establishment meeting on schedule, or the establishment meeting decides not to establish the company. The Board of Directors shall, within 30 days after the end of the establishment meeting of a company, authorize a representative to file an application for registration of establishment with the company registration authority.

A company's promoter shall be liable for the followings: (1) the debts and expenses incurred in the establishment process jointly and severally if the company cannot be established; (2) the refund of subscription monies paid by the subscribers together with interest at bank deposit rates for the same period jointly and severally if the company cannot be established.

Share Capital

The promoters may make a capital contribution in currencies, or non-monetary assets such as in kind or intellectual property rights, land use rights, stock rights or creditor's rights which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. If a capital contribution is made in non-monetary assets, a valuation of the assets contributed must be carried out pursuant to the provisions of the laws or administrative regulations on valuation without any over-valuation or under-valuation. If there are provisions on the assessment of value in any law or administrative regulation, such provisions shall prevail.

The issuance of shares shall be conducted in a fair and equitable manner. Each share of the same class must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. The same price per share shall be paid by any share subscriber. The issue price of par value stock may be based on the face value or exceed the face value but shall not be lower than the face value.

Under the PRC Company Law, a joint stock limited company shall maintain a shareholder register which sets forth the following matters: (1) the name and domicile of each shareholder; (2) the type and quantity of subscribed shares for each shareholder; (3) for stocks issued in paper form, the serial numbers of stocks; (4) the date on which each shareholder acquired the shares.

The Overseas Listing Trial Measures provides that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi. Under the Overseas Listing Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC and authorize the domestic company to file with the CSRC on their behalf. The domestic unlisted shares mentioned in the preceding paragraph refer to the shares that have been issued by domestic enterprises but have not been listed or listed for trading on domestic exchanges. Domestic unlisted shares shall be centrally registered and deposited with domestic securities registration and settlement institutions. The registration and settlement arrangements of overseas listed shares shall be subject to the provisions of overseas listing places.

Increase In Share Capital

Pursuant to the PRC Company Law, an increase in the capital of a company by means of an issue of new shares must be approved by shareholders in a shareholder's meeting. The Articles of Association or the shareholders' meeting may authorize the Board of Directors to decide to issue not more than 50% of the shares that have been issued within three years. However, if the capital contributions are to be made using non-monetary property, they shall be subject to a resolution made by the shareholders' meeting. Where the Board of Directors is authorized and decides to issue shares, and thus results in a change in the registered capital or the number of issued shares of the company, the voting at the shareholders' meeting may not be needed to revise such item set forth in the Articles of Association of the company. Where the Articles of Association or the shareholders' meeting of a company authorizes the Board of Directors to decide on issuing new shares, a resolution of the Board of Directors shall be adopted by two thirds of all the directors. In addition, where a domestic enterprise issuing and listing overseas, the issuer shall file with the CSRC in accordance with the Overseas Listing Trial Measures and submit a filing report, legal opinions and other relevant materials, giving a true, accurate and complete account of shareholders' information and other information.

Reduction of Share Capital

The company shall reduce the registered capital in accordance with the following procedures as stipulated in the PRC Company Law:

(I) the company shall prepare a balance sheet and an inventory of properties;

(II) make a resolution at a shareholders' meeting to reduce the registered capital;

(III) the company shall notify its creditors within 10 days after making the resolution to reduce the registered capital and publish the relevant announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days;

(IV) a creditor may, within 30 days after receipt of the notification, or within 45 days after the date of announcement if he/she has not received the notification, have the right to request the company to repay its debts or provide relevant guarantees; and

(V) the company must apply to the company registration authority for a change in registration.

Where a company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless it is otherwise prescribed by any law, or is otherwise prescribed by the Articles of Association of the company.

If a company still has losses after making up for them in accordance with the relevant provisions of the PRC Company Law, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for the loss, the company shall not make any distribution to the shareholders, nor shall the shareholders be exempted from their obligation to pay the capital contribution or the share capital. If the registered capital is reduced in accordance with the aforesaid provisions, the item (III) and item (IV) mentioned above shall not apply, but the resolution to reduce the registered capital shall be made by the shareholders' meeting within 30 days from the date of the announcement in the newspapers or on the National Enterprise Credit Information Publicity System. After a company reduces its registered capital in accordance with the provisions of the preceding paragraphs, it shall not distribute profits until the accumulated amount of statutory reserve and discretionary reserve reaches 50% of the company's registered capital.

When a company reduces its registered capital in violation of the provisions of the PRC Company Law, its shareholders shall refund the funds they have received, and if the capital contributions of the shareholders are reduced or exempted, such capital contributions shall be restored to the original status; if any loss is caused to the company, the shareholders and the liable directors and senior management shall bear the liability for compensation.

Repurchase of Shares

Under the provisions of the PRC Company Law, a company shall not repurchase its own shares except in the following circumstances:

(I) reduction of the registered capital of the company;

(II) merger with another company that holds its shares;

(III) use of its shares for carrying out an employee stock ownership plan or equity incentive plan;

(IV) request from shareholders who object to a resolution of a shareholders' meeting on merger or division of the company to acquire their shares by the company;

(V) use of shares for conversion of convertible corporate bonds issued by the listed company; and

(VI) it is necessary for a listed company to maintain its company value and protect its shareholders' equity.

A resolution of a shareholders' meeting is required for the repurchase of shares by a company under either of the circumstances stipulated in item (I) or item (II) above; for a company's repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) above, a resolution of a meeting of the Board of Directors shall be made by more than two-thirds of directors attending the meeting according to the provisions of the Company's Articles of Association or as authorized by the shareholders' meeting.

The shares acquired by the company according to the above provisions under the circumstance stipulated in item (I) hereof a company shall be deregistered within 10 days from the date of acquisition of shares; the shares shall be transferred or deregistered within six months if the repurchase of shares is made under the circumstances stipulated in either item (II) or item (IV); and the shares in the company held in total by the company after the repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) shall not exceed 10% of the Company's total issued shares, and shall be transferred or deregistered within three years.

A company shall not accept its own shares as the subject matter of a mortgage.

No company may provide gifts, loans, guarantees or other financial aids for others to obtain the shares of the company or the parent company thereof unless it carries out an employee stock ownership plan. For the benefits of the company, the company may, upon a resolution by the shareholders' meeting or by the Board of Directors under the Articles of Association or the authorization of the shareholders' meeting, provide financial aids for others to obtain the shares of the company or the parent company thereof, provided that the total accumulative amount of the financial aids shall not exceed 10% of the total issued share capital. A resolution by the Board of Directors shall be adopted by two thirds of all the directors.

Any director or senior management who is liable for any loss to the company due to violation of the provisions of the preceding paragraph shall make compensations.

Transfer of Shares

The shares held by a shareholder of a company may be transferred to other shareholders or to persons other than the shareholders of the company. Where the Articles of Association of the company have any restriction on the transfer of shares, the transfer shall be carried out in accordance with the Articles of Association. Under the PRC Company Law, a shareholder should effect a transfer of his shares on the stock exchange established in accordance with laws or by any other means as required by the State Council. The transfer of shares by a shareholder must be conducted by means of an endorsement or by other means stipulated by laws or by administrative regulations. Following the transfer of shares, the company shall enter the names and domiciles of the transferee into its share register. Change of the register of members described in the preceding paragraph shall not be registered within 20 days before the convening of a shareholders' meeting or 5 days prior to the base date on which the company decides to distribute dividends. However, where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the modification of the register of shareholders of a listed company, such provisions shall prevail.

Pursuant to the PRC Company Law, shares of the company issued prior to the public issue of shares may not be transferred within one year of the date of the company's listing on the stock exchange. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the transfer of shares held by the shareholders or actual controllers of a listed company, such provisions shall prevail. Directors and senior management of the company shall declare to the company the shares they hold and the changes thereof during the term of office as determined when they assume the posts, the shares transferred each year shall not exceed 25% of the total shares they hold of the company. They shall not transfer the shares they hold within one year of the date of the company's listing on the stock exchange, nor within six months after they leave their positions in the company. The Articles of Association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors and the senior management. Where the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted period.

Pursuant to the Overseas Listing Trial Measures, for a domestic company directly offering and listing overseas, the shareholders of its domestic unlisted shares applying to convert its domestic unlisted shares into overseas listed shares and listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and appoint the domestic company to file with the CSRC.

Shareholders

Pursuant to the PRC Company Law and the Guidelines for Articles of Association, the rights of shareholders include the rights:

(I) to be legally entitled to assets income, participate in significant decision-making and select management personnel;

(II) to petition the people's court to revoke any resolution of a shareholders' meeting, a shareholders' meeting or a meeting of the Board of Directors that has been convened or whose voting has been conducted in violation of the laws, administrative regulations or the Articles of Association of the company, or any resolution the contents of which is in violation of the laws, administrative regulations or the Articles of Association of the company, provided that such petition shall be submitted to the people's court within 60 days of the passing of such resolution;

(III) to transfer his/her shares legally;

(IV) to attend or appoint a proxy to attend shareholders' meeting and exercise the voting rights;

(V) to inspect and copy the Articles of Association of the company, share register, the minutes of shareholders' meeting, board resolutions, resolutions of the Audit Committee and the financial and accounting reports, and to make suggestions or inquiries in respect of the company's operations;

(VI) to receive dividends in respect of the number of shares held;

(VII) to participate in the distribution of residual properties of the company in proportion to their shareholdings upon the liquidation of the company; and

(VIII) any other shareholders' rights provided for in laws, administrative regulations, other normative documents and the Articles of Association of the company.

The obligations of shareholders include the obligation to abide by the Articles of Association of the company, to pay the subscription monies in respect of the shares subscribed for, to be liable for the company's responsibilities in respect of the shares taken up by them and any other shareholder obligation specified in the Articles of Association of the company.

Shareholders' meeting

The shareholders' meeting is the organ of authority of the company, which exercises its powers in accordance with the PRC Company Law. The shareholders' meeting may exercise its powers:

(I) to elect or replace the directors and to decide on their remunerations;

(II) to consider and approve the reports of the Board of Directors;

(III) to consider and approve the company's profit distribution and loss recovery proposals;

(IV) to decide on any increase or reduction of the company's registered capital;

(V) to decide on the issue of corporate bonds;

(VI) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form;

(VII) to amend the Articles of Association of the company; and

(VIII) to exercise any other authority stipulated in the Articles of Association of the company.

The shareholders' meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

Pursuant to the PRC Company Law and the Guidelines for Articles of Association, a shareholders' meeting is required to be held once a year within six months after the end of the previous accounting year. An interim shareholders' meeting is required to be held within two months upon the occurrence of any of the following:

(I) the number of directors is less than the number required by the law or less than two-thirds of the number specified in the Articles of Association of the company;

(II) the total outstanding losses of the company amounted to one-third of the company's total capital stock;

(III) shareholders individually or in aggregate holding 10% or more of the company's shares request to convene an interim shareholders' meeting;

(IV) the Board of Directors deems necessary;

(V) the Audit Committee so proposes; or

(VI) any other circumstances as provided for in the Articles of Associations of the company.

A shareholders' meeting is convened by the Board of Directors and presided over by the chairman of the Board of Directors. In the event that the chairman is incapable of performing or is not performing his or her duties, the meeting shall be presided over by the vice chairman. If the vice chairman is incapable of performing or is not performing his or her duties, a director jointly recommended by more than half of directors shall preside over the meeting. If the Board of Directors is unable to or fails to perform its duty of convening the shareholders' meeting, the Audit Committee shall convene and preside over such meeting in a timely manner; if the Audit Committee fails to convene and preside over such meeting, shareholders who individually or jointly hold more than 10% of the company's shares for more than 90 consecutive days may independently convene and preside over such meeting. If the shareholders who individually or jointly hold more than 10% of the shares of the company request to convene an interim shareholders' meeting, the Board of Directors and the Audit Committee shall, within 10 days after the receipt of such request, decide whether to hold an interim shareholders' meeting and reply to the shareholders in writing.

In accordance with the PRC Company Law, a notice stating the time and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders 20 days before the meeting if the shareholders' meeting is convened. Notice of the interim shareholders' meeting shall be given to all shareholders 15 days before the meeting. Shareholders who individually or jointly hold more than one percent of the shares of the company may submit an interim proposal in writing to the Board of Directors ten days before the shareholders' meeting is held. The Board of Directors shall notify other shareholders within two days upon receipt of the proposal, and submit the interim proposal to the shareholder's meeting for deliberation, unless the interim proposal is in violation of any law, administrative regulation or the Articles of Association or fails to fall into the scope of functions of the shareholders' meeting. The company shall not raise the shareholding proportion of the shareholder who brings forward any interim proposal. A company offering shares to the public shall make the notices as mentioned in the preceding paragraphs by way of announcement. The shareholders' meeting shall not make any resolution on any matter not specified in the notice.

According to the PRC Company Law, shareholders present at shareholders' meeting shall have one vote for each share they hold, except the shareholders of classified shares. The company may not have a voting right for the shares it holds.

An accumulative voting system may be adopted for the election of directors at the shareholders' meeting pursuant to the provisions of the Articles of Association of the company or a resolution of the shareholders' meeting. Under the accumulative voting system, when the shareholders' meeting elects directors, each share has the same voting rights as the number of directors to be elected, and the voting rights owned by shareholders can be used collectively.

Under the PRC Company Law, the passing of any resolution at the shareholder's meeting requires affirmative votes of shareholders representing more than half of the voting rights held by the shareholders who attend the shareholder's meeting except in cases of proposed amendments to a Articles of Association, increase or decrease of registered capital, merger, division or dissolution, or change of corporation form, which require affirmative votes of shareholders representing more than two-thirds of the voting rights held by the shareholders who attend the shareholder's meeting.

Minutes shall be prepared in respect of matters considered at the shareholders' meeting and the chairperson and directors attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board of Directors

A joint stock limited company shall have a board. However, a joint stock limited company with a relatively small scale or relatively small number of shareholders may dispense with the Board of Directors and have one director to exercise the functions and powers of the Board of Directors as prescribed by the PRC Company Law. If the Board of Directors of a company has more than three members, it may include an employees' representative of the company. The employees' representatives in the Board of Directors shall be democratically elected by the employees through the employees' representative congress, employees' congress or by other means.

The term of office of the directors shall be provided for by the Articles of Association, but each term of office shall not exceed three years. A director may seek reelection upon expiry of the said term. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations and the Articles of Association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of directors results in the number of directors being less than the quorum. Where a director resigns, he/she shall notify the company in written form, and the resignation shall become effective on the day when the company receives the notice.

However, under any of the circumstances as mentioned in the preceding paragraph, the director shall continue performing his/her duties.

Under the PRC Company Law, the Board of Directors may exercise the following powers:

(I) to convene shareholders' meeting and report on its work to the shareholders' meeting;

(II) to implement the resolutions passed by the shareholders at the shareholders' meeting;

(III) to decide on the Company's operational plans and investment proposals;

(IV) to formulate the Company's proposals for profit distribution and for recovery of losses;

(V) to formulate proposals for the increase or reduction of the Company's registered capital and the issue of corporate bonds;

(VI) to formulate proposals for the merger, division, dissolution of the Company or change in the form of the Company;

(VII) to decide on the setup of the Company's internal management organs;

(VIII) to decide on appointment or dismissal the manager of the Company and his/her remuneration matters, and as nominated by the manager, to decide on appointment or dismissal the Company's deputy general manager and financial officer and his/her remuneration matters;

(IX) to formulate the Company's basic management system; and

(X) other authority stipulated in the Articles of Association or granted by the shareholders' meeting.

Any restrictions on the functions and powers of the Board of Directors set out in the Articles of Association may not be asserted against any bona fide third party.

Under the PRC Company Law, a company may, under the Articles of Association, set up an Audit Committee composed of directors in the Board of Directors, which shall exercise the functions and powers of the Board of Supervisors. It may not have a Board of Supervisors or supervisors. The audit committee shall be composed of at least 3 members, and more than half of the members shall not assume any position other than the director in the company and shall not have any relationship with the company that may affect their independent and objective judgments. Among the members of the Board of Directors of the company, an employees' representative may become a member of the audit committee. A resolution made by the audit committee shall be adopted by more than half of the members thereof. For voting on a resolution of the audit committee, each member shall have one vote. The discussion methods and voting procedures of the audit committee shall be prescribed in the Articles of Association, unless it is otherwise provided under the PRC Company Law. A company may set up other committees in the Board of Directors under the Articles of Association.

Meeting of the Board of Directors shall be convened at least twice a year. Notice of meeting shall be given to all Directors and Audit Committee Members 10 days before the meeting. Interim board meeting may be proposed to be convened by shareholders representing more than one-tenth of the voting rights, more than one-third of the Directors or the Audit Committee. The chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the board meeting. The Board of Directors may otherwise determine the method of giving notice and notice period for convening an interim meeting of the Board of Directors.

No meeting of the Board of Directors may be held unless more than half of the directors are present. A resolution made by the Board of Directors shall be adopted by more than half of all the directors. For voting on a resolution of the Board of Directors, each director shall have one vote. The Board of Directors shall prepare minutes regarding the decisions on the matters discussed at the meetings, which shall be signed by the directors present.

The directors shall attend the meeting of the Board of Directors in person. Where any director is unable to attend the meeting for any reason, he/she may, by issuing a written power of attorney, entrust another director to attend the meeting on his/her behalf. The power of attorney shall indicate the scope of authorization. The directors shall be responsible for the resolutions made by the Board of Directors. Where a resolution of the Board of Directors is in violation of any law, administrative regulation, Article of Association or resolution of the shareholders' meeting and causes any serious loss to the company, the directors who participate in adopting such resolution shall be liable for compensation to the company. If a director is proved to have expressed his/her objection to the voting on such resolution and such objection has been recorded in the minutes, he/she may be exempted from liability.

Under the PRC Company Law, the following person may not serve as a director of the company:

(I) devoid of or with restricted civil conduct ability;

(II) within five years after serving sentence for embezzlement, bribery, infringement or misappropriation of property, or for jeopardizing socialist market economic order, or within five years after serving sentence and being deprived of political rights for crime; within two years after being pronounced for suspension of sentence since the expiration of the suspension of sentence;

(III) within three years after insolvency and liquidation of such Company or enterprise where the person acted as a director, factory manager or business manager and has been held accountable for the insolvency;

(IV) within three years after company or enterprise the person acted as legal representative is revoked business license and ordered to shut down for violating law on which the person is held accountable; and

(V) being listed as a dishonest person subject to enforcement by the people's court due to large amount of unliquidated mature debts.

Where a company elects or appoints a director to which any of the above circumstances applies, such election, appointment or designation shall be invalid. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the Company.

In addition, the Guidelines for Articles of Association of Listed Companies further stipulates other circumstances under which a person is disqualified from acting as a director of a company, including: (1) a person who has been banned from the securities market by the CSRC where the relevant period remains unexpired; or (2) a person who is banned from doing so in accordance with other laws, administrative regulations or departmental rules.

Under the PRC Company Law, the Board shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall convene and preside over board meeting and review the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing or is not performing his/her duties, a director nominated by more than half of the directors shall perform his/her duties.

The Audit Committee

Under the PRC Company Law, where a joint stock limited company does not have the Board of Supervisor, the Audit Committee shall be composed of at least 3 members, and more than half of the members shall not assume any position other than the director in the company and shall not have any relationship with the company that may affect their independent and objective judgments.

Among the members of the Board of Directors of the company, an employees' representative may become a member of the Audit Committee. A resolution made by the Audit Committee shall be adopted by more than half of the members thereof. For voting on a resolution of the Audit Committee, each member shall have one vote. The discussion methods and voting procedures of the Audit Committee shall be prescribed in the Articles of Association, unless it is otherwise provided for by the PRC Company Law. A company may set up other committees in the Board of Directors under the Articles of Association.

Manager and Senior Management

Pursuant to the relevant provisions of the PRC Company Law, a company shall have a manager who shall be appointed or removed by the Board of Directors. The manager shall be responsible to the Board of Directors and exercise his/her functions and powers according to the Articles of Association or the authorization of the Board of Directors. The manager shall attend the meeting of the Board of Directors as a non-voting member.

According to the relevant provisions of the PRC Company Law, senior management refers to the manager, deputy manager, financial officer, secretary to the Board of Directors of a listed company and other personnel as stipulated in the Articles of Association.

Duties of Directors, General Managers and Other Senior Management

Directors and senior management shall comply with laws, administrative regulations and the Articles of Association.

Directors and senior management shall assume the obligation of loyalty to the company and take measures to avoid the conflict between their own interests and those of the company and may not seek any improper interests by taking advantage of their powers. The directors and senior management shall assume the duty of diligence to the company. When performing their duties, they shall, for the best interests of the company, exercise the reasonable care that shall be generally possessed by a manager.

The provisions of the preceding paragraphs shall apply to the controlling shareholder or actual controller of a company who does not serve as a director but actually executes the affairs of the company.

In the meantime, directors and senior management are prohibited from:

(I) embezzling the property or misappropriating the funds of the company;

(II) depositing company funds into accounts under their own names or the names of other individuals;

(III) giving bribes or accepting any other illegal proceeds by taking advantage of his/her power;

(IV) accept commissions from transactions between others and the company for their own benefits;

(V) unauthorized divulgence of confidential information of the company; and

(VI) other acts in violation of their duty of loyalty to the company.

A director or senior management who contravenes laws, administrative regulations or Articles of Association in the performance of his/her duties resulting in any loss to the company shall be liable to the company for compensation.

Where a director or senior management is required to attend a shareholders' meeting, such director or senior management shall attend the meeting and answer the inquiries from shareholders. The Audit Committee may demand the directors or senior management to submit reports on the performance of their duties. The directors and senior management shall truthfully provide relevant information and materials to the Audit Committee, none of them may impede the exercise of powers by the Audit Committee or Audit Committee Members.

Where the directors and senior management violate laws, administrative regulations or the Articles of Association in performance of duties to the company, thereby causing damages to the company, the shareholders individually or jointly holding more than 1% of the shares in the company for more than 180 consecutive days may request in writing the Audit Committee to initiate proceedings in the people's court.

Upon receipt of shareholders' written request stipulated in the preceding paragraph, if the Audit Committee or the Board of Directors refuses to file a lawsuit or does not file a lawsuit within 30 days from receipt of such request, or in the event of emergency where the interest of the company will suffer irreparable damages if lawsuit is not filed immediately, the shareholders stipulated in the preceding paragraph shall have the right to file a lawsuit directly with the people's court in their own name for the interest of the company. For other parties who infringe the lawful interests of the company resulting in loss to the company, the aforementioned shareholder(s) may institute litigation at a people's court in accordance with the procedure described above. Where any director or senior management violates the provisions of laws, administrative regulations or the Articles of Association, damaging interests of shareholders, the shareholders may file a lawsuit with the people's court.

If a director or senior management of a wholly-owned subsidiary of the company violate laws, administrative regulations or the Articles of Association in performance of duties to the company, thereby causing damages to the company, or if the legitimate rights and interests of a wholly-owned subsidiary of the company are impaired by any other person, thus causing any losses, the shareholders of a limited liability company or shareholders of a joint stock limited company individually and jointly holding 1% or more of the total shares of the company for 180 consecutive days or more may request the Audit Committee or the Board of Directors of the wholly-owned subsidiary in written form to initiate a lawsuit in the people's court or directly files a lawsuit with the people's court in their own name.

Finance, Accounting and Profit Distribution

According to the PRC Company Law, a company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the financial departments of the State Council. A company shall prepare its financial reports at the end of each accounting year which shall be audited by accounting firm according to law. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial departments of the State Council. The company's financial and accounting reports shall be made available for shareholders' inspection at the company within 20 days before the convening of an annual shareholder's meeting. A joint stock limited company that makes public stock offerings shall announce its financial and accounting reports.

When distributing each year's after-tax profits, the company shall set aside 10% of its after-tax profits for the company's statutory common reserve fund. However, when the cumulative amount of the reserve fund has reached more than 50% of the PRC company's registered capital, it may no longer be allocated. When the company's statutory common reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits shall first be used to make up the losses before any allocation is set aside for the statutory common reserve fund. After the company has made allocations to the statutory common reserve fund from its after-tax profits, it may, upon passing a resolution at a shareholders' meeting, make further allocations from its after-tax profits to the discretionary common reserve fund. After the company has made up its losses and made allocations to its discretionary common reserve fund, the remaining after-tax profits shall be distributed to shareholders in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the Articles of Association. Profit shall not be distributed for a company's shares held by this company.

Where a company distributes profits to shareholders in violation of the relevant provisions of the PRC Company Law, the shareholders shall refund the profits distributed to the company, and the shareholders and the liable directors and senior management shall be held liable for compensation if any loss is caused to the company.

If the shareholders' meeting resolves to distribute profits, the Board of Directors shall do so within six months after the resolution is made.

The premiums received by a company from the issuance of shares at an issue price in excess of the par value of the shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital, and other items required by the financial department of the State Council to be included in the capital reserve shall be classified as the capital reserve of the company.

The reserve of a company shall be used for making up losses, expanding the production and business scale or increasing the registered capital of the company. Where the reserve of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. Where the statutory reserve is converted to increase registered capital, the amount of such reserve retained shall not be less than 25% of the registered capital of the company prior to the conversion.

The company shall have no accounting books other than the statutory books. The company's funds shall not be deposited in any account opened under the name of an individual.

After a company reduces its registered capital in accordance with the provisions of the PRC Company Law, it shall not distribute profits until the accumulated amount of statutory reserve and discretionary reserve reaches 50% of the company's registered capital.

Appointment and Dismissal of Auditors

Pursuant to the PRC Company Law, the appointment or dismissal of an accounting firm responsible for the auditing of the company shall be determined by shareholders at a shareholders' meeting, the Board of Directors the Audit Committee in accordance with the Articles of Association. The accounting firm should be allowed to make representations when the shareholders' meeting, the Board of Directors the Audit Committee conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or misrepresentation of information.

Amendment to Articles of Association

Pursuant to PRC Company Law, the resolution of a shareholders' meeting regarding any amendment to a company's Articles of Association requires affirmative votes by at least two-thirds of the votes held by shareholders attending the meeting. According to the Guidelines for the Articles of Association of Listed Companies, if the amendments to the Articles of Association approved by the resolution of the shareholder's meeting of shareholders are subject to approval by the competent authority, they must be reported to the competent authority for approval; if they involve company registration matters, the modification registrations shall be handled according to law. Where the amendments to the Articles of Association belong to information required to be disclosed by laws and regulations, such amendments shall be announced in accordance with the regulations.

Profit Distribution

Where a company distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall refund the profits distributed to the company, and the shareholders, directors, supervisors, and senior management personnel who are responsible for causing losses to the company shall bear compensation liability.

Dissolution and Liquidation

Pursuant to PRC Company Law, a company shall be dissolved for any of the following reasons:

(I) upon expiry of term of business stipulated in the Articles of Association or occurrence of other circumstances of dissolution stipulated in the Articles of Association;

(II) the shareholders' meeting has resolved to dissolve the company;

(III) the company is dissolved by reason of its merger or division;

(IV) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or

(V) Where the company encounters serious difficulties in its operations or management that will lead to significant losses to the benefits of the shareholders if the company continues its existence and the situation cannot be resolved by other means, the company is dissolved by a people's court in response to the request of shareholders representing 10% or more of the voting rights of all shareholders of the company.

If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Where a company falls under the circumstance as mentioned in Items (I) or (II) of the paragraph above and it has not distributed the assets to its shareholders yet, it may survive by modifying its articles of association or upon a resolution of the shareholders' meeting.

To modify its articles of association or make a resolution of the shareholders' meeting according to the provisions of the preceding paragraph, the consent of two thirds or more of the voting rights of the shareholders who attend the meeting of the shareholders' meeting is required.

Where the company is dissolved under the circumstances set forth in item (I), (II), (IV) or (V) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless it is otherwise provided for in the company's Articles of Association or it is otherwise elected by the shareholders' meeting.

The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

The liquidation committee may exercise following powers during the liquidation:

(I) to verify the Company's assets and to prepare a balance sheet and an inventory of assets;

(II) to inform creditors by notice or announcement;

(III) to deal with and settle any outstanding business of relevant company;

(IV) to pay all outstanding taxes and the taxes arising during the liquidation process;

(V) to settle claims and debts;

(VI) to distribute the company's remaining assets after its debts have been paid off; and

(VII) to represent the company in civil lawsuits.

The liquidation committee shall notify the company's creditors within 10 days of its establishment, and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days.

A creditor shall lodge his claim with the liquidation committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he has not received any notification.

The creditors shall explain matters relating to their claims and provide evidential documents. The liquidation committee shall register the creditor's claims. In the claims declaration period, the liquidation committee shall not make repayment to the creditors.

Upon disposal of the company's property and preparation of the required balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan and submit this plan to a shareholders' meeting or a people's court for endorsement. The remaining part of the company's assets, after payment of liquidation expenses, employee wages, social insurance fees and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to shares held by them. The company shall continue its existence during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation. The company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

Where the liquidation group finds that the property of the company are not sufficient for paying off the debts after liquidating the property of the company and preparing a balance sheet and an inventory of property, it shall file an application to a people's court for bankruptcy liquidation. After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

The members of the liquidation group performing their duties of liquidation are obliged to loyalty and diligence. Any member of the liquidation group who neglects to fulfill his/her liquidation duties, thus causing any loss to the company shall be liable for compensation, and any member of the liquidation group who cause any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Upon completion of the liquidation of the company, the liquidation group shall produce a liquidation report, report the same to the shareholders' meeting or the people's court for confirmation, and submit the same to the company registration authority to apply for deregistration of the company.

Where, during the period of survival, a company has not incurred any debts or has paid off all the debts, the company may, upon a commitment of all the shareholders, be deregistered under the summary procedures according to the relevant provisions. The deregistration of a company under the summary procedures shall be announced through the National Enterprise Credit

Information Publicity System for a period of no less than 20 days. If there is no objection after the expiry of the announcement period, the company may apply for deregistration of the company with the company registration authority within 20 days.

For a company deregistered under the summary procedures, its shareholders shall be jointly and severally liable for the debts incurred before the deregistration if they have made an untrue commitment.

Where, after three years since the business license of a company is revoked, or the company is ordered to close down or is revoked, the company fails to apply for its deregistration with the company registration authority, the said authority may announce the company's deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is no objection after the announcement period expires, the company registration authority may deregister the company. Such deregistration of a company will not affect the liability of the original shareholders or liquidation obligors.

Overseas Listing

According to the Overseas Listing Trial Measures, the securities refer to stocks, depositary receipts, and corporate bonds that can be converted into stocks or other securities of an equity nature that are directly or indirectly offered and listed overseas by domestic companies. The direct overseas offering and listing of domestic companies refer to such overseas offering and listing of a joint stock limited company incorporated in the territory of PRC. The indirect overseas offering and listing of domestic companies refer to such overseas offering and listing made in the name of an offshore entity but based on the equity, assets, earnings, or other similar rights of a domestic company that operates its main business domestically.

The Overseas Listing Trial Measures also provide the conditions for overseas offering and listing. An overseas offering and listing are prohibited under any of the following circumstances:

(I) the listing and financing fall under specific prohibition in the laws, administrative regulations, and relevant national provisions;

(II) the overseas offering and listing may constitute endangerment to national security as reviewed and determined by competent authorities under the State Council in accordance with law;

(III) the domestic company and its controlling shareholder(s), actual controllers, have a criminal record in recent three years for corruption, bribery, encroachment of assets, misappropriation of assets, or disruption of socialist market economy order;

(IV) the domestic company is under investigation according to law for suspected crimes or major violations of laws and regulations, but no clear conclusions have been reached;

(V) there are material ownership disputes over the equities held by the controlling shareholders or the shareholders whose actions are controlled by the controlling shareholders or actual controllers.

In addition, under the Overseas Listing Trial Measures, where a PRC domestic company submits an application for initial public offering to competent overseas regulators or overseas stock exchanges, such issuer must file with the CSRC within three business days after such application is submitted.

In the event of the occurrence of any of the following material events after the overseas offering and listing, the PRC domestic companies shall make a detailed report to the CSRC within three working days after the occurrence and public announcement of the relevant event:

(I) change of control;

(II) being subject to investigation, punishment, or other measures by overseas securities regulatory authorities or the relevant competent authorities;

(III) change of the listing status or transfer of listing board;

(IV) voluntary or compulsory termination of listing.

Pursuant to the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings by Domestic Enterprises, which was issued by the CSRC, MOF, the National Administration of State Secrets Protection and the National Archives Administration on February 24, 2023 and implemented since March 31, 2023, a domestic enterprise that provides or through its overseas listed entity, publicly discloses or provides to relevant individuals or entities including securities companies, securities service providers and overseas regulators, any document and materials that contain state secrets or working secrets of government agencies, shall first obtain approval from competent authorities according to law, and files with the secrecy administrative department at the same level. A domestic enterprise that provides accounting archives or copies of accounting archives to any entities including securities companies, securities service providers and overseas regulators and individuals shall fulfill due procedures in compliance with applicable national regulations.

Loss of Share Certificates

A shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a people's court if his share certificate(s) in registered form is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the people's court declares that such certificate(s) will no longer be valid, the shareholder may apply to the company for the issue of a replacement certificate(s).

Merger and Division

Pursuant to the PRC Company Law, a merger agreement shall be signed by merging companies and the involved companies shall prepare respective balance sheets and inventory of assets. The companies shall within 10 days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. A creditor may, within 30 days of receipt of the notification, or within 45 days of the date of the announcement if he has not received the notification, request the company to settle any outstanding debts or provide relevant guarantees. In case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

In case of a division, the company's assets shall be divided and a balance sheet and an inventory of assets shall be prepared. When a resolution regarding the company's division is approved, the company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. The liabilities of the company which have accrued prior to the division shall be jointly borne by the separated companies, unless otherwise stipulated in the agreement in writing entered into by the company with creditors in respect of the settlement of debts prior to division.

The PRC Securities Law, Regulations and Regulatory Regimes

The PRC has promulgated a series of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating, and supervising all securities related institutions in the PRC, and administering CSRC. The CSRC is the regulatory executive body of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

On April 22, 1993, the State Council promulgated the Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) governing the application and approval procedures for public offerings of shares, issuance of and trading in shares, the acquisition of listed companies, deposit, clearing, and transfer of shares, the disclosure of information, investigation, penalties and dispute resolutions with respect to a listed company.

The Securities Law of the PRC (《中華人民共和國證券法》) (the "**PRC Securities Law**") took effect on July 1, 1999, and was revised as of August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014, and December 28, 2019, respectively. The latest revised PRC Securities Law took effect on March 1, 2020. The PRC Securities Law is the first national securities law in the PRC, comprehensively regulating activities in the PRC securities market. It is divided into 14 chapters and 226 articles, including the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies, and the responsibilities of the securities registration and settlement institutions and securities regulatory authorities. Article 224 of the PRC Securities Law provides that domestic enterprises issuing shares overseas directly or indirectly or listing their shares overseas shall comply with the relevant provisions of the State Council. Currently, the issue and trading of foreign-issued securities (including shares) are principally governed by the regulations and rules promulgated by the State Council and CSRC.

Arbitration and Enforcement of Arbitral Awards

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the "**PRC Arbitration Law**") was enacted by the SCNPC on August 31, 1994, which became effective on September 1, 1995, and was amended on August 27, 2009, and September 1, 2017. The PRC Arbitration Law is applicable to, among other matters, economic disputes involving foreign parties where all parties had entered into a written agreement to resolve disputes by arbitration before an arbitration committee constituted in accordance with the PRC Arbitration Law. The PRC Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration regulations by the PRC Arbitration Association, formulate interim arbitration rules in accordance with the PRC Arbitration Law and the PRC Civil Procedure Law. Where the parties have agreed to settle disputes by means of arbitration, a people's court will refuse to handle a legal proceeding initiated by one of the parties at such people's court unless the arbitration agreement is invalid.

Under the PRC Arbitration Law and PRC Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration. If any party fails to comply with the arbitral award, the other party to the award may apply to a people's court for its enforcement. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including irregularity in the composition of the arbitration committee, the making of an award on matters beyond the scope of the arbitration agreement, or the jurisdiction of the arbitration commission).

Any party seeking to enforce an award of a foreign affairs arbitral body of the PRC against a party or whose property is not located within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the award. Likewise, an arbitral award made by a foreign arbitral body may be recognized and enforced by a PRC court in accordance with the principle of reciprocity or any international treaties concluded or acceded to by the PRC.

The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**") adopted on June 10, 1958, pursuant to a resolution passed by the SCNPC on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties thereto subject to their rights to refuse recognition and enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of that state. At the time of the PRC's accession to the Convention, the SCNPC declared that (I) the PRC would only apply the Convention to the recognition and enforcement of arbitral awards made in the territories of other parties based on the principle of reciprocity; and (II) the New York Convention will only be applied to disputes deemed under PRC laws to be arising from contractual or non-contractual mercantile legal relations.

An agreement has been reached between Hong Kong and the Supreme People's Court of the PRC for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People's Court of the PRC adopted the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland and Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on February 1, 2000. The Supreme People's Court of China issued the Supplementary Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) on November 26, 2020, which went into effect on November 27, 2020. The arrangements reflect the spirit of the New York Convention. Pursuant to the arrangements, awards made by PRC arbitral authorities acknowledged by Hong Kong arbitration rules can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in mainland China. Where a court of the mainland China finds that enforcement in the mainland China of the ruling made by the Hong Kong arbitral authority will violate public interests of the mainland China, execution of the ruling may be ignored.

SUMMARY OF MATERIAL DIFFERENCES BETWEEN HONG KONG AND THE PRC COMPANY LAW

As a joint stock limited company established in the PRC that is seeking an initial listing of shares on the stock exchange, we are governed by the PRC Company Law and all other rules and regulations promulgated pursuant to the PRC Company Law.

Set out below is a summary of certain material differences between Hong Kong company law applicable to a company incorporated in Hong Kong and the PRC Company Law applicable to a joint stock limited company incorporated and existing in accordance with the PRC Company Law. This summary is, however, not intended to be an exhaustive comparison.

Corporate Existence

According to the PRC Company Law, a joint stock limited company may be incorporated by promotion or raising.

Share Capital

Under the PRC Securities Law, an application for listing shall comply with the listing rules of the stock exchange.

According to the PRC Company Law, a shareholder may make capital contributions in currency, or in kind, intellectual property, land use right, stock rights, creditor's rights or other non-monetary property that may be assessed in currency and transferred according to law, except the property that may not be used as capital contributions according to any law or administrative regulation. The non-monetary property as capital contributions shall be assessed and verified, which may not be overvalued or undervalued. If there are provisions on the assessment of value in any law or administrative regulation, such provisions shall prevail.

Restrictions on Shareholding and Transfer of Shares

Under the PRC law, the Unlisted Shares, which are denominated and subscribed for in Renminbi, can only be subscribed for and traded by PRC investors, qualified overseas institutional investors or qualified overseas strategic investors. Overseas listed shares, which are denominated in Renminbi and subscribed for in a foreign currency, may only be subscribed for, and traded by, investors from countries and regions outside the PRC or other qualified PRC institutional investors. If the H Shares are eligible securities under the Southbound Trading Link, they are also available for subscription and trading by domestic investors in the PRC pursuant to the rules and restrictions of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

According to the PRC Company Law, the shares issued before a company makes a public offering of shares shall not be transferred within 1 year as of the day when the stocks of the company are listed and traded on the stock exchange. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the transfer of shares held by the shareholders or actual controllers of a listed company, such provisions shall prevail. The directors and senior management of the company shall declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year shall not exceed 25% of the total shares they hold of the company. The shares of the company held by them shall not be transferred within 1 year as of the day when the stocks of the company are listed and traded on the stock exchange. Any of the aforesaid persons shall not transfer the shares of the company held within six months after he/she leaves office. Any other restrictions on the transfer of company shares held by directors or senior executives may be specified in the articles of association.

Notice of Shareholders' Meeting

According to the PRC Company Law, notice of annual shareholder's meeting must be given not less than 20 days before the meeting, while notice of an interim shareholders' meeting must be given not less than 15 days before the meeting.

Quorum for Shareholder's meeting

The PRC Company Law does not specify any quorum requirement for a shareholder's meeting.

Voting at Shareholder's meeting

According to the PRC Company Law, a resolution made by the shareholders' meeting shall be adopted by the shareholders representing more than half of the voting rights.

A resolution made by the shareholders' meeting on modifying the articles of association, increasing or decreasing the registered capital, as well as merger, division, dissolution or change of corporate form of the company shall be adopted by the shareholders representing more than two thirds of the voting rights.

Variation of Class Rights

According to the PRC Company Law, where any of the matters occurs to a company that issues classified shares and may affect the rights of the classified shareholders, it shall not only be decided by the shareholders' meeting, but also be adopted by shareholders representing two thirds of the voting rights who are present at the classified shareholders' meeting.

Directors

According to the PRC Company Law, where any director directly or indirectly concludes a contract or conducts a transaction with his/her company, he/she shall report the matters relating to the conclusion of the contract or transaction to the board of directors or shareholders' meeting, which shall be subject to the resolution of the board of directors or shareholders' meeting according to the articles of association. Where any of the near relatives of the directors, or any of the enterprises directly or indirectly controlled by the directors, or any of their near relatives, or any of the related parties who has any other related-party relationship with the directors, concludes a contract or conducts a transaction with the company, the aforesaid provisions shall apply. Where a director is removed prior to the expiration of term of office without any justifiable reason, the director may require the company to make compensation.

The PRC Company Law, unlike the Companies Ordinance, does not contain any requirements relating to the declaration of directors' interests in material contracts, restrictions on directors' authority in making major dispositions, restrictions on companies providing certain benefits to directors and guarantees in respect of directors' liability and prohibitions against compensation for loss of office without shareholders' approval.

Derivative Action by Minority Shareholders

According to the PRC Company Law, where any director other than members of the Audit Committee or senior management violates any law, administrative regulation or the articles of association during the performance of duties and causes any loss to the company, shareholders individually or jointly holding over 1% of the shares in the company for more than 180 consecutive days may request in writing the Audit Committee to initiate proceedings in the people's court. If the Audit Committee Members violate the relevant provisions of the Company Law, the above shareholders may request in writing the board of directors to initiate litigation at the people's court. Upon receipt of such written request from the shareholders, if the Audit Committee or the board of directors refuses to initiate such proceedings, or has not initiated proceedings within 30 days upon receipt of the request, or if under urgent situations, failure of initiating immediate proceeding may cause irremediable damages to the company, the above said shareholders shall, for the benefit of the company's interests, have the right to initiate proceedings directly to the people's court in their own name.

Protection of Minorities

The PRC Company Law provides that where a company meets any serious difficulty in its operation or management, and the interests of its shareholders will be subject to heavy loss if the company survives, which cannot be solved by any other means, the shareholders who hold 10% or more of the voting rights of the company may request the people's court to dissolve the company.

The Guidelines for the articles of association of Listed Companies also provide other remedies against the directors and senior management who breach their duties to the company. In addition, as a condition to the listing of shares on the Stock Exchange, each director of a joint stock limited company is required to give an undertaking in favor of the company acting as agent for the shareholders. This allows minority shareholders to take action against directors of the company in default.

Financial Disclosure

According to the PRC Company Law, a joint stock limited company is required to make available at the company for inspection by shareholders its financial report 20 days before its shareholders' meeting. In addition, a joint stock limited company of which the public offering Shares are offered should publish its financial report.

According to the PRC Company Law, a company shall at the end of each accounting year prepare a financial report which shall be audited by the accounting firm in accordance with the laws.

Information on Directors and Shareholders

The PRC Company Law gives shareholders the right to inspect and copy the Articles of Association, minutes of the shareholders' meeting, resolutions of meetings of the board of directors and financial and accounting reports.

Corporate Reorganization

According to the PRC Company Law, the merger, demerger, dissolution or change to the forms of a joint stock limited company has to be approved by shareholders at shareholder's meeting.

Statutory Deductions

According to the PRC Company Law, a company shall draw 10% of the profits as its statutory reserve fund before it distributes any profits after taxation. When the aggregate amount of the company's statutory reserve fund reaches 50% of the company's registered capital, the company may no longer make allocations from the statutory reserve fund. After a company has made an allocation to its statutory reserve fund from its after-tax profit, it may make an allocation to its discretionary reserve fund from its after-tax profit upon a resolution approved at the shareholders' meeting.

Remedies of Company

According to the PRC Company Law, if a director or senior management in carrying out his duties infringes any law, administrative regulation or the articles of association of a company, which results in damage to the company, that director or senior management should be responsible to the company for such damages.

Dividend

Under the PRC Company Law, the residual after-tax profits after a company has made up its losses and accrued reserve shall be distributed by the company in proportion to the shares held by its shareholders, except as otherwise provided for in the articles of association.

Fiduciary Duties

Under the PRC Company Law, directors, managers and other senior management personnel of a company have the duty of loyalty and diligence to the company. Such persons shall abide by the articles of association of the company, perform their duties honestly and diligently, safeguard the interests of the company, and shall not use their position and authority in the company for their personal gain.

Closure of Register of Members

According to the PRC Company Law, the register of shareholders shall not be modified within 20 days before any shareholders' meeting is held, or within 5 days prior to the benchmark date decided by the company for the distribution of dividends. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the modification of the register of shareholders of a listed company, such provisions shall prevail.

This Appendix contains a summary of the principal provisions of the Articles of Association adopted in June 2025, which will become effective on the date on which the H Shares are listed on the Stock Exchange. The main purpose of this Appendix is to provide potential investors with an overview of the Articles of Association and it may not necessarily contain all information that is important to potential investors.

DIRECTORS AND THE BOARD OF DIRECTORS

Power to allot and issue Shares

The Articles of Association does not contain clauses that authorize the Board of Directors to allot or issue Shares.

Power to dispose assets of our Company or any subsidiary

The Board of Directors shall determine the authority of external investment, acquisition and sale of assets, asset mortgage, external guarantee matters, entrusted financial management and connected transactions, and establish strict review and decision-making procedures. Major investment projects shall be reviewed by relevant experts and professionals and reported to the Shareholders' meeting for approval.

Guarantees of loans to directors or other management personnel

The external guarantee matters of the Company shall be submitted to the Board of Directors or the Shareholders' meeting for deliberation.

The following acts of external guarantee of the Company shall be submitted to the Shareholders' meeting for deliberation and approval:

(1) any guarantee to be provided after the total amount of external guarantees provided by the Company or the subsidiaries it controls has exceeded 50% of the Company's net assets as audited in the latest period;

(2) any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of the Company's net assets as audited in the latest period;

(3) any guarantee to be provided by the Company for a third party in a single year, the total amount of which has exceeded 30% of the Company's total assets as audited in the latest period;

(4) any guarantee to be provided for a party whose ratio of liabilities to assets exceeds 70%;

(5) any single guarantee for an amount more than 10% of the Company's net assets audited in the latest period;

(6) any guarantee to be provided to a Shareholder, or to an ultimate controller or its related party;

Giving of financial assistance to purchase the shares of the Company or shares of any subsidiary

The Company shall not provide any gift, loan, security, or other financial assistance for others to obtain the shares of the Company or its parent company, except where the Company implements an employee stock ownership plan.

For the benefit of the Company, the Company may, upon a resolution by the Shareholders' meeting or by the Board of Directors under these Articles of Association or the authorization of the Shareholders' meeting, provide financial aids for others to obtain the shares of the Company or its parent company, provided that the total accumulative amount of the financial aids shall not exceed 10% of the total issued share capital. A resolution by the Board of Directors shall be adopted by two thirds or more of all the Directors.

Disclosure of interests in contracts with the Company or any subsidiary

Directors shall not conclude any contract or engage in any transaction with the Company either in violation of the Articles of Association or without the approval of the Board of Directors or the Shareholders' meeting.

Remuneration

The appointment and removal of the members of the Board of Directors, as well as their remuneration and payment methods, shall be adopted by the Shareholders' meeting by ordinary resolution.

Retirement, appointment, removal

The Board shall consist of no fewer than seven (7) Directors, including at least three (3) Independent Non-Executive Directors representing not less than one-third of total Directors.

The Board shall have one chairman. The chairman of the Board shall be elected by more than half of all the Directors.

Directors shall be elected or replaced by the Shareholders' meeting and may be removed by the Shareholders' meeting before the expiration of their term of office. The Directors serve three-year terms and can be re-elected and reappointed at the end of the term, except as otherwise provided in the Articles of Association for the nomination of independent non-executive Directors.

The general manager or other senior managers may concurrently serve as Directors. However, the total number of Directors concurrently serving as the general manager or other senior managers shall not exceed half of the total number of Directors of the Company.

The following persons shall not serve as our Directors:

(1) having no capacity for civil conduct or limited capacity for civil conduct;

(2) a person who has been sentenced to criminal punishment due to corruption, bribery, embezzlement, misappropriation of property or sabotage of socialist market economic order and is within five years of the expiration of the enforcement period, or has been deprived of political rights due to criminal offences and is within five years of the expiration of the enforcement period; in case of a suspended sentence, not more than two years have elapsed since the date of expiry of the probationary period;

(3) a person who is a former director, factory manager or general manager of a company or enterprise which has entered into insolvent liquidation and who is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvent liquidation of such company or enterprise;

(4) a person who served as the legal representative of a company or enterprise which has its business license revoked or is ordered to close down due to violation of the law and who is personally liable, where less than three years have elapsed since the date of revocation of the business license or the order for closure of such company or enterprise;

(5) being listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of debts which has fall due;

(6) a person who is banned by the CSRC from access to the securities market, and the ban has not expired;

(7) a person who is publicly recognized by the stock exchange as unsuitable to serve as directors, senior management etc. of the listing company, and the ban has not expired;

(8) other contents required by laws, regulations, departmental rules, Listing Rules and other security regulatory rules for the place where the Company's shares are listed.

If a Director is elected or appointed in violation of this article, such election, appointment or engagement shall be invalid. The Company shall remove a Director from office if any of the circumstances set forth in this article occurs during the Director's term of office.

Borrowing powers

The Board has the power to make proposals in relation to the issue of bonds or other securities of the Company, and such issue of bonds is subject to the approval of the Shareholders at the Shareholders' meeting. The Shareholders' meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

Duties

The Directors shall abide by laws, administrative regulations and the Articles of Association, and shall have the following duties of loyalty to the Company:

(1) shall not encroach on the Company's property or misappropriate company funds;

(2) shall not deposit the Company's assets into accounts held in their own names or in the name of any other individual;

(3) shall not abuse their authority by accepting bribes or other illegal income;

(4) shall not conclude any contract or engage in any transaction with the Company without the report to the Board of Directors or Shareholders' meeting and the approval of the Board of Directors or Shareholders' meeting;

(5) shall not use the advantages provided by their own positions to pursue business opportunities that properly belong to the Company, unless reported to the Board of Directors or Shareholders' meeting and approved by a resolution of the Shareholders' meeting, or the Company is unable to utilize the business opportunity under laws, administrative regulations or the provisions of the Articles of Association;

(6) shall not engage in the same business as the Company either for their own account or for the account of any other person without the report to the Board of Directors or Shareholders' meeting and the approval of the Shareholders' meeting;

(7) shall not accept commissions paid by others for transactions conducted with the Company as their own;

(8) shall not disclose the Company's confidential information;

(9) shall not abuse their connected relationships to damage the Company's interests;

(10) other duties of loyalty stipulated in laws, administrative regulations, departmental rules, security regulatory rules for the place where the Company's shares are listed and the Articles of Association.

The income obtained by the Director in violation of above article shall belong to the Company. If losses are caused to the Company because of such violation, such Director shall be liable for compensation.

Directors shall abide by laws, administrative regulations and the Articles of Association, and have the following duties of diligence to the Company:

(1) shall prudently, earnestly and diligently exercise the powers the Company grants to them to ensure that the Company conducts its commercial activities in a manner that complies with the requirements of state laws, administrative regulations and state economic policies, and that the Company's commercial activities do not go beyond the scope of the business activities stipulated in the Company's business license;

(2) shall treat all Shareholders fairly;

(3) shall maintain a timely awareness of the operation and management of the Company;

(4) shall sign written statements confirming the regular reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;

(5) shall provide accurate information and materials to the Audit Committee and shall not obstruct the Audit Committee from performing its duties;

(6) other duties of diligence stipulated in the laws, administrative regulations, departmental rules, security regulatory rules for the place where the Company's shares are listed and the Articles of Association.

Secretary of the Board of Directors

Our Company shall establish a secretary to the Board of Directors, responsible for the preparation of our Company's Shareholders' meeting and Board of Directors' meeting, retention of documents, management of our investor relations and our Company's Shareholder materials, and handling of information disclosure matters.

MODIFICATION OF THE ARTICLE OF ASSOCIATION

Our company shall amend its articles of association in any of the following circumstances:

(1) After amendments to the Company Law or relevant laws, administrative regulations, or the Listing Rules, the provisions of the articles of association conflict with the provisions of the amended laws, administrative regulations, or the Listing Rules;

(2) The circumstances of the company have changed and are inconsistent with the provisions of the articles of association;

(3) The shareholders' meeting decides to amend the articles of association.

In the event that the amendments to the Articles of Association passed by the Shareholders' meetings need the examination and approval of the competent authorities, these amendments shall be submitted hereto for approval. Where the amendment of the Articles of Association involves registration, it shall be necessary to carry out the lawfully prescribed procedures for registration change.

SPECIAL RESOLUTIONS — MAJORED REQUIRED

The resolutions of the Shareholders' meeting are categorized as ordinary resolutions and special resolutions. An ordinary resolution shall be adopted by a simple majority of the votes held by the Shareholders (including proxies) attending the Shareholders' meeting. A special resolution shall be adopted by a two-thirds majority of the votes held by the Shareholders (including proxies) attending the Shareholders' meeting.

VOTING RIGHTS (GENERALLY AND ON A POLL)

Shareholders (including proxy) shall exercise their voting rights according to the number of voting Shares they represent, and each Share shall have one vote.

The Shares held by the Company do not have voting rights, and these Shares are not included in the total number of Shares with voting rights present at the Shareholders' meeting.

When the Shareholders' meeting deliberates on related transactions, affiliated Shareholders shall not participate in voting.

The Shareholders' meeting adopts a registered voting method. The same voting right can only choose one of on-site, online or other voting methods. In case of repeated voting with the same voting right, the first voting result shall prevail.

Shareholders attending the Shareholders' meeting shall express one of the following opinions on the proposal submitted for voting: affirmative, negative or abstention.

Where any ballot is not completed in full, is completed incorrectly or unintelligibly, or has no vote recorded, the voter shall be deemed to have waived his voting rights and the voting result for his shares shall be deemed as an "abstention".

The Articles of Association do not contain provisions regarding variation of rights of existing shares or classes of shares.

REQUIREMENTS FOR ANNUAL SHAREHOLDERS' MEETING

The Shareholders' meeting are divided into annual Shareholders' meeting and extraordinary Shareholders' meeting. The annual Shareholders' meeting shall be convened once a year and be held within six months of the end of the previous fiscal year.

ACCOUNTING AND AUDITS

Financial and accounting policies

The Company shall develop its financial and accounting system in accordance with the laws, administrative regulations, and the rules stipulated by relevant authorities. Where the securities regulatory authority at the place where the Company's shares are listed has other provisions, such provisions shall prevail.

The Company shall not keep accounts other than those provided by law. Funds of the Company shall not be deposited in an account opened in the name of any individual.

Appointment and dismissal of Accountants

The Company engages accounting firms that comply with the provisions of the PRC Securities Law, the Listing Rules and other security regulatory rules for the place where the Company's shares are listed to conduct accounting statement auditing, net asset verification, and other related consulting services. The term of employment is one year and can be renewed. The appointment of an accounting firm by the Company must be decided by a majority of Shareholders at the Shareholders' meeting, and the Board of Directors shall not appoint an accounting firm before the decision is made at the Shareholders' meeting. The Company guarantees to provide the accounting firm it engages with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or falsely report.

The remuneration of an accounting firm shall be determined by the Shareholders' meeting. When the Company dismisses or no longer renews the appointment of an accounting firm, the Shareholders' meeting shall make a decision and notify the accounting firm 15 days in advance. When the Company's Shareholders' meeting votes on the dismissal of an accounting firm, the accounting firm is allowed to state its opinions. If the accounting firm proposes to resign, it shall explain to the shareholders' meeting whether the Company has any improper circumstances.

NOTICE AND AGENDA OF GENERAL SHAREHOLDERS' MEETING

The Shareholders' meeting is the organ of authority of the Company. The Company shall convene an extraordinary Shareholders' meeting within two months from the date of the fact:

(I) the number of Directors is less than two-thirds of the number specified in the PRC Company Law or the Articles of Association;

(II) where the Company's unfunded losses reach one-third of the total Share capital paid in;

(III) where the Shareholder(s) who individually or jointly hold no less than 10% of the Company's Shares (including preference shares with restored voting rights) request(s) holding of such a meeting;

(IV) when deemed necessary by the Board of Directors;

(V) when the Audit Committee proposes to convene such a meeting;

(VI) in other circumstances stipulated by laws, administrative regulations, departmental rules, Listing Rules, security regulatory rules for the place where the Company's shares are listed, or the Articles of Association.

The Audit Committee has the right to propose to the Board of Directors the convening of an extraordinary Shareholders' meeting and shall submit it in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, provide written feedback on whether to agree or disagree with the convening of an extraordinary Shareholders' meeting within ten days after receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, a notice of convening the Shareholders' meeting shall be issued within five days after the Board of Directors' resolution is made. Any changes to the original proposal in the notice shall require the consent of the Audit Committee. If the Board of Directors does not agree to convene an extraordinary Shareholders' meeting or fails to provide feedback within ten days after receiving the proposal, it shall be deemed that the Board of Directors is unable or fails to fulfill its duty to convene a Shareholders' meeting, and the Audit Committee may convene and preside over it on its own.

Shareholders who individually or collectively hold 10% or more of the Company's Shares (excluding Treasury Shares, and including preference shares with restored voting rights) have the right to request the convening of an extraordinary Shareholders' meeting from the Board of Directors and shall submit it in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, provide written feedback on whether to agree or disagree with the convening of an extraordinary Shareholders' meeting within ten days after receiving the request. If the Board of Directors agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of convening the Shareholders' meeting within five days after making the Board resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders. If the Board of Directors does not agree to convene an extraordinary Shareholders' meeting or fails to provide feedback within ten days after receiving the request, Shareholders who individually or collectively hold 10% or more of the Company's Shares (including preference shares with restored voting rights) have the right to propose to the Audit Committee to convene an extraordinary Shareholders' meeting and shall submit a request in writing to the Audit Committee. If the Audit Committee agrees to convene an extraordinary Shareholders' meeting, it shall issue a notice of convening the Shareholders' meeting within five days after receiving the request. Any changes to the original proposal in the notice shall be approved by the relevant Shareholders. If the Audit Committee fails to issue a notice of the Shareholders' meeting within the prescribed period, it shall be deemed that the Audit Committee has not convened and presided over the Shareholders' meeting. Shareholders who individually or collectively hold 10% or more of the Company's Shares for more than 90 consecutive days may convene and preside over the Shareholders' meeting on their own.

The Company holds a Shareholders' meeting, and the Board of Directors, Audit Committee, and Shareholders who individually or jointly hold more than 1% of the Company's Shares (including preference shares with restored voting rights) have the right to submit proposals to the Company. Shareholders who individually or collectively hold more than 1% of the Company's Shares (including preference shares with restored voting rights) may submit temporary proposals and submit them in writing to the convener ten days prior to the convening of the shareholders' meeting. The convener shall issue a supplementary notice of the Shareholders' meeting within two days after receiving the proposal, announcing the content of the temporary proposal.

Except for the circumstances specified in the preceding paragraph, the convener shall not modify the proposals listed in the notice of the Shareholders' meeting or add new proposals after issuing the notice of the Shareholders' meeting. Proposals that are not listed in the notice of the Shareholders' meeting or do not comply with the provisions of the Articles of Association shall not be voted on and a resolution shall not be made by the Shareholders' meeting.

The convener will notify all Shareholders by announcement 20 days before the annual Shareholders' Meeting is held, and the extraordinary Shareholders' Meeting will notify all Shareholders by announcement 15 days before the meeting is held. The notice of the Shareholders' Meeting shall be in writing and include the following contents:

(I) the time, location, and duration of the meeting;

(II) submit matters and proposals for review at the meeting;

(III) clearly state in writing that all Shareholders (including holders of preference shares with restored voting rights) have the right to attend the Shareholders' meeting and may appoint a proxy in writing to attend and vote at the meeting. The proxy does not need to be a Shareholder of the Company;

(IV) share registration date of the Shareholders entitled to attend the Shareholders' meeting;

(V) name and phone number of the permanent contact person for conference affairs;

(VI) online or other voting time and voting procedure;

The notice and supplementary notice of the Shareholders' Meeting shall fully and completely disclose all specific contents of all proposals. If the matter to be discussed requires independent non-executive directors to express their opinions, the independent non-executive directors' opinions and reasons will be disclosed simultaneously when the notice of the Shareholders' meeting or supplementary notice is issued.

The resolutions of the Shareholders' meeting are divided into ordinary resolutions and special resolutions.

The following matters shall be passed by ordinary resolution at the Shareholders' meeting:

(I) work reports of the Board of Directors;

(II) to review and approve the profit distribution plan and loss recovery plan;

(III) appointment or dismissal of the members of the Board of Directors and formulate their salary plans;

(IV) to make decisions on the hiring and dismissal of accounting firms and the determination of remuneration for our Company;

(V) to review and approve transactions as provided for in Article 48, financial aids as provided in 49 and guarantees as provided in 50 (except for item (3)) of these Articles of Association

(VI) transactions under the Company's connected transaction regime that require approval by the Shareholders' meeting; matters related to changes in the use of proceeds;

(VII) to resolve on the issuance of bonds of the company;

(VIII) other matters other than those required by laws, administrative regulations, security regulatory rules for the place where the Company's shares are listed, or the Articles of Association to be passed through special resolutions.

The following matters shall be passed by the special resolution of the Shareholders' meeting:

(I) the increase or decrease in registered capital of the Company;

(II) the merger, division, dissolution, liquidation or change of the form of the Company;

(III) the amendment to the Articles of Association;

(IV) the Company's purchase or disposal of major assets or providing any security for others within one year in an amount exceeding 30% of the Company's net assets as audited in the latest period;

(V) equity incentive plans;

(VI) other matters required by laws, administrative regulations, the Listing Rules, security regulatory rules for the place where the Company's shares are listed or the Articles of Association, or resolved at a Shareholders' meeting, by an ordinary resolution, to be of a nature that may have a material impact on the Company and should be adopted by special resolution.

If the content of the resolutions of the Shareholders' meeting and the Board of the Company violate the laws, regulations and prescriptive documents, the Shareholders shall have the right to request the people's court to hold it invalid.

If the convening procedures and voting methods of the Shareholders' meeting or the Board violate laws, regulations and prescriptive documents or the Articles of Association, or the contents of the resolutions violate the Articles of Association, the Shareholders shall have the right to request the people's court to revoke the resolutions within 60 days from the date of adoption of the resolutions, except where the procedures for convening a meeting of the Shareholders' meeting or the Board or the voting method only has some minor defects, which produces no substantial effect on the resolution.

TRANSFER OF SHARES

Shares of the Company issued prior to the public issue of Shares may not be transferred within one year of the date of the Company's listed on a stock exchange.

Directors and the senior management of the Company shall declare to the Company their shareholdings in it and changes in such shareholdings. During their terms of office as determined when they assume the posts, they may transfer no more than 25% of their total number of shareholding in the Company every year; they shall not transfer their shareholding within one year from the date of listed of the Company's shares on a stock exchange. The aforesaid persons shall not transfer the shares of the Company held by them within half a year after they leave office.

POWER OF THE COMPANY TO PURCHASE ITS OWN SHARES

The Company shall not acquire its own Shares. However, except for one of the following situations:

(I) to reduce the registered capital of the Company;

(II) to merger with other companies holding Shares in the Company;

(III) to use Shares for employee shareholding schemes or as equity incentives;

(IV) to acquire the Shares of shareholders (upon their request) who vote against any resolution adopted at any Shareholders' meeting regarding the merger or division of the Company;

(V) to use the Shares to satisfy the conversion of the convertible corporate bonds into Shares issued by the Company;

(VI) to safeguard corporate value and Shareholders' interests as the Company deems necessary.

Repurchase of the Company's shares can be carried out in a public and centralized manner, or other ways approved by the laws and administrative regulations and the CSRC and the securities regulatory authority of the place where the Company's shares are listed. Repurchase of the Company's shares in the circumstances as stipulated in items (3), (5) or (6) of the preceding paragraph shall be carried out in a public and centralized manner.

POWER OF ANY SUBSIDIARY OF OUR COMPANY TO OWN SHARES IN ITS PARENT

There are no provisions in the Articles of Association relating to ownership by subsidiary of our Company of Shares in its parent.

DIVIDENDS AND OTHER METHODS OF DISTRIBUTION

The Company may distribute dividends in cash or stock. After the Shareholders' meeting of the Company makes a resolution on profit distribution plan, the Board of Directors of the Company shall complete distribution of dividend (or share) within two months after such Shareholders' meeting.

SHAREHOLDER PROXIES

The Shareholders may attend and vote at the Shareholders' meeting in person or by proxy.

Any proxy statement issued by a Shareholder who authorizes a proxy to attend the Shareholders' meeting on his behalf shall include the following details:

(I) the name of the proxy;

(II) agency matters and authority;

(III) respective instructions on affirmative, negative or abstention voting on each item for consideration listed in the Shareholders' meeting agenda;

(IV) the issuance date and valid period of the proxy statement;

(V) the signature (or seal) of the Shareholder. If the principal is a corporate Shareholder, the corporate seal shall be affixed.

The power of attorney shall indicate whether the Shareholder's proxy can vote according to his own will if the Shareholder does not give specific instructions.

CALLS ON SHARES AND FORFEITURE OF SHARES

There are no provisions in the Articles of Association relating to calls on Shares and forfeiture of Shares.

INSPECTION OF REGISTER OF SHAREHOLDERS

Our Company establishes a register of members based on the vouchers provided by the securities registration and settlement institution, which is sufficient evidence to prove that shareholders hold our Company's Shares. Shareholders shall enjoy rights and assume obligations according to the types of Shares they hold. Shareholders holding the same type of Shares shall have equal rights and assume the same obligations. Our Company shall keep a copy of the register of the holders of the overseas foreign Shares at our residential address. The overseas entrusted agency shall at all times maintain consistency between the original and copy of the register of the holders of the overseas foreign Shares. When there is a discrepancy between the original and copies of the register of holders of the overseas foreign Shares, the original shall prevail.

QUORUM FOR SHAREHOLDERS' MEETING

There are no provisions in the Articles of Association relating to quorum for Shareholders' Meeting of the Company.

RIGHTS OF THE MINORITIES IN RELATION TO FRAUD OR OPPRESSION THEREOF

If Directors who are not member of the Audit Committee and senior management personnel violate laws, administrative regulations, or the provisions of the Articles of Association while performing their duties, causing losses to our Company, Shareholders who individually or jointly hold more than 1% of our Company's Shares for more than 180 consecutive days have the right to request in writing that the Audit Committee file a lawsuit with the people's court; If the member of

Audit Committee violates laws, administrative regulations, or the provisions of the Articles of Association while performing its duties, causing losses to our Company, the aforementioned Shareholders may request in writing that the Board of Directors file a lawsuit with the people's court. If the Audit Committee or the Board of Directors refuses to file a lawsuit after receiving a written request from the Shareholders specified in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receiving the request, or if the situation is urgent and the failure to file a lawsuit immediately will cause irreparable damage to our Company's interests, the Shareholders specified in the preceding paragraph have the right to directly file a lawsuit in their own name to the people's court for the benefit of our Company.

If another person infringes on the legitimate rights and interests of our Company and causes losses to our Company, Shareholders who individually or jointly hold more than 1% of our Company's Shares for more than 180 consecutive days may file a lawsuit with the people's court in accordance with the provisions of the preceding paragraphs.

If Directors and senior management personnel of the Company's wholly owned subsidiaries violate laws, administrative regulations, or the provisions of the Articles of Association while performing their duties, causing losses to our Company, or others infringing on the legitimate rights and interests of the Company's wholly-owned subsidiaries resulting in losses, Shareholders who individually or jointly hold more than 1% of our Company's Shares for more than 180 consecutive days have the right to request in writing in accordance with the aforementioned provisions that the Audit Committee or the Board of Directors file a lawsuit with the people's court or file lawsuit on Shareholders' own name.

PROCEDURES ON LIQUIDATION

The Company may be dissolved for the following reasons:

(I) the term of operation stipulated in the Articles of Association has expired or circumstances for dissolution specified in the Articles of Association arises;

(II) a resolution for dissolution is passed at a Shareholders' meeting;

(III) merger or division of the Company entails dissolution;

(IV) the business license is revoked or the Company is ordered to close down or be deregistered according to the law;

(V) If the company's operations and management encounter serious difficulties, and continuing to exist would cause significant losses to shareholders' interests, and the issue cannot be resolved through other means, shareholders holding more than 10% of the company's voting rights may request the People's Court to dissolve the company.

If the Company has any cause for dissolution specified in the preceding paragraphs, it shall make public the cause of dissolution through the National Enterprise Credit Information Publicity System within 10 days.

In the circumstances set out in item (1) and (2) above, and the Company has not distributed property to the Shareholders, the Company may continue to subsist by amending the Articles of Association or by a resolution of the Shareholders' meeting.

Amendments to the Articles of Association or a resolution of the Shareholders' meeting pursuant to the preceding paragraph shall be subject to the approval of more than two-thirds of the voting rights held by the Shareholders attending the Shareholders' meeting.

If the Company is dissolved pursuant to items (1), (2), (4) and (5) as mentioned above, it shall establish a liquidation committee within 15 days after the circumstance for dissolution arises. The liquidation committee shall consist of the Directors or members determined by the Shareholders' meeting. Where the liquidation obligors fail to perform their liquidation obligations in a timely manner, causing any loss to the Company or any creditor, the liquidation obligors are liable in damages.

The liquidation committee shall notify creditors within 10 days after its establishment and within 60 days make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System. The creditors shall declare their rights to the liquidation committee within 30 days after receipt of the notice or within 45 days after the announcement if the creditors have not received the notice.

When declaring the claims, the creditors shall explain matters relating to their rights and provide relevant evidential documents. The liquidation committee shall register the creditor's rights.

During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

After the liquidation committee has sorted out the assets of the Company and prepared a balance sheet and an inventory of property, it shall formulate a liquidation plan and submit the same to the Shareholders' meeting or the people's court for confirmation.

The Company shall, according to the proportion of the Shares held by the Shareholders, distribute the properties of the Company remaining after payment of the liquidation expenses, employees' salaries, social insurance expenses and statutory compensations, outstanding taxes, and the Company's debts.

The Company shall subsist in the course of liquidation but shall not conduct any business operations unrelated to liquidation. Before liquidation as specified in the preceding paragraphs, the properties of the Company shall not be distributed to Shareholders.

Upon liquidation of the Company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation committee becomes aware that the Company does not have sufficient assets to meet its liabilities, it must apply to the people's court for a declaration for bankruptcy according to laws. After the people's court accepts the petition for bankruptcy, the liquidation committee shall refer the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report submit it to the Shareholders' meeting or the people's court for confirmation, and shall, submit it to the company registration authority, and apply for deregistration of the Company and announce the termination of the Company.

OTHER PROVISIONS MATERIAL TO THE COMPANY OR ITS SHAREHOLDERS

General Provisions

Our Company is a permanently existing joint stock limited company.

The Shareholders are responsible for our Company to the extent of their subscribed Shares, and our Company is responsible for our Company's debts with all its assets.

From the effective date, this Articles of Association shall become a legally binding document regulating the organization and behavior of our Company, the rights and obligations between our Company and its Shareholders, and between Shareholders, and shall have legal binding force on our Company, Shareholders, Directors, and senior management.

Share and Transfer

In light of our Company's operational and developmental needs, our Company may increase its capital in accordance with the laws and regulations and subject to a resolution of the Shareholders' meeting, by any of the following methods:

(I) a public offering of shares;

(II) a private placement of shares;

(III) allotment of bonus shares to existing shareholders;

(IV) conversion of reserve funds to share capital;

(V) other methods permitted by laws, regulations, and or approved by CSRC and Hong Kong Stock Exchange.

Our Company may reduce its registered capital. Any reduction of our Company's registered capital shall be subject to the procedures prescribed in the PRC Company Law and other relevant regulations, as well as the Articles of Association.

Shareholders

Shareholders are entitled to rights and assumes obligations pursuant to the classification of their shares.

Shareholders holding the same classified Share have the same rights and assume the same obligations. Shareholders of our Company shall enjoy the following rights:

(I) the right to dividends and other distributions in proportion to the number of Shares held;

(II) the right to apply for, convene, preside, attend or appoint proxies to attend Shareholders' Meeting and to exercise the corresponding right to speak and vote;

(III) the right to supervise, present proposals or raise enquiries in respect of our Company's business operations;

(IV) the right to transfer, give as a gift or pledge the Shares it holds in accordance with laws, administrative regulations and the Articles of Association;

(V) the right to inspect and copy the Articles of Association, Register of Shareholders, minutes of Shareholders' Meeting, resolutions of the Board of Directors and accounting reports of Our Company and Subsidiaries, eligible shareholders shall enjoy the right to inspect the accounting books and documents of the Company and its wholly-owned subsidiaries;

(VI) in the event of the termination or liquidation of our Company, the right to participate in the distribution of the remaining property of our Company in proportion to the number of Shares held;

(VII) Shareholders who object to resolutions of merger or division made by the Shareholders' Meeting may request our Company to purchase Shares held;

(VIII) other rights provided for by laws, administrative regulations, departmental rules, security regulatory rules for the place where the Company's shares are listed or the Articles of Association.

Where any Shareholder demands to read the relevant information or obtain any of the aforesaid materials, he shall submit to our Company written documents proving the class(es) and number of Shares he holds. Our Company shall provide the relevant information or materials in accordance with the Shareholder's demand after verifying the Shareholder's identity.

Shareholders of our Company shall have the following obligations:

(I) to abide by laws, administrative regulations and the Articles of Association;

(II) to pay the Share subscription price based on the Shares subscribed for by them and the method of acquiring such Shares;

(III) not to return Shares unless prescribed otherwise in laws and regulations;

(IV) not to abuse Shareholders' rights to infringe upon the interests of our Company or other Shareholders; not to abuse our Company's status as an independent legal entity or the limited liability of Shareholders to harm the interests of our Company's creditors;

(V) to assume other obligations required by laws, administrative regulations and the Articles of Association.

Any Shareholder who abuses Shareholders' rights and causes our Company or other Shareholders to suffer a loss shall be liable for making compensation in accordance with the law. Any Shareholder who abuses the status of our Company as an independent legal entity or the limited liability of Shareholders to evade debts and severely harm the interests of our Company's creditors shall assume joint and several liability for our Company's debts.

The Articles of Association do not contain provisions regarding the time limit after which the entitlement to dividends lapses, or the party in whose favor the lapse operates.

The Audit Committee

Our company does not have the Board of Supervisors or Supervisor but has an Audit Committee within the Board of Directors to exercise the powers of the Board of Supervisors as stipulated in the Company Law.

General Manager

The company's general manager, deputy general managers, Chief Financial Officer, secretary of the Board of Directors, and other senior management personnel determined by the Board of Directors shall be deemed as the senior management personnel of the company. The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:

(I) to be in charge of the production, operation and management of our Company, to organize the implementation of the resolutions of the Board of Directors, and to report his/her works to the Board of Directors;

(II) to organize the implementation of our Company's annual business plans and investment plans;

(III) to draft plans for the establishment of our Company's internal management organization;

(IV) to draft our Company's basic management system;

(V) to formulate the specific rules and regulations of our Company;

(VI) to propose to the Board of Directors appointment or dismissal of deputy general manager or other senior management;

(VII) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;

(VIII) such other functions and powers conferred by the Articles of Association, the Board of Directors.

The general manager shall attend the Board meeting as a non-voting delegate and shall be responsible to the Board of Directors.

Reserves

When distributing the after-tax profits of the current year, the Company shall allocate 10% of the profits into its statutory reserve fund. If the accumulated amount of the Company's statutory reserve fund is more than 50% of the registered capital of the Company, further appropriation is not necessary.

If the statutory reserve fund of the Company is insufficient to make up for the losses of previous years, the profits of the current year shall be used to make up for the losses before making allocations to the statutory reserve fund in accordance with the provisions of the preceding paragraph.

After the Company has withdrawn the statutory reserve fund from the after-tax profit, it may also withdraw discretionary reserve fund from the after-tax profit upon the resolution of the Shareholders' meeting.

After the Company has made up for its losses and made allocations to its common reserve fund, the remaining after-tax profits shall be distributed to the Shareholders in proportion to their shareholdings, except for those shall not be distributed in proportion to their shareholdings as stipulated in the Articles of Association.

If the Shareholders' meeting, in violation of the provisions of the preceding paragraph, distributes profits to Shareholders before the Company makes up for losses and makes allocations to the statutory common reserve fund, the Shareholders shall return the profits distributed in violation of the provisions to the Company.

The shares of the Company held by the Company shall not participate in profit distribution.

Company reserve funds shall be used to cover the Company's losses, expand production and operations, or converted to increase the Company's capital. Where the reserve funds of the Company is used for making up losses, the discretionary reserve fund and statutory reserve fund shall be used first. If such losses still cannot be made up, the capital reserve fund can be used.

After converting statutory reserve funds into capital, the amount remaining in the statutory reserve fund shall be no less than 25% of the Company's registered capital before such conversion.

1. FURTHER INFORMATION ABOUT OUR COMPANY

1.1 Incorporation

Our Company was incorporated as a limited liability company under the laws of the PRC in June 2016 and was converted into a joint stock company with limited liability in May 29, 2025. Our registered address is at No. 98 Jianghai West Road Liangxi District, Wuxi City, Jiangsu Province, PRC and our principal place of business is at Phase 2, Huafeng International Robot Industrial Park, Bao'an District, Shenzhen, Guangdong Province, PRC.

We have established a place of business in Hong Kong at 14/F, Golden Centre, 188 Des Voeux Road Central, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on [•]. Ms. Li Ching Yi (李菁怡), our joint company secretary, is the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong under Part 16 of the Companies Ordinance. The address for service of process on our Company in Hong Kong is the same as its principal place of business in Hong Kong as set out above.

As our Company was established in the PRC, we are subject to the relevant laws and regulations of the PRC. An overview of the relevant aspects of laws and regulations of the PRC is set out in the section headed "Regulatory Overview" in this document. A summary of our Articles of Association is set out in Appendix V to this document.

1.2 Changes in the Share Capital of our Company

On June 7, 2024, the registered capital of our Company was increased from RMB6,156,048 to RMB6,498,051.

The registered capital of our Company was increased from RMB6,498,051 to RMB20,000,000 upon completion of the joint stock reform of our Company on May 29, 2025. As of the date of our establishment as a joint stock company with limited liability, our registered capital was RMB20,000,000 consisting of 20,000,000 issued Domestic Shares with a nominal value of RMB1.00 each, which has been fully paid up by our promoters.

The registered capital of our Company was increased from RMB20,000,000 to RMB22,105,263 consisting of 22,105,263 issued Domestic Shares on June 20, 2025.

Save as disclosed above, there has been no alteration in the share capital within two years immediately preceding the date of this document.

1.3 Resolutions Passed by Our Shareholders' General Meeting in relation to the [REDACTED]

At the extraordinary general meeting of the Shareholders held on June 16, 2025, the following resolutions, among others, were duly passed:

(a) the sub-division of the Shares with nominal value of RMB1.0 each on the basis of 1:10, effective immediately prior to the **[REDACTED]**, and taking into account the Share Subdivision, the issue of H Shares of nominal value of RMB0.1 each and such H Shares be **[REDACTED]** on the Stock Exchange;

(b) the proposed number of H Shares to be **[REDACTED]** under the **[REDACTED]** and the grant of the **[REDACTED]**. The number of H Shares to be **[REDACTED]** pursuant to the exercise of the **[REDACTED]** shall not exceed **[REDACTED]**% of the total number of H Shares to be **[REDACTED]** initially pursuant to the **[REDACTED]**;

(c) upon completion of the **[REDACTED]** and taking into account the Share Subdivision, **[REDACTED]** Domestic Shares in aggregate will be converted into H Shares on a one-for-one basis;

(d) subject to the completion of the **[REDACTED]**, the conditional adoption of the revised Articles of Association, which shall become effective on the **[REDACTED]**; and

(e) authorization of our Board and its authorized persons to handle all matters relating to, among other things, the **[REDACTED]**.

1.4 Changes in Share Capital of our Subsidiaries

The list of our subsidiaries is set out in Note 1 to the Accountants' Report, the text of which is set out in Appendix I to this Document.

There has been no alteration in the share capital of any of our subsidiaries within the two years preceding the date of this document.

1.5 Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, see the section headed "Appendix V — Summary of Articles of Association" in this document.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

2.1 Summary of Our Material Contract

We have entered into the following contract (not being contract entered into in the ordinary course of business) within the two years immediately preceding the date of this document that is or may be material:

(a) the **[REDACTED]**.

2.2 Our Intellectual Property Rights

As of the Latest Practicable Date, our Company had registered, or has applied for the registration of the following intellectual property rights which were material to our Group's business.

Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we considered to be material to our business:

No.	Trademark	Class	Owner	Place of Registration	Registration No.	Validity Period
1.		7	Our Company	PRC	64366714	2023-03-07 to 2033-03-06
2.		9	Our Company	PRC	64017727	2022-12-28 to 2032-12-27
3.	AMR	7	Our Company	PRC	36753746	2020-01-21 to 2030-01-20
4.	斯坦德	12	Our Company	PRC	35448148	2019-11-28 to 2029-11-27
5.		9	Our Company	PRC	35457534	2019-11-28 to 2029-11-27
6.	斯坦德	7	Our Company	PRC	35433199	2019-11-07 to 2029-11-06
7.		9	Our Company	PRC	25033819	2018-09-21 to 2028-09-20

No.	Trademark	Class	Owner	Place of Registration	Registration No.	Validity Period
8.		7	Our Company	PRC	25033818	2018-10-14 to 2028-10-13

As of the Latest Practicable Date, we filed the following application for registration of trademark in Hong Kong which, in the opinion of our Directors is material to our business:

No.	Trademark	Applicant	Place of registration	Class	Application Number	Application Date
1.		7, 9, 12	Our Company	Hong Kong	306900318	2025-04-23

Patents

As of the Latest Practicable Date, we had registered the following patents which we considered to be material to our business:

No.	Owner	Description	Patent No.	Types of Patents	Application Date	Authorization Announcement Date
1.	Our Company	A Slam Method and Device Based on Prior Information (一種基於先驗信息的Slam方法和裝置)	CN201710826714.1	Innovation	2017-09-14	2020-07-03
2.	Standard Robots (Kunshan) Co., Ltd	A Kinect-based Charging Pile Dynamic Recognition and Positioning Method and System (一種基於Kinect的充電樁動態識別與定位方法及系統)	CN201710827732.1	Innovation	2017-09-14	2020-05-22
3.	Our Company	An AGV with Automatic Alignment Device and its Alignment Method (一種帶有自動對位裝置的AGV及其對位方法)	CN201711409169.2	Innovation	2017-12-22	2024-05-31

No.	Owner	Description	Patent No.	Types of Patents	Application Date	Authorization Announcement Date
4.	Our Company	Methods, Terminals and Computer Readable Storage Media for Close-coupled Visual SLAM (緊耦合視覺SLAM的方法、終端及計算機可讀存儲介質)	CN201880001029.8	Innovation	2018-03-06	2022-04-12
5.	Our Company	An Auto-traction Device and its System (一種自動掛牽的料車牽引裝置及其系統)	CN201810579006.7	Innovation	2018-06-07	2020-08-04
6.	Our Company	A Top Lift Traction Mechanism for AGV Carts (一種AGV小車的頂升牽引機構)	CN201810578993.9	Innovation	2018-06-07	2020-07-28
7.	Our Company	A Cantilever Mechanism with Drive Wheels and its Mobile Robots (一種帶驅動輪的懸臂機構及其移動機器人)	CN201810579046.1	Innovation	2018-06-07	2019-10-01
8.	Our Company	Automated Guided Transportation and Warehousing Systems (自動引導運輸車及倉儲系統)	CN201980000136.3	Innovation	2019-02-13	2021-08-27
9.	Our Company	Methods and Devices for Assigning Tasks to Robots (機器人的任務分配方法及裝置)	CN201910158851.1	Innovation	2019-03-01	2021-11-05
10.	Our Company	Methods and Devices for Planning Paths for Robots (機器人的路徑規劃方法及裝置)	CN201910162350.0	Innovation	2019-03-04	2022-04-29
11.	Our Company	Methods and Devices for Detecting Obstacles (障礙物檢測方法及裝置)	CN201910782214.1	Innovation	2019-08-23	2022-05-27

No.	Owner	Description	Patent No.	Types of Patents	Application Date	Authorization Announcement Date
12.	Our Company	Filtering Methods and Devices, Electronic Equipment and Computer Storage Media (濾波方法和裝置、電子設備、計算機存儲介質)	CN201910783919.5	Innovation	2019-08-23	2021-07-23
13.	Our Company	Logistic Robotics Equipment and Transportation Methods (物流機器人設備及搬運方法)	CN202010258941.0	Innovation	2020-04-03	2020-09-01
14.	Our Company	A Mobile Robot with Combined Transmission and Gripping Applications (一種傳輸和抓取組合應用的移動機器人)	CN202021259069.3	Utility Model	2020-06-30	2021-02-26
15.	Our Company	A Method, Device and Equipment for the Calibration of Mobile Robots (一種移動機器人的標定方法、裝置及設備)	CN202011301639.5	Innovation	2020-11-19	2022-01-25
16.	Our Company	Pick-and-place Structures and their Associated Pick-and-place Equipment (取放料結構及設有其的取放料設備)	CN202110130465.9	Innovation	2021-01-29	2022-10-28
17.	Our Company	Pallet access methods, devices, computer equipment and storage media (棧板存取方法、裝置、計算機設備和存儲介質)	CN202210456882.7	Innovation	2022-04-28	2025-03-11
18.	Our Company	Compound Articulated Suspension Devices and Industrial Mobile Robots (復合鉸接的懸掛裝置及工業移動機器人)	CN202210833543.6	Innovation	2022-07-15	2025-01-28

No.	Owner	Description	Patent No.	Types of Patents	Application Date	Authorization Announcement Date
19.	Our Company	Omni-directional Mobile Devices and Mobile Robots for Industrial Applications (全向移動設備及工業應用移動機器人)	CN202210833426.X	Innovation	2022-07-15	2024-07-02
20.	Our Company	Rotary Hook Type Automatic Unhooking Device and Pulling System (轉動掛鉤式自動脱掛鉤裝置及牽引系統)	CN202210939566.5	Innovation	2022-08-05	2025-03-04

Domain Name

As of the Latest Practicable Date, we had registered the following domain names which we considered to be material to our business:

No.	Domain Name	Name of Registered Proprietor	Validity Period
1.	standard-robots.com	Our Company	July 6, 2015–July 6, 2026

Software Copyrights

As of the Latest Practicable Date, we had registered the following software copyrights which we considered to be material to our business:

No.	Software Name	Version	Owner	Registration No.	Date of Registration
1.	Standard SROS Robot Operating System (斯坦德SROS機器人操作系統)	V1.0	Our Company	2016SR310243	2016-10-27
2.	Mobile Robots Cluster Management and Scheduling System (移動機器人集群管理與調度系統)	V1.0	Our Company	2017SR626496	2017-11-15
3.	Mobile Robots Deployment and Commissioning Software (移動機器人部署與調試軟件)	V4.3	Our Company	2017SR628146	2017-11-15
4.	Standard Mobile Robots Inspection Information System Software (斯坦德移動機器人巡檢信息系統軟件)	V1.0	Our Company	2018SR085510	2018-02-02

No.	Software Name	Version	Owner	Registration No.	Date of Registration
5.	Industrial Robot Control System (工業機器人操控系統)	V1.0	Our Company	2024SR1849843	2024-11-21
6.	Robot Sales and Service Business System (機器人銷售服務業務系統)	V1.0	Standard Robots (Kunshan) Co., Ltd.	2025SR0279134	2025-02-18
7.	Food Intelligent Manufacturing Hub Platform (食品智能製造中樞平台)	V1.0	Standard Robots (Kunshan) Co., Ltd.	2025SR0279192	2025-02-18
8	Intelligent Car Chain Synergistic Platform (車智鏈協同平台)	V1.0	Standard Robots (Kunshan) Co., Ltd.	2025SR0279120	2025-02-18
9.	3C Intelligent Manufacturing Hub Platform (3C智能製造中樞平台)	V1.0	Standard Robots (Kunshan) Co., Ltd.	2025SR0279360	2025-02-18

3. FURTHER INFORMATION ABOUT OUR DIRECTORS

3.1 Particulars of Directors' Contracts

Each of our Directors [has entered] into a service contract with our Company. Each service contract is for an initial term of three years. The service contracts may be renewed in accordance with the Articles and the applicable laws, rules and regulations.

Save as disclosed above, none of the Directors has or is proposed to enter into a service contract with any member of our Group, other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation).

3.2 Remuneration of Directors

See "Directors and Senior Management" and Note 9 to the Accountants' Report in Appendix I to this document for the remuneration or benefits in kind paid to our Directors for each of the three years ended December 31, 2024.

During the Track Record Period, no fees were paid by our Group to any of the Directors or the five highest paid individuals as an inducement to join us or as compensation for loss of office.

4. DISCLOSURE OF INTERESTS

4.1 Disclosure of Interests of Directors

Save as disclosed below, immediately following the completion of the **[REDACTED]** and the Conversion of Domestic Shares into H Shares (assuming that the **[REDACTED]** is not exercised), none of our Directors has any interest and/or short position in the Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules to be notified to our Company, once the H Shares are **[REDACTED]** on the Stock Exchange.

			As of the Latest Practicable Date taking into account the Share Subdivision		Immediately following the completion of the [REDACTED] and the Conversion of Domestic Shares into H Shares (assuming the [REDACTED] is not exercised and taking into account the Share Subdivision)[1]	
Shareholder	**Position**	**Nature of interest**	**Number of Domestic Shares**	**Approximate percentage of shareholding in the total issued share capital of our Company**	**Number of H Shares**	**Approximate percentage of shareholding in the total issued share capital of our Company[1]**
Mr. Wang[2][3][4] . .	Chairman of the Board and executive Director	Beneficial owner	28,294,560	12.80%	**[REDACTED]**	**[REDACTED]**
		Interest in controlled corporation	31,612,950	14.30%	**[REDACTED]**	**[REDACTED]**
		Interest held jointly with other persons	8,410,820	3.80%	**[REDACTED]**	**[REDACTED]**
		Interest of a party to an agreement regarding interest in our Company	—	—	**[REDACTED]**	**[REDACTED]**
Mr. Li[3]	Executive Director	Beneficial owner	8,410,820	3.80%	**[REDACTED]**	**[REDACTED]**
		Interest held jointly with other persons	59,907,510	27.10%	**[REDACTED]**	**[REDACTED]**

(1) The calculation is based on the assumption that (i) the Share Subdivision is completed; (ii) the **[REDACTED]** is not exercised; (iii) **[REDACTED]** Domestic Shares (taking into account the Share Subdivision) will be converted into H Shares; and (iv) the total number of Shares in **[REDACTED]** will be **[REDACTED]** H Shares immediately after the completion of the **[REDACTED]**.

(2) As of the Latest Practicable Date, Mr. Wang is the general partner of Standard Automation and is responsible for its overall management and entitled to exercise the voting rights held by Standard Automation at his full and absolute discretion. Assuming the Share Subdivision is completed, as of the Latest Practicable Date, Standard Automation held 31,612,950 Domestic Shares, representing approximately 14.30% of the issued share capital of our Company. Immediately following the completion of the **[REDACTED]**, Standard Automation's shareholding will be approximately **[REDACTED]**% of the issued share capital of our Company. Therefore, Mr. Wang is deemed to be interested in the Shares held by Standard Automation under the SFO.

(3) Pursuant to the Acting-in-Concert Agreement, Mr. Wang and Mr. Li confirm that they have acted in concert when addressing matters pertaining to the operational development of the Group and those requiring resolutions by a Shareholders' meeting. For further details, see "History and Corporate Structure Acting-in-Concert Arrangement". Therefore, under the SFO, each of Mr. Wang, Mr. Li and Standard Automation is deemed to be interested in the Shares held by each other.

(4) Pursuant to the Voting Proxy Agreements, Mr. Wang has the right to vote certain number of Shares held by the respective grantors. See the section headed "History and Corporate Structure — Voting Proxy Arrangements" for further details.

Up to the Latest Practicable Date, none of the Directors or their respective spouses and children under 18 years of age had been granted by our Company or had exercised any rights to subscribe for shares or debentures of our Company or any of its associated corporations.

4.2 Substantial Shareholders

Save as disclosed in the section headed "Substantial Shareholders" in this document, our Directors or chief executive are not aware of any other person, not being a Director or chief executive of our Company, who has an interest or short position in the Shares and underlying Shares of our Company, which following the completion of the **[REDACTED]** and the Conversion of Domestic Shares into H Shares, would fall to be disclosed to our Company under the provisions of Divisions 2 an 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting Shares of our Company or any member of our Group.

4.3 Disclaimers

(a) None of our Directors has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(b) None of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole; and

(c) So far as is known to our Directors, none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders of our Company who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

5 OTHER INFORMATION

5.1 Estate Duty

Our Directors have been advised that no material liability for estate duty under the PRC laws is likely to fall on our Company or its subsidiaries.

5.2 Litigation

As of the Latest Practicable Date, no member of our Group was engaged in any outstanding material litigation or arbitration which may have material and adverse effect on the **[REDACTED]** and, so far as our Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of our Group.

5.3 Joint Sponsors

The Joint Sponsors have made an **[REDACTED]** on our behalf to the **[REDACTED]** for the **[REDACTED]** of, and permission to deal in, our H Shares. The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors will be paid by our Company a total fee of HK$6,800,000 to act as the sponsors in connection with the **[REDACTED]**.

5.4 Compliance Advisor

Our Company has appointed Somerley Capital Limited as the compliance advisor upon the **[REDACTED]** in compliance with Rule 3A.19 of the Listing Rules.

5.5 Other information about our Directors

Mr. Sun Wei Yung Kevin was the director of Champion Travel Service Company Limited. Champion Travel Service Company Limited was dissolved in January 2002 due to inactivity. To Mr. Sun Weiyong's best knowledge, there has been no outstanding liabilities and unsatisfied judgments against the aforementioned company.

5.6 Preliminary Expenses

We have not incurred any material preliminary expenses.

5.7 Promoters

Mr. Wang, Mr. Li, Standard Automation and our other pre-**[REDACTED]** investors prior to joint stock conversion are our promoters.

Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoters in connection with the **[REDACTED]** and the related transactions described in this document.

5.8 Qualification of Experts

The qualifications of the experts, as defined under the Listing Rules, who have given opinions in this document, are as follows:

Name	Qualification
CITIC Securities (Hong Kong) Limited	A licensed corporation under the SFO to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Guotai Junan Capital Limited	A licensed corporation under the SFO to conduct Type 6 (advising on corporate finance) regulated activities as defined under the SFO

Name	Qualification
Ernst & Young	Certified public accountants and public interest entity auditors
Han Kun Law Offices	PRC Legal Advisor
China Insights Industry Consultancy Limited	Independent industry consultant

5.9 Consents of Experts

Each of the experts named in "5. Other Information — 5.8. Qualification of Experts" above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report and/or letter and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

As of the Latest Practicable Date, none of the experts named above had any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe.

5.10 Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer is effected on the H Share register of members of our Company, including in circumstances where such transaction is effect on the Stock Exchange. For further information in relation to taxation, see "Regulation Overview."

5.11 No Material and Adverse Change

Our Directors confirm that there has been no material and adverse change in the financial or trading position of our Group since December 31, 2024.

5.12 Binding Effect

This document shall have the effect, if an application is made in pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

5.13 Related Party Transactions

Our Group entered into certain related party transactions within the two years immediately preceding the date of this document as mentioned in Note 36 to the Accountants' Report in Appendix I to this document.

5.14 Restriction on Share Repurchases

See Appendix IV to this document for details.

5.15 Miscellaneous

(a) Within the two years immediately preceding the date of this document:

(i) save as disclosed in the section headed "History and Corporate Structure", no share or loan capital of our Group has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;

(ii) no share or loan capital of our Group is under option or is agreed conditionally or unconditionally to be put under option;

(iii) save as disclosed in the section headed "**[REDACTED]**," no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share of our Group; and

(iv) save as disclosed in the section headed "**[REDACTED]**," no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company.

(b) There are no founder, management or deferred shares or any debentures in our Group.

(c) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document.

(d) Our Company has no outstanding convertible debt securities or debentures.

(e) There is no arrangement under which future dividends are waived or agreed to be waived.

(f) Save as disclosed in the section headed "History and Corporate Structure," none of our equity and debt securities is **[REDACTED]** or dealt with in any other stock exchange nor is any **[REDACTED]** or permission to deal being or proposed to be sought.

(g) All necessary arrangements have been made to enable the H shares to be admitted into CCASS for clearing and settlement.

(h) No company within our Group is presently listed on any stock exchange or traded on any trading system.

5.16 Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) copies of the material contract referred to in "2. Further Information about Our Business — 2.1. Summary of Our Material Contract" in Appendix VI; and

(b) the written consents referred to in "5. Other information — 5.9. Consents of Experts" in Appendix VI.

2. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the websites of our Company at **www.standard-robots.com** and on the website of the Stock Exchange at **www.hkexnews.hk** up to and including the date which is 14 days from the date of this document:

(a) the Articles of Association in Chinese;

(b) the Accountants' Report from Ernst & Young, the text of which is set out in Appendix I;

(c) the audited consolidated financial statements of our Group for the three years ended December 31, 2024;

(d) the report from Ernst & Young relating to the unaudited **[REDACTED]** financial information, the text of which is set out in Appendix II;

(e) the material contract referred to in "2. Further Information about Our Business — 2.1. Summary of Our Material Contract" in Appendix VI;

(f) the written consents referred to in "5. Other information — 5.9. Consents of Experts" in Appendix VI;

(g) the contracts referred to in "3. Further Information about Our Directors — 3.1. Particulars of Directors' Contracts" in Appendix VI;

(h) the legal opinions issued by Han Kun Law Offices, our PRC Legal Advisor, in respect of certain general corporate matters and our Group's business operations in the PRC;

(i) the PRC Company Law and the Trial Administrative Measures together with their unofficial English translations; and

(j) the industry report issued by China Insights Industry Consultancy Limited.