

The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission take no responsibility for the contents of this Application Proof, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Application Proof.

Application Proof of

Changzhou Microintelligence Co., Ltd **常州微億智造科技股份有限公司**

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

WARNING

The publication of this Application Proof is required by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Securities and Futures Commission (the “**Commission**”) solely for the purpose of providing information to the public in Hong Kong.

This Application Proof is in draft form. The information contained in it is incomplete and is subject to change which can be material. By viewing this document, you acknowledge, accept and agree with Changzhou Microintelligence Co., Ltd (常州微億智造科技股份有限公司) (the “**Company**”), its Sole Sponsor, sole overall coordinator, advisors and members of the underwriting syndicate that:

- (a) this document is only for the purpose of providing information about the Company to the public in Hong Kong and not for any other purposes. No investment decision should be based on the information contained in this document;
- (b) the publication of this document or any supplemental, revised or replacement pages on the Stock Exchange’s website does not give rise to any obligation of the Company, its sponsor, sole overall coordinator, advisors or members of the underwriting syndicate to proceed with an offering in Hong Kong or any other jurisdiction. There is no assurance that the Company will proceed with any offering;
- (c) the contents of this document or any supplemental, revised or replacement pages may or may not be replicated in full or in part in the actual final listing document;
- (d) this Application Proof is not the final listing document and may be updated or revised by the Company from time to time in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
- (e) this document does not constitute a prospectus, offering circular, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it calculated to invite offers by the public to subscribe for or purchase any securities;
- (f) this document must not be regarded as an inducement to subscribe for or purchase any securities, and no such inducement is intended;
- (g) neither the Company nor any of its affiliates, sole sponsor, sole overall coordinator, advisors or members of its underwriting syndicate is offering, or is soliciting offers to buy, any securities in any jurisdiction through the publication of this document;
- (h) no application for the securities mentioned in this document should be made by any person nor would such application be accepted;
- (i) the Company has not and will not register the securities referred to in this document under the United States Securities Act of 1933, as amended, or any state securities laws of the United States;
- (j) as there may be legal restrictions on the publication of this document or dissemination of any information contained in this document, you agree to inform yourself about and observe any such restrictions applicable to you; and
- (k) the application to which this document relates has not been approved for listing and the Stock Exchange and the Commission may accept, return or reject the application for the subject public offering and/or listing.

No offer or invitation will be made to the public in Hong Kong until after a prospectus of the Company has been registered with the Registrar of Companies in Hong Kong in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). If an offer or an invitation is made to the public in Hong Kong in due course, prospective investors are reminded to make their investment decisions solely based on the Company’s prospectus registered with the Registrar of Companies in Hong Kong, copies of which will be published to the public during the offer period.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

IMPORTANT

IMPORTANT: If you are in any doubt about any of the contents of this Document, you should seek independent professional advice.

Changzhou Microintelligence Co., Ltd 常州微億智造科技股份有限公司

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

Number of [REDACTED] under : [REDACTED] H Shares (subject to the
the [REDACTED] [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to adjustment)
Number of [REDACTED] : [REDACTED] H Shares (subject to adjustment
and the [REDACTED])
[REDACTED] : HK\$[REDACTED] per [REDACTED], plus
brokerage of 1.0%, SFC transaction levy of
0.0027%, AFRC transaction levy of
0.00015% and Hong Kong Stock Exchange
trading fee of 0.00565% (payable in full on
application in Hong Kong dollars and subject
to refund)
Nominal value : RMB1.00 per H Share
Stock Code : [REDACTED]

Sole Sponsor, and [REDACTED]



东方证券
— D F Z Q —

國際

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Document.

A copy of this Document, having attached thereto the documents specified in the section headed “Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display” in Appendix VI to this Document, [has been] registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong. The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this Document or any other documents referred to above.

The [REDACTED] is expected to be determined by agreement between the [REDACTED] (for itself and on behalf of the [REDACTED]) and the Company on the [REDACTED]. The [REDACTED] is expected to be on or before [REDACTED], (Hong Kong time) and, in any event, not later than 12:00 noon on [REDACTED], (Hong Kong time). The [REDACTED] will not be more than HK\$[REDACTED] per [REDACTED] and is currently expected to be not less than HK\$[REDACTED] per [REDACTED]. If, for any reason, the [REDACTED] is not agreed on or before 12:00 noon on [REDACTED], (Hong Kong time) between the [REDACTED] (for itself and on behalf of the [REDACTED]) and the Company, the [REDACTED] will not proceed and will lapse.

The [REDACTED], on behalf of the [REDACTED], may, where considered appropriate and with the Company's consent, reduce the number of [REDACTED] and/or the indicative [REDACTED] range below that is stated in this Document at any time on or prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such case, notices of the reduction in the number of [REDACTED] and/or the indicative [REDACTED] range will be published on the website of the Company at www.microintelligence.com.cn and on the website of the Hong Kong Stock Exchange at www.hkexnews.hk as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging [REDACTED] under the [REDACTED]. Further details are set forth in the sections headed “Structure and Conditions of the [REDACTED]” and “How to Apply for [REDACTED]”.

The obligations of the [REDACTED] under the [REDACTED] are subject to termination by the [REDACTED] (for itself and on behalf of the [REDACTED]) if certain events occur prior to 8:00 a.m. on the [REDACTED]. Please refer to the section headed “[REDACTED]”.

Prior to making an investment decision, [REDACTED] should consider carefully all of the information set out in this Document, including the risk factors set out in the section headed “Risk Factors”.

The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be [REDACTED], sold, pledged or transferred within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S), except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The [REDACTED] are being [REDACTED] and sold outside the United States to non-U.S. persons in offshore transactions in accordance with Regulation S.

[REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

IMPORTANT

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

IMPORTANT

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

CONTENTS

IMPORTANT NOTICE TO INVESTORS

This Document is issued by us solely in connection with the [REDACTED] and the [REDACTED] and does not constitute an [REDACTED] to sell or a solicitation of an [REDACTED] to buy any security other than the [REDACTED] [REDACTED] by this Document pursuant to the [REDACTED]. This Document may not be used for the purpose of making, and does not constitute, an [REDACTED] or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a [REDACTED] of the [REDACTED] in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this Document in any jurisdiction other than Hong Kong. The distribution of this Document for purposes of a [REDACTED] and the [REDACTED] and sale of the [REDACTED] in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this Document to make your investment decision. The [REDACTED] is made solely on the basis of the information contained and the representations made in this Document. We have not authorized anyone to provide you with information that is different from what is contained in this Document. Any information or representation not contained nor made in this Document must not be relied on by you as having been authorized by us, the Sole Sponsor, the [REDACTED], [the [REDACTED], the [REDACTED], the [REDACTED], any of the [REDACTED] or the [REDACTED], any of our or their respective directors, officers, employees, agents, or representatives of any of them or any other parties involved in the [REDACTED].

	<i>Page</i>
EXPECTED TIMETABLE	iii
CONTENTS	vii
SUMMARY	1
DEFINITIONS	18
GLOSSARY OF TECHNICAL TERMS	30
FORWARD-LOOKING STATEMENTS	35
RISK FACTORS	37
WAIVERS AND EXEMPTIONS	76
INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]	85

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

CONTENTS

	<i>Page</i>
DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]	91
CORPORATE INFORMATION	95
INDUSTRY OVERVIEW	97
REGULATORY OVERVIEW	112
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE	135
BUSINESS	169
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS	231
DIRECTORS AND SENIOR MANAGEMENT	236
SUBSTANTIAL SHAREHOLDERS	252
SHARE CAPITAL	254
FINANCIAL INFORMATION	258
FUTURE PLANS AND [REDACTED]	303
[REDACTED]	306
STRUCTURE AND CONDITIONS OF THE [REDACTED]	321
HOW TO APPLY FOR [REDACTED]	332
APPENDIX I — ACCOUNTANT’S REPORT	I-1
APPENDIX II — UNAUDITED [REDACTED] FINANCIAL INFORMATION	II-1
APPENDIX III — [REDACTED]	III-1
APPENDIX IV — SUMMARY OF THE ARTICLES OF ASSOCIATION ...	IV-1
APPENDIX V — STATUTORY AND GENERAL INFORMATION	V-1
APPENDIX VI — DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY	VI-1

SUMMARY

OUR MISSION AND VISION

Lead the technology of industrial embodied intelligence, shape a new future for the global workforce.

OVERVIEW

We are a leading embodied intelligent industrial robotics company dedicated to reshaping the future of manufacturing through cutting-edge technology. We provide global customers with out-of-the-box, highly flexible, and exceptionally intelligent embodied intelligent industrial robot (EIIR) products and solutions. Through our self-developed full-stack software and hardware system and comprehensive system engineering capabilities, we have successfully developed EIIR products that can autonomously perceive, learn, decide, and execute complex tasks. During the Track Record Period, as a pioneer in multi-scenario and multi-industry application of embodied intelligent industrial robotics, we have achieved commercialization at scale and rapid growth in our financial performance:

- **Market leader with strong growth momentum:** We are the largest provider of EIIR in China in 2024 by revenue. Our flagship product line — the EIIR — is our core growth engine; its revenue grew from RMB33.8 million in 2022, with year-over-year increases of 237.5% and 138.2%, to RMB271.8 million in 2024. As a result, EIIR products have become our primary revenue driver, with their contribution to total revenue growing from 15.3% in 2022 to 53.6% in the first half of 2025. During the Track Record Period, the gross profit margin of this business line increased from 45.7% in 2022 to 54.1% in the first half of 2025, fully demonstrating our strong growth potential and excellent profitability.
- **Pioneer in multi-scenario and multi-industry commercialization:** We are one of the first leading companies in the world to achieve large-scale commercial deployment of embodied intelligence in multiple complex industrial scenarios. Currently, we have achieved commercialization at scale in real-world industrial settings, including in industries with extremely high requirements for precision, stability, and reliability, such as 3C electronics, automotive manufacturing, new energy, fast-moving consumer goods (FMCG), and semiconductors.

SUMMARY

The chart below demonstrates the highlights of our business:



Notes:

1. In terms of revenue in 2024.
2. According to IDC.
3. According to CIC.
4. As of June 30, 2025.
5. As of the Latest Practicable Date.
6. Jointly certified by the Ministry of Industry and Information Technology and Ministry of Science and Technology.
7. Since 2024.

Industrial automation has long been constrained by a series of core bottlenecks, leading to severely insufficient penetration in the vast manufacturing sector. These challenges are interconnected: (1) high deployment costs and lengthy commissioning cycles, with “soft costs” often accounting for more than half of the total project cost, deterring many enterprises; (2) rigid flexibility, where any minor change in production lines or products can lead to costly reprogramming, making it difficult to adapt to the agile production needs of modern manufacturing (small batches, high variety); and (3) a fundamental lack of intelligence, as traditional robots cannot perceive dynamic environments or understand complex processes, rendering them incapable of performing complex tasks that require experience and judgment.

The key is to introduce “embodied intelligence” by seamlessly integrating artificial intelligence (AI) into the robot’s physical form. This gives robots human-like abilities to understand, learn, and adapt to their environment, unlocking vast new market opportunities. According to CIC, the global market for industrial AI-empowered intelligent agents is projected to grow from RMB362.0 billion in 2024 to RMB1.3 trillion in 2030. We believe that our profound insights into these bottlenecks, combined with our leadership in industrial embodied intelligence, will drive the next leap in industrial robot penetration.

SUMMARY

Following our mission and vision, we have built a complete technology system through long-term R&D investment. This system was built and operates on the principles of “Fast & Slow Thinking” and “Human-in-the-Loop,” empowering our EIIR products with the ability to perceive, learn, decide, and execute intelligently. The entire system is realized through a “Cloud-Edge-Device” integrated architecture that functions like a complete organism with a brain (Cloud), a nervous system (Edge), and a body (Device).

- “Fast Thinking” for immediate, real-time action. This is enabled by “Human-in-the-Loop” through a cloud-based human machine interaction system. It allows us to rapidly inject the process expertise of human experts, solving the “cold start” problem for AI applications. Compared to the industry average of several weeks to months for commissioning, our EIIR products can go live on the production line within several days of installation.
- “Slow Thinking” for long-term, autonomous learning. Here, the “Human-in-the-Loop” is essential for transforming raw data into permanent knowledge. Human experts curate, clean, and annotate the massive data generated during “Fast Thinking,” turning it into high-value assets for continuously training and evolving our core AI models in the cloud, driving the system toward true autonomy.

Following the principles of “Fast & Slow Thinking” and “Human-in-the-Loop,” we are able to achieve rapid and cost effective implementation across a wide range of industries and application scenarios, creating a robust and lasting competitive advantage.

Based on our platform-based technology, we have formed three complementary product lines to provide customers with comprehensive value, from core technology components to production-line-level solutions:

- **EIIR Products:** We provide standardized, AI-driven robots that can be integrated into production lines to perform tasks and learn new ones without manual programming, enabling flexible production. Fully driven by AI models, our EIIR products are capable of end-to-end autonomous operation, seamlessly adapting to various industrial scenarios through intelligent perception, path planning, real-time trajectory generation, and adaptive process execution.
- **AI-Enabled Intelligent Products:** We provide customized industrial equipment embedded with AI capabilities. Unlike our flagship EIIR products, the AI in these products focuses primarily on visual perception, data analysis, and process optimization, and does not involve complex, AI-driven robot motion control. By using our self-developed core technology modules and a standardized, AI-based delivery model as the cornerstone of these solutions, we can provide the broader automation market with high-performance, rapidly-delivered customized solutions. During the Track Record Period, we delivered nearly 800 AI-enabled projects to help clients upgrade their factory production lines.

SUMMARY

- **Modular Products:** We offer our core technologies as standardized, universal hardware and software components for individual sale, such as intelligent perception hardware modules, industrial software and cloud platforms, and core algorithm models. This allows us to penetrate the market with greater flexibility, empower system integrators, equipment manufacturers, and large end-customers with their own R&D capabilities, and build an industrial ecosystem around our core technology.

Through the continuously and growing deployment of our products on to production lines, we have built a self-reinforcing data flywheel. Every robot deployment and human interaction is transformed into a formidable data advantage, creating a barrier that is difficult for competitors to replicate. Every instance of human guidance and correction accumulates valuable training data. To date, we have amassed the industry’s largest unstructured, finely-annotated database sourced from real industrial scenarios, with a data volume exceeding 15TB and containing over 1 billion annotated data records. This data, sourced from the real world and aligned with actual process standards, is an invaluable asset that cannot be replicated by pure simulation, forming our core data moat.

To maximize this data advantage, we insist on full-stack, in-house development of our core technologies. As of June 30, 2025, we have a top-tier R&D team of more than 180 industry experts and engineers, accounting for close to 60% of our total employees. Our innovations are protected by a comprehensive IP portfolio of over 700 proprietary intellectual properties, including more than 180 invention patents and 300 software copyrights as of the Latest Practicable Date. Through our strategic investment in Agilebot, we have further complemented our core capabilities in robot hardware and underlying motion control, achieving a true synergistic fusion and optimization of software and hardware that allows us to maximize the advantages of our data and algorithms. In 2024, our R&D project, “Development and Application of High-Speed, Self-Planning, Integrated Intelligent System for Defect Detection and Repair” has been jointly certified by the Ministry of Industry and Information Technology (MIIT) and the Ministry of Science and Technology (MOST) as having reached an “International Leading” level.

This profound technological strength translates into tangible market leadership, enabling us to effectively empower a variety of industrial sectors. Starting with the demanding 3C electronics and automotive manufacturing fields, we have successfully solved multiple mission-critical “bottleneck” process challenges. We have expanded our applications to other high-growth emerging sectors, including new energy, FMCG, and semiconductors.

Starting in 2025, we officially launched our overseas expansion strategy to enter European and American markets. We currently serve over 25 Fortune 500 companies and global industry leaders, having secured multiple direct overseas orders through their global subsidiary factories. Our business now spans Europe and the United States, and we are actively developing our presence in new overseas markets such as Japan, Singapore, and Malaysia.

SUMMARY

OUR BUSINESS MODEL AND PRODUCTS

Our core business model is built upon a versatile technology foundation. Rather than manufacturing single-function equipment, our focus is on the design, development, and commercialization of multi-function products tailored to address complex customer challenges. This is made possible by our proprietary technologies, which enable advanced capabilities in perception, learning, decision-making, and execution. Our industrial robots and solutions have served multiple sectors, including but not limited to 3C electronics, automotive manufacturing, new energy, FMCG, and semiconductors. We currently have three complementary product lines, providing customers with comprehensive value ranging from core technology components to complete production-line-level solutions:

- **EIIR Products:** This is the core of our business. We provide complete, AI-driven robots with the ability to perceive, learn, decide and execute that can be integrated into production line solutions to perform tasks and learn new ones without manual programming. From motion control to task execution, all key capabilities of our EIIR products are fully driven by AI models.
- **AI-Enabled Intelligent Products:** We provide customized intelligent equipment whose core value is derived from our advanced AI technologies in machine vision, data analysis, and process optimization. Unlike our EIIR products, these AI-enabled products do not rely on AI models to drive all their key functions, such as robot motion control.
- **Modular Products:** We provide certain standardized, high-performance hardware and software components that serve as the foundational modules of our EIIR products. These components, which are built on our core technologies, can be sold independently, enabling partners and customers to develop their own solutions.

During the Track Record Period, our revenue was primarily derived from the sale of EIIR, AI-enabled intelligent and modular products. The following table sets forth a breakdown of our revenue by business line for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	<i>(unaudited)</i>									
	<i>(RMB in thousands, except for percentages)</i>									
EIIR Products	33,820	15.3	114,137	26.3	271,833	45.3	46,787	32.6	220,780	53.6
AI-Enabled Intelligent Products	94,151	42.5	203,357	46.9	204,954	34.1	66,317	46.2	109,773	26.7
Modular Products	32,319	14.6	96,457	22.2	112,333	18.7	24,788	17.3	77,326	18.8
Others ⁽¹⁾	60,993	27.6	20,075	4.6	11,126	1.9	5,566	3.9	3,871	0.9
Total	221,283	100.0	434,026	100.0	600,246	100.0	143,458	100.0	411,750	100.0

SUMMARY

Note:

- (1) Primarily represents the revenue derived from compute scheduling services and the sales of electronic appliances.

EIIR Products

The EIIR is the core product line that defines our technological kernel and market positioning. It is an embodied intelligent industrial robot system driven in real-time by AI models, capable of autonomous perception, learning, decision-making, and execution. Our EIIR product series has the flexibility to perform both single-process and multi-process operations, enabling it to meet a wide range of complex customer needs, from single-station upgrades to full production line integrations. With our EIIR products, we provide market-proven, high-performance solutions to key high-growth industries such as 3C electronics, automotive manufacturing and new energy, all with the speed and cost-effectiveness of a standardized product.

The core advantages of our EIIR products are designed to create a new paradigm for industrial production, operations, and long-term ownership, generating continuous value for customers throughout the asset’s entire lifecycle. This value begins with our disruptive rapid deployment capability, which shortens project implementation cycles from months to several days. A key advantage lies in its intelligent flexibility during the operations phase. With minimal human intervention, it can achieve rapid new product introductions, product changeovers, and process switching, and supports the free combination of processes. This flexibility is not just in hardware but stems from its software-defined core. Thanks to our adaptive technology framework, when facing a new task, the system typically only needs to train a new process model without re-architecting the underlying software, greatly enhancing its responsiveness and agility.

This high degree of flexibility fundamentally changes the lifecycle value of the asset. Compared to automated production lines, which often face lengthy shutdowns for labor-intensive re-tooling or are even rendered completely obsolete when production needs change, our EIIR products can be quickly and cost-effectively redeployed to new production lines, extending their lifecycle and significantly reducing changeover costs. When a customer’s production needs evolve, new functionalities can usually be acquired through software and algorithm upgrades via the cloud, eliminating the need to replace expensive hardware systems. This combination of rapid deployment, highly flexible operations, and long-term value assurance delivers tremendous cost benefits to our customers.

SUMMARY

AI-Enabled Intelligent Products

AI-enabled intelligent products are customized industrial equipment embedded with AI capabilities, designed to meet specific customer needs. Unlike our flagship EIIR products, the AI capabilities of these products are primarily focused on visual perception, algorithmic analysis, and data modeling, and do not involve complex, AI-driven robot motion control. These products are typically delivered on a project basis with a lower degree of standardization and serve as an effective way for us to leverage our deep AI vision technology to serve the broader automation market.

Our core differentiator from traditional non-standard equipment integrators is that we do not simply assemble third-party hardware. Instead, we use our self-developed core technology modules as the cornerstone of our solutions. This enables our products’ superior performance, rapid delivery, and continuous evolution. Through the AI-enabled intelligent products line, we can reach the market more broadly, address our customers’ most pressing current needs, while continuously accumulating profound industry know-how, which in turn empowers the large-scale application of our EIIR products.

Modular Products

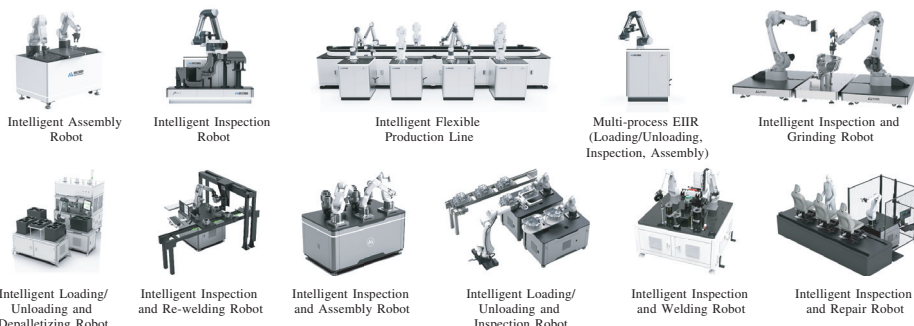
Modular Products are independent component-level products developed by standardizing and universalizing core technologies that enable our robots to perceive, learn, decide and execute. These products serve as the internal building blocks for our EIIR products and can also be sold as standalone commercial products to empower our customers.

This product line allows us to penetrate the market with greater flexibility and build an ecosystem around our core technology. By providing high-performance core modules to system integrators, equipment manufacturers, and large end-customers with their own R&D and integration capabilities, we not only open up new revenue streams but also promote our technology standards in a wider range of industry applications, accelerating the intelligent transformation of the entire industry. We currently offer the following modular products:

Industrial Software & Cloud Platforms: This is the “productized packaging” of our core decision-making algorithm models. For customers who need a complete, ready-to-use system but lack specialized secondary development capabilities, we deliver mature AI decision models embedded in business software and cloud platforms. The core value of these platforms remains the embedded AI algorithms; we are responsible for transforming them into an out-of-the-box solution.

SUMMARY

EIIR



AI-enabled Intelligent Products



Modular products



OUR CORE TECHNOLOGY

To enable rapid learning and deployment for robots in any setting, our entire technology system is built upon two powerful principles: “Fast & Slow Thinking” combined with “Human-in-the-Loop.” This approach fundamentally solves the critical “cold start” problem, allowing our robots to create value within days of installation and continuously evolve. “Fast & Slow Thinking” in combination with “Human-in-the-Loop” serves as the blueprint for our technology system on a standardized “Cloud-Edge-Device” architecture. It is this versatility that empowers our robots to perceive, learn, decide, and execute, and enables us to achieve rapid and cost effective implementation across a wide range of industries and application scenarios, creating a robust and lasting competitive advantage.

COMPETITIVE ADVANTAGES

We believe the following strengths position us well to capitalize on future opportunities and deliver continued growth:

- a leading company in embodied intelligent industrial robots, progressively achieving profitability;
- a versatile technology system that opens broad growth horizons;
- deep moat and data flywheel effect built on massive, precisely annotated data;
- efficient Go-to-Market Strategy and Diversified Customer Base; and
- visionary management and R&D team, building a strong talent moat.

SUMMARY

GROWTH STRATEGIES

We plan to pursue the following strategies:

- deepen R&D initiatives to build a comprehensive technological moat;
- expand our product portfolio and application boundaries across multiple dimensions;
- expand our international footprint and enhance localized service and delivery capabilities globally;
- integrate upstream and downstream industry resources through strategic cooperation, investment, and acquisition; and
- attract, retain, and develop talent to drive future business growth.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers are primarily industry-leading clients and general manufacturers who directly apply our various solutions in their factories. For the years 2022, 2023, and 2024, and the six months ended June 30, 2025, the revenue from our top five customers amounted to RMB130.8 million, RMB227.4 million, RMB169.8 million, and RMB171.3 million, respectively, representing 59.1%, 52.4%, 28.3%, and 41.6% of our total revenue, respectively. For the years 2022, 2023, and 2024, and the six months ended June 30, 2025, the revenue from our largest customer was RMB46.2 million, RMB58.6 million, RMB42.0 million, and RMB53.9 million, respectively, accounting for 20.9%, 13.5%, 7.0%, and 13.1% of our total revenue, respectively.

During the Track Record Period, our procurement mainly includes raw materials, actuator components for automation, and computing power services. For the years 2022, 2023, and 2024, and the six months ended June 30, 2025, our procurement amounts from the top five suppliers were RMB101.6 million, RMB202.6 million, RMB186.0 million, and RMB218.3 million, respectively, accounting for 74.2%, 64.1%, 46.6%, and 61.7% of our total procurement. Our procurement from the largest supplier for the years 2022, 2023, 2024, and the six months ended June 30, 2025, were RMB63.0 million, RMB51.9 million, RMB50.3 million, and RMB95.0 million, respectively, representing 46.0%, 16.4%, 12.6%, and 26.9% of our total procurement.

SUMMARY

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary of consolidated financial information should be read together with the consolidated financial information to the Accountants’ Report in Appendix I to this document, including the accompanying notes and the information set out in “Financial Information” in this document.

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets forth a summary of our consolidated statements of comprehensive (loss)/income for the periods indicated.

	Years ended December 31,			For the six months ended	
	2022	2023	2024	June 30,	2025
				2024	
				(unaudited)	
	(RMB in thousands)				
Revenue	221,283	434,026	600,246	143,458	411,750
Cost of sales	(149,467)	(250,209)	(312,981)	(72,955)	(208,425)
Gross profit	71,816	183,817	287,265	70,503	203,325
Selling expenses	(17,137)	(49,756)	(31,314)	(12,722)	(16,300)
General and administrative expenses	(73,821)	(60,733)	(42,032)	(22,423)	(33,851)
Research and development expenses	(75,681)	(178,330)	(164,874)	(85,234)	(114,748)
(Provision for)/reversal of expected credit losses on financial assets and contract assets — net	(3,241)	(10,312)	(10,821)	(3,438)	5,185
Other income	5,949	21,754	18,666	5,089	271
Other gains/(loss), net	808	(1,444)	(501)	(298)	(482)
Operating (loss)/profit	(91,307)	(95,004)	56,389	(48,523)	43,400
Finance income	65	178	22	14	350
Finance cost	(11,268)	(28,816)	(34,094)	(15,928)	(30,126)
Financial cost — net	(11,203)	(28,638)	(34,072)	(15,914)	(29,776)
Share of loss of an associate accounted for using the equity method	—	(188)	(2,424)	(1,265)	(1,906)
(Loss)/profit before income tax	(102,510)	(123,830)	19,893	(65,702)	11,718
Income tax credit/(expenses)	10,500	10,026	(4,154)	10,256	(5,034)
(Loss)/profit for the year/period	(92,010)	(113,804)	15,739	(55,446)	6,684
Other comprehensive (loss)/income					
<i>Item that may be reclassified to profit or loss</i>					
Exchange differences on translation of foreign operations	—	(86)	(127)	(65)	5
Total comprehensive (loss)/income for the year/period	(92,010)	(113,890)	15,612	(55,511)	6,689

SUMMARY

Non-IFRS Measure

To supplement our consolidated financial statements which are presented in accordance with IFRS Accounting Standards, we use adjusted net profit for the year from continuing operations (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS Accounting Standards. We believe that the non-IFRS measure helps identify underlying trends in our business and provides useful information to investors and others in understanding and evaluating our results of operations. However, our presentation of the non-IFRS measure may not be comparable to similarly titled measures presented by other companies. The use of the non-IFRS measure has limitations as analytical tools, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

We define adjusted net profit as profit for the period adjusted by adding back share-based payment and interest expenses on redemption liabilities. The following table reconciles our adjusted net loss presented to the most directly comparable financial measure calculated and presented in accordance with IFRSs Accounting Standards, which is loss for the year/period.

	Years ended December 31,			For the six months ended	
	2022	2023	2024	June 30, 2024	2025
	(unaudited)				
	(RMB in thousands)				
(Loss)/profit for the year/period	(92,010)	(113,804)	15,739	(55,446)	6,684
Add:					
Share-based payment expenses	53,294	65,842	5,631	5,337	290
Interest expenses on redemption liabilities	9,751	19,850	22,776	10,431	23,419
Adjusted net (loss)/profit (Non-IFRS measure)	<u>(28,965)</u>	<u>(28,112)</u>	<u>44,146</u>	<u>(39,678)</u>	<u>30,393</u>

SUMMARY

Selected Balance Sheet Items

The table below sets forth selected information from our consolidated balance sheets as of the dates indicated, which have been extracted from our consolidated financial statements included in Appendix I to this Document.

	As of December 31,			As of
	2022	2023	2024	June 30,
				2025
				(Unaudited)
	(RMB in thousands)			
Total non-current assets	292,151	296,078	276,815	454,091
Total current assets	<u>326,506</u>	<u>491,039</u>	<u>761,889</u>	<u>1,305,241</u>
Total assets	<u>618,667</u>	<u>787,117</u>	<u>1,038,704</u>	<u>1,759,332</u>
Total non-current liabilities	(281,451)	(266,071)	(361,871)	(181,659)
Total current liabilities	<u>(301,323)</u>	<u>(533,201)</u>	<u>(667,745)</u>	<u>(618,303)</u>
Total liabilities	<u>(582,774)</u>	<u>(799,272)</u>	<u>(1,029,616)</u>	<u>(799,962)</u>
Net current assets/(liabilities)	25,183	(42,162)	94,144	686,938
Net assets/(liabilities)	<u>35,893</u>	<u>(12,155)</u>	<u>9,088</u>	<u>959,370</u>
Equity/(Deficit) attributable to owners of the Company				
Paid-in capital	44,193	44,193	45,700	60,932
Reserves	123,106	188,862	192,859	1,121,225
Accumulated losses	<u>(131,406)</u>	<u>(245,210)</u>	<u>(229,471)</u>	<u>(222,787)</u>
Total equity/(deficit)	<u>35,893</u>	<u>(12,155)</u>	<u>9,088</u>	<u>959,370</u>

SUMMARY

Summary of the Consolidated Statements of Cash Flows

	For the year ended December 31,			For the six months ended	
	2022	2023	2024	June 30 2024	2025
				(unaudited)	
	(RMB in thousands)				
Net cash used in operating activities	(158,227)	(105,362)	(153,958)	(78,558)	(15,112)
Net cash flows generated from/ (used in) investing activities	38,067	(17,949)	(6,368)	(1,367)	(426,943)
Net cash generated from financing activities	179,658	61,423	153,533	77,500	771,628
Net (decrease)/increase in cash and cash equivalents	59,498	(61,888)	(6,793)	(2,425)	329,573
Cash and cash equivalents at the beginning of the year	22,969	83,520	20,867	20,867	14,117
Exchange gains/(losses) on cash and cash equivalents	1,053	(765)	43	(13)	(125)
Cash and cash equivalent at the end of the year/period	83,520	20,867	14,117	18,429	343,565

Our net cash used in operating activities was RMB158.2 million, RMB105.4 million, RMB154.0 million, RMB78.6 million and RMB15.1 million in 2022, 2023, 2024, and the six months ended June 30, 2024 and 2025, respectively.

Key Financial Ratios

The following table sets forth certain of the key financial ratios of our Group for the periods or as of the dates indicated:

	For the year ended/As of December 31,			For the six months ended/As of
	2022	2023	2024	June 30, 2025
				(unaudited)
Current ratio ⁽¹⁾	1.1	0.9	1.1	2.1
Quick ratio ⁽²⁾	1.0	0.8	1.0	2.0
Inventory Turnover ⁽³⁾	10.1	8.5	5.1	3.4
Gearing Ratio ⁽⁴⁾	5.3	(21.9)	40.8	0.6
Interest Coverage Ratio ⁽⁵⁾	8.1	3.3	(1.6)	(1.4)
Debt to Equity Ratio ⁽⁶⁾	11.2	(40.9)	75.3	0.6
Net Debt to Equity Ratio ⁽⁷⁾	8.9	(39.2)	73.8	0.2

SUMMARY

Note:

- (1) Calculated using current assets divided by current liabilities.
- (2) Calculated using current assets less inventories divided by current liabilities.
- (3) Calculated as cost of revenue divided by average net inventory.
- (4) Calculated as total interest-bearing borrowings and lease liabilities divided by total equity.
- (5) Calculated as profit before tax plus finance costs, divided by finance costs.
- (6) Calculated as total interest-bearing debt divided by shareholders' equity.
- (7) Calculated as total interest-bearing debt minus cash and cash equivalents, divided by shareholders' equity.

CONTROLLING SHAREHOLDERS

Immediately following the completion of the [REDACTED] and assuming the [REDACTED] is not exercised, by virtue of the acting-in-concert arrangement, Mr. Zhang Zhiqi, Mr. Pan Zhengyi, Changzhou ASFS, Shanghai Weiyong, Shanghai Zhice, Changzhou Litian, Shanghai Weiba, Shanghai Weijiu and Changzhou Weishi will hold approximately [REDACTED] of our enlarged issued share capital of our Company. Therefore, Mr. Zhang Zhiqi, Mr. Pan Zhengyi, Changzhou ASFS, Shanghai Weiyong, Shanghai Zhice, Changzhou Litian, Shanghai Weiba, Shanghai Weijiu and Changzhou Weishi will constitute a group of Controlling Shareholders upon [REDACTED]. See “Relationship with our Controlling Shareholders” for more details.

[REDACTED]

We have undertaken several rounds of [REDACTED]. For details of the background of our major [REDACTED] and the principal terms of the [REDACTED], see “History, Development and Corporate Structure — [REDACTED].”

DIVIDENDS

We are incorporated under the laws of the PRC. Pursuant to our Articles of Association, our Board may declare dividends after taking into account our results of operations, financial condition, cash requirements and availability and other factors which our Board considers relevant. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders.

No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. We cannot assure you that our Company will be able to declare dividends of any amount each year or in any year.

We have not previously declared or paid any cash dividend or dividend in kind during the Track Record Period. We currently expect to retain all future earnings for use in operation and expansion of our business, and do not have any dividend policy to declare or pay any dividends in the foreseeable future.

SUMMARY

[REDACTED]

Our [REDACTED] mainly include [REDACTED] [REDACTED] and [REDACTED] and professional fees paid to legal, accounting and other advisors for their services rendered in relation to the [REDACTED] and the [REDACTED]. Assuming full payment of the discretionary incentive fee, the estimated total [REDACTED] (based on the [REDACTED] of the [REDACTED] range and assuming that the [REDACTED] is not exercised) for the [REDACTED] are approximately HK\$[REDACTED] million, of which approximately HK\$[REDACTED] million is expected to be charged to our consolidated statements of comprehensive (loss)/income and the remaining amount of HK\$[REDACTED] million is expected to be recognized directly as a deduction from equity upon the [REDACTED]. Our Directors do not expect such expenses to have a material and adverse impact on our financial results for the year ending December 31, 2025.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since June 30, 2025, being the end date of the periods reported on in the Accountant’s Report in Appendix I to this document, and there is no event since June 30, 2025 that would materially affect the information as set out in the Accountant’s Report in Appendix I to this document.

[REDACTED]

The statistics in the following table are based on the assumptions that: (i) the [REDACTED] is completed and [REDACTED] [REDACTED] are issued pursuant to the [REDACTED]; (ii) the [REDACTED] is not exercised; and (iii) [REDACTED] are issued and outstanding following the completion of the [REDACTED]:

	Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED]	Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED]
[REDACTED] of our Shares ⁽¹⁾	[[REDACTED] million]	[[REDACTED] million]
Unaudited [REDACTED] adjusted net tangible assets per H Share	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

- (1) The calculation of [REDACTED] is based on [REDACTED] Shares expected to be in issue following completion of the [REDACTED].
- (2) The unaudited [REDACTED] adjusted net tangible asset per Share is calculated after making the adjustments referred to in “Unaudited [REDACTED] Financial Information” set out in Appendix II to this document and on the basis of a total of [REDACTED] Shares expected to be in issue following the completion of the [REDACTED].

SUMMARY

For the calculation of the unaudited [REDACTED] adjusted net tangible asset per Share attributed to our Shareholders, see “Unaudited [REDACTED] Financial Information” set out in Appendix II.

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million, assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED]), after deducting [REDACTED] fees and estimated expenses payable by us in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised. In line with our strategies, we intend to apply the [REDACTED] for the following purposes:

- (1) Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to the research and development of our core technologies to enhance the intelligence level and performance of our EIIR products.
- (2) Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used to deepen our global footprint by establishing a localized overseas sales and service network. Building on our initial success in overseas markets, we aim to provide our international clients with full life-cycle support.
- (3) Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used for strategic investments and acquisitions to build an open and win-win application ecosystem.
- (4) Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used for the expansion of our manufacturing capabilities. This is to meet the strong growth in orders for our flagship EIIR products.
- (5) Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used for working capital and other general corporate purposes to support our business operations and growth.

See “Future Plans and [REDACTED].”

RISK FACTORS

Our business and the [REDACTED] involve certain risks as set out in “Risk Factors” in this document. You should read that section in its entirety carefully before you decide to invest in our Shares. We believe the most significant risks we face include but are not limited to the following:

- The embodied intelligent industrial robotics industry and the broader industrial AI-empowered intelligent agents industry in which we operate is characterized by rapid and continuous changes. If we fail to consistently enhance our technologies

SUMMARY

and deliver innovative solutions that meet customer expectations, our business, financial condition and results of operations may be materially and adversely affected;

- We have a limited operating history, which makes it difficult to evaluate our business and prospects, and our historical growth may not be indicative of our future performance;
- If our expansion into new verticals is not successful, our business, prospects and growth momentum may be materially and adversely affected;
- If we fail to retain existing customers, attract new customers or increase the spending by our customers, our business, financial conditions and results of operation may be materially and adversely affected; and
- Failure to effectively manage and scale our technology infrastructure could adversely affect our business.

See “Risk Factors.”

[REDACTED] ON THE STOCK EXCHANGE

We are applying for the [REDACTED] under Rule 8.05(3) of the Listing Rules and satisfy the market capitalization/revenue test, among other things, with reference to (i) our revenue for the year ended December 31, 2024, which is over HK\$500 million; and (ii) our expected market capitalization at the time of the [REDACTED], which based on the low end of the [REDACTED] range, would exceed HK\$4 billion.

DEFINITIONS

In this Document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain technical terms are explained in “Glossary of Technical Terms”.

“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Agilebot”	Shanghai Jiebote Robotics Co., Ltd.* (上海捷勃特機器人有限公司), a company incorporated in the PRC with limited liability on October 27, 2020
“AIC”	Administration of Industry & Commerce (工商行政管理機關) of the PRC (now known as the Administration for Market Regulation (市場監督管理局)) or, where the context so requires, the State Administration for Industry & Commerce of the PRC (中華人民共和國工商行政管理總局) or its delegated authority at the provincial, municipal or other local level
“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 IV
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Beijing SVFactory”	Beijing SVFactory Tiangong Technology Co., Ltd.* (北京智雲天工科技有限公司), a company incorporated in the PRC with limited liability on May 28, 2021, and a wholly-owned subsidiary of our Company
“Board” or “our Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
[REDACTED]	[REDACTED]

DEFINITIONS

[REDACTED]	[REDACTED]
“Changzhou ASFS”	Changzhou ASFS Enterprise Management Consulting Co., Ltd.* (常州阿思菲思企業管理諮詢有限公司), formerly known as Changzhou ASFS Automation Technology Co., Ltd.* (常州阿思菲思自動化科技有限公司), a company incorporated in the PRC with limited liability on May 14, 2018, and one of our Controlling Shareholders
“Changzhou Litian”	Changzhou Litian Investment Partnership Enterprise (Limited Partnership)* (常州力天投資合夥企業(有限合夥)), a limited partnership established in the PRC on July 20, 2017, and one of our Controlling Shareholders
“Changzhou Weishi”	Changzhou Weishi Enterprise Management Center (Limited Partnership)* (常州微拾企業管理中心(有限合夥)), a limited partnership established in the PRC on December 12, 2023, and one of our Controlling Shareholders and ESOP Holding Entities
“China”, “Mainland China” or “PRC”	the People’s Republic of China which, for the purpose of this Document and for geographical reference only, excluding Hong Kong Special Administrative Region of the People’s Republic of China, Macau Special Administrative Region of the People’s Republic of China, and Taiwan Region
“CIC”	China Insights Industry Consultancy Limited, an independent professional market research and consulting company
“CIC Report”	an independent market research report commissioned by us and prepared by CIC for the purpose of this Document
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“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
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Company”, “our Company”, or “the Company”	Changzhou Microintelligence Co., Ltd (常州微億智造科技股份有限公司), formerly known as Changzhou Microintelligence Co., Ltd.* (常州微億智造科技有限公司), a company incorporated in the PRC with limited liability on August 16, 2018 and converted into a joint stock company with limited liability on September 22, 2025
“Compliance Adviser”	Orient Capital (Hong Kong) Limited
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules in the context of this document, means by virtue of the Concert Party Arrangement among Mr. Zhang, Mr. Pan and Changzhou ASFS, a group of Shareholders consisting Mr. Zhang, Mr. Pan and Changzhou ASFS and the entities controlled by them for holding the Shares, namely Shanghai Weiyong, Shanghai Zhice, Changzhou Litian, Shanghai Weiba, Shanghai Weijiu and Changzhou Weishi
“Conversion of Unlisted Shares into H Shares”	the conversion of [REDACTED] Unlisted Shares into H Shares on a one-for-one basis upon the completion of the [REDACTED].
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)

DEFINITIONS

“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)” or “our Director(s)”	the director(s) of our Company
“EAR”	Export Administration Regulations
“EIT”	enterprise income tax
“EIT Law”	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
“ESOP Holding Entities”	the limited partnerships established as our employee ownership platforms, namely Shanghai Weijiu and Changzhou Weishi
“Exchange Participant”	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 as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale seriously affects the working public’s ability to resume work or brings safety concern for a prolonged period
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Group”, “our Group”, “our”, “we” or “us”	our Company and our subsidiaries
“Guide for New Listing Applicants”	the Guide for New Listing Applicants issued by the Stock Exchange effective from January 1, 2024, and as amended, supplemented or otherwise modified from time to time
“H Share(s)”	[REDACTED] ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be subscribed for and traded in HK dollars and to be [REDACTED] on the [REDACTED]

DEFINITIONS

[REDACTED]	[REDACTED]
“HK\$” or “Hong Kong Dollars” or “HK Dollars” and “HK cents”	Hong Kong dollars, the lawful currency of Hong Kong
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

DEFINITIONS

“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchange and Clearing Limited
“Hong Kong Takeovers Code” or “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
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Independent Third Party(ies)”	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Listing Rules
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

DEFINITIONS

[REDACTED]	[REDACTED]
“Jiangsu SVFactory”	Jiangsu SVFactory Co., Ltd.* (江蘇智雲天工科技有限公司), a company incorporated in the PRC with limited liability on April 28, 2021, and a wholly-owned subsidiary of our Company
“Jintan Microintelligence”	Changzhou Jintan Microintelligence Co., Ltd.* (常州金壇微億智造科技有限公司), a company incorporated in the PRC with limited liability on April 16, 2024, and a wholly-owned subsidiary of our Company
[REDACTED]	[REDACTED]
“Latest Practicable Date”	September 24, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this Document prior to its publication
[REDACTED]	[REDACTED]
“Listing Committee”	the listing committee of the Stock Exchange
[REDACTED]	[REDACTED]
“Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“M&A Rules”	the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》)
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“MOFCOM” or “Ministry of Commerce”	the Ministry of Commerce of the PRC (中華人民共和國商務部) (formerly known as the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外經濟貿易部))

DEFINITIONS

“Mr. Pan”	Mr. Pan Zhengyi (潘正頤), an executive Director, the general manager and chief operating officer of our Company and one of our Controlling Shareholders
“Mr. Zhang”	Mr. Zhang Zhiqi (張志琦), the chairman of the Board, an executive Director, the chief executive officer of our Company and one of our Controlling Shareholders
“Nomination Committee”	the nomination committee of the Board
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	Company Law of the People’s Republic of China (中華人民共和國公司法)
“PRC Data Compliance Legal Adviser”	Grandway Law (Shanghai) Offices, our legal adviser on data compliance matters under PRC laws inconnection with the [REDACTED]
“PRC GAAP”	generally accepted accounting principles in the PRC
“PRC Legal Adviser”	Grandway Law Offices, our legal adviser on PRC laws in connection with the [REDACTED]

DEFINITIONS

“[REDACTED] Investment(s)”	the investment(s) in our Group undertaken by the [REDACTED] Investors prior to this [REDACTED], the details of which are set out in “History, Development, and Corporate Structure”
“[REDACTED] Investor(s)”	the investor(s) making investments in our Group prior to this [REDACTED] as set out in “History, Development, and Corporate Structure — [REDACTED] Investments”
“[REDACTED] Restricted Share Scheme” or “Scheme”	the 2025 Share Incentive Scheme approved and adopted by our Board on August 22, 2025, the principal terms of which are summarized in “Appendix V — Statutory and General Information — D. Other Information — [REDACTED] Share Incentive Scheme”
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration Committee”	the remuneration committee of the Board
“Renminbi” or “RMB”	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)
“SAIC”	the State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), which has now been merged into the SAMR
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SAT”	the State Taxation Administration of the PRC (中華人民共和國國家稅務總局)

DEFINITIONS

“Shanghai Weiba”	Shanghai Weiba Enterprise Management Center (Limited Partnership)* (上海微霸企業管理中心(有限合夥)), a limited partnership established in the PRC on December 21, 2020, and one of our Controlling Shareholders and ESOP Holding Entities
“Shanghai Weijiu”	Shanghai Weijiu Enterprise Management Center (Limited Partnership)* (上海微玖企業管理中心(有限合夥)), a limited partnership established in the PRC on December 18, 2020, and one of our Controlling Shareholders and ESOP Holding Entities
“Shanghai Microintelligence”	Shanghai Microintelligence Co., Ltd.* (上海微億智造科技有限公司), a company incorporated in the PRC with limited liability on April 20, 2020, and a wholly-owned subsidiary of our Company
“Shanghai Weiyong”	Shanghai Weiyong Enterprise Management Center (Limited Partnership)* (上海微湧企業管理中心(有限合夥)), a limited partnership established in the PRC on April 13, 2021, and one of our Controlling Shareholders
“Shanghai Xionsi”	Shanghai X Industry System Co., Ltd.* (上海雄思信息技術有限公司), a company incorporated in the PRC with limited liability on November 21, 2005, and a wholly-owned subsidiary of our Company
“Shanghai Zhice”	Shanghai Zhice Enterprise Management Center (Limited Partnership)* (上海志策企業管理中心(有限合夥)), a limited partnership established in the PRC on April 13, 2021, and one of our Controlling Shareholders
“Shanghai SVFactory”	Shanghai SVFactory Tiangong Technology Co., Ltd.* (上海智雲天工科技有限公司), a company incorporated in the PRC with limited liability on June 7, 2021, and a wholly-owned subsidiary of our Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO” or “Securities and Futures Ordinance”	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 share(s) in the capital of our Company with a nominal value of RMB1.00 each
“Shareholder(s)”	holder(s) of our Share(s)

DEFINITIONS

[REDACTED]	[REDACTED]
“Sole Sponsor”	Orient Capital (Hong Kong) Limited
[REDACTED]	[REDACTED]
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Track Record Period”	the period comprising the three financial years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025
“U.S. Government”	the federal government of the United States, including its executive, legislative and judicial branches
“U.S. persons”	U.S. persons as defined in Regulation S
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“United States”, “USA” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“Unlisted Share(s)”	ordinary share(s) in the share capital of our Company, with a nominal value of RMB1.00 each, which are not [REDACTED] on any stock exchange
“US\$” or “U.S. dollars”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“VAT”	value-added tax

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

DEFINITIONS

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

“%”

per cent

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including our subsidiaries) have been included in this Document in both the Chinese and English languages and in the event of any inconsistency, the Chinese names shall prevail.

GLOSSARY OF TECHNICAL TERMS

Unless the context otherwise requires, explanations and definitions of certain terms used in this document in connection with our business shall have the meanings set out below. The terms and their meanings may not correspond to standard industry meaning or usage of these terms.

“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
“API”	application programming interface, a method for different software applications to communicate with each other
“Architect Accountability System”	the R&D management model that gives lead architects full authority over project definition, technology roadmap, system design, and performance evaluation
“BASH”	brain assisted supervision hub+, a cloud-based platform that enables human experts to efficiently supervise, guide, and correct multiple robots in real-time, embodying the “human-in-the-loop” and “fast thinking” paradigm
“BOM” or “bill of materials”	a comprehensive list of raw materials, components, and parts required to manufacture a product, including their specifications and quantities
“CAGR”	compound annual growth rate
“closed-loop quality control”	a system where inspection data is automatically fed back to the production or repair process to immediately make corrections, creating a self-optimizing cycle that continuously improves quality
“cloud-edge-device”	a hierarchical computing architecture that distributes workloads across three layers to optimize efficiency, speed, and reliability
“cold start problem”	the common challenge of starting a new system (like a robot in a factory) that has no prior data or experience in that specific environment, making initial performance poor
“conditional diffusion models”	a generative AI technique that creates synthetic data or variations of samples based on specific conditions, used for augmenting training datasets

GLOSSARY OF TECHNICAL TERMS

“data flywheel”	a self-reinforcing loop where the use of a product generates data, which is used to improve the product, which attracts more users, which in turn generates even more data, creating a powerful cycle of continuous improvement
“data moat”	a competitive advantage formed by large-scale proprietary datasets that are difficult for competitors to replicate, protecting a company’s technological leadership
“DDD”	Domain-Driven Design, a software development methodology that structures system design around core business domains, ensuring that technical implementation closely reflects real-world business logic
“Digital Twin Simulation”	a high-fidelity virtual model of physical industrial systems used to test, validate, and optimize robotic solutions before physical deployment
“Dynamic Quality Intelligence”	the self-developed quality and process data management system that performs real-time analysis of process data, enables adaptive quality standards, and provides feedback for production optimization
“embodied intelligence”	the deep integration of artificial intelligence into the physical form of a robot, enabling human-like perception, learning, and adaptive capabilities
“embodied intelligent industrial robot” or “EIIR”	an industrial robot integrated with artificial intelligence that is capable of autonomously perceiving, learning, deciding and executing tasks in complex industrial environments, and represents our flagship product line
“End-Effector”	the device or tool attached to the end of a robotic arm, designed to interact with the environment, such as grippers, welders, or inspection instruments
“ERP”	enterprise resource planning, an integrated software platform used to manage key business operations such as production planning, procurement, inventory, and supply chain coordination
“fast and slow thinking”	a core AI philosophy where “fast thinking” refers to real-time, on-robot processing for immediate tasks and reactions, while “slow thinking” refers to deeper, offline processing in the cloud for learning, optimization, and improving the overall model

GLOSSARY OF TECHNICAL TERMS

“few-shot learning”	a machine learning technique that enables a model to understand and perform a new task after being shown only a very small number of examples, dramatically reducing the data required for adaptation
“Fly-Scan”	the proprietary high-speed robotic scanning technology that enables smear-free imaging during continuous motion, significantly improving inspection efficiency
“FMCG”	fast-moving consumer goods
“full-stack development”	the in-house development of both hardware and software components across all layers of a technology system, ensuring tight integration and optimization
“GPU”	graphic processing unit, a specialized electronic circuit designed to rapidly manipulate and alter memory to accelerate the creation of images
“gray-box testing”	a testing method that evaluates a system using partial knowledge of its internal structure while validating its behavior in a real-world operating environment
“human-in-the-loop”	a core paradigm where human intelligence is strategically integrated into the AI system’s operation, particularly for tasks requiring judgment, expertise, or correction, which then improves the AI’s automated performance over time
“IDC”	International Data Corporation, a globally renowned market intelligence firm
“Industrial Cognitive Model Library”	a proprietary library of AI-powered process models built through Human-in-the-Loop training, covering applications such as defect detection, welding inspection, and surface analysis in industrial production
“low-code process engine”	a software development approach that enables users to design and deploy process workflows with minimal coding, often through graphical interfaces
“multi-axis robot”	a common type of industrial robotic arm with multiple points of movement (or “degrees of freedom”), allowing it to move and orient a tool with flexibility
“obstacle avoidance”	the capability of a robotic system to detect and avoid obstacles during operation, ensuring safe and efficient task execution

GLOSSARY OF TECHNICAL TERMS

“OCT”	optical coherence tomography, an imaging technology that uses light to capture high-resolution, micrometer-level 3D cross-sectional images from within a scattering material (like plastic or glass), allowing it to see internal structures and defects that are invisible to surface-level cameras
“OTA”	over-the-air, a method of wirelessly distributing software updates, configuration files, and data to devices remotely via the internet, eliminating the need for physical access or manual intervention
“PMD”	phase measuring deflectometry, a highly precise optical metrology technique that measures tiny distortions in light reflections from a surface to reconstruct and inspect the 3D shape, curvature, and surface quality of specular (shiny, mirror-like) objects
“point generation”	the process of defining specific operating points, such as grasping positions or welding spots, to guide robotic actions with precision
“R&D”	research and development
“SA”	the Subsystem of Algorithm, a platform used for developing, training, and refining AI algorithms for industrial robotics applications
“SC”	the Subsystem of Control, the proprietary general-purpose inference architecture embedded in edge computing systems, integrating decision-making and control to enable autonomous operations
“SO”	the Subsystem of Operations, a platform that supports real-time operational management, monitoring, and optimization of robotic systems
“ST”	the Subsystem of Digital Twin, a simulation system for testing, validating, and optimizing AI models in simulated industrial environments before deployment
“TDD”	Test-Driven Development, a software development methodology where test cases are written before code implementation, ensuring that each function is validated throughout development
“trajectory generation”	the process of generating an optimal path or motion trajectory for a robot to follow, balancing efficiency, accuracy, and collision avoidance in real time

GLOSSARY OF TECHNICAL TERMS

“ViT structure”	vision transformer structure, a modern neural network architecture that uses a “transformer” model (originally for language) to process images by breaking them into patches, enabling a powerful understanding of global context and relationships within an image
“VLA Model(s)” or “Vision-Language- Action Model(s)”	AI models designed to integrate vision, language, and action, enabling robots to understand natural language and visual inputs to perform autonomous decision-making and task execution
“V&V”	Verification and Validation, a systematic process in R&D to confirm that a system is built correctly (verification) and that it meets user needs and requirements (validation)
“Yixiu Cloud”	the proprietary central data platform that coordinates with other capability platforms to enable data management, training, and deployment of industrial AI models
“3C”	computer, communication and consumer electronics
“6DoF”	6-degree-of-freedom, a computer vision technology that identifies an object’s precise position (X, Y, Z coordinates) and orientation (roll, pitch, yaw) in 3D space, giving a complete understanding of how it is placed

FORWARD-LOOKING STATEMENTS

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

This Document contains forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this Document, the words “aim,” “anticipate,” “aspire,” “believe,” “could,” “expect,” “going forward,” “intend,” “may,” “ought to,” “plan,” “project,” “schedule,” “seek,” “should,” “target,” “vision,” “will,” “would,” and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in “Risk Factors” and elsewhere in this Document, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our operations and business prospects;
- future developments, trends and conditions in the industries and markets in which we operate or plan to operate;
- general economic, political and business conditions in the markets in which we operate, including but not limited to interest rates, foreign exchange rates;
- changes to the regulatory environment in the industries and markets in which we operate;
- our ability to maintain relationship with, and the actions and developments affecting, our major business partners, suppliers and future customers;
- our ability to maintain the market leading positions and the actions and developments of our competitors;
- our ability to effectively control costs and operating expenses;
- the ability of business partners to perform in accordance with contractual terms and specifications;
- our ability to retain senior management and key personnel and recruit qualified staff;

FORWARD-LOOKING STATEMENTS

- our business strategies and plans to achieve these strategies, including our drug development plans, commercialization strategies and geographic expansion plans; and
- all other risks and uncertainties described in “Risk Factors”.

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Specifically but without limitation, sales could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Document might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Document are qualified by reference to the cautionary statements in this section as well as the risks and uncertainties discussed in the section headed “Risk Factors” in this Document.

In this Document, statements of or references to our intentions or those of our Directors are made as of the date of this Document. Any such information may change in light of future developments.

RISK FACTORS

You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an investment in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our H Shares could decline, and you may lose all or part of your investment.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed “Forward-Looking Statements” in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

The embodied intelligent industrial robotics industry and the broader industrial AI-empowered intelligent agents industry in which we operate is characterized by rapid and continuous changes. If we fail to consistently enhance our technologies and deliver innovative solutions that meet customer expectations, our business, financial condition and results of operations may be materially and adversely affected.

The embodied intelligent industrial robotics industry and the broader industrial AI-empowered intelligent agents industry in which we operate is characterized by rapid technological evolution, frequent introductions of innovative solutions, continual shifts in customer demands, and periodic emergence of new industry standards and practices. To maintain our competitiveness, we must continually upgrade and enhance our technologies, anticipate changing customer requirements, and deliver innovative, commercially viable solutions in a timely manner.

Our future success largely depends on our ability to consistently develop superior technologies and differentiated solutions that meet or exceed customer expectations. However, the development of advanced AI technologies requires substantial investment in R&D and involves long commercialization cycles, it would be very challenging to predict future technological trends and customer adoption rates in this fast-changing industry.

The market opportunities that we are currently pursuing are still at an early stage of development, and there is no guarantee that our products will be widely accepted or commercially successful in the near future or at all. Customer preferences and demands in this industry evolve rapidly, driven by continuous innovation and the introduction of disruptive technologies. Competitors may introduce more advanced or innovative solutions, potentially rendering our existing technology obsolete or less competitive. Any inability or delay in responding effectively to these changes may result in lost market share, diminished customer satisfaction, reduced pricing power, and weakened competitive position.

RISK FACTORS

Consequently, if we cannot successfully adapt to evolving market conditions, consistently enhance our technological capabilities, or timely respond to changing customer expectations, our business growth, reputation, financial condition and overall results of operations could be materially and adversely impacted.

The size of our addressable markets and the demand for our products may not increase as rapidly as we anticipate due to a variety of factors, which may materially and adversely affect our business, results of operations and financial condition.

Our business primarily focuses on the R&D and sale of embodied intelligent industrial robots (EIIR) products and AI-enabled intelligent products. Our EIIR products and AI-enabled intelligent products are widely applied across industries such as 3C electronics, automotive manufacturing, new energy, FMCG and semiconductors. The size of our addressable markets and the customer demand for our products depend on multiple factors beyond our control. Demand for EIIR products and AI-enabled intelligent products may fluctuate significantly as a result of changes in investment cycles among downstream industries, evolving market trends, rapid technological advancements, supply chain dynamics, and broader macroeconomic conditions. These factors influence customer procurement strategies and affect the speed of industrial robotics adoption in different sectors.

While we anticipate that the industrial AI-empowered intelligent agents industry, especially the embodied intelligent industrial robotics industry, will continue to expand at a rapid pace. However, if market demand does not develop as we anticipate or grows more slowly than expected, we may face reduced demand for our products and solutions. Such a scenario would adversely impact our ability to achieve expected revenue growth and profitability, possibly leading to excess capacity, higher inventory levels, or increased pressure to reduce prices to remain competitive. Consequently, our business prospects, financial condition, and results of operations could be materially and adversely affected.

The industrial AI-empowered intelligent agents industry is competitive and fragmented. If we fail to compete successfully against our current and future competitors, our business, financial condition and results of operations may be materially and adversely affected.

The industrial AI-empowered intelligent agents market in which we operate is competitive and fragmented, and we anticipate that the intensity of competition will continue to increase in the foreseeable future. We face competition on multiple fronts, including product quality and portfolio breadth, technological capability, customer service and after-sales support, relationships with customers, suppliers and other partners, pricing strategy, geographic coverage, and our ability to protect intellectual property and confidential information.

Our competitors primarily include established manufacturers who have expanded into EIIR and other solutions that we offer by leveraging their expertise in traditional robotics technologies, as well as emerging companies that have specialized in embodied intelligent industrial robotics technologies since their inception. As we continue to diversify our offerings and expand into additional vertical markets and geographical regions, we anticipate encountering increased competition from existing market participants, new

RISK FACTORS

entrants, and companies adopting advanced and disruptive technologies. Some of our competitors may possess greater financial resources, broader technical capabilities, superior pricing flexibility, more extensive sales and marketing networks, a longer operational history, and stronger brand recognition compared to us.

If competitors introduce more innovative or technologically advanced products and solutions, we may be required to accelerate development of new products or significantly upgrade existing solutions to remain competitive. Such development or upgrading initiatives typically require substantial and sustained investment in R&D, potentially placing significant financial and operational burdens on our business. Heightened competition may also result in pricing pressure on our products and solutions, which could adversely impact our revenue growth, profit margins and overall financial performance.

There can be no assurance that we will be able to effectively compete against current and future competitors or that increased competition will not have a material adverse impact on our market position, business growth, results of operations, financial condition and prospects.

Developments in alternative technologies and products may adversely affect the demand for our EIIR products and AI-enabled intelligent products.

The industrial AI-empowered intelligent agents industry is characterized by rapid technological evolution, including the emergence and evolution of embodied intelligent industrial robotics. Alternative technologies and technology stacks other than the ones we are following may emerge as preferred choices for customers as industry adoption patterns continue to evolve, influenced by changing market demands, operational requirements, economic considerations, and technological advancements. Our success depends on our ability to anticipate new technologies, industry standards and market practices, accurately assess their market acceptance, and respond to these changes in a timely and cost-effective manner. If we fail to effectively adapt, fail to effectively identify emerging industry trends, accurately evaluate their impact, or align our technological direction with market developments, our products and solutions may become less competitive or obsolete. Consequently, our revenues, profitability, market share, and overall business could be materially and adversely affected.

We have a limited operating history, which makes it difficult to evaluate our business and prospects, and our historical growth may not be indicative of our future performance.

We commenced operations in 2018. As a result of our limited operating history, our ability to accurately forecast our future business performance is subject to substantial uncertainty. Although our business has experienced rapid growth in recent years, our historical results may not provide a meaningful basis for evaluating our future business prospects, results of operations and financial condition. As we continue to grow, we may encounter unforeseen expenses, operational difficulties, complications, delays and other unanticipated challenges that could negatively affect our business results.

RISK FACTORS

We cannot assure you that we will be able to achieve similar results or grow at the same rates as we did in the past. In future periods, our revenue growth may slow down or even decline for a number of reasons, including reduced demand for our solutions, intensified competition, material technological shifts, decreased growth of our total addressable market, or our inability to capitalize effectively on growth opportunities. If our assumptions regarding these risks and our future revenue growth prove incorrect, or if we fail to respond effectively to future uncertainties and challenges, our operating and financial results could deviate materially from our forecast, resulting in adverse effects on our business operations, financial condition and future prospects.

If our expansion into new verticals is not successful, our business, prospects and growth momentum may be materially and adversely affected.

Our future growth relies in part on our ability to successfully expand into additional industry verticals. Leveraging our self-developed full-stack software and hardware system and comprehensive system engineering capabilities, we have achieved commercialization across various verticals including 3C electronics, automotive manufacturing, new energy, FMCG and semiconductors. We plan to further deepen our presence in these verticals and selectively expand our offerings into other high-growth verticals.

Entering new verticals involves significant challenges and risks, including intense competition from established market leaders, potential difficulties in adapting our solutions to new industry-specific requirements, and the need to establish new relationships within supply chains. Furthermore, we may face unfamiliar regulatory landscapes and compliance requirements, which could require significant investment in management resources, R&D, and operational adaptation before generating revenue.

Our limited experience in new vertical markets could make it challenging to accurately forecast customer needs or quickly respond to evolving market demands. If our expansion efforts are unsuccessful or if we fail to adequately address these challenges, our management and operational resources may become strained, and substantial upfront investment may not lead to meaningful returns. Consequently, any unsuccessful expansion could materially and adversely affect our business, financial condition, and growth prospects.

If we fail to retain existing customers, attract new customers or increase the spending by our customers, our business, financial conditions and results of operation may be materially and adversely affected.

Our success depends, in part, on our ability to cost-effectively retain existing customers, attract new customers and continually encourage increased spending on our EIIR products and AI-enabled intelligent products. By delivering high-quality EIIR products and AI-enabled intelligent products tailored to customer needs, we have established a strong reputation in the industry and maintained long-term customer relationships. We implement targeted marketing strategies and actively explore new business opportunities by participating in prominent industry exhibitions, trade shows and technical forums, and leveraging digital marketing platforms and industry-specific forums to publish case studies, technical papers and video demonstrations. We anticipate further

RISK FACTORS

increasing our investments in marketing and promotional activities to enhance our brand awareness across various industry verticals. However, there is no assurance that these marketing efforts will be successful or that they will lead to the desired level of customer acquisition and revenue growth.

Despite our brand recognition and investment in marketing activities, we may fail to fully understand customer demands and evolving market trends or to achieve anticipated returns from our marketing investments. Moreover, our ability to attract new customers is also highly dependent on our business reputation and on positive recommendations from our existing customers, which is partially attributed to our ability to provide high-quality customer maintenance and support. As our customer base continues to expand, our capacity to deliver timely and effective customer support at scale will be increasingly tested. There is no assurance that we will be able to recruit and retain sufficient qualified customer support personnel to promptly respond to increased technical support and maintenance requirements, or to adequately adjust our service offerings in line with evolving customer demands and competitors’ standards. Any failure or perceived inadequacy in providing timely and high-quality support services could significantly harm our market reputation, customer satisfaction, and ability to attract new customers. As a result, our future business growth, profitability and competitive position could be materially and adversely affected.

We derived a significant portion of our revenue from a limited number of customers during the Track Record Period and may continue to be exposed to the risk of customer concentration subsequent to the Track Record Period.

During the Track Record Period, a substantial portion of our revenue was derived from sales to our five largest customers. Specifically, our revenue from our top five customers in 2022, 2023 and 2024 and the six months ended June 30, 2025 amounted to RMB130.8 million, RMB227.4 million, RMB169.8 million and RMB171.3 million, respectively, accounting for 59.1%, 52.4%, 28.3% and 41.6% of our total revenue, respectively. We cannot assure you that our customer concentration will not increase in the future.

In addition, we cannot assure you that we will successfully maintain our relationships with these key customers, secure new contracts from them, or avoid disputes arising from existing contracts. Any disruption or deterioration in our relationships with key customers, or their decisions to significantly reduce their spending or shift to competitors, could adversely affect our business, revenue streams, and profitability. Furthermore, if any major customer delays payments, defaults on payments, or faces financial distress, our cash flow, liquidity, and financial position may suffer materially adverse impacts.

Failure to effectively manage and scale our technology infrastructure could adversely affect our business.

Our technology infrastructure is critical for our technology innovation and research and development. We need to maintain sufficient capacity in our technology infrastructure to meet the needs of our customers and collaborators, and to facilitate the rapid provision of solutions and services in anticipation of new customers and collaborators. In addition, we need to properly manage our technology infrastructure in order to support version

RISK FACTORS

control, changes in hardware and software parameters and the evolution of our solutions. However, updating our technology infrastructure requires adequate lead-time. Furthermore, our reliance on high-performance computing equipment, such as advanced GPUs, exposes us to potential supply chain disruptions caused by international export controls. Restrictions on the export of cutting-edge computing components could severely constrain our computing power capacity, delaying critical AI model training and product development cycles. We may experience system disruptions, outages, and other performance problems. These types of problems may be caused by a variety of factors, including infrastructure changes, human or software errors, viruses, security attacks, fraud, spikes in usage, and denial of service issues. In some instances, we may not be able to identify the cause of these performance problems within an acceptable period of time. If we cannot accurately anticipate and prepare for additional requirements on our technology infrastructure, we may experience service outages that may delay the deployment of our solutions and services and the delivery of our work products, which may subject us to financial penalties and liabilities, reputation damages, and customer losses.

Acquisitions, investments or strategic alliances may not succeed as intended and could materially and adversely affect our reputation, business and results of operations.

In pursuit of our growth strategy, we may from time to time seek strategic alliances, investments or acquisitions of complementary assets, technologies, or businesses. However, these strategic initiatives may expose us to various risks, including those associated with information sharing, reliance on counterparties, and potential non-performance by strategic partners. We may have little ability to fully control or closely monitor the actions and operational effectiveness of these counterparties. Any negative publicity or reputational damage suffered by our strategic partners could also negatively affect our own business reputation and market position by association.

Additionally, acquisitions of complementary businesses or technologies may not generate expected financial or operational results, and the integration of such acquisitions may require substantial management attention and resources, potentially distracting management from our core operations. Furthermore, acquisitions could lead to the expenditure of substantial cash, issuance of equity securities that may dilute existing shareholders, assumption of additional debt obligations, and recognition of significant goodwill impairment charges or intangible asset amortization expenses. We may also be exposed to unforeseen liabilities associated with acquired businesses or technologies. As a result, our inability to successfully implement and manage strategic alliances, investments, and acquisitions could materially and adversely affect our business operations, reputation, financial performance, and long-term growth prospects.

We have been and intend to continue making significant investments in R&D, which may not yield the expected return and adversely affect our profitability and operating cash flow.

Our future growth depends on our ability to penetrate new markets, adapt existing solutions to evolving customer needs, and develop new solutions that achieve market acceptance. To support these goals, we have made and intend to continue making

RISK FACTORS

substantial investments in R&D. Our R&D expenses were RMB75.7 million, RMB178.3 million, RMB164.9 million, RMB85.2 million and RMB114.7 million in 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively.

The industrial AI-empowered intelligent agents industry is characterized by rapid technological advancements, especially in AI-driven applications, requiring significant and sustained R&D input. We expect our R&D expenses to remain high as we strive to enhance our product capabilities and maintain competitiveness. However, R&D activities are inherently uncertain. There is no assurance that our efforts will lead to technological breakthroughs or commercially successful products. If we fail to anticipate or respond to industry trends, or if competing technologies evolve more rapidly than ours, our existing solutions may become less attractive or obsolete, leading to a deterioration of our market position. Any delay or setback in enhancing our robotics capabilities could materially and adversely affect our business, results of operations, financial condition and prospects.

Increases in costs of the parts and components that we use in our products and solutions would adversely affect our business, results of operations and financial condition.

Our products rely on a wide range of parts and components, including but not limited to, optical components, mechanical and electronic parts, and computing equipment. Fluctuations in the prices or availability of these materials, driven by changes in supply and demand, geopolitical tensions, macroeconomic conditions, or currency volatility, could materially increase our production costs.

If the prices of key materials rise significantly, and we are unable to pass these increases on to customers in a timely or sufficient manner due to competitive or contractual constraints, our margins may be compressed. This could materially and adversely impact our profitability and financial condition. Furthermore, if we experience significant delays or shortages in procuring critical components, our ability to fulfill customer orders could be disrupted, affecting our business operations and customer relationships.

Long product lifespans may limit future sales.

Intelligent industrial robotics products and solutions are typically designed to remain functional and effective for multiple years. Therefore, there is no assurance that users will place reorders, repurchases or upgrade our products within a short period of time, or at all. Furthermore, the growth of our business and revenue depends on both repeat purchases by existing customers and continued expansion of our customer base, which in turn relies on factors such as the market’s acceptance of our products, the diversification and expansion of application scenarios, and evolving customer preferences.

Additionally, our EIIR products are typically deployed and operated directly by customers without requiring ongoing operational support from us. While some market participants are exploring recurring revenue models, such as the “Robotics-as-a-Service” model, customer awareness and acceptance of this model remain limited, and it may take time for purchasing behaviors to shift toward subscription-based spending. If we fail to

RISK FACTORS

cultivate sufficient demand for upgrades or fails to expand the overall customer base, our ability to maintain sustainable revenue growth may be adversely impacted, which could materially affect our business, financial condition and results of operations.

If we are unable to attract, retain and motivate key individuals, our business, results of operations and financial condition would be materially and adversely affected.

The success of our business, particularly in relation to R&D and the commercialization of our products and solutions, depends significantly on our ability to attract, retain and motivate key individuals, such as key management, technical staff, experienced engineers and sales representatives. Moreover, the supply of interdisciplinary AI professionals, who possess both technical expertise and cross-industry application knowledge, remains severely limited, making it even more challenging to secure talent capable of driving innovation in our increasingly AI-driven solutions.

Our senior leadership team possesses extensive experience in the industrial AI-empowered intelligent agents industry and plays a crucial role in shaping our strategic direction and ensuring the successful execution of our operations. See “Directors and Senior Management.” Any significant changes to our management team, including unexpected resignations or retirements, could disrupt our business operations and adversely affect our ability to execute our strategic plans. We cannot assure you that we will be able to retain existing key personnel or recruit qualified replacements in a timely manner.

To attract, retain and incentivize key employees, we have implemented and may continue to implement share incentive schemes and other competitive compensation programs. However, our ability to recruit and retain top talent also depends on our workplace culture and reputation as an employer of choice. If our compensation structures or employee value proposition are perceived to be less attractive than those of our competitors, our ability to retain or recruit qualified personnel may be compromised, which could, in turn, have a material adverse impact on our business, financial condition and results of operations.

We may be subject to product or service liability claims if our products contain defects, and we could incur significant expenses to remediate such defects.

Our products or services and their underlying technologies may contain errors, defects, security vulnerabilities or software issues that are difficult to detect and correct, particularly when first introduced or when newly launched or updated. Despite internal testing, our products or solutions may contain serious errors or defects, security vulnerabilities or software issues, which we are unable to successfully correct in a timely manner or at all. Certain issues may only be discovered after commercialization and deployment in customer production lines or other critical use scenarios.

If undetected defects or vulnerabilities emerge, we may incur significant costs for product recall, repair or replacement. Furthermore, these issues could potentially lead to lawsuits filed against us by our customers or other parties, exposing us to potential liabilities and damages. We may also experience revenue loss, significant capital expenditures, delay or loss in market acceptance and damage to our reputation and

RISK FACTORS

brand, any of which could adversely affect our reputation, business, results of operations and financial condition. Given that our solutions are often deployed in production processes that are crucial to our customers’ businesses, any malfunction, failure or defect could result in production delays or financial losses for our customers. This could damage our customer relationships, lead to customer attrition, and impair future sales opportunities. In the event of such claims or incidents, we may also suffer reputational harm, loss of customer trust, delays in market acceptance of our products, increased R&D or capital expenditure, and heightened regulatory scrutiny. Any of these consequences could materially and adversely affect our business, results of operations and financial condition.

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

The availability and quality of after-sale services are important factors influencing customer purchasing decisions, particularly for EIIR products and AI-enabled intelligent products as well as related modular products used in mission-critical production environments. As our operations expand and our customer base grows, we must ensure that our maintenance and support services continue to meet customer expectations on a scalable basis. However, we cannot assure you that we will be able to respond in a timely and effective manner to sudden increases in demand for technical support or maintenance. We may also face challenges in evolving the scope, efficiency, or delivery model of our support services to keep pace with industry developments or customer needs. In addition, if our competitors offer superior after-sale services, we may lose customers or fail to secure new ones. Any failure to provide consistent, high-quality maintenance and technical support could damage our customer satisfaction and retention, which in turn could materially and adversely affect our business, reputation, results of operations and financial condition.

The standards and applications of embodied intelligent industrial robotics and other AI technologies are constantly evolving. Any misuse or flaw in such technologies, whether actual or perceived, intentional or inadvertent, and whether caused by us or third parties, could adversely affect our business and undermine public acceptance of our products.

The embodied intelligent industrial robotics and other AI technologies are inherently complex and subject to ongoing development and refinement. Particularly during initial deployment or when new functionalities are introduced, our products and solutions may contain undetected defects, security vulnerabilities, or performance issues. Accidents or defects caused by the technologies adopted and applied by us or third parties may negatively affect public perception, or result in regulatory restrictions, with respect to related technology. Similar to many innovations, embodied intelligent industrial robotics and other AI technologies present risks and challenges, such as potential misuse by third parties for inappropriate purposes or biased applications which breach public confidence or violate applicable laws and regulations in various jurisdictions or litigation or other proceedings initiated by certain individuals claiming for infringement of legitimate rights, including privacy or personality rights. Even though we may not be using the specific AI technologies that are controversial, such misuse could affect customer perception, public

RISK FACTORS

opinions, views of policymakers and regulators and result in decreased adoption of AI technologies. In addition, flaws or deficiencies in embodied intelligent industrial robotics or other AI technologies could undermine the accuracy and thoroughness of the decisions and analyses made on the relevant products and solutions. There can be no assurance that we will be able to detect and remedy such flaws or deficiencies in a timely manner, or at all. Any flaws or deficiencies in AI technologies and the related products and solutions, whether actual or perceived, could materially and adversely affect our business, reputation, results of operations and prospects.

The full potential of the embodied intelligent industrial robotics market has yet to be fully realized and its growth depends on advancements in robotics and AI technologies across multiple disciplines. If technological progress in any of these areas fails to meet our expectations, our business, growth and prospects may be adversely affected.

The embodied intelligent industrial robotics market is relatively new, highly dynamic and constantly evolving. We operate in an emerging and rapidly developing segment of this market. The full commercial potential of embodied intelligent industrial robotics technologies is yet to be fully realized, and the pace and extent of market development remain uncertain. The market may not expand as rapidly or broadly as we anticipate, and actual demand for our solutions may fall short of expectations.

The future growth of the embodied intelligent industrial robotics market depends heavily on continued technological progress across various disciplines, including but not limited to, robotics, AI, machine perception, motion planning, and human-machine interaction. Any stagnation or delay in technological advancement in these areas may limit the applicability, functionality, or cost-effectiveness of EIIR solutions, thereby adversely affecting market demand and our business prospects.

Customer awareness and market acceptance of EIIR solutions remain at an early stage. Potential customers may not fully understand the advantages of our technologies, or may find it difficult to differentiate our offerings from those of our competitors. Convincing customers of the value proposition of our products is critical to our future success. If we fail to educate the market, establish strong brand recognition or demonstrate compelling use cases, we may encounter challenges in customer acquisition and revenue growth.

In addition, similar to other frontier innovations, embodied intelligent industrial robotics technologies present risks and challenges that could affect market perception and public opinion. Any inappropriate, abusive or premature usage of embodied intelligent industrial 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. These concerns may also trigger legal risks, regulatory restrictions or increased oversight in China or other jurisdictions. Each of the foregoing events may in turn materially and adversely affect our business, financial condition and results of operations.

RISK FACTORS

The sales cycle for our products can be long and unpredictable, and our sales efforts often require substantial time and resources.

The sales cycle of our EIIR products, particularly non-standard products, can be lengthy and unpredictable. Our sales cycle typically consists of feasibility assessment, construction and pre-activation, onsite-deployment and learning and continuous evolution and value expansion, and may vary significantly depending on project complexity. See “Business — Our Business Model and Products.” While the sales cycle for standard projects generally ranges from two to three months, for large-scale and highly customized AI-enabled intelligent projects, the cycle may extend beyond six months.

This extended timeline is due in part to the fact that many customers or end users may have limited prior experience with EIIR products and require additional time to evaluate the applicability and benefits of our solutions. We also invest considerable time and resources to assess their specific needs, demonstrate our technological capabilities, and tailor our offerings accordingly. These sales efforts often involve significant contributions from our sales and engineering teams, as well as our senior management.

Moreover, it is difficult to accurately predict the outcome of each sales effort, including whether a contract will be secured, the size and timing of the customer’s purchase, or the implementation schedule. These uncertainties can affect our ability to forecast revenue and may result in delayed or lower-than-expected revenue recognition. If our sales efforts do not result in revenue sufficient to justify the time and resources expended, our business, financial condition and results of operations could be materially and adversely affected.

Our international strategy and ability to conduct business in international markets may be adversely affected by legal, regulatory, political and economic risks.

Expanding our global footprint and growing overseas sales is an important part of our future growth, but these efforts may not be successful. For more information about our overseas expansion plan, please see “Business — Growth Strategies — Expand our international footprint and enhance localized service and delivery capabilities globally.” 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;

RISK FACTORS

- increased risk in collecting trade receivables;
- less effective protection of intellectual property;
- difficulties and costs of staffing and managing foreign operations; 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 we conduct our business internationally.

We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, including imposition of export control, trade restrictions and sanctions, and our reputation, business, results of operations and financial condition could be adversely affected.

Our operations are subject to potential deterioration in the political and economic relations among countries and sanctions and export controls administered by the government authorities in the countries and regions in which we operate, and other geopolitical challenges, including, but not limited to, economic and labor conditions, increased duties, taxes and other costs and political instability.

Additionally, the evolving trade policies of the United States and China remain uncertain, with potential changes in tariffs, regulatory requirements, and trade restrictions that could impact our ability to plan and operate effectively in the U.S. market. Since 2018, the United States government imposed several rounds of tariffs on Chinese products. Between February and April 2025, the U.S. government further announced several rounds of new tariffs on imports from China. The U.S. government may in the future continue to increase the tariffs. Meanwhile, China has implemented, and may further implement, measures in response to the heightened tariffs against Chinese products initiated by the U.S. government. While the United States and China reached a preliminary understanding in May 2025 to ease tensions by suspending or selectively removing certain tariffs, there can be no assurance as to whether the United States will maintain or reduce tariffs, or impose additional tariffs on Chinese products in the near future. As such, margins on sales of our products and solutions in certain countries and regions could be materially and adversely affected by international trade regulations, including duties, tariffs and anti-dumping penalties. Although we did not have any significant presence in the United States during the Track Record Period, we may be forced to adjust the price of our products and solutions due to any increased U.S.-based tariffs on our products and solutions if we substantially expand our business dealings into the United States in the future, which could make our products and solutions less competitive in the United States.

Furthermore, the U.S. government has also imposed economic and trade sanctions directly or indirectly affecting technology companies. Such restrictions, and similar or more expansive restrictions that may be imposed by the U.S. or other jurisdictions in the future,

RISK FACTORS

may be difficult or costly to comply with and may materially and adversely affect our abilities to acquire technologies, systems, parts or components that may be critical to our technology infrastructure, product offerings and business operations. If any of us, or our Shareholders, Directors, management personnel, employees and business partners, violate such laws, we could become subject to sanctions or other penalties, which could adversely affect our reputation, 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 share (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.

RISK FACTORS

We are subject to anti-corruption, anti-money laundering, anti-bribery and other relevant laws and regulations.

We are subject to anti-corruption, anti-bribery, economic and trade sanctions laws and other applicable laws and regulations in China and, where applicable, in other jurisdictions where we may operate or conduct business with third parties. 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 a 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.

Our overseas operations may subject us to governmental economic sanctions and export controls laws, which could subject us to liability and impair our ability to compete in overseas markets.

The U.S. government has imposed a range of export control measures and economic and trade sanctions that directly or indirectly affect technology companies in China, including restrictions targeting advanced semiconductors, software, cloud services, and Chinese technology enterprises designated on the Entity List or other restricted lists. Such restrictions, and similar or more expansive restrictions that may be imposed by the U.S. or other jurisdictions in the future, may be difficult or costly to comply with and could materially and adversely affect our ability to acquire technologies, systems, parts, or components that are critical to our technology infrastructure, product offerings, and business operations. If any of us, or our shareholders, directors, management personnel, employees, or business partners, were to violate such laws, we could become subject to sanctions or other penalties, which could adversely affect our reputation, business, results of operations, and financial condition.

Exports of our products and technology are subject to economic sanctions and export control laws of multiple jurisdictions, including the PRC, the United States, the European Union, the United Kingdom, and others. These laws may prohibit or restrict the sale, transfer, or provision of products and services to certain countries, governments, entities, or individuals. Although we implement compliance procedures to reduce the risk of violations,

RISK FACTORS

we cannot guarantee that our products or services will not be indirectly provided to sanctioned parties through distributors or other channels. Any such occurrence could result in investigations, fines, penalties, or reputational harm.

Furthermore, these regulatory regimes remain subject to frequent revisions, often driven by national security or foreign policy concerns. Future developments could expand the scope of restrictions to cover a wider range of items, technologies, or counterparties, or could impose new obligations on companies in our industry. Such changes may increase our compliance burden, disrupt our supply chain, limit our ability to continue supplying certain customers, or reduce customer demand for our products, all of which could materially and adversely affect our business, results of operations, financial condition, and prospects.

Our business growth and results of operations may be affected by changes in global and regional macroeconomic conditions, natural disasters, health epidemics and pandemics, and social disruption and other outbreaks.

Uncertainty in global economic conditions, changes in regulatory environments, and fluctuations in macroeconomic factors, such as interest rates, inflation, unemployment levels, labor and healthcare costs, credit availability, and consumer confidence, may adversely impact overall market demand for our products and solutions. In addition, natural disasters such as floods, earthquakes, sandstorms, snowstorms, fires or droughts, the outbreak of a widespread health epidemic or any severe epidemic disease, acts of war, terrorism, or other force majeure events beyond our control, may disrupt our R&D, manufacturing, commercialization activities, and overall business operations. Any such disruptions could materially and adversely affect our business, financial condition, results of operations, and prospects.

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

We continue to execute a number of strategies to expand our business. See “Business — Growth Strategies” and “Future Plans and [REDACTED]” for details. 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 products or 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 the 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.

RISK FACTORS

If we fail to obtain and maintain the requisite licenses and approvals required in any jurisdictions where we operate, our business, results of operations and financial condition may be materially and adversely affected.

We are required to obtain a series of licenses, 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.

Dependency on third-party suppliers to manufacture, assemble and test our products reduces our control over product quantity and quality, and could harm our business.

We engage third-party suppliers to provide components and parts necessary for the manufacturing of our products. In addition, we collaborate with third parties on the manufacturing, assembly and testing of our EIIR products and AI-enabled intelligent products. If we are unable to maintain our contractual relationships with these third parties, or if we are unable to continue procuring these services on commercially reasonable terms, we may be unable to secure alternatives in a timely manner or at all, which could materially and adversely affect our business, results of operations, financial condition and competitive position.

RISK FACTORS

We are also subject to a number of risks which could impair our ability to meet customer demand, scale our supply chain, and maintain long-term demand for our products and services, thereby adversely affecting our business operations, gross margin, revenue and financial results. These risks include:

- failure by contract manufacturers to procure raw materials or provide sufficient manufacturing or testing capacity for our products;
- reliance on a single or limited suppliers and manufacturers;
- a constrained supplier pool due to international trade restrictions and sanctions;
- the loss of a supplier, leading to additional costs or production delays;
- lack of direct control over product quantity, quality and delivery schedules;
- suppliers or their vendors failing to supply high-quality products or modifying their products without our validation;
- delays in shipment, product shortages, deteriorating product quality or increased costs if suppliers prioritize orders from our competitors or other customers;
- fraudulent or illegal activities or other misconduct by suppliers;
- low manufacturing yields caused by product design flaws or issues in the manufacturer’s processes; and
- disruptions to manufacturing, assembly or other processes due to natural disasters, emergencies or other unforeseen events.

While we seek to engage multiple sources of supply where feasible, we rely on a limited number of suppliers for certain parts, components, and equipment. Specifically, our purchases from our top five suppliers in 2022, 2023 and 2024 and the six months ended June 30, 2025 amounted to RMB101.6 million, RMB202.6 million, RMB186.0 million and RMB218.3 million, respectively, accounting for 74.2%, 64.1%, 46.6% and 61.7% of our total procurement amount, respectively. Our dependence on a limited number of suppliers and service providers makes us vulnerable to supply chain risks.

Any significant disruption in our supply chain that affects the manufacturing or sourcing of our products or components could interrupt our product supply and materially delay our development plans or commercialization efforts. If not resolved promptly, such disruptions may lead to delayed R&D timelines, lost orders and customers, regulatory actions or litigation, financial penalties, and reputational harm, any of which could materially and adversely affect our business, results of operations and financial condition.

RISK FACTORS

Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers which would affect our business, results of operations and financial condition.

We believe we have adequate insurance coverage in connection with our business operations by putting in place all the mandatory insurance policies required by PRC laws and regulations. As of the Latest Practicable Date, we maintained standard employee-related insurance, including pension, maternity, unemployment, work-related injury, medical insurance, and supplementary medical insurance. However, it may not be adequate to fully compensate for all kinds of losses we may suffer in the future. In particular, we do not carry insurance in respect of certain risks that we believe are not insured under customary industry practice in China, or which are uninsurable on commercially acceptable terms, if at all, such as those caused by war, nuclear contamination, tsunami, pollution, acts of terrorism and civil disorder. In addition, our insurers generally review our policies every year and we cannot guarantee that our policies can be renewed on similar or other acceptable terms, or at all. Furthermore, if we suffer unexpected severe losses or losses that far exceed the policy limits, it could materially and adversely affect our business, results of operations and financial condition.

Our business and prospects depend on our ability to build our brand and reputation, which could be harmed by negative publicity regarding our brand, Directors, employees, or products, whether warranted or not.

We believe that maintaining and enhancing our brand is of significant importance to the success of our business. Since we operate in a highly competitive market, brand maintenance and enhancement directly affect our ability to maintain our market position. The successful promotion of our brand will depend on the effectiveness of our marketing efforts and the amount of word-of-mouth referrals we receive from satisfied customers. We may incur extra expenses in promoting our brand. However, we cannot assure you that these activities are and will be successful or that we can achieve the brand promotion effect we expect. In addition, negative publicity about our brand, Directors, employees, or products, whether warranted or not, may adversely affect our brand, reputation and business. Certain of such negative publicity may come from malicious harassment or unfair competition acts by third parties, which are beyond our control.

Failure to detect or prevent fraudulent or illegal activities or other misconduct by our employees, customers, suppliers or other third parties may materially and adversely affect our business.

We are exposed to fraudulent or illegal activities or other misconduct by our employees, customers, suppliers or other third parties, which could subject us to liabilities, fines and other penalties imposed by government authorities and negative publicity. There can be no assurance that our controls and policies will prevent fraud or illegal activity by such persons or that similar incidents will not occur in the future. Any illegal, fraudulent, corrupt or collusive activity by our employees, customers, suppliers or other third parties, including, but not limited to, violations of anti-corruption or anti-bribery laws, could subject us to negative publicity which could severely damage our brand and reputation and, if conducted by our employees, further subject us to significant financial and other

RISK FACTORS

liabilities to third parties and fines and other penalties imposed by government authorities. As such, any failure to detect and prevent fraudulent or illegal activities or other misconduct by our employees, customers, suppliers or other third parties could materially and adversely affect our business, results of operations and financial condition.

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.” 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 training 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 misconduct 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 misconduct 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 legal proceedings and commercial or contractual disputes, which could materially and adversely affect our reputation, business, results of operations and financial condition.

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.

RISK FACTORS

We may not be able to obtain or maintain adequate intellectual property rights protection for our product and solution candidates, or the scope of such intellectual property rights 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. 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 the products or solutions involved.

The industry in which our business operates is characterized by a large number of patents, some of which may be of questionable scope, validity or enforceability. As a result, there is a significant amount of uncertainty in the industry regarding patent protection and infringement, and we cannot be certain that the conduct of our business does not and will not infringe, misappropriate or otherwise violate intellectual property or proprietary rights of third parties. We could become subject to claims and litigation alleging infringement by us of third-party patents, copyrights or trade secrets. For instance, in the event that we recruit employees from other technology companies, including certain potential competitors, and these employees participated, or used or alleged to have used certain know-how, technology or contents, in our R&D, we may become subject to claims that such employees have improperly used or disclosed trade secrets or other proprietary information.

RISK FACTORS

These claims and any resulting lawsuits, if resolved adversely to us, could subject us to significant liability for damages, impose temporary or permanent injunctions against our products, solutions or business operations, or invalidate or render unenforceable our intellectual property rights. An adverse judgment could also result in loss of reputation or may force us to take costly remediation actions, such as redesigning our products and solutions. In addition, because patent applications can take many years until the patents issue, there may be applications now pending of which we are unaware, which may later result in issued patents that our offerings may infringe. If any of our offerings infringe a valid and enforceable patent, or if we wish to avoid potential intellectual property litigation on any alleged infringement of our products or solutions, we could be prevented from selling, or elect not to sell, our products and solutions unless we obtain a license, which may be unavailable or be available only at commercially unreasonable, unfavorable or otherwise unacceptable terms. Alternatively, we could be forced to pay substantial royalties or to redesign one or more of our products or solutions to avoid any infringement or allegations thereof. Additionally, we may face liability to our customers, business partners or third parties for indemnification or other remedies in the event that they are sued for infringement in connection with their use of our products and solutions.

We also may not be successful in any attempt to redesign our products or solutions to avoid any alleged infringement. A successful claim of infringement against us, or our failure or inability to develop and implement non-infringing technology, or license the infringed technology, on acceptable terms and on a timely basis, could materially adversely affect our business and results of operations. Furthermore, such lawsuits, regardless of their success, could likely be time consuming and expensive to resolve and may divert management’s time and attention from our business, which could seriously harm our business. Also, such lawsuits, regardless of their success, could seriously harm our reputation with our suppliers and in the robotics industry at large.

Further, third parties may assert infringement claims against us, including the sometimes aggressive and opportunistic actions of non-practicing entities whose business model is to obtain patent licensing revenues from operating companies such as us. Any such assertion, regardless of merit, may be time consuming and expensive to resolve and result in litigation or may require us to obtain a license for the intellectual property rights of third parties. Such licenses may not be available or they may not be available on commercially reasonable terms. In addition, as we continue to develop products and solutions and expand our portfolio using new technology and innovation, our exposure to threats of infringement may increase.

Obtaining and maintaining our patent protection depends on compliance with various procedural, documentary, fee payment, and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for noncompliance with these requirements.

The China National Intellectual Property Administration and various governmental patent agencies in other jurisdictions require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process and over the lifetime of the patent. Non-compliance events, including failure to

RISK FACTORS

respond to official actions within prescribed time limits, non-payment of periodic maintenance fees, and failure to properly legalize and submit formal documents, can result in abandonment or lapse of the patent or patent application, leading to partial or complete loss of patent rights in the relevant jurisdictions. In any such event, our competitors might be able to enter the market, which would materially and adversely affect our business, results of operations and financial condition.

Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our products and solutions.

The scope of patent protection in various jurisdictions is uncertain. Changes in either the patent laws or their interpretation in China or other jurisdictions may diminish our ability to protect our inventions, obtain, maintain, defend and enforce our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our patent rights. We cannot predict whether the patent applications we are currently pursuing and may pursue in the future will be granted as patents in any particular jurisdiction or whether the claims of any future granted patents will provide sufficient protection from competitors. The coverage claimed in a patent application can be significantly reduced before the patent is granted, and its scope can be reinterpreted after such grant.

Even if our patent applications are successfully granted, such grant may not be in a form that can provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. As a result, the grant of patent application, scope, validity, enforceability and commercial value of our patent rights are highly uncertain.

We may be unable to protect the confidentiality of our trade secrets, and we may be subject to claims that we, or our employees or our business partners have wrongfully used or disclosed trade secrets allegedly owned by others.

In addition to our registered patents and patent applications, we rely on trade secrets, including unpatented know-how, technology and other proprietary information, to protect our products and thus maintain our competitive position. We protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements, non-compete covenants or include such undertakings in the agreements with parties that have access to them. We also enter into employment agreements with our employees that include undertakings regarding assignment of inventions and discoveries. Nevertheless, there can be no guarantee that an employee or a third party will not make an unauthorized use or disclosure of our proprietary confidential information. This might happen intentionally or inadvertently. It is possible that a competitor will gain access to such information and make use of such information, and that our competitive position will be compromised, despite any legal action we might take against such persons. In addition, to the extent that our employees or business partners use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

RISK FACTORS

Trade secrets are difficult to protect. Our employees or business partners might intentionally or inadvertently disclose our trade secret information to competitors, or our trade secrets may otherwise be misappropriated. Enforcing a claim that a third party illegally obtained and/or is using any of our trade secrets is expensive and time-consuming, and the outcome is unpredictable. We also seek to enter into agreements with our employees that obligate them to assign any inventions created during their work for us to us. However, we may not obtain these agreements in all circumstances and the assignment of intellectual property under such agreements may not be self-executing. It is possible that technology relevant to our business will be independently developed by a person that is not a party to such agreement. Furthermore, if the employees who are parties to these agreements breach the terms of these agreements, we may not have adequate remedies for any such breach, and we could lose our trade secrets and inventions through such breaches. We may be involved in claims by or against us related to the ownership of such intellectual property. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to our management and research and development personnel.

We may not be able to obtain additional capital when desired on favorable 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.

Any failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties.

Companies operating in the PRC are required to participate in various employee benefit plans, including pension insurance, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance and housing provident fund and contribute to the amounts equal to certain percentage of salaries, including bonuses and allowances, of their employees up to a maximum amount specified by the local government from time to time at locations where they operate their business.

During the Track Record Period, we did not make full contributions to social insurance and housing provident funds for certain of our employees as required by relevant PRC laws and regulations, and we engaged third-party agents to social insurance and housing provident fund for some of our employees, which are not in strict compliance with the applicable laws and regulations. As advised by our PRC Legal Adviser, according to the

RISK FACTORS

Social Insurance Law of the PRC, the relevant authorities could order us to pay, within a prescribed time limit, the outstanding amount with an additional late payment penalty at the daily rate of 0.05%, and if we fail to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. In addition, according to the Regulations on the Administration of Housing Provident Fund, in case of a failure to pay the full amount of housing provident fund, the competent PRC government authority may require us to pay the outstanding amount within a stipulated period. If the payment is not made within such stipulated period, an application may be made to the PRC courts for compulsory enforcement.

During the Track Record Period and up to the Latest Practicable Date, (i) we had not received any notification from relevant government authorities requiring us to pay shortfalls or the penalties with respect to social insurance or housing provident funds due to employees reports or complaints; (ii) we had not been subject to any administrative penalties regarding social insurance or housing provident funds due to employee reports or complaints, nor are we aware of any major employee complaints or significant disputes with respect to social insurance or housing provident funds; (iii) upon consultation with the competent local authorities, if there is no employee reports of complaints they have confirmed that they will not request for the underpayment portion of the social insurance or housing provident funds in respect of our Company and our principal operating subsidiary which they have authority on; (iv) we will make full contributions or pay any shortfall within a prescribed time period if demanded by the relevant government authorities; and (v) our Controlling Shareholders will fully indemnify us for any loss as a result of failure to pay such social insurance or housing provident fund. Based on above, our PRC Legal Adviser is of the view that the likelihood of us being subject to centralized collection of the outstanding historical social insurance and housing provident fund contributions and any material penalties due to the failure to provide such contributions in full amount for our employees is remote, according to the applicable regulatory policies, provided no claims or complaints are filed against us by our employees and no significant changes in existing laws, regulations, policies, or implementation or supervision requirements of the relevant government authorities.

We cannot assure you that the relevant government authorities will not impose new requirements on us according to laws, regulations or local policies published by the relevant government authorities in the future, such as ordering us to make supplemental social insurance and housing provident fund contributions, imposing late fees or fines on us or ordering us to take other measures, any of which may materially and adversely affect our business, financial condition and results of operations.

We are subject to potential material and adverse effects in respect to defects in our existing properties leased in China.

As of the Latest Practicable Date, we had not completed the registration of lease filing for three leased properties with the relevant competent authorities in accordance with applicable laws and regulations in China. As advised by our PRC Legal Adviser, the lack of registration of lease filing does not affect their validity of lease agreements, or result in us being required to vacate from these leased properties, but we may be ordered by relevant

RISK FACTORS

competent authorities to complete the registration within a designated time period, and may be subject to fines from RMB1,000 to RMB10,000 for each lease agreement that we fail to register within the time period.

Regarding one of our leased properties, as of the Latest Practicable Date, its landlord had not provided us with a complete and valid property ownership certificate. Should the lease agreement for this property be deemed invalid, or should we need to vacate it, there is no assurance that we could timely find alternative premises or secure a new lease on comparable commercial terms.

We have incurred significant losses and recorded operating cash outflows during the Track Record Period, and there can be no assurance that we will not have losses and net cash outflow in the future.

Since our inception, we have experienced fluctuations in our financial performance. We recorded profit for the year/period of RMB15.7 million in 2024 and RMB6.7 million in the six months ended June 30, 2025, and loss for the year of RMB92.0 million and RMB113.8 million in 2022 and 2023, respectively. We may continue to incur net losses in the short term, as we are in the stage of expanding our business and operations in the rapidly growing embodied intelligent industrial robotics industry and are continuously investing in R&D. However, our active efforts to acquire new customers or launch new products may result in higher initial layout of costs required to meet specific customer needs, including longer on-site implementation lead time for our robotics solutions to onboard customers and/or production line adjustments associated with the mass production of our newly launched robot bodies. We may not be able to achieve or subsequently maintain profitability in the near future. 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, effectively and successfully compete, and develop new products and solutions. Accordingly, you should not rely on the revenues of any prior period as an indication of our future performance. Our costs and expenses may continue to increase in future periods, as we continue to expand our business and operations and invest in R&D activities. 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 and may not be able to achieve or subsequently maintain profitability.

We recorded net cash used in operating activities of RMB158.2 million, RMB105.4 million, RMB154.0 million and RMB15.1 million in 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively. See “Financial Information — Liquidity and Capital Resources.” 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 offerings 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

RISK FACTORS

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.

Failure to fulfill our obligations in respect of contract liabilities could adversely affect our liquidity and financial condition.

Our contract liabilities mainly arise from the deposit made by customers while the underlying products and services are yet to be provided. As of December 31, 2022, 2023, and 2024 and June 30, 2025, we had contract liabilities of RMB4.7 million, RMB13.8 million, RMB10.2 million and RMB24.7 million, respectively. See “Financial Information — Discussion on Certain Key Balance Sheet Items — Contract Liabilities.”

There is no assurance that we will be able to fulfil our obligations in respect of contract liabilities as the completion of our work is subject to various factors, including the timely supply of hardware and software components and the normal operations of our business units. If we are not able to fulfil our obligations with respect to our contract liabilities, the amount of contract liabilities will not be recognized as revenue and we may have to return the deposit made by our customers. As a result, our liquidity and financial position may be adversely affected.

Failure to obtain or maintain any of the government grants or preferential tax treatments could adversely affect our business, results of operations, financial condition and prospects.

During the Track Record Period, we benefited from government grants, many of which are non-recurring in nature or are subject to periodic review. In 2022, 2023 and 2024 and the six months ended June 30, 2025, the government grants we recognized as other income amounted to RMB5.2 million, RMB21.5 million, RMB18.5 million and RMB0.1 million, respectively. These government grants primarily represent government subsidies from local governments to support our operating and R&D activities, which are provided at the discretion of the relevant government authorities and may therefore vary from period to period. See “Financial Information — Description of Major Components of Our Results Of Operations — Other Income” for details.

In addition, our Company and certain of our subsidiaries enjoyed various types of preferential tax treatment according to the prevailing PRC tax laws. See “Financial Information — Description of Major Components of Our Results of Operations — Income Tax Credit/Expense” for details. However, we cannot assure you that these preferential tax treatments will continue to be available to us in the future, or that these preferential tax treatments will not be subject to unfavorable updates in government policy, administrative decisions or otherwise, in which case our results of operations and financial condition may be adversely affected.

The PRC governmental authorities may decide to reduce or cancel such government grants or preferential tax treatment, or require us to repay part or all of the government grants we previously received at any time, which could adversely affect our business, results of operations, financial condition and prospects. As these government grants are provided typically on a one-off basis, there is no guarantee that we will continue receiving or

RISK FACTORS

benefiting from them in the future. In addition, we may not be able to successfully or timely obtain the government grants or preferential tax treatment that may become available to us in the future, and such failure could adversely affect our business, results of operations, financial condition and prospects.

Our business development benefited from favorable regulatory environment and supportive policies for the embodied intelligent industrial robotics industry. Any future reductions or withdrawal of governmental support could materially and adversely affect our business, financial condition and results of operations.

Our growth has been supported in part by favorable government policies and initiatives aimed at promoting the development of the embodied intelligent industrial robotics industry. These include subsidies, tax incentives, research grants, pilot programs, and procurement support for innovative technologies. See “Regulatory Overview — Government Policies Relating to the Artificial Intelligence Industry, and Laws and Regulations Relating to Taxation.” However, such regulatory support is subject to change, suspension or termination at the discretion of relevant government authorities. There can be no assurance that these favorable policies will continue to be implemented or renewed in the future. Any reduction, delay or withdrawal of governmental support, or the introduction of new laws or regulations unfavorable to the embodied intelligent industrial robotics industry, could adversely affect industry demand, increase our compliance costs, reduce our competitiveness and, consequently, have a material adverse impact on our business, financial condition and results of operations.

We are subject to credit risk related to delay in payment and defaults of customers, distributors or related parties, which would adversely affect our liquidity and financial condition.

We are exposed to credit risk related to delay in payment and defaults of our customers, distributors or related parties. As of December 31, 2022, 2023 and 2024 and June 30, 2025, we had trade and notes receivables of RMB172.4 million, RMB386.5 million, RMB615.1 million, and RMB500.4 million, respectively. We may not be able to collect all such trade and bills receivables due to various factors that are beyond our control, including long payment cycle of public sector customers, adverse operating condition or financial condition of customers, and distributors’ inability to pay caused by their customers’ delay in payment. If our customers and/or distributors delay or default in their payments to us, we may have to make impairment provisions and write-off the relevant receivables, and our liquidity and financial condition would be adversely affected.

We have granted, and may continue to grant, certain awards under our share incentive plans, which may result in increased share-based compensation expenses.

To attract and retain talents and to provide incentives to our employees for our long-term development, we have adopted employee incentive schemes periodically. See “Appendix V — Statutory and General Information — Other Information — 1. [REDACTED] Restricted Share Scheme.” We recorded equity-settled share-based payment expenses of RMB0.6 million, RMB65.8 million, RMB5.6 million and RMB0.3 million in 2022, 2023 and 2024 and the six months end June 30, 2025 respectively. We

RISK FACTORS

believe such share-based awards are important to our ability to attract, retain and motivate our key individuals, and we may continue to grant share-based awards in the future. As a result, our share-based compensation expenses may increase, which may adversely affect our results of operations and financial condition. In addition, issuance of additional H Shares with respect to such share-based payments may dilute the shareholding of our Shareholders and could result in a decline in the value of our H Shares.

The data privacy and data security laws in the jurisdictions where we operate are subject to rapid and evolving changes, imposing significant compliance requirements on us, and any failure or perceived failure to comply with such laws, or other concerns about our practices or policies with respect to the processing of data, could materially and adversely affect our reputation, business, financial condition 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 Global Offering 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 Data Compliance Legal Adviser 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

RISK FACTORS

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.

We are subject to cybersecurity risks to our products and customer data processed by us or third-party vendors or suppliers, and any material failure, weakness, interruption, cyber event, incident or breach of security could prevent us from effectively operating our business.

We rely on our information technology and software systems to effectively manage various customers’ and suppliers’ data, production and operation data, and financial and human resources data. Any significant failure in our information technology and software systems could result in transaction errors, processing inefficiencies and loss of sales and customers, or lead to loss or leakage of confidential information. Any security and privacy breaches may damage our customer relations and our reputation and may expose us to legal liability.

Our information technology and software systems may be subject to damage or interruption, primarily due to unexpected emergency circumstances beyond our control, including power outages, fire, natural disasters, systems failures, security breaches, unauthorized access to our information systems, hacking intended to cause malfunctions, loss or corruption of data, software, hardware or other computer equipment, intentional or inadvertent transmission of computer viruses and other similar events. We may also encounter problems when upgrading our systems, which could adversely affect our business, results of operations and financial condition.

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 environmental pollution or ecological damage. 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 ability to develop, manufacture and commercialize our products and solutions as we plan.

RISK FACTORS

Environmental, social, and governance matters may impact our business and reputation.

In addition to the importance of their financial performance, companies are increasingly being evaluated by their performance on a variety of environmental, social, and governance (“ESG”) matters, which are considered to contribute to the long-term sustainability of their companies’ performance. A variety of organizations measure the performance of companies on ESG topics, and the results of these assessments are widely publicized. In addition, investment in funds that specialize in companies that perform well in such assessments are increasingly popular, and major institutional investors have publicly emphasized the importance of ESG measures to their investment decisions. Topics taken into account in such assessments include, among others, the Company’s efforts and impacts, including impacts associated with suppliers or other partners, on climate change, ethics and compliance with law, diversity, and the role of the Board in supervising various sustainability issues.

In light of investors’ increasing focus on ESG matters, there can be no assurance that we will manage such issues successfully, or that we will successfully meet society’s expectations as to our proper role. Any failure or perceived failure by us in this regard could have a material adverse effect on our reputation and on our operation results, including the sustainability of our business over time.

RISKS RELATING TO DOING BUSINESS IN THE PRINCIPAL PLACE OF OUR BUSINESS

Changes in economic, political or social conditions could have a material adverse effect on our business and results of operations.

Substantially all of our revenue is derived from our businesses in the PRC during the Track Record Period. Accordingly, our future prospects, business, results of operations, and financial condition are, to a material extent, subject to economic, political and legal developments in the PRC. If the macroeconomic condition in China experiences significant changes, demand for our products and our ability to maintain our operations may suffer, which could consequently lead to a material and adverse impact on our business, results of operations and financial condition. Moreover, if foreign governments implement laws or regulations restricting investment in Chinese entities and we are deemed to be subject to such restrictions, the investment and transactions in our Shares, our business prospects, results of operations, financial conditions and future capital raising may be adversely affected.

China’s economy has experienced significant growth over the past decades since the implementation of reform and opening-up policy. In recent years, the PRC government has implemented measures emphasizing the utilization of market forces in economic reform and the establishment of sound corporate governance practices in business enterprises. These economic reform measures may be adaptively adjusted from industry to industry or across different regions of the country. Changes in China’s business environment could have a material and adverse impact on our business, results of operations and financial condition.

RISK FACTORS

Any uncertainties embedded in the legal systems of certain jurisdictions where we operate could adversely affect our business, financial condition and results of operations and our investors could be affected as a result.

Legal systems of the jurisdictions where we have established business presence may vary significantly from each other. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value, and there may be a limited volume of published court decisions in civil law systems.

In addition, we are subject to certain uncertainties embedded in the legal systems of some jurisdictions where we have established business presence. Laws and regulations in these markets continue to develop. Many of these laws and regulations are relatively new and continue to evolve and are subject to future interpretations and implementations in response to changing economic and other conditions, which may adversely affect the legal protections and remedies that are available to investors and us. These uncertainties may materially and adversely affect our business.

The approval of, or filing with, CSRC or other regulatory authorities may be required in connection with the [REDACTED] and future offering activities, and we cannot predict whether we will be able to obtain all necessary approval or complete such filing.

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 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 such future financing activities into the PRC or take other actions to restrict our financing activities, which could have a material and adverse effect on our financial conditions and business prospects.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management based on Hong Kong or other foreign laws.

Most of our assets are located in the PRC. In addition, most of our Directors and senior management reside in the PRC. The assets of these Directors and executive officers are also mostly located within the PRC. As a result, it may be difficult and time-consuming to effect service of process upon those persons residing in the PRC or to enforce against us or them in the PRC any judgments obtained from non-PRC courts. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of certain other jurisdictions. As a result, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions outside the PRC may be difficult.

RISK FACTORS

On July 14, 2006, the Supreme People’s Court of the PRC and the Government of the Hong Kong Special Administrative Region of the PRC signed an Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the “**Arrangement**”). Under the Arrangement, a party with an enforceable final court judgment rendered by any designated People’s Court of mainland China or any designated Hong Kong Court requiring payment of money in a civil and commercial case according to a written choice of court agreement, may apply for recognition and enforcement of the judgment in the relevant People’s Court of mainland China or Hong Kong Court. A written choice of court agreement is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a court of mainland China or a Hong Kong court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it may not be possible to enforce a judgment rendered by a Hong Kong court in mainland China if the parties in the dispute did not agree to enter into a choice of court agreement in writing. As a result, it may be difficult or impossible for you to effect service of process against us in order to seek recognition and enforcement of foreign judgments in mainland China.

On January 18, 2019, the Supreme People’s Court of the PRC and the Government of Hong Kong Special Administrative Region of the PRC entered into an agreement regarding the scope of judgments which may be enforced between mainland China and Hong Kong (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “**New Arrangement**”). The New Arrangement broadens the scope of judgments that may be enforced between mainland China and Hong Kong under the Arrangement. Whereas a choice of jurisdiction needs to be agreed in writing in the form of an agreement between the parties for the selected jurisdiction to have exclusive jurisdiction over a matter under the Arrangement, the New Arrangement provides that the court where the judgment was sought could apply jurisdiction in accordance with the certain rules without the parties’ agreement. The New Arrangement became effective on January 29, 2024, both in mainland China and in Hong Kong and replaced the Arrangement. Under the New Arrangement, any party concerned may apply to the relevant court of mainland China or Hong Kong for recognition and enforcement of the effective judgments in civil and commercial cases subject to the conditions set forth in the New Arrangement. Although the New Arrangement has become effective, the outcome and effectiveness of any action brought under the New Arrangement may still be uncertain. We cannot assure you that an effective judgment that complies with the New Arrangement can be recognized and enforced in a mainland China court.

Laws and regulations over foreign currency conversion and on the remittance of Renminbi into and out of the PRC may limit our ability to utilize our revenue effectively and affect the value of your investment.

Laws and regulations over foreign currency conversion and on the remittance of funds into and out of the PRC may affect our utilization of our revenue and our ability to remit dividends. The PRC government imposes laws and regulations on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of funds into and out of the PRC. Under the existing PRC foreign exchange regulations, foreign exchange

RISK FACTORS

transactions under the current account conducted by us, including the payment of dividends, can be made in foreign currencies without prior approval of the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局) (“SAFE”) by complying with certain procedural requirements and conduct such transactions at designated foreign exchange banks within the PRC that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or its local branch unless otherwise permitted by law. Any insufficiency of foreign exchange may restrict our ability to satisfy our foreign currency demands, and we may not be able to pay dividends in foreign currencies to the holders of our H Shares.

Fluctuations in exchange rates of Renminbi against Hong Kong dollar, U.S. dollar or other foreign currencies could affect our results of operations and the value of your investment.

The value of RMB against the Hong Kong dollar, the U.S. dollar and other currencies fluctuates, is subject to changes resulting from the PRC government’s policies and depends to a large extent on domestic and international economic and political developments as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rate between the RMB and the Hong Kong dollar, the U.S. dollar or other currencies in the future.

The [REDACTED] from the [REDACTED] will be received in Hong Kong dollars and we expect a substantial portion of which to be spent in RMB. As a result, any appreciation of the RMB against the Hong Kong dollar may result in the decrease in the value of our [REDACTED] from the [REDACTED]. Conversely, any depreciation of the RMB against the Hong Kong dollars may adversely affect the value of, and any dividends payable on, the Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. All of these factors could have a material and adverse impact on our business, results of operations and financial condition.

Payment of dividends is subject to restrictions under PRC law and regulations.

In accordance with the PRC laws, dividends can only be paid from distributable profits. Our distributable profits are calculated by covering losses and deducting appropriations to statutory surplus reserve and discretionary surplus reserve (as approved by our Shareholders’ meeting) from our distributable net profit. The appropriations are based on the unconsolidated net profit determined under PRC GAAP, while our distributable net profit represents the lower of (i) our net profit attributable to our equity holders for the period plus distributable profits or net of accumulated losses, if any, at the beginning of the period, as determined under PRC GAAP, and (ii) our net profit attributable to our equity holders for the period plus distributable profits or net of accumulated losses, if any, at the beginning of such period, as determined under IFRS. Therefore, there is a possibility that we may not have sufficient distributable profits, if any, to distribute dividends to our Shareholders in the future, even if we generate an accounting profit for a particular period. Any distributable profits which are not distributed in a given year will be retained and can be distributed in subsequent years.

RISK FACTORS

Our operations are subject to and may be affected by changes in PRC tax laws and regulations.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. The PRC tax laws and regulations might be subject to interpretations and adjustments by relevant authorities from time to time. Instances such as the late-filing or late payment of various tax may also attract scrutiny from the tax authorities, as well as associated late payment surcharges. We cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or actions that could materially and adversely affect our results of operations, financial performance and business prospects.

Gains on the sales of H Shares and dividends on the H Shares may be subject to PRC income taxes.

Under applicable PRC tax laws, regulations and statutory documents, non-PRC resident enterprises and individuals are subject to PRC taxes on dividends from us and gains from the disposal of our H Shares, unless exempted or reduced under an applicable tax treaty.

For non-PRC resident enterprises that do not have establishments or premises in the PRC, or that have establishments or premises in the PRC but their income is not effectively connected to such establishments or premises, a 10% PRC enterprise income tax is applicable to dividends received from PRC companies and gains realized upon disposition of equity interests in the PRC companies pursuant to the EIT Law and other applicable PRC tax regulations and statutory documents, unless otherwise provided under a tax treaty or arrangement. Taxes may be reduced or eliminated under special arrangements or applicable treaties between the PRC and the jurisdiction where the non-resident enterprise resides. We intend to withhold tax at this 10% rate from dividends paid to non-PRC resident enterprise holders of our H Shares (including [REDACTED]). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty 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 verification by PRC tax authorities.

For non-PRC resident individuals, under the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》) and its implementation rules, a 20% PRC individual income tax applies to PRC-sourced dividends and capital gains, unless specifically exempted by the tax authority of the State Council or reduced or eliminated by an applicable tax treaty. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated June 28, 2011, issued by the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局) (the “SAT”), domestic non-foreign-invested enterprises issuing shares in Hong Kong may withhold individual income tax on dividends at a 10% rate, unless a

RISK FACTORS

different rate applies under a tax treaty. We intend to withhold tax from dividend payments at 10% unless we are informed by the relevant authorities or shareholders that a different rate applies.

Pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from 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》) issued by the Ministry of Finance of the PRC (中華人民共和國財政部) (the “MOF” or “Ministry of Finance”) and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from 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) which states that individuals’ income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《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). As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges. If PRC income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-PRC resident individuals, the value of your investment in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with PRC may not qualify for benefits under such tax treaties or arrangements.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our H Shares and there can be no assurance that an active market would develop after the [REDACTED].

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] is the result of negotiations between our Company and the [REDACTED] (for itself and on behalf of the [REDACTED]), which may not be indicative of the price at which our H Shares will be traded following the completion of the [REDACTED]. The market price of our H Shares may drop below the [REDACTED] at any time after completion of the [REDACTED].

RISK FACTORS

The price and trading volume of our H Shares following the [REDACTED] may be volatile, which may result in substantial losses for investors purchasing our H Shares in the [REDACTED].

Prior to the [REDACTED], there was no public market for our H Shares. The [REDACTED], determined through negotiations between ourselves and the [REDACTED] (for itself and on behalf of the [REDACTED]), may differ significantly from the market price of our H Shares following the [REDACTED]. Although we have applied for the [REDACTED] of, and permission to [REDACTED] in, our H Shares on the Stock Exchange, the [REDACTED] itself does not guarantee the development of an active and liquid trading market for our H Shares. Even if it does develop, there is no assurance that it will be sustained after the [REDACTED], and there is a possibility that the market price of our H Shares may decline.

The price and trading volume of our H Shares may be volatile, influenced by the following factors:

- actual or anticipated fluctuations in our revenue and operating results;
- relationships with our customers and suppliers;
- news related to the recruitment or departure of key personnel;
- changes in global regulatory developments within our industry;
- changes in earnings estimates or recommendations made by financial analysts;
- potential litigation or regulatory investigations;
- general market conditions or other developments that affect us or our industry;
- the business performance and market price of shares of other companies engaging in similar business; and
- the release of lock-up periods or other transfer restrictions on our existing H Shares, as well as sale or perceived sale of additional H Shares by us or other Shareholders.

Furthermore, the securities market has regularly experienced significant price and volume fluctuations that are not linked, directly or indirectly, to the operating performance of the underlying companies. These fluctuations can be influenced by broader political and economic conditions in the PRC (including Hong Kong) or other parts of the world. Such market and industry fluctuations, beyond our control, may have a material and adverse impact on the market price and trading volume of our H Shares.

We cannot assure you that the trading price and volume of our H Shares will remain stable or even appreciate over time. Investors should be aware that they may incur substantial losses. Moreover, the volatility in the trading price and volume of our H Shares may have a negative impact on our ability to raise capital in the future by issuing additional equity securities.

RISK FACTORS

You will incur immediate and substantial dilution and may experience further dilution in the future.

The [REDACTED] of the [REDACTED] Shares is higher than the net tangible asset value per Share immediately prior to the [REDACTED]. Therefore, purchasers of the [REDACTED] Shares in the [REDACTED] will experience an immediate dilution in [REDACTED] consolidated net tangible asset value. To expand our business, we may consider offering and issuing additional shares in the future. Purchasers of the [REDACTED] Shares 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.

Our Controlling Shareholders may have substantial influence over the Company and their interests may not be aligned with the interests of other Shareholders.

Our Controlling Shareholders will, through its voting power at the Shareholders’ meetings and its delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. In addition, without the consent of our 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.

We cannot assure you that we will declare and distribute any amount of dividends in the future and you may have to rely on price appreciation of our H Shares for return on your investment.

No dividends have been paid or declared by our Company during the Track Record Period, and there can be no assurance that we will declare or 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 condition, 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.

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 relating to the embodied intelligent industrial robotics industry and the industrial AI-empowered intelligent agents industry 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. However, we cannot guarantee the quality or reliability of information and statistics from official government

RISK FACTORS

sources. The information from official government sources has not been independently verified by us, the [Sole Sponsor, the [REDACTED], the Sole [REDACTED], the [REDACTED], the [REDACTED], any of the [REDACTED], any of our or their respective directors, officers or representatives or any other parties involved in the [REDACTED] and no representation is given as to their accuracy. 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.

There will be a time gap of several business days between pricing and [REDACTED] of our H Shares [REDACTED] under the [REDACTED]. The market price of the H Shares after trading begins could be lower than the [REDACTED].

The [REDACTED] of our H Shares is expected to be determined on the [REDACTED]. However, our H Shares will not commence [REDACTED] on the Stock Exchange until they are delivered, which is expected to be several Business Days after the [REDACTED]. As a result, investors may not be able to sell or otherwise deal in our H Shares during that period. Accordingly, holders of our H Shares are subject to the risk that the price of our H Shares could fall before [REDACTED] begins as a result of adverse market conditions or other adverse developments that could occur between the time of sale and the time trading begins.

Future sale, or perceived sale, of substantial amounts of our H Shares in the public market could materially and adversely affect the prevailing market price of our H Shares.

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 issuance may occur. Future sales, or perceived sales, of substantial amounts of our securities, including any future [REDACTED], 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.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This Document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, and growth opportunities for existing operations, plans and objectives of management, certain [REDACTED] information and other matters. The words “will,” “expect,” “anticipate,” “estimate,” “believe,” “going forward,” “ought to,” “may,” “seek,” “should,” “intend,” “plan,” “projection,” “could,” “vision,” “goals,” “objective,” “target,” “schedule,” “predict,” “aim,” “intend,” “consider,” “would,” “continue” and “outlook” and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including, among others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital

RISK FACTORS

resources are necessary estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a result, these forward-looking statements should be considered in light of various important factors, including those set out in “Risk Factors” in this Document. Accordingly, such statements are not a guarantee of future performance and you should not place undue reliance on any forward-looking information. All forward-looking statements in this Document are qualified by reference to this cautionary statement.

You should read the entire document carefully, and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or 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 AND EXEMPTIONS

In preparation for the [REDACTED], our Company has applied for the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemption from strict compliance with the relevant provisions of the Companies (Winding up and Miscellaneous Provisions) Ordinance as set out below.

WAIVER IN RELATION TO MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, a new applicant for a primary [REDACTED] on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange.

We do not have a sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 and Rule 19A.15 of the Listing Rules. Our management headquarters, senior management, business operations and assets are primarily based in the PRC. The Directors consider that either by means of relocation of our existing executive Directors or appointment of additional executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole. As such, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules. We will ensure that there is a regular and effective communication between us and the Stock Exchange by way of, among others, the following conditions:

- (a) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorized representatives, who will act as our principal channel of communication with the Stock Exchange and ensure that our Company complies with the Listing Rules at all times. The two authorized representatives appointed are Ms. Chen Cuihong and Ms. Tsang Wing Man (“**Ms. Tsang**”) (the “**Authorized Representatives**”). Ms. Tsang is situated and based in Hong Kong, and will be available to meet with the Stock Exchange in Hong Kong within a reasonable time frame upon the request of the Stock Exchange. Both of the Authorized Representatives will be readily contactable by telephone and email to deal promptly with enquiries from the Stock Exchange. Our Company has provided contact details of the two Authorized Representatives to the Stock Exchange and will inform the Stock Exchange promptly in respect of any change in the authorized representatives;

WAIVERS AND EXEMPTIONS

- (b) pursuant to Rule 3.20 of the Listing Rules, each Director has provided his/her contact information to the Stock Exchange and to the Authorized Representatives. This will ensure that the Stock Exchange and both Authorized Representatives have means to contact all Directors (including the independent non-executive Directors) promptly at all times as and when required for any matters. Our Company has implemented a policy whereby (1) each Director has provided their respective valid phone numbers or other means of communication to the Authorized Representatives; (2) in the event that a Director expects to travel or is otherwise out of office, he/she will endeavor to provide his/her phone number of the place of his/her accommodation to the Authorized Representatives or maintain an open line of communication via his/her mobile phone; and (3) each Director has provided his/her mobile phone number, office phone number and e-mail address to the Stock Exchange and will inform the Stock Exchange promptly if there are any changes to the contact details of the Directors;
- (c) all our Directors who are not ordinarily resident in Hong Kong have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with relevant members of the Stock Exchange in Hong Kong upon reasonable notice, when required;
- (d) pursuant to Rule 3A.19 of the Listing Rules, we have retained the services of Orient Capital (Hong Kong) Limited as compliance adviser (the “**Compliance Adviser**”) upon Listing for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED], which will act as an additional channel of communication with the Stock Exchange and will be available to respond to enquiries from the Stock Exchange; The contact details of the Compliance Adviser has been provided to the Stock Exchange;
- (e) our Authorized Representatives, Directors and other officers of our Company will provide promptly such information and assistance as the Compliance Adviser may reasonably require in connection with the performance of the Compliance Adviser’s duties as set forth in Chapter 3A of the Listing Rules. There will be adequate and efficient means of communication between our Company, Authorized Representatives, Directors and other officers of our Company and the Compliance Adviser, and to the extent reasonably practicable and legally permissible, we will keep the Compliance Adviser informed of all communications and dealings between the Stock Exchange and us; meetings between the Stock Exchange and our Directors could be arranged through our Authorized Representatives or the Compliance Adviser, or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange as soon as practicable in respect of any change of Authorized Representatives and/or the Compliance Adviser;

WAIVERS AND EXEMPTIONS

- (f) we will appoint other professional advisors (including legal advisors in Hong Kong) after the [REDACTED] to assist us in dealing with any questions which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange; and
- (g) our Company has designated one of our staff members as the communication officer at our headquarters after the [REDACTED] who will be responsible for maintaining day-to-day communication with the Authorized Representatives and our Company’s professional advisors in Hong Kong, including our legal advisors in Hong Kong and the Compliance Adviser, to keep abreast of any correspondences and/or enquiries from the Stock Exchange and report to our executive Directors to further facilitate communication between the Stock Exchange and our Company.

WAIVER IN RELATION TO JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, our company secretary must be an individual who by virtue of his or her academic or professional qualifications or relevant experience is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary. Note 1 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Institute of Chartered Secretaries;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); or
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing “relevant experience,” the Stock Exchange will consider the individual’s:

- (a) length of employment with the [REDACTED] applicant and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant law and regulations including the SFO, the Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance, and the Takeovers Code;

WAIVERS AND EXEMPTIONS

- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

We have appointed Ms. Tong Zhuqing (童竹勍) (“**Ms. Tong**”), who is also the board secretary and head of the government affairs department of our Company, as one of the joint company secretaries in September 2025. Ms. Tong has accumulated abundant knowledge about the business operations and governance of corporations with a strong recognition of the corporate culture of our Group. By virtue of her position, industry experience and familiarity with our Group, Ms. Tong has worked closely with our Directors and thus possessed a thorough understanding of matters concerning the Board and its operations. As such, our Directors believe that Ms. Tong is a suitable person to act as the company secretary of our Company.

However, Ms. Tong does not possess the specified qualifications strictly required by Rules 3.28 and 8.17 of the Listing Rules. As a result, we have appointed Ms. Tsang, who meets the requirements under Rules 3.28 and 8.17 of the Listing Rules, to act as the other joint company secretary. For details of Ms. Tong’s and Ms. Tsang’s biographies, see “Directors and Senior Management.”

Over the initial period of three years from the [REDACTED], we will implement the following measures to assist Ms. Tong to satisfy the requisite qualifications as prescribed in Rules 3.28 and 8.17 of the Listing Rules:

- (a) Ms. Tsang will assist Ms. Tong so as to enable her to discharge her duties and responsibilities as a joint company secretary of our Company. Given Ms. Tsang’s relevant experiences, she will be able to advise both Ms. Tong and us on the relevant requirements of the Listing Rules as well as other applicable laws and regulations of Hong Kong;
- (b) Ms. Tong will be assisted by Ms. Tsang for an initial period of three years commencing from the [REDACTED], which should be sufficient for her to acquire the requisite knowledge and experience under Rule 3.28 of the Listing Rules;
- (c) We will ensure that Ms. Tong has access to the relevant trainings and support to enable her to familiarize herself with the Listing Rules and the duties required of a company secretary of a Hong Kong [REDACTED] company, and Ms. Tong has undertaken to attend such trainings;
- (d) Ms. Tong will communicate with Ms. Tsang on a regular basis regarding matters in relation to corporate governance, the Listing Rules as well as other applicable laws and regulations of Hong Kong which are relevant to our operations and affairs. Ms. Tsang will work closely with, and provide assistance to Ms. Tong with a view to discharging her duties and responsibilities as a company secretary, including but not limited to organizing the Board meetings and Shareholders’ meetings; and

WAIVERS AND EXEMPTIONS

- (e) Pursuant to Rule 3.29 of the Listing Rules, Ms. Tong and Ms. Tsang will also attend in each financial year no less than 15 hours of relevant professional training courses to familiarize themselves with the requirements of the Listing Rules and other legal and regulatory requirements of Hong Kong. Both Ms. Tong and Ms. Tsang will be advised by our legal advisers as to Hong Kong law and our Compliance Adviser as and when appropriate and required.

Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements of Rules 3.28 and 8.17 of the Listing Rules, for an initial period of three years from the [REDACTED], in accordance with the Guide for New Listing Applicants published by the Stock Exchange, on the conditions that (i) Ms. Tsang is engaged as a joint company secretary and provides assistance to Ms. Tong during this period; and (ii) the waiver will be revoked if Ms. Tsang, during the three-year waiver period, ceases to provide assistance to Ms. Tong, or if there are material breaches of the Listing Rules by our Company. Prior to the expiry of the initial three-year period, we will conduct a further evaluation of the qualification and experience of Ms. Tong to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied, and we will liaise with the Stock Exchange to assess whether Ms. Tong, having had the benefit of Ms. Tsang’s assistance for three years, would have acquired the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules and there is no need to further apply for a waiver.

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

WAIVERS AND EXEMPTIONS

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

WAIVERS AND EXEMPTIONS

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

WAIVERS AND EXEMPTIONS

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

WAIVERS AND EXEMPTIONS

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Zhang Zhiqi (張志琦)	Room 2502, No. 12 Lane 688, Huangjincheng Road Changning District Shanghai PRC	Chinese
Mr. Pan Zhengyi (潘正頤)	Room 506, No. 1, Lane 10 Tumen Road Yangpu District Shanghai, PRC	Chinese
Mr. Zhao He (趙何)	Room 1002, Building 6 Zhongtian Garden (West District) Jiankang West Road Qinghe District Huai'an, Jiangsu Province PRC	Chinese
Mr. Hou Dawei (侯大為)	Room 201, Unit 4, Building 5 Tianshu Block Tiandi New Town Dongshan Street Jiangning District Nanjing, Jiangsu Province PRC	Chinese
Ms. Chen Cuihong (陳翠紅)	Room 601, Block 47 Zhonghai Longxi II Huazhuang Street Binhu District, Wuxi Jiangsu Province PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality
Non-executive Directors		
Ms. Zhao Junwei (趙俊韓)	Room 601, Unit 3, Building 32 Shuguangli Chaoyang District, Beijing PRC	Chinese
Mr. Liu Jieyin (劉捷音)	Room 901, Unit 2, Block 1 Fujian Road No. 52 Gulou District, Nanjing Jiangsu Province PRC	Chinese
Mr. He Yan (賀岩)	Room 902, Building 3 Lane 300, Jinxiu Road Pudong New District Shanghai PRC	Chinese
Independent non-executive Directors		
Ms. Siu Hera Kitwan (蕭潔雲)	Flat B, 7/F, Tower 12 Mount Pavilia 663 Clear Water Bay Road New Territories Hong Kong	Chinese (Hong Kong)
Mr. Wang Wenxue (王文學)	Room 302, Building 59 Lane 633, Wuzhong Road Minhang District, Shanghai PRC	Chinese
Mr. Xiang Zhe (向哲)	Unit 1, Building 2, Fortune Famous Garden, No. 18 Section 2, Wanjiali North Road Kaifu District, Changsha Hunan Province PRC	Chinese
Mr. James Zhao-hui Zhang (張朝暉)	Flat B, 38/F, Tung Chung Crescent Block 6 Tung Chung, New Territories Hong Kong	American

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

See “Directors and Senior Management” for further details of our Directors and senior management.

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor	Orient Capital (Hong Kong) Limited 28–29/F 100 Queen’s Road Central Central Hong Kong
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
Auditor and Reporting Accountant	PricewaterhouseCoopers <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor</i> 22/F, Prince’s Building Central Hong Kong
Legal Advisors to the Company	<i>As to Hong Kong and U.S. laws:</i> Haiwen & Partners LLP Suites 1101–1104 11/F, One Exchange Square 8 Connaught Place, Central Hong Kong <i>As to PRC law:</i> Grandway Law Offices 7/F, News Plaza No. 26, Jianguomennei Avenue Dongcheng District Beijing PRC

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

As to data compliance matters under PRC law:

Grandway Law (Shanghai) Offices

23/F, S2 Building
The Bund Finance Center
600 Zhongshan No.2 Road East
Huangpu District
Shanghai
PRC

As to international sanctions law:

Commerce & Finance Law Offices LLP

45 Rockefeller Plaza
Suite 2000
New York, NY 10111
United States

**Legal Advisors to the Sole Sponsor
and the [REDACTED]**

As to Hong Kong law:

King & Wood Mallesons

13/F, Gloucester Tower
The Landmark
15 Queen’s Road, Central
Hong Kong

As to PRC law:

Shanghai Daopeng Law Firm

17/F, Silver Tower, Yongfeng Plaza
98 South Wanping Road
Shanghai
PRC

Industry Consultant

China Insights Industry Consultancy Limited

10F, Block B
Jing’an International Center, 88 Puji Road
Jing’an District, Shanghai
PRC

[REDACTED]

[REDACTED]

CORPORATE INFORMATION

Registered Office and Principal Place of Business in the PRC	Floor 2, Building 4 Changzhou Big Data Industrial Park No. 280 Yulong South Road Zhonglou Economic Development Zone Changzhou, Jiangsu Province, PRC
Principal Place of Business in Hong Kong	40/F Dah Sing Financial Centre 248 Queen’s Road East Wanchai Hong Kong
Company’s Website	<u>www.microintelligence.com.cn</u> <i>(Information contained on this website does not form part of this document)</i>
Joint Company Secretaries	Ms. Tong Zhuqing (童竹勅) Room 402, No. 38 Lane 18, Qiujiagang Road Qingpu District, Shanghai PRC Ms. Tsang Wing Man (曾穎雯) <i>(an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute)</i> 40/F, Dah Sing Financial Centre 248 Queen’s Road East Wanchai Hong Kong
Authorized Representatives	Ms. Chen Cuihong (陳翠紅) Room 601, Block 47 Haiyue Garden Hechang Road No. 288 Binhu District, Wuxi Jiangsu Province PRC Ms. Tsang Wing Man (曾穎雯) 40/F, Dah Sing Financial Centre 248 Queen’s Road East Wan Chai Hong Kong
Audit Committee	Mr. Xiang Zhe (向哲) (<i>Chairperson</i>) Ms. Siu Hera Kitwan (蕭潔雲) Mr. Wang Wenxue (王文學)

CORPORATE INFORMATION

Remuneration Committee	Ms. Siu Hera Kitwan (蕭潔雲) (<i>Chairperson</i>) Mr. Zhang Zhiqi (張志琦) Mr. Pan Zhengyi (潘正頤) Mr. Wang Wenxue (王文學) Mr. Xiang Zhe (向哲)
Nomination Committee	Mr. Zhang Zhiqi (張志琦) (<i>Chairperson</i>) Ms. Siu Hera Kitwan (蕭潔雲) Mr. Pan Zhengyi (潘正頤) Mr. James Zhao-hui Zhang (張朝暉) Mr. Xiang Zhe (向哲)
Compliance Adviser	Orient Capital (Hong Kong) Limited 28-29/F 100 Queen’s Road Central Central Hong Kong
[REDACTED]	[REDACTED]
Principal Bank(s)	Bank of Nanjing Changzhou Branch No. 166–6 Guangdian West Road Wujin District, Changzhou Jiangsu Province PRC Bank of China Changzhou Zhonglou Sub-branch No. 5–2 Ganglong Huating Zhonglou District, Changzhou Jiangsu Province PRC

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by China Insights Consultancy Limited (“CIC”). We engaged CIC to prepare an independent industry report in connection with the [REDACTED] (the “CIC Report”). We believe that the sources of such information are appropriate and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Sole Sponsor, [REDACTED], [REDACTED], any of the [REDACTED], any of their respective directors and advisors, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy. Accordingly, the information from official government sources contained herein may not be accurate and should not be unduly relied upon.

DEVELOPMENT OF ARTIFICIAL INTELLIGENCE TECHNOLOGY IN INDUSTRIAL SCENARIOS

Development Background of Artificial Intelligence Technology

Artificial Intelligence (AI) is an emerging scientific discipline dedicated to the theory, methods, technology, and application systems for simulating, extending, and augmenting human intelligence. The evolution of AI has progressed from specialized intelligence within a single domain to generalized intelligence across domains, referred to as disembodied intelligence, and further extending into embodied intelligence.

- **AI 1.0 phase.** Characterized by core technologies such as Convolutional Neural Networks (CNN) and Recurrent Neural Networks (RNN), this phase relied on manually labeled data for model training.
- **AI 2.0 phase.** Driven by innovations in the transformer architecture, AI entered the disembodied intelligence phase. Utilizing massive amounts of unlabeled data, it achieved breakthroughs in cross-domain cognitive capabilities. Large Language Models (LLMs) are emblematic of this stage.
- **AI 3.0 phase.** Defined by breakthroughs in multi-modal perception, environmental interaction, and physical action control technology, AI has advanced into the embodied intelligence phase. This stage leverages physical world perception devices and dynamic execution systems to achieve a deep coupling of cognitive abilities and physical actions, enabling autonomous interaction within the physical world.

INDUSTRY OVERVIEW

Industrial Scenarios as An Optimal Domain for AI Application

Given these technological developments, industrial scenarios present unique opportunities for AI implementation. Industrial scenarios provide a more structured environment compared to open-world applications for value realization and continuous improvement of AI due to the availability of extensive high-quality data, relatively defined operational parameters, and quantifiable objectives for cost reduction and efficiency enhancement. While some industrial environments contain complex, unstructured elements, AI technologies can concentrate on addressing fundamental issues and pain points, with commercial demands driving the validation, iteration, and maturation of AI in practical applications. Furthermore, the industrial sector possesses mature value chains and ecosystems, facilitating the seamless integration of AI into existing industrial frameworks and infrastructure. Factory operations are characterized by controllable variables, fixed processes, and explicit objectives, which significantly mitigate risks associated with AI implementation and allow algorithms to continuously learn and optimize within safe boundaries, ultimately enabling full autonomy.

China’s solid foundation for the development of industrial AI scenarios

China possesses an industrial system characterized by its extensive scale and comprehensive categorization. China’s total value-added industrial output reached RMB40,500 billion in 2024. This marks the 15th consecutive year that China has ranked as the world’s largest manufacturing economy. Supported by a complete industrial supply chain and substantial production capacity, the country has formed an ultra-large-scale industrial cluster with upstream and downstream synergies. Leveraging its global scale and integrated value chain, China provides a solid foundation for the advancement of artificial intelligence technology.

Expansion opportunities in overseas markets

Artificial intelligence technology demonstrates abundant opportunities across the overseas industrial market. Against the backdrop of accelerating global supply chain diversification, multiple regional manufacturing clusters are emerging, with countries worldwide continuously increasing their investments in the manufacturing sector. Meanwhile, to rapidly respond to the local market’s demand for small-batch, high-variety orders, overseas factories are placing higher requirements on production flexibility and efficiency. Therefore, labor supply and cost pressures have become increasingly prominent. Traditional industrial leaders like Germany, Japan, and the United States are grappling with shortages of skilled labor and rising costs for general labor. Emerging manufacturing economies, while possessing a labor advantage, still face significant deficits in skilled technical personnel, hindering their capacity for production expansion and industrial upgrading. The deployment of industrial AI solutions enables enterprises to achieve efficient and flexible production, coupled with intelligent scheduling, thereby reducing reliance on costly labor and enhancing the intelligence of production processes to maintain a competitive edge globally. Consequently, overseas markets are rapidly becoming a new frontier for the deep integration of AI and manufacturing.

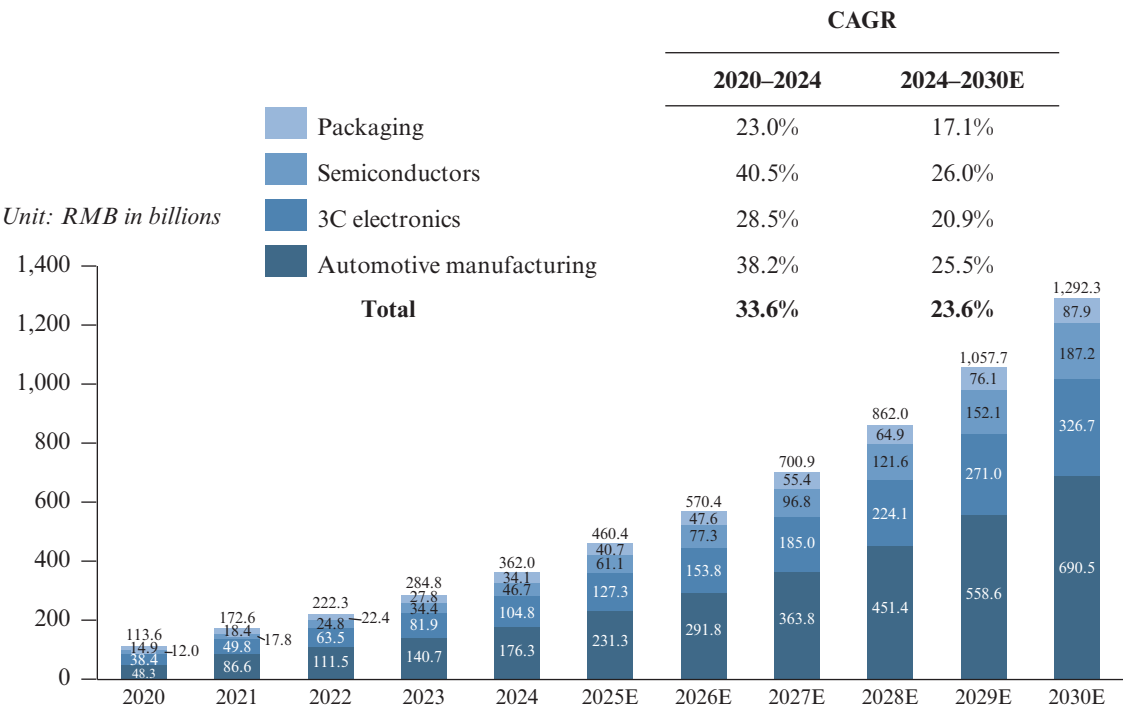
INDUSTRY OVERVIEW

Analysis of Global and China’s Industrial AI-empowered Intelligent Agents Industry

Currently, artificial intelligence technology is in an exploratory phase, progressing toward general intelligence. Within the industrial sector, the primary focus remains on intelligent agents empowered by industrial AI, such as AI-empowered industrial robots and AI-empowered intelligent production equipment. These industrial AI-empowered intelligent agents concentrate on the intelligent upgrading of single or limited industrial processes, significantly enhancing industrial production efficiency and driving the digital and intelligent transformation of industrial sector. Looking ahead, with the continuous evolution of deep learning algorithms, the maturation of multimodal interaction technologies, and advancements in model training computing power, composite AI functionalities are expected to transition from isolated task-based intelligence toward integrated system-level intelligence.

The global industrial AI-empowered intelligent agents industry has demonstrated robust growth in recent years. The market size of global industrial AI-empowered intelligent agents industry reached RMB362.0 billion in 2024, and it is projected to expand to RMB1,292.3 billion by 2030, exhibiting a CAGR of 23.6% between 2024 and 2030.

Market Size of Global Industrial AI-empowered Intelligent Agents¹ Industry, in Terms of Revenue, by Application Scenarios, 2020–2030E



INDUSTRY OVERVIEW

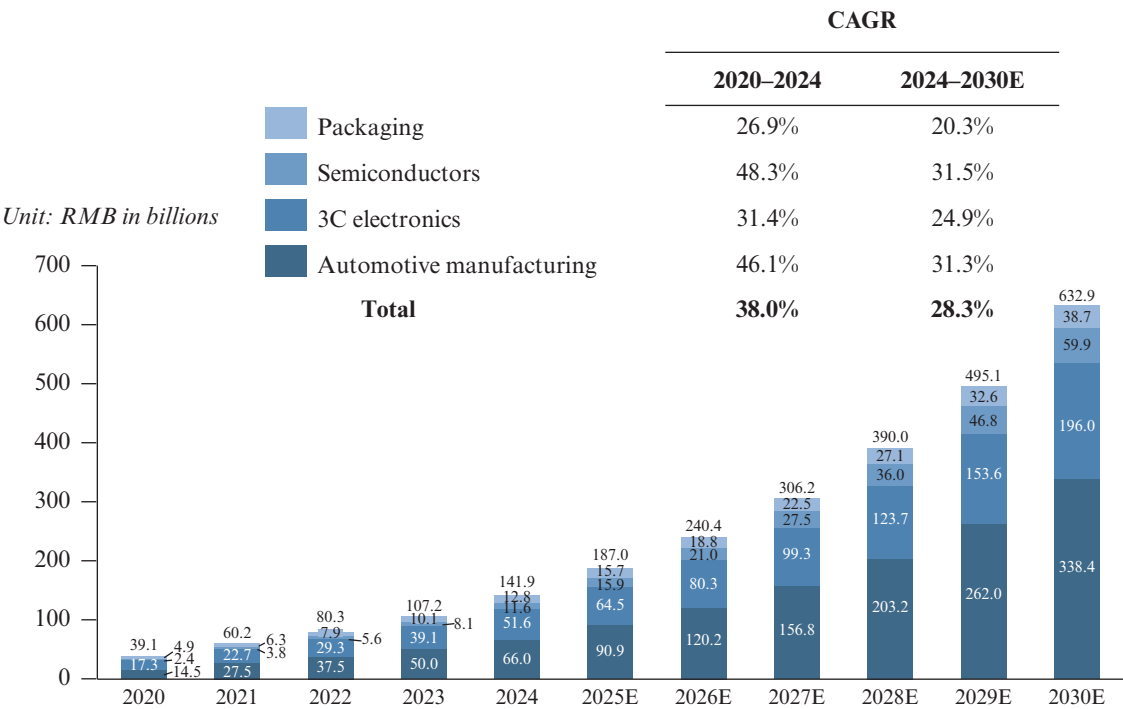
Note:

1. It mainly includes AI-empowered industrial robots, AI-empowered intelligent production equipment, among others.

Source: China Insights Consultancy

China currently stands as the world’s largest manufacturing nation, with industrial intelligence undergoing accelerated development. The market size of China’s industrial AI-empowered intelligent agents industry expanded from RMB39.1 billion in 2020 to RMB141.9 billion in 2024, reflecting a CAGR of 38.0% over this period. Driven by the increasingly complex demands in industrial scenarios, continuous advancements in multimodal perception technology and adaptive learning capabilities, and accelerated policy support for intelligent manufacturing and AI-empowered new productive forces, the market size of China’s industrial AI-empowered intelligent agents industry is projected to reach RMB632.9 billion by 2030, representing a CAGR of 28.3% between 2024 and 2030.

Market Size of China’s Industrial AI-empowered Intelligent Agents¹ Industry, in Terms of Revenue, by Application Scenarios, 2020–2030E



Note:

1. It mainly includes AI-empowered industrial robots, AI-empowered intelligent production equipment, among others.

Source: China Insights Consultancy

INDUSTRY OVERVIEW

Development Stages and Trends of Global and China’s Industrial Sector

The trajectory of industrial development has fundamentally evolved through three primary phases: mechanization, automation, and intelligentization. The mechanization phase, replaced human and animal labor with steam engines and power equipment, primarily addressing the issues of production capacity and large-scale production. The automation phase, driven by electronic technologies and programmed control, focused on enhancing production efficiency and consistency through assembly lines, robotics, and Programmable Logic Controller (PLC) systems. Presently, the industrial sector is transitioning from automation towards intelligentization, a progression marked by five principal emerging trends.

- ***Increasingly personalized and diversified market demands.*** User requirements are shifting from large-volume, standardized production towards small-batch, high variety, or even bespoke manufacturing. Traditional automated production lines, constrained by their inherent rigidity and deep reliance on programming, offer high efficiency but incur substantial costs and time for reconfiguration. Adapting to product variety changes or process adjustments requires extensive reprogramming of complex control systems, resulting in low line-switching efficiency and an inability to keep pace with the agile rhythm of small-batch, high variety production. Meanwhile, current artificial intelligence technologies often lack the capability for real-time adaptation and proactive adjustment of production actions within the physical world. Consequently, there is a critical need for novel production systems that can exhibit human-like adaptability and machine-like efficiency and stability, executing new tasks through software updates and AI model switching without altering the physical production line layout.
- ***Urgent need to optimize human-machine interaction and mitigate labor costs.*** Major global economies are grappling with aging populations and resulting labor shortages. The high-intensity nature of factory work further exacerbates the difficulty in securing labor, leading to a significant rise in workforce costs. In complex industrial scenarios, unstructured environments, tasks with limited data, and unexpected operational anomalies persist, often necessitating human experiential judgment. Industrial automation struggles to codify experienced worker expertise into reusable algorithmic models. This limitation hinders the replacement of skilled labor, leading to high production adaptation costs. Meanwhile, current AI-empowered intelligent agents are often confined to specific applications such as visual recognition, parameter optimization, or decision support, lacking the capacity to interact with physical environments in real time, learn autonomously, and execute tasks. Therefore, there is a critical demand for intelligent systems capable of performing physical tasks requiring cognitive judgment, such as intricate picking or preliminary equipment fault diagnosis, thereby freeing human capital for higher-value creative roles.

INDUSTRY OVERVIEW

- ***New productivity paradigm needed for the “efficiency-flexibility” paradox.*** The industrial sector has long encountered a “productivity paradox” wherein traditional automated machinery exhibits high efficiency but extreme rigidity, excelling at repetitive tasks in fixed positions with consistent actions. Conversely, human workers demonstrate remarkable flexibility but comparatively lower efficiency and inconsistency, adept at handling variations and anomalies, yet prone to fatigue, emotional fluctuations, and skill variability. The industry urgently requires a novel productivity paradigm that integrates the strengths of both, possessing machine-level stability, precision, and 24/7 operational capability, while embodying human-level perception, comprehension, learning, and subtle manipulation.
- ***Bridging the gap between data insights and action responses.*** Industrial environments currently face a significant data challenge, requiring the transformation of vast amounts of industrial data into tangible value. This involves leveraging real-time data analysis for optimized decision-making and ensuring these decisions are automatically and accurately fed back into the physical production process. Presently, many data analysis tasks remain human-driven, leading to delays and inaccuracies between decision and execution. This necessitates intelligent entities capable of directly interpreting data commands and executing them precisely within the physical realm, thereby completing the value loop for data.
- ***National strategic drivers and global competitive pressures.*** Nations worldwide have elevated intelligent manufacturing to the status of a national strategy. Through policy guidance, financial support, and standards development, governments create robust external infrastructure to facilitate digital transformation and intelligent upgrades of enterprises. Both policy directives and industry demand call for a new form of intelligence that can be embedded within actual production processes and possess autonomous execution capabilities, thereby supporting the evolution towards genuine intelligent autonomy.

ANALYSIS OF EMBODIED INTELLIGENT INDUSTRIAL ROBOTICS INDUSTRY

Analysis of Embodied Intelligence Technology

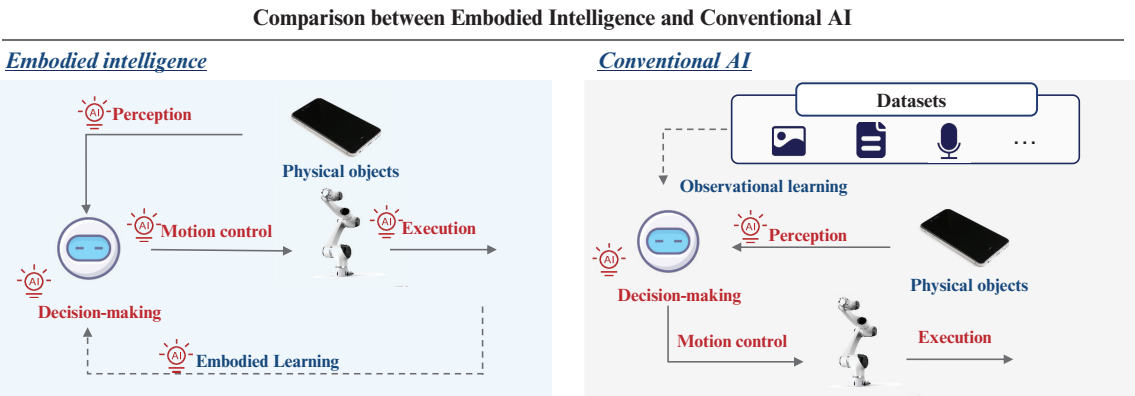
Definition of embodied intelligence

Embodied intelligence refers to intelligent systems formed by the deep integration of AI technologies, including deep reinforcement learning, multimodal fusion and large model technologies, into physical entities. Unlike traditional programmed robots, embodied intelligent systems learn and adapt through real-world interaction. These systems allow for flexible adaptation to environmental conditions and tasks, as well as seamless switching and collaborative execution between two or more tasks.

Embodied intelligence and conventional artificial intelligence exhibit fundamental distinctions in their implementation pathways and performance capabilities. Conventional artificial intelligence relies entirely on large-scale, high-quality, specific datasets for offline training, lacking direct and continuous interaction with the physical world. Consequently, conventional AI systems exhibit weak environmental adaptability. In contrast, embodied

INDUSTRY OVERVIEW

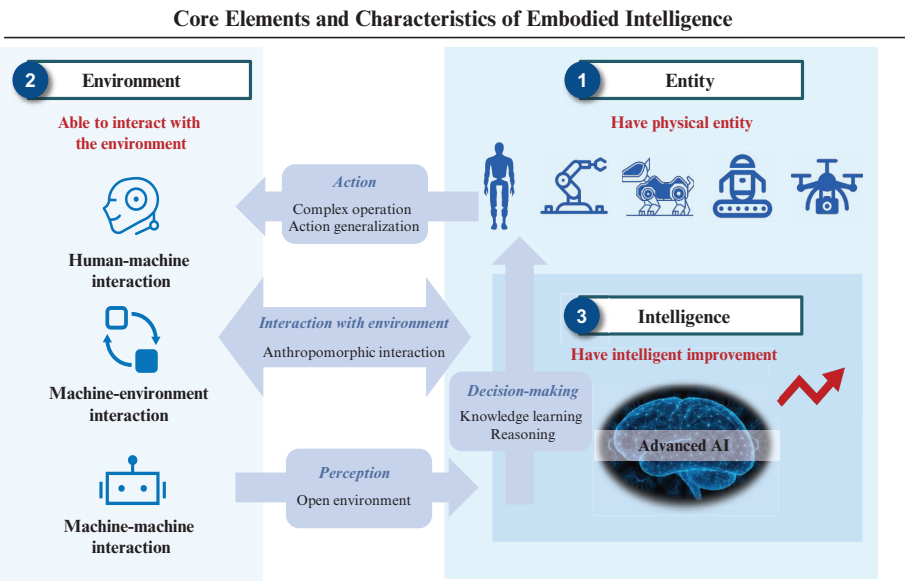
intelligence learns through embodied interaction, leveraging physical entities to engage in real-time interaction with the physical world. Its core functionalities are entirely AI-driven, granting it profound environmental comprehension and autonomous motion control. Moreover, through a closed-loop mechanism of ‘perception-decision-execution-learning,’ it achieves proactive adaptation to unstructured environments, without reliance on pre-programming or extensive annotated data.



Source: China Insights Consultancy

Core elements and characteristics of embodied intelligence

The three core elements for embodied intelligence comprises a physical entity, the environment, and the intelligence, which correspond to its critical characteristics of physical interaction, generalized adaptation, and autonomous evolution. This framework signifies that a physical entity, through its engagement with the environment, can continuously enhance its perceptive, decision-making, and action-oriented capabilities via learning and self-adaptation, thereby establishing an independent, closed-loop intelligent agent.



Source: China Insights Consultancy

INDUSTRY OVERVIEW

Analysis of development stages of embodied intelligence technology

In October 2024, Shanghai Artificial Intelligence Industry Association released Embodied Artificial Intelligence — Classification Guidelines of Intelligence Stage (《具身智能 — 智能化發展階段分級指南》). This guide categorizes embodied intelligence technologies into five stages, G1-G5, based on their intelligence levels, aiming to foster research and adoption of these technologies and their applications. Currently, the global embodied intelligence industry is primarily in the G2 development phase. As technology advances, the industry is anticipated to mirror the trajectory of the autonomous driving industry, progressively enhancing its generalization capabilities and ultimately achieving Artificial General Intelligence (AGI) at the G5 stage.

Development Stages of Embodied Intelligence

Intelligence stage	Definition	Intelligence capability
Generation 1	Embodied intelligence in the G1 stage focuses on implementing basic functions. Leveraging traditional visual algorithms, it enables robots to deliver only preset functions for narrow scenarios.	- Simple machine vision algorithms - Limited scenarios
Generation 2	Embodied intelligence in the G2 stage integrates embodied perception and interaction algorithms. This empowers robots to accomplish relatively complex tasks via large model technology.	- Perception and interaction capability - Invocation and combination of atomic skills
Generation 3	Embodied intelligence in the G3 stage enables robots to independently learn atomic skills, with the robotic “brain” initially gaining general cognitive, reasoning, and planning capabilities — allowing flexible adaptation to diverse scenarios and task combinations.	- Autonomous learning and evolution - Rapid adaptive operation under different scenario and tasks - End-to-end action execution capability
Generation 4	Embodied intelligence in the G4 stage enables robots to execute diverse atomic skills via a unified model, endowing them with enhanced generalization across varied environments and tasks.	- Capability for diverse behavior generation and smooth switching driven by large models - Multimodal perception and environment modeling capability - Multimodal human-robot hybrid behavior mapping and manipulation capability
Generation 5	Embodied intelligence in the G5 phase enables robots to achieve arbitrary combinations of atomic skills and complete long-range tasks, leveraging brain-body fusion and end-to-end technologies.	- Real-time perceptual input and action output - Artificial general intelligence

Source: Shanghai Artificial Intelligence Industry Association, China Insights Consultancy

Definition and Core Capabilities of Embodied Intelligent Robotics

Embodied intelligent robots serve as the primary platform for embodied intelligence technology. The fundamental capabilities required for embodied intelligence to achieve AGI include perception, decision-making, execution, and learning.

- **Perception.** Perception relies on a system centered on machine vision and augmented by multi-modal perception technologies to precisely locate target workpieces, identify specific process points, and optimize perception strategies through algorithms.
- **Decision-making.** Through artificial intelligence algorithms, robot trajectories and control commands are automatically generated in real-time based on perceptual information to suit the operational environment.

INDUSTRY OVERVIEW

- ***Execution.*** Execution is achieved by invoking end-effectors such as robotic arms and actuators, coupled with software capabilities including deep learning and motion control algorithms, to perform high-precision operations in accordance with process models.
- ***Learning.*** Robots autonomously acquire knowledge from human expertise and gather experience and data through interaction with the real environment, continuously refining their behavioral patterns.

Value Proposition of Embodied Intelligent Robotics within Industrial Scenarios

Embodied intelligent robots bring significant value to industrial scenarios by offering dynamic adaptability to production demands, rapid learning and replication of human expertise, and the ability to overcome traditional manufacturing constraints, thereby serving as a crucial catalyst for industrial advancement.

- ***Dynamic adaptability to production demands.*** Embodied intelligent robots perceive the production environment in real-time, analyze task requirements, and autonomously adjust operational parameters. When transitioning to new product models or modifying process workflows, these robots can rapidly learn and adapt with minimal demonstration or guidance, facilitating seamless scene transitions. This not only significantly reduces downtime and enhances production line utilization but also markedly improves overall operational efficiency, creating greater flexibility for small-batch, high variety production.
- ***Rapid learning and replication of human expertise.*** Embodied intelligent robots accurately capture the practical experience of skilled workers, continuously refining their performance and transforming individual expertise into scalable, standardized behavioral models. They can acquire skills that are difficult to formalize and quickly achieve autonomous operation, reducing the need for manual intervention, lessening reliance on skilled labor, and consequently boosting industrial production efficiency and overall adaptability.
- ***Ability to overcome traditional manufacturing constraints.*** Embodied intelligent robots transcend the constraints of automation, which struggles with adapting to unstructured environments, incurs high modification costs, and lacks flexibility. Their continuous learning and algorithmic iteration abilities enable production lines to self-optimize through the accumulation of production experience, gradually reducing dependence on human intervention. This establishes an evolving, modern production line, providing a foundation for sustained improvements in quality and efficiency, as well as reductions in cost and consumption.

INDUSTRY OVERVIEW

Industrial Applications of Embodied Intelligent Robotics

Embodied intelligent industrial robotics adhere to a universal technical paradigm centered on perception-decision-execution, enabling flexible operations across various industrial applications such as quality inspection, repairing, grinding, loading and unloading, welding, material handling and assembly.

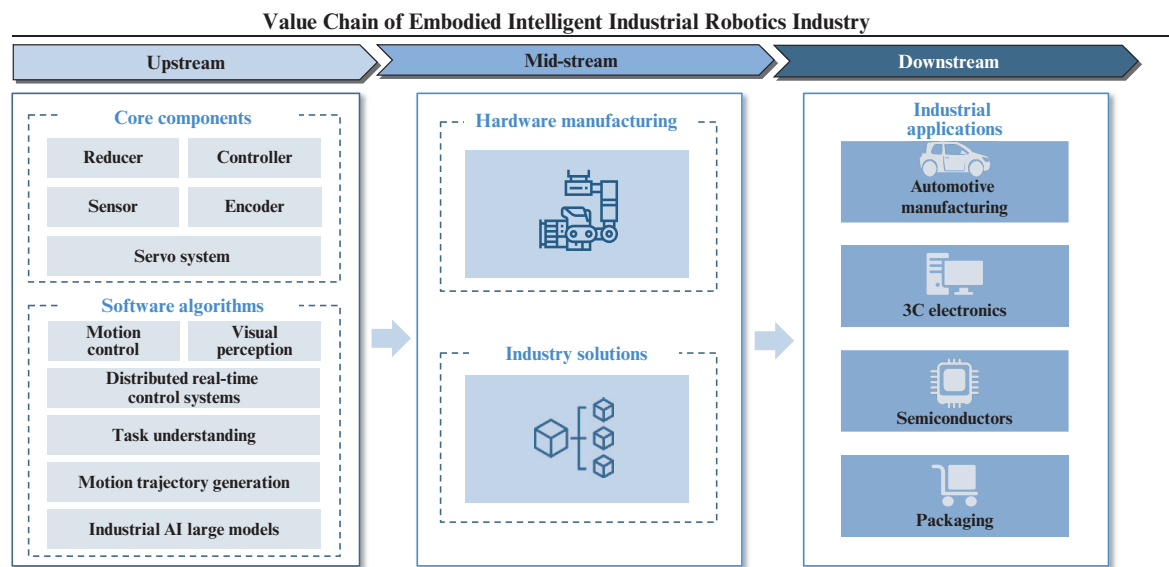
Application Scenario	Traditional Work Mode	Embodied Intelligent Industrial Robotics
Quality Inspection Detection of product appearance and functional defects.	Extensive involvement of robots and optical engineers for manual teaching of positions, trajectories, and refining optical configurations.	Perception and recognition: Employs visual models for comprehension of the environment, fixtures, and objects, automatically deriving optimal inspection points and optimal lighting angles based on the material, structure, and potential defect types of these objects. Trajectory planning and decision-making: Generates robot movement trajectories and computes precise poses and motion speeds in real-time. Process execution and learning: Executes quality inspection imaging autonomously. By learning from human expertise in defect identification, it refines target recognition and anomaly detection models, facilitating a thorough inspection of product surface defects, dimensional accuracy, and assembly integrity.
Repairing Scenarios such as product surface repair and component wear repair.	Extensive involvement of robots and repair process engineers in manually teaching positions, trajectories, and refining repair process solutions.	Perception and recognition: Identifies damaged areas using vision or other sensory technologies. Trajectory planning and decision-making: Generates robot movement points, trajectories, poses, and speeds in real-time based on acquired defect information. Process execution and learning: Generates and automatically executes repair processes by learning from human work experience. During the repair, it adjusts the repair process based on real-time status of the damaged area obtained by the perception module, ultimately allowing the perception system to determine if the repair results meet the preset quality standards.
Grinding Grinding and deburring of workpieces made of metal, plastic, composite materials, etc.	- Extensive involvement of robots and grinding process engineers in the manual adjustment of grinding tools and the refinement of grinding processes; - Lack of fault tolerance and flexibility for product variations, such as changes in mold numbers.	Perception and recognition: Identifies defects requiring grinding through perception technology. Trajectory planning and decision-making: Real-time generation of movement points, trajectories, poses, and speeds for robots equipped with grinding tools based on acquired defect information, along with real-time control of grinding tool parameters. Process execution and learning: Trains grinding process models by learning from human experience, driving robots to automatically complete grinding tasks. During task execution, real-time feedback on the grinding status, obtained via the perception module, is utilized by algorithms to dynamically refine the process. The perception system ultimately verifies that the grinding outcome meets predefined quality benchmarks.
Loading and Unloading Loading and unloading of raw materials, semi-finished products, and finished products.	- Requires extensive engineer intervention for manual teaching of pickup and placement points and trajectories when the loading and unloading objects change; - Existing automated work modes.	Perception and recognition: Utilizes visual models to understand the environment and tooling, and then identifies material shape, dimensions, and position through a multi-modal perception system. Trajectory planning and decision-making: Generates pickup points for target objects in real-time based on perception information. Calculates gripping force using force sensing or other perception technologies, and generates robot movement points, trajectories, real-time poses, and movement speeds based on models. Process execution and learning: Performs real-time interference and collision avoidance calculations during movement, ultimately achieving millimeter-level precision in material loading and unloading without human intervention, as well as enabling rapid learning and switching for new materials.
Welding Welding operations for products such as automotive white bodies and aluminum alloys	Extensive involvement of robots and welding process engineers in manually adjusting welding tools and establishing welding processes for each welding equipment.	Perception and recognition: Identifies weld seam positions of target objects through various perception technologies and automatically rectifies deviations between the actual dimensions of these objects and their design specifications based on algorithms, achieving comprehensive and precise recognition of target objects. Trajectory planning and decision-making: Generates movement points, trajectories, real-time poses, and movement speeds for robots equipped with welding tools, while also enabling real-time parameter control of the welding tools by the robot. Process execution and learning: Trains welding process models by learning from human welding experience, driving robots to automatically complete welding tasks using welding tools. During task execution, the system acquires real-time status of the work area through perception modules, then algorithmically optimizes processes in real-time to perform corrective actions. Finally, the robotic perception system verifies that the welding results meet preset quality standards.
Material Handling Transportation of goods from raw material warehouses to production lines and to finished product warehouses	- Extensive engineer involvement in manual teaching of pickup and placement points and trajectories; - Lack of flexible movement and inability to coordinate with loading and unloading operations.	Perception and recognition: Utilizes visual models to understand the environment and tooling, and identifies the shape, dimensions, and position of target objects through a multi-modal perception system. Trajectory planning and decision-making: Real-time generation of pickup points for target objects, calculating gripping force in conjunction with force sensing or other perception technologies. Generates robot movement points, trajectories, real-time poses, and movement speeds based on models. Process execution and learning: Autonomously plans action paths during movement, performing real-time interference and collision avoidance calculations to circumvent obstacles. Achieves material handling and rapid learning and switching for new tasks without human intervention.
Assembly Precision assembly of components in industries such as mechanical, electronic, and automotive.	- Extensive engineer involvement for manual teaching of pickup and placement points and trajectories; - Existing automated work modes.	Perception and recognition: Employs visual models for environmental and tooling cognition, utilizing multi-modal perception systems to identify the shape, dimensions, and position of target components. Trajectory planning and decision-making: Generates real-time pickup points for target components, integrating tactile and force sensing, or other perception technologies, to calculate gripping force. Generates manipulator movement points, trajectories, real-time poses, and movement speeds based on models. Process execution and learning: Conducts real-time interference and collision avoidance calculations during movement. Based on assembly process models, it achieves precise assembly of multiple components through coordinated single-robotic-hand multi-joint action or multi-robotic-hand collaboration, without human intervention.

Source: China Insights Consultancy

INDUSTRY OVERVIEW

Value Chain of Embodied Intelligent Industrial Robotics Industry

The value chain of embodied intelligent industrial robotics industry comprises three layers, with suppliers of core components and software algorithms in the upstream, hardware manufacturers and industry solutions providers in the midstream, and various industrial applications including automotive manufacturing, 3C electronics, semiconductor and packaging industries in the downstream. Companies with comprehensive value chain capabilities, enabling collaborative optimization and integration from fundamental technologies to top-level applications, are better positioned to expand their downstream client base, thereby enhancing their competitiveness within the embodied intelligent industrial robotics industry.



Source: China Insights Consultancy

Total Addressable Market for Global and China’s Embodied Intelligent Industrial Robotics

Driven by technological upgrading of production lines, the total addressable market for global embodied intelligent industrial robotics exceeds RMB8,000 billion, with approximately 30% attributed to technological advancements and 70% to labor substitution. Leveraging its position as the world’s largest manufacturing economy and advanced artificial intelligence capabilities, the total addressable market for China’s embodied intelligent industrial robotics exceeds RMB2,500 billion, representing 33.6% of the global market.

Drivers and Trends of Global and China’s Embodied Intelligent Industrial Robotics Industry

- **Progressively broadening application scope within industrial scenarios.** Embodied intelligent industrial robotics are transcending the limitations of traditional single-task operations through technological innovation, enabling flexible transitions between multiple scenarios and tasks. In the manufacturing sector, the integration of vision and force control facilitates seamless transitions between

INDUSTRY OVERVIEW

processes such as quality inspection, assembly, and grinding, thereby substantially enhancing production line flexibility. Concurrently, the adoption of standardized interfaces and modular design principles for embodied intelligent industrial robotics accelerates their rapid deployment and the scaling of their application across various domains.

- ***Embodied intelligence large models becoming mainstream.*** The embodied intelligent industrial robotics sector is rapidly advancing towards a new phase centered on end-to-end industrial large models, with traditional approaches relying on the sequential connection of multiple small models gradually being superseded. End-to-end industrial large models, such as VLA models, enable robots to transition from sequential, multi-model decision-making to a comprehensive, single-model decision-making process by integrating the processing of multimodal data. This shift significantly enhances response speed and decision accuracy in complex operational conditions. Furthermore, through pre-training and scenario-specific fine-tuning mechanisms, embodied intelligent large models can rapidly adapt to the diverse requirements of different industrial scenarios, such as quality inspection, assembly, and material handling, thereby reducing the costs associated with secondary development during scenario migration and further expanding the market size of the embodied intelligent industrial robotics industry.
- ***Digitization of production experience.*** The practical expertise acquired by human workers during processes like quality inspection and assembly, encompassing subjective judgments on workpiece precision deviations and the sequential logic for complex assembly actions, is systematically recorded by embodied intelligence technologies through human-machine interaction training systems and multimodal perception systems. This data is then transformed into structured training datasets that embodied intelligent industrial robotics can efficiently learn from. As human experience from various industrial scenarios continues to be incorporated, the generalization capabilities and decision-making rationale of these robots are progressively refined.

COMPETITIVE LANDSCAPE OF CHINA’S EMBODIED INTELLIGENT INDUSTRIAL ROBOTICS INDUSTRY

Competitive Landscape in China’s Embodied Intelligent Industrial Robotics Industry

Prior to 2021, the concept of embodied intelligence was largely confined to academia, lacking tangible commercial revenue and products. However, with continuous advancements in large model technology, the China’s embodied intelligent industrial robotics sector has experienced robust growth. The Company’s revenue from EIIR products reached RMB271.8 million, ranking first within China’s embodied intelligent industrial robotics industry.

INDUSTRY OVERVIEW

Ranking of China’s Embodied Intelligent Industrial Robotics Providers,
in Terms of Revenue, 2024

Ranking	Company name	Revenue of embodied intelligent industrial robotics ¹ in China (RMB million)
1	The Company	271.8
2	Company A	~190
3	Company B	~60
4	Company C	~35
5	Company D	~30
	Total	~586.8

Note:

1. Refers to revenue from robots applied in industrial scenarios that possess autonomous multi-task operation and flexible switching capabilities.

Company A: A private enterprise founded in 2015 and headquartered in Taiwan, China. Its business focuses on semiconductor intelligent manufacturing and high-end autonomous mobile robots.

Company B: A private company founded in 2023 and headquartered in Shanghai, China. It is engaged in the research and development of general-purpose embodied intelligent industrial robotics.

Company C: A company founded in 2012, headquartered in Guangdong Province, China, and listed on the Stock Exchange. It specializes in humanoid robots and intelligent service robots.

Company D: A company founded in 2015, based in Guangdong Province, China, and listed on the Stock Exchange. It is committed to the development of lightweight intelligent robotic arms and intelligent robotic systems.

Source: China Insights Consultancy

INDUSTRY OVERVIEW

Entry Barriers and Key Success Factors in China’s Embodied Intelligent Industrial Robotics Industry

- ***Ability to research and integrate universal technologies.*** Embodied intelligent industrial robotics are complex systems that highly integrate software and hardware and need to adapt to diverse scenarios, demanding that enterprises possess strong capabilities in researching and integrating universal technologies. At the technology research and development level, enterprises need to build deep expertise in technologies such as human-machine interaction training, multimodal perception, and industrial embodied intelligent large models. At the technology integration level, enterprises must promote the collaborative optimization of universal technologies across the capability chain of “perception — decision-making — execution — learning.” Enterprises with this capability can significantly reduce R&D costs and timelines when expanding to new application scenarios, rapidly responding to the diverse scenario demands of the industrial field.
- ***Data ecosystem barrier.*** Data ecosystem barrier lies in the accumulation and application of high-quality, scenario-specific data. Enhancing the intelligence of embodied intelligent industrial robotics necessitates extensive datasets that accurately reflect real-world industrial scenarios, encompassing perceptual information, action feedback, and decision-making outcomes under varied environmental conditions and task requirements. Crucially, this data must be accurate, complete, and timely. However, the inherent complexity and diversity of industrial environments pose significant challenges to data acquisition. Furthermore, establishing robust systems for data cleaning, annotation, storage, and reuse requires sustained long-term investment, making the development of a comprehensive data ecosystem difficult to achieve rapidly.
- ***Cross-scenario adaptability.*** The capacity for cross-scenario expansion refers to the ability to extend capabilities from a singular context to multiple industries and tasks. Embodied intelligent industrial robotics must possess the agility to rapidly adapt and adjust between different scenarios and tasks. This encompasses not only adeptly handling increasing complexity within existing environments but also overcoming technological and application limitations to penetrate new industrial domains. Achieving this requires the robots themselves to exhibit scalability in perceptual accuracy, decision-making efficiency, and execution stability. Furthermore, a profound understanding of the production logic and process characteristics specific to diverse industrial scenarios is essential to transition from single-application deployment to broad multi-scenario coverage.

INDUSTRY OVERVIEW

- *Accumulation of extensive industry implementation experience and commercialization capabilities.* Enterprises must leverage profound cross-industry production know-how, guided by authentic industry demands, and integrate rich experience accumulated through large-scale project implementations. This allows for the systematic balancing of technological performance, cost control, and scenario adaptability, thereby constructing a scalable and replicable commercial loop.

SOURCE OF INFORMATION

CIC was commissioned to conduct an analysis of, and to report global and China’s industrial AI-empowered intelligent agents industry and embodied intelligent industrial robotics industry at a fee of RMB680,000. The commissioned report has been prepared by CIC independent of the influence of the Company and other interested parties. CIC’s services include industry consulting, commercial due diligence, strategic consulting, etc. Its consulting team has been tracking the latest market trends across various industries, where it has relevant and insightful market intelligence.

CIC conducted both primary and secondary research using a variety of resources. Primary research involved 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 and other Chinese governmental agencies’ releases. The market projections in the commissioned report are based on the following key assumptions: (i) given China’s enduringly stable political system, effective social governance and robust economic foundation, it is anticipated that the overall social, economic and political environments in China will remain stable during the forecast period; (ii) according to the National Bureau of Statistics of China, key economic indicators such as GDP, industrial added value, and urbanization rate have shown an upward trend in China over the past decade. Therefore, we believe that the economic and industry development in China is likely to maintain a steady growth trajectory during the forecast period, accompanied by continuing urbanization; and (iii) there will be no extreme force majeure event or unforeseen industry regulation that may significantly or fundamentally affect the relevant market and industry.

Unless otherwise specified, all data and forecasts contained in this section are derived from the CIC report. The Directors have confirmed that there has been no occurrence of adverse change in the overall market information that would subject the data to significant restrictions, contradiction or negative effects since the date of the CIC report.

REGULATORY OVERVIEW

COMPANY LAW

According to the Company Law of the People’s Republic of China (《中華人民共和國公司法》) (promulgated by the Standing Committee of the National People’s Congress on December 29, 1993, last amended on December 29, 2023, and effective from July 1, 2024), both limited liability companies and companies limited by shares established in the PRC in accordance with the law shall have the status of a legal person. The liability of shareholders of these two types of enterprises is limited to their respective subscribed capital contributions or the shares for which they have subscribed. The law is also applicable to foreign-invested enterprises, unless relevant specific laws provide otherwise for foreign-invested companies.

According to the Application Guidelines for Supervisory Rules — Overseas Issuance and Listing No. 1 (《監管規則適用指引 — 境外發行上市類第1號》), promulgated and implemented by the CSRC on February 17, 2023, PRC domestic enterprises intending to list overseas shall amend their articles of association by reference to the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) and other relevant rules and regulations on corporate governance promulgated by the CSRC. The CSRC promulgated the “Guidelines for the Articles of Association of Listed Companies (2025 Revision)” on March 28, 2025, which became effective on the same date. According to the Trial Administrative Measures for Overseas Listing, as a company limited by shares incorporated in the PRC and seeking to be [REDACTED], the Company must fully comply with the PRC Company Law and formulate its articles of association by reference to (rather than in accordance with) the then-applicable Guidelines for the Articles of Association of Listed Companies. The Company’s post-listing articles of association are required to comply with the requirements of the Guidelines for the Articles of Association of Listed Companies. The Company has abolished the supervisory committee and established an audit committee to perform the duties of the former supervisory committee.

GOVERNMENT POLICIES RELATING TO THE ARTIFICIAL INTELLIGENCE INDUSTRY

According to the Made in China 2025 (《中國製造2025》), issued and implemented by the State Council on May 8, 2015, to fully implement the spirit of the 18th National Congress of the CPC and the Second, Third, and Fourth Plenary Sessions of the 18th CPC Central Committee, the PRC shall adhere to the path of new-type industrialization with Chinese characteristics, focusing on accelerating the deep integration of new-generation information technology and manufacturing as the main theme, and promoting intelligent manufacturing as the primary direction; to focus on developing intelligent equipment and smart products, promote the intellectualization of production processes, foster new modes of production, and comprehensively enhance the intelligence level of enterprise R&D, production, management and services.

REGULATORY OVERVIEW

According to the Next Generation Artificial Intelligence Development Plan (《新一代人工智能發展規劃》), issued and implemented by the State Council on July 8, 2017, the state is accelerating the cultivation of an artificial intelligence industry that plays a major leading and driving role, promoting the deep integration of artificial intelligence with various industrial sectors, and forming an intelligent economic form driven by data, characterized by human-machine collaboration, cross-sector integration, and co-creation and sharing. Data and knowledge have become the primary factors of economic growth, human-machine collaboration has become the mainstream mode of production and services, cross-sector integration has become an important economic model, co-creation and sharing have become basic features of the economic ecosystem, and personalized demand and customization have become the new trend in consumption. The plan focuses on developing key fundamental software for artificial intelligence such as operating systems, databases, middleware and development tools; achieving breakthroughs in core hardware like graphics processing units; developing intelligent system solutions including image recognition, speech recognition, machine translation, intelligent interaction, knowledge processing, and control decision-making; and cultivating and strengthening the basic software and hardware industries that support artificial intelligence applications.

The rapid development of China’s AI market is driven by the combined impetus of various factors. On August 1, 2019, the Ministry of Science and Technology released the Guidelines for the Construction of National New Generation Artificial Intelligence Open Innovation Platforms (《國家新一代人工智能開放創新平台建設工作指引》), which emphasizes that, with “openness and sharing” as the core concept, the country should advance the innovation of artificial intelligence and the construction of the industrial ecosystem, support the testing of open innovation platforms, promote the formation of standardized and modular models and middleware, and provide software and hardware resource sharing services to the public through open interfaces, algorithm libraries and software tools.

On December 21, 2021, fifteen departments including the Ministry of Industry and Information Technology and the National Development and Reform Commission issued the 14th Five-Year Plan for the Development of the Robot Industry (《「十四五」機器人產業發展規劃》), which explicitly states that research and development of cutting-edge technologies such as artificial intelligence should be intensified, the role of key laboratories, engineering technology research centers and innovation platforms in the robotics field should be fully leveraged, common technologies and basic research should be strengthened, the transformation of scientific and technological achievements should be accelerated, and an efficient and collaborative industrial technology innovation system should be constructed.

REGULATORY OVERVIEW

On July 29, 2022, six departments including the Ministry of Science and Technology issued the Guiding Opinions on Accelerating Scenario Innovation to Promote High-Quality Economic Development with High-Level Application of Artificial Intelligence (《關於加快場景創新以人工智能高水平應用促進經濟高質量發展的指導意見》), which proposes that artificial intelligence application scenarios should be deeply explored in key industries such as manufacturing, agriculture, logistics, finance, commerce and household applications, to promote the development of the intelligent economy towards a high-end and high-efficiency direction. In the manufacturing sector, the focus is on advancing the construction of intelligent scenarios such as industrial brains, robot-assisted manufacturing, industrial visual inspection, and interconnected equipment management.

On January 18, 2023, seventeen departments including the Ministry of Industry and Information Technology issued the Implementation Plan for “Robot + ” Application Action (《「機器人+」應用行動實施方案》), which clarifies the focus on 10 major application areas, aiming to make breakthroughs in more than 100 innovative robot application technologies and solutions, promote over 200 typical robot application scenarios with high technical levels, innovative application models and significant results, create a number of “Robot + ” application benchmark enterprises, and build a number of application experience centers and trial verification centers. To encourage various industries and regions to carry out “Robot + ” application innovation practices in line with their respective stages of industrial development and regional characteristics. The plan also aims to build international and domestic exchange platforms to create a strong atmosphere for comprehensively promoting robot applications.

On January 18, 2024, seven departments including the Ministry of Industry and Information Technology jointly issued the Implementation Opinions on Promoting the Innovative Development of Future Industries (《關於推動未來產業創新發展的實施意見》), aiming to strengthen the strategic layout and policy support for future industries, serve the construction of new-type industrialization, and accelerate the growth of new quality productive forces. The plan is to achieve a comprehensive enhancement of future industries in technological innovation, industrial agglomeration, and security governance by 2025, with some areas reaching internationally advanced levels and the industrial scale continuously expanding.

REGULATORY OVERVIEW

DOMESTIC CERTIFICATIONS RELATING TO ROBOTS

On December 27, 2016, the Opinions on Promoting the Construction of a Robot Testing and Certification System (《關於推進機器人檢測認證體系建設的意見》), issued by the General Administration of Quality Supervision, Inspection and Quarantine, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the Certification and Accreditation Administration, and the Standardization Administration, pointed out that the construction of the robot inspection, testing and certification system follows the principles of “unified management, joint implementation, government guidance and market operation.” The General Administration of Quality Supervision, Inspection and Quarantine and the Certification and Accreditation Administration, in conjunction with the National Development and Reform Commission, the Ministry of Industry and Information Technology, and the Standardization Administration, are responsible for the overall planning and management of the construction of our country’s robot inspection, testing, and certification system. They have formed a robot inspection, testing, and certification coordination and promotion group, composed of relevant parties such as government departments, industry associations, inspection, testing, and certification bodies, and enterprises, to coordinate related work and promote the establishment, improvement, implementation, application, and result acceptance of the robot inspection, testing, and certification system.

To use the “China Robot Product Certification” mark, a robot product must have a type test report issued by a testing body and a certification certificate issued by a certification body, both of which must be members of the Robot Testing and Certification Alliance. Furthermore, the use of the mark must be within the scope of the certification rules filed with the alliance secretariat and within the validity period of the certification. The style and use of the mark shall comply with the “Management Requirements for Robot Product Certification Marks”.

LAWS AND REGULATIONS RELATING TO PRODUCT QUALITY

The Product Quality Law of the People’s Republic of China (《中華人民共和國產品質量法》), adopted by the Standing Committee of the National People’s Congress on February 22, 1993 and last amended for the third time on December 29, 2018, is the main legal basis for regulating product quality supervision and management. According to the provisions of this law, producers shall be responsible for the quality of the products they produce, while sellers must take necessary measures to ensure the quality of the products they sell. If personal injury or damage to property other than the defective product itself is caused by a product defect, the producer shall bear corresponding liability for compensation. However, a producer may be exempted from liability for compensation if it can prove any of the following circumstances: (1) the product has not been put into circulation; (2) the defect causing the damage did not exist when the product was put into circulation; (3) the level of science and technology at the time the product was put into circulation was not sufficient to discover the existence of the defect.

REGULATORY OVERVIEW

Where a product defect is caused by the fault of the seller, resulting in personal injury or damage to the property of others, the seller shall bear the liability for compensation. If the seller cannot identify the producer of the defective product nor its supplier, the seller shall bear the liability for compensation. If a product defect causes personal injury or damage to the property of others, the victim may claim compensation from the producer of the product, and may also claim compensation from the seller of the product.

According to the Civil Code of the People’s Republic of China (《中華人民共和國民法典》), adopted by the National People’s Congress on May 28, 2020 and effective from January 1, 2021, where a person’s rights and interests are infringed upon by a defective product, the infringed party may claim compensation from the producer or seller of the product, and has the right to demand that they bear tort liabilities such as cessation of infringement, removal of obstruction and elimination of danger.

LAWS AND REGULATIONS RELATING TO THE IMPORT AND EXPORT OF GOODS

The Foreign Trade Law of the People’s Republic of China (《中華人民共和國對外貿易法》), adopted by the Standing Committee of the National People’s Congress on May 12, 1994, effective from July 1, 1994 and last amended on December 30, 2022, and the Administrative Regulations of the People’s Republic of China on the 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, last amended on March 10, 2024 and effective from May 1, 2024, both explicitly stipulate that, unless otherwise provided by laws and administrative regulations, the PRC implements a system of free import and export for goods and technologies. All entities engaged in the import and export of goods shall comply with relevant laws and regulations.

The Customs Law of the People’s Republic of China (《中華人民共和國海關法》) was promulgated on January 22, 1987 and last amended on April 29, 2021. The law stipulates that consignees and consignors of import and export goods, or the customs brokerage enterprises entrusted by them, shall complete filing procedures with the customs in accordance with the law before handling customs declaration procedures. The Administrative Provisions of the Customs of the People’s Republic of China on the Record-filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》), issued by the General Administration of Customs of the PRC on November 19, 2021 and effective from January 1, 2022, further specify the detailed requirements for the documents and materials to be submitted for filing and for reporting changes in information.

REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATING TO THE PROTECTION OF CYBERSECURITY, DATA AND PRIVACY

According to the Cybersecurity Law of the People’s Republic of China (《中華人民共和國網絡安全法》), promulgated on November 7, 2016 and effective from June 1, 2017, network operators, when constructing or operating a network or providing services through a network, shall, in accordance with the provisions of laws and administrative regulations and the compulsory requirements of national standards, take technical measures and other necessary measures to safeguard the security and stable operation of the network, effectively respond to cybersecurity incidents, prevent illegal and criminal activities online, and maintain the integrity, confidentiality and availability of network data. Any individual or organization using the network shall abide by the Constitution and laws, comply with public order, and respect social morality; they shall not endanger cybersecurity, nor shall they use the network to engage in activities that endanger national security, honor, and interests, incite subversion of state power, overthrow the socialist system, incite secession, undermine national unity, advocate terrorism or extremism, promote ethnic hatred or discrimination, disseminate violent or obscene and pornographic information, fabricate or spread false information to disrupt economic and social order, or infringe upon the reputation, privacy, intellectual property, and other legitimate rights and interests of others.

According to the Provisions on the Internet Security Supervision and Inspection by Public Security Organs (《公安機關互聯網安全監督檢查規定》), released by the Ministry of Public Security on September 15, 2018 and effective from November 1, 2018, public security organs shall conduct security supervision and inspection of Internet services provided by the following Internet service providers and network-using entities: (1) those providing Internet access, Internet data centers, content distribution or domain name services; (2) those providing Internet information services; (3) those providing public Internet access services; (4) those providing other Internet services. The supervision and inspection may cover whether Internet service providers and network-using entities have fulfilled their cybersecurity obligations in accordance with the law, including establishing and implementing cybersecurity management systems and operating procedures, appointing a person in charge of cybersecurity, taking technical measures to prevent computer viruses and network attacks or intrusions, adopting technical measures to monitor and record network operation status and cybersecurity incidents, and retaining relevant network logs as required by regulations.

REGULATORY OVERVIEW

On June 10, 2021, the 29th Session of the Standing Committee of the 13th National People’s Congress reviewed and adopted the Data Security Law of the People’s Republic of China (《中華人民共和國數據安全法》) (the “**Data Security Law**”), which came into effect on September 1, 2021. The Data Security Law stipulates that data processors shall establish and implement a security management system covering the entire data lifecycle, conduct data security education and training, and take corresponding technical and other necessary measures to ensure data security. Those who carry out data processing activities via the Internet and other information networks shall also fulfill the aforesaid data security protection obligations under the framework of the multi-level cybersecurity protection system. Any violation of the obligations stipulated in the Data Security Law may result in administrative penalties for the data processor, such as an order for correction, a warning, a fine, suspension of relevant business, or revocation of permits; if the act constitutes a crime, criminal liability will be pursued in accordance with the law.

On December 28, 2021, thirteen government departments, including the Cyberspace Administration of China, jointly released the Cybersecurity Review Measures (《網絡安全審查辦法》), which came into effect on February 15, 2022. According to these measures, critical information infrastructure operators procuring network products and services, and Internet platform operators carrying out data processing activities that affect or may affect national security, shall undergo a cybersecurity review by the Cybersecurity Review Office in accordance with the law. Critical information infrastructure operators should anticipate the national security risks that may arise from the use of such products and services before procuring them; if they believe it may affect national security, they should proactively report to the Cybersecurity Review Office for a review and submit a relevant analysis report.

On December 31, 2021, the Cyberspace Administration of China, the Ministry of Industry and Information Technology, the Ministry of Public Security and the State Administration for Market Regulation jointly issued the Provisions on the Management of Algorithmic Recommendations in Internet Information Services (《互聯網信息服務算法推薦管理規定》) (the “**Provisions**”), which came into effect on March 1, 2022. These Provisions apply to providers of algorithmic recommendation services that use algorithmic technologies such as generation and synthesis, personalized push notifications, sorting and selection, search filtering, and scheduling decisions to provide Internet information services to users.

REGULATORY OVERVIEW

On December 8, 2022, the Ministry of Industry and Information Technology promulgated the Administrative Measures for Data Security in the Industrial 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)》) (the “**Data Security Measures**”), which came into effect on January 1, 2023. The scope of the Data Security Measures covers data in the industrial and information technology sectors, specifically including industrial data, telecommunications data, and radio data, which are collectively referred to as industrial and information technology data. Based on the potential degree of harm to national security, public interests, and the legitimate rights and interests of individuals or organizations that could be caused by unauthorized tampering, destruction, leakage, or illegal access or use, the Data Security Measures classify industrial and information technology data into three categories: general data, important data and core data. For the processing of important data and core data, relevant entities are required to comply with specific filing requirements and reporting obligations. At the same time, relevant entities and information technology processors in the industry are also required, in accordance with the Data Security Measures, to establish a security management system covering the entire data lifecycle, appoint dedicated data security management personnel, reasonably manage operational authorizations, formulate emergency response plans, and organize and conduct emergency drills and related training.

INDUSTRY STANDARDS RELATING TO DATA IN THE INDUSTRIAL SECTOR

The Guidelines for the Identification of Important Data in the Industrial Sector (《工業領域重要數據識別指南》), officially released by the Ministry of Industry and Information Technology on December 10, 2024 and effective from April 1, 2025, provide the basic principles, procedures and considerations for industrial data processors to identify important data in the industrial sector. It is applicable to industrial data processors for identifying important data and can also serve as a reference for industry regulators in formulating catalogs of important data in the industrial sector.

The Requirements for Data Security Protection of Industrial Enterprises (《工業企業數據安全防護要求》), officially released by the Ministry of Industry and Information Technology on October 24, 2024 and effective from February 1, 2025, stipulate the basic data security protection requirements, data full-lifecycle security protection requirements and other protection requirements for industrial enterprises. It guides industrial enterprises in carrying out data security protection work and can also serve as a reference for conducting data security risk assessments.

The Specification for Data Security Risk Assessment in the Industrial Sector (《工業領域數據安全風險評估規範》), officially released by the Ministry of Industry and Information Technology on May 9, 2025 and effective from August 1, 2025, stipulates the basic principles, elements, procedures and methods for data security risk assessment in the industrial sector. It applies to data security risk assessments for data processing activities conducted within the territory of the PRC by processors of important data and core data in the industrial sector. It can also be used to guide general data processors in the industrial sector in assessing the data security risks of their data processing activities.

REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Trademarks

The Trademark Law of the People’s Republic of China (《中華人民共和國商標法》) (the “**Trademark Law**”) came into effect on March 1, 1983 and was last amended on April 23, 2019; its supporting Regulations for the Implementation of the Trademark Law of the People’s Republic of China (《中華人民共和國商標法實施條例》) (the “**Trademark Law Implementation Regulations**”) came into effect on September 15, 2002 and was last amended on April 29, 2014. The Trademark Law and the Trademark Law Implementation Regulations establish the fundamental legal framework for trademark administration in the PRC. This framework covers regulations concerning registered trademarks, including trademarks for goods, services, collective marks, and certification marks. Among them, registered trademarks are protected by the Trademark Law and its supporting rules and regulations. Applications for trademark registration must be filed with and processed by the Trademark Office of the China National Intellectual Property Administration. If a trademark for which registration is applied is identical or similar to another trademark that has already been registered or has passed preliminary examination and been approved for use on the same or similar goods or services, the application for registration of that trademark is likely to be rejected. The validity period of a registered trademark is ten years. Except in cases of cancellation in accordance with the law, the registration may be renewed upon expiration.

Patents

According to the Patent Law of the People’s Republic of China (《中華人民共和國專利法》), promulgated by the Standing Committee of the National People’s Congress on March 12, 1984, last amended on October 17, 2020 and effective from June 1, 2021, and the Implementing Regulations of the Patent Law of the People’s Republic of China (《中華人民共和國專利法實施細則》), promulgated by the State Council on June 15, 2001 and last amended on December 11, 2023, PRC law specifies three types of patents: invention patents, utility model patents and design patents. The term of protection for invention patents is 20 years, for utility model patents is 10 years, and for design patents is 15 years, with all terms calculated from the date of application. The PRC patent system follows the “first-to-file” principle, which specifies that if two or more entities apply for a patent for the identical invention, the patent administration department will grant the patent right to the entity that filed the application first. An application for a patent for an invention or utility model must meet three core conditions: novelty, inventiveness, and practical applicability. Unless otherwise stipulated by relevant laws and regulations, a third party must obtain prior permission from the patentee or acquire a legally valid license to use the patent; if a patent is used without following the aforementioned procedures, such use will constitute an infringement of the patent right.

REGULATORY OVERVIEW

Copyright and Software Copyright

The protection of copyright (including software copyright) is primarily based on the Copyright Law of the People’s Republic of China (《中華人民共和國著作權法》), promulgated by the Standing Committee of the National People’s Congress on September 7, 1990 and last amended on November 11, 2020, and the Regulations for the Implementation of the Copyright Law of the People’s Republic of China (《中華人民共和國著作權法實施條例》), promulgated by the State Council on August 2, 2002 and last amended on January 30, 2013. The aforementioned law and regulations explicitly stipulate that works created by PRC citizens, legal persons, or other organizations in the fields of literature, art, and science, whether published or not, shall enjoy copyright protection.

In addition, Internet-related activities, products disseminated via the Internet, and software products are also protected by copyright. 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 on February 20, 2002 (as amended), and the Regulations on the Protection of Computer Software (《計算機軟件保護條例》), promulgated by the State Council on June 4, 1991 and last amended on January 30, 2013, the National Copyright Administration is the primary department responsible for the registration and administration of software copyright in the PRC. It has designated the Copyright Protection Center of China as the software registration body. The Copyright Protection Center of China is required to issue registration certificates to applicants for computer software copyright in accordance with the provisions of the Measures for the Registration of Computer Software Copyright (as amended) and the Regulations on the Protection of Computer Software.

Domain Names

The registration of and matters related to Internet domain names are primarily regulated by the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》), promulgated by the Ministry of Industry and Information Technology on August 24, 2017 and effective from November 1, 2017, and the Implementing Rules for National Top-Level Domain Name Registration (《國家頂級域名註冊實施細則》), issued by the China Internet Network Information Center and effective from June 18, 2019. The legal holder of a domain name must complete the domain name registration process, for which the Ministry of Industry and Information Technology is responsible for the administration of Internet domain names in the PRC. The domain name service sector follows the “first-come, first-served” basic principle, whereby an applicant becomes the holder of a domain name upon completion of the entire registration process.

REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATING TO LABOR PROTECTION, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

General Rules on Labor Contracts

According to the Labor Contract Law of the People’s Republic of China (《中華人民共和國勞動合同法》), promulgated on June 29, 2007 and last amended on December 28, 2012, entities such as enterprises, individual economic organizations and private non-enterprise units that intend to establish or have established a labor relationship with an employee shall conclude a labor contract in writing. The law explicitly prohibits employers from forcing employees to work overtime or requiring them to do so in a disguised form, and employers are required to pay employees overtime wages in accordance with state regulations. In addition, the wages paid by an employer to an employee shall not be lower than the local minimum wage standard and must be paid in full and in a timely manner.

According to the Labor Law of the People’s Republic of China (《中華人民共和國勞動法》), promulgated on July 5, 1994 and last amended on December 29, 2018, employers shall establish and improve their labor safety and health systems, strictly abide by national regulations and standards on labor safety and health, and provide employees with labor safety and health education to prevent safety accidents at work and reduce occupational hazards. Among these, labor safety and health facilities must comply with the standards stipulated by the state. At the same time, employers are also required to provide employees with labor safety and health conditions that meet national standards, as well as necessary labor protection equipment.

Social Insurance and Housing Provident Fund

Pursuant to the Social Insurance Law of the People’s Republic of China (《中華人民共和國社會保險法》), adopted by the Standing Committee of the National People’s Congress on October 28, 2010 and amended on December 29, 2018, every employer and individual within the territory of the PRC is required to pay social insurance premiums in accordance with the law, which include basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance. For employers who fail to pay social insurance premiums in full and in a timely manner, the relevant authorities shall order them to pay or make up the shortfall within a specified period, and a late payment fee shall be charged at a daily rate of 0.05% from the due date; if the employer fails to make the payment within the aforementioned specified period, the relevant administrative authorities will impose a fine of one to three times the amount of the overdue payment.

REGULATORY OVERVIEW

Pursuant to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), adopted by the State Council on April 3, 1999 and last amended on March 24, 2019, every employer and individual within the territory of the PRC is required to pay housing provident fund contributions in accordance with the law. If an employer violates the provisions of these regulations by failing to pay or being delinquent in paying housing provident fund contributions, the housing provident fund administration center shall order it to make the deposits within a specified period; if the employer still fails to make the deposits after the deadline, the housing provident fund administration center may apply to the people’s court for compulsory enforcement.

LAWS AND REGULATIONS RELATING TO PROPERTY LEASING

According to the Civil Code of the People’s Republic of China, adopted by the National People’s Congress on May 28, 2020 and effective from January 1, 2021, a property service contract is a contract under which a property service provider provides property services, such as maintenance and repair of buildings and their ancillary facilities, environmental sanitation, and management and maintenance of relevant order within a property service area, and the owner pays the property fees. Property service providers include property service enterprises and other managers. The property service provider shall, in accordance with the agreement and the nature of the property’s use, properly repair, maintain, clean, landscape, and manage the common areas for owners within the property service area, maintain the basic order within the property service area, and take reasonable measures to protect the personal and property safety of the owners.

According to the Civil Code of the People’s Republic of China, adopted by the National People’s Congress on May 28, 2020 and effective from January 1, 2021, a lease contract generally includes clauses on the name, quantity, and use of the leased property, the lease term, rent, payment term and method, and repair of the leased property. With the consent of the lessor, the lessee of a lease may sublet the leased property to a third party.

According to the Administrative Measures for the Leasing of Commercial Housing (《商品房屋租賃管理辦法》), promulgated by the Ministry of Housing and Urban-Rural Development of the People’s Republic of China on December 1, 2010 and effective from February 1, 2011, a commercial housing lease contract shall be filed for registration with the competent construction (real estate) department of the people’s government of the municipality directly under the Central Government, city or county where the leased premises are located within 30 days of its conclusion.

REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

The principal legal basis for the regulation of foreign currency exchange in the PRC is the Regulations of the People’s Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》), promulgated on January 29, 1996 and last amended on August 5, 2008. Pursuant to the currently effective foreign exchange regulations, international payments and transfers of foreign currency under the current account are not subject to state control or restrictions; however, foreign currency transactions under the capital account (such as direct investment and capital contributions) remain subject to regulatory restrictions and require approval from or registration with the foreign exchange administration authorities.

Pursuant to the Circular of the State Administration of Foreign Exchange on Relevant Issues Concerning Foreign Exchange Administration for 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》), promulgated by the State Administration of Foreign Exchange (SAFE) on February 1, 2005 and amended on December 26, 2014, SAFE and its branches and administrative offices shall supervise, manage and inspect the business registration, account opening and use, cross-border receipts and payments, and fund conversion of domestic companies, as well as other activities related to overseas listing. Domestic companies are required to complete overseas listing registration with the foreign exchange administration authority at their place of registration by submitting the required materials within 15 working days after the completion of an overseas public offering.

Pursuant to the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies for the Management of Foreign Exchange Settlement under the Capital Account (《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》), effective from June 9, 2016, and as amended by the Circular of the State Administration of Foreign Exchange on Further Deepening Reform and Promoting 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》), foreign exchange income of domestic institutions under the capital account is subject to the provisions of the discretionary settlement policy. Among these, for foreign exchange income under the capital account explicitly included in the scope of discretionary settlement management by relevant policies (including foreign exchange capital, foreign debt funds, and repatriated funds raised through overseas listing), domestic institutions may handle foreign exchange settlement with banks based on their actual business operational needs. The discretionary settlement ratio for foreign exchange income of domestic institutions under the capital account is temporarily set at 100%, and SAFE may adjust this ratio in a timely manner based on the balance of payments situation. While meeting the conditions for discretionary settlement, domestic institutions may also choose to use their foreign exchange income under the capital account according to the “settlement-for-payment system”. When handling each foreign exchange settlement transaction for a domestic institution under the “settlement-for-payment system”, the bank is required to review the authenticity and compliance of the use of funds from the institution’s previous foreign exchange settlement (including both discretionary settlement and settlement-for-payment). In addition, there are explicit restrictions on the use of foreign exchange income of domestic institutions under the capital account and the Renminbi funds obtained from its settlement: they shall not be directly or indirectly used for expenditures

REGULATORY OVERVIEW

outside the enterprise’s business scope or for expenditures prohibited by national laws and regulations; unless otherwise provided, they shall not be directly or indirectly used for securities investment, other investments, or wealth management activities other than principal-guaranteed bank products; they shall not be used for granting loans to non-affiliated enterprises (except where such business is explicitly permitted within the enterprise’s business scope); and they shall not be used for the construction or purchase of real estate other than for self-use (except for real estate enterprises).

Pursuant to the Circular of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》), promulgated by SAFE on April 10, 2020, eligible enterprises are permitted to use their income under the capital account (such as capital funds, foreign credit funds and proceeds from overseas listings) for domestic payments without having to provide authenticity verification materials for each transaction to the bank in advance, provided that the use of such funds is authentic and compliant and adheres to the current administrative regulations on the use of income under the capital account. Local foreign exchange administration authorities shall strengthen monitoring and analysis and enhance interim and ex-post supervision.

LAWS AND REGULATIONS RELATING TO TAXATION

PRC Enterprise Income Tax Law

Pursuant to the Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法》), promulgated on March 16, 2007 and last amended on December 29, 2018, and the Implementing Regulations for the Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法實施條例》), promulgated on December 6, 2007 and amended on December 6, 2024, the scope of enterprise income taxpayers covers both resident enterprises and non-resident enterprises. Among these, a resident enterprise refers specifically to two situations: one is an enterprise legally established within the territory of the PRC; the other is an enterprise established under foreign (regional) law but whose place of effective management is within the territory of the PRC. Non-resident enterprises, on the other hand, include two categories: one is an enterprise established under foreign (regional) law with its place of effective management outside the territory of the PRC, but which has an establishment or premises within the territory of the PRC; the other is an enterprise that has no establishment or premises within the territory of the PRC but has income sourced from within the territory of the PRC. The statutory enterprise income tax rate is 25%, while eligible small low-profit enterprises may be subject to a reduced enterprise income tax rate of 20%.

REGULATORY OVERVIEW

Pursuant to the Relevant Circular of the State Administration of Taxation on the Implementation of the Administrative Measures for the Recognition of High-tech Enterprises (《國家稅務總局關於貫徹落實〈高新技術企業認定管理辦法〉的相關通知》), an entity certified as a High and New Technology Enterprise (“HNTE”) is entitled to a preferential enterprise income tax rate of 15%. The validity period for the recognition of a High and New Technology Enterprise is three years, calculated from the date of issuance of the HNTE certificate. Upon the expiry of the recognition certificate, an enterprise may re-apply for HNTE recognition.

Relevant Income Tax on 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 its protocol, promulgated by the State Administration of Taxation on August 21, 2006 and effective from December 8, 2006, if a Hong Kong enterprise directly holds no less than 25% of the equity in a PRC domestic company, the dividends distributed by the PRC domestic company to such Hong Kong enterprise shall be subject to tax at a rate of 5%; if the shareholding percentage of the Hong Kong enterprise in the PRC domestic company does not meet the aforementioned 25% standard, the relevant dividends shall be subject to withholding income tax at a rate of 10%.

Pursuant to the Administrative Measures for Non-resident Taxpayers to Enjoy Treaty Benefits (《非居民納稅人享受協定待遇管理辦法》), promulgated by the State Administration of Taxation on October 14, 2019 and effective from January 1, 2020, non-resident taxpayers enjoying tax treaty benefits are required to follow a model of “self-assessment, claim for enjoyment, and retention of relevant materials for inspection.” A non-resident taxpayer who self-assesses that it meets the conditions for enjoying treaty benefits may enjoy such benefits on its own accord when filing a tax return, or through a withholding agent when filing a withholding tax return; at the same time, it is required to collect and retain relevant supporting documents for inspection by the tax authorities in accordance with regulations, and to be subject to subsequent management by the tax authorities.

Pursuant to the Individual Income Tax Law of the People’s Republic of China (《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 from January 1, 2019, and the Implementing Regulations for the Individual Income Tax Law of the People’s Republic of China (《中華人民共和國個人所得稅法實施條例》), last amended on December 18, 2018 and also effective from January 1, 2019, it is specified that income from interest, dividends and bonuses, income from leasing of property, income from transfer of property and incidental income are subject to a proportional tax rate, uniformly set at 20%.

REGULATORY OVERVIEW

In addition, pursuant to the Circular on Issues Concerning the Differentiated Individual Income Tax Policy on 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 by the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission on September 7, 2015, the individual income tax on dividend income from stocks of listed companies acquired from the public issuance and transfer market is subject to a differentiated policy based on the holding period: if the holding period exceeds one year, the dividend income is temporarily exempt from individual income tax; if the holding period is one month or less (inclusive), the dividend income is subject to tax in full; if the holding period is between one month and one year (inclusive), 50% of the dividend income is treated as taxable income. The taxable income under all the above scenarios is subject to individual income tax calculated at a uniform rate of 20%.

Pursuant to the aforementioned Enterprise Income Tax Law of the People’s Republic of China and its Implementing Regulations, the statutory enterprise income tax rate is 25%. For a non-resident enterprise that has no establishment or premises in the PRC, or has an establishment or premises but the income derived has no actual connection with such establishment or premises, its income sourced from within the PRC shall be subject to enterprise income tax at a reduced rate of 10%. A withholding-at-source system is implemented for the aforementioned withholding income tax payable by non-resident enterprises, with the entity or individual making the payment acting as the withholding agent; the withholding agent is required to withhold the corresponding tax from each payment made or due to be paid.

Pursuant to the Circular of the State Administration of Taxation on Issues Concerning the Withholding of Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to Non-resident Enterprise Shareholders of Overseas-listed 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》), promulgated on November 6, 2008, the relevant collection and administration requirements are further clarified: when a Chinese resident enterprise distributes dividends for 2008 and subsequent years to non-resident enterprise shareholders of its overseas-listed H shares, it is required to withhold enterprise income tax at a uniform rate of 10%. After receiving the dividends, a non-resident enterprise shareholder may apply to the competent tax authority to enjoy the benefits under a tax treaty (or arrangement); upon verification and confirmation by the competent tax authority that the conditions are met, the difference between the tax already collected and the tax payable calculated at the rate stipulated in the tax treaty (or arrangement) will be refunded.

Value-added Tax

Pursuant to the Interim Regulations of the People’s Republic of China on Value-added Tax (《中華人民共和國增值稅暫行條例》), promulgated by the State Council on December 13, 1993 and last amended on November 19, 2017, entities and individuals engaged in the sale of goods, provision of processing, repair and replacement services, as well as the sale of services, intangible assets, real estate and the importation of goods within the territory of the PRC shall be recognized as Value-added Tax (“VAT”) taxpayers.

REGULATORY OVERVIEW

Unless otherwise specified by law, VAT rates shall be applied as follows: for taxpayers engaged in the sale of goods, provision of labor services, tangible movable property leasing services, or importation of goods, the tax rate is 17%; for taxpayers engaged in transportation, postal services, basic telecommunications, construction, real estate leasing services, as well as the sale of real estate, transfer of land use rights, or sale/import of specific goods, the tax rate is 11%; for taxpayers engaged in the sale of services or intangible assets, the tax rate is 6%; for domestic entities and individuals selling services or intangible assets cross-border within the scope prescribed by the State Council, the tax rate is 0%; and for exported goods, unless otherwise stipulated by the State Council, the tax rate is also 0%.

Pursuant to the Circular of the Ministry of Finance and the State Administration of Taxation on Policies Regarding the Simplification of Value-added Tax Rates (《財政部、國家稅務總局關於簡並增值稅稅率有關政策的通知》), issued on April 28, 2017, from July 1, 2017, the PRC simplified its VAT rate structure and abolished the 13% VAT rate. The circular also clarified the scope of goods subject to the 11% VAT rate and the relevant rules for input tax deduction.

Pursuant to the Circular of the Ministry of Finance and the State Administration of Taxation on Adjusting Value-added Tax Rates (《財政部、國家稅務總局關於調整增值稅稅率的通知》), issued on April 4, 2018, from May 1, 2018, when taxpayers engage in VAT-taxable sales or import goods, the previously applicable 17% tax rate was adjusted to 16% and the 11% tax rate was adjusted to 10%.

Pursuant to the Announcement on Policies for Deepening Value-added Tax Reform (《關於深化增值稅改革有關政策的公告》), issued by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs on March 20, 2019 and effective from April 1, 2019, for VAT general taxpayers' accounting of VAT-taxable sales or importation of goods, the previously applicable 16% VAT rate was adjusted to 13% and the previously applicable 10% VAT rate was adjusted to 9%.

LAWS AND REGULATIONS RELATING TO GOVERNMENT PROCUREMENT AND TENDERING

Pursuant to the Government Procurement Law of the People's Republic of China (《中華人民共和國政府採購法》), promulgated by the Standing Committee of the National People's Congress on June 29, 2002 and last amended on August 31, 2014, the law specifies open tendering as the primary method for government procurement. Among these, government procurement refers to the act of state organs, public institutions, and social organizations using fiscal funds to procure goods, works, and services included in the centralized procurement catalog, or where the procurement amount exceeds the prescribed procurement limit standard, and the relevant procurement requirements shall be specified in separately announced documents. Government procurement activities must adhere to the principles of openness and transparency, fair competition, impartiality, and good faith, while collusion among parties involved in government procurement is prohibited to avoid harming national interests, the public interest, or the legitimate rights and interests of other parties.

REGULATORY OVERVIEW

Pursuant to the Implementing Regulations 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》), promulgated on December 20, 2011, last amended on and effective from March 2, 2019, for projects that are required by law to be tendered, if the tendering and bidding activities violate the provisions of the Bidding Law of the People’s Republic of China (《中華人民共和國招標投標法》) and its Implementing Regulations and have a substantial impact on the bid award result, and if the irregularities cannot be corrected through remedial measures, the corresponding bid award result shall be invalid, and the tendering and bid evaluation process must be re-organized in accordance with the law.

LAWS AND REGULATIONS RELATING TO FOREIGN INVESTMENT

The Foreign Investment Law of the People’s Republic of China (《中華人民共和國外商投資法》) (the “**Foreign Investment Law**”), formulated and promulgated by the National People’s Congress, officially came into effect on January 1, 2020. At the same time, three laws — the Law of the People’s Republic of China on Sino-foreign Equity Joint Ventures, the Law of the People’s Republic of China on Wholly Foreign-owned Enterprises, and the Law of the People’s Republic of China on Sino-foreign Cooperative Joint Ventures — were simultaneously repealed and retired from the historical stage. Since then, the Foreign Investment Law has become the core and fundamental law governing foreign-invested enterprises established wholly or partly with investment from foreign investors. Among these, the organizational form, organizational structure, and operational principles of foreign-invested enterprises are subject to the provisions of the Company Law of the People’s Republic of China and other relevant laws. The PRC implements a management system of “pre-establishment national treatment plus a negative list” for foreign investment, and has abolished the previous approval and filing management mechanism for the establishment and alteration of foreign-invested enterprises. Here, “pre-establishment national treatment” specifically refers to the treatment given to foreign investors and their investments during the investment access stage, which is no less favorable than that given to domestic investors and their investments.

On December 30, 2019, the Ministry of Commerce and the State Administration for Market Regulation jointly issued the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which came into effect on January 1, 2020. Pursuant to these measures, relevant parties involved in the establishment of foreign-invested enterprises, the purchase of equity in domestic enterprises by foreign investors, or the subscription to new registered capital of domestic enterprises by foreign investors are all required to submit initial information reports through a dedicated registration system. In addition, if significant matters of the aforementioned enterprises (such as equity structure, investment amount, etc.) subsequently change, the relevant parties are required to submit a change report through the same registration system. Investment activities of foreign investors in the PRC are primarily regulated by the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”). This edition of the Negative List, which officially comes into effect on November 1, 2024, sets out special management measures for the foreign investment access stage in a unified and standardized manner: foreign investors are not allowed to invest in fields explicitly prohibited by the

REGULATORY OVERVIEW

Negative List, and investment in fields restricted by the Negative List must meet the stipulated investment conditions; for foreign investment outside the Negative List, management is implemented following the principle of consistency between domestic and foreign investment.

While strengthening investment promotion and protection, the Foreign Investment Law further standardizes the foreign investment management process, explicitly requiring the establishment of a foreign investment information reporting system, which replaces the previous approval and filing system for foreign-invested enterprises managed by the Ministry of Commerce. The work of foreign investment information reporting is regulated by the Measures for the Reporting of Foreign Investment Information, jointly formulated by the Ministry of Commerce and the State Administration for Market Regulation, which has been in effect since January 1, 2020. Pursuant to the Measures for the Reporting of Foreign Investment Information, when foreign investors conduct investment activities directly or indirectly within the territory, they are required to submit investment-related information to the competent commerce authorities through the enterprise registration system and the national enterprise credit information publicity system; the types of reports cover initial reports, change reports, deregistration reports, and annual reports, among others.

LAWS AND REGULATIONS RELATING TO OVERSEAS INVESTMENT BY DOMESTIC ENTERPRISES

The Ministry of Commerce promulgated the Administrative Measures for Overseas Investment (《境外投資管理辦法》) on September 6, 2014, which officially came into effect on October 6, 2014; The National Development and Reform Commission promulgated the Administrative Measures for Enterprise Outbound Investment (《企業境外投資管理辦法》) on December 26, 2017, which came into effect on March 1, 2018.

Pursuant to the provisions of the two above-mentioned measures, overseas investment refers to investment activities conducted directly by a domestic enterprise, or through an overseas enterprise under its effective control, in the form of contributing assets, transferring equity, providing financing support, issuing guarantees, etc., to acquire foreign ownership, control, management rights, and other related rights and interests. Among these, the scope of approval-based management applies to sensitive projects undertaken directly by the investing entity or through an overseas enterprise under its control. The Ministry of Commerce and provincial-level commerce authorities jointly undertake the management and supervision responsibilities for overseas investment, and implement either filing-based or approval-based management for enterprises’ overseas investment activities based on the specific circumstances of the investment. If an enterprise’s overseas investment involves sensitive countries and regions, or sensitive industries, such overseas investment must be subject to approval-based management by the National Development and Reform Commission; all other types of an enterprise’s overseas investments are subject to filing-based management procedures in accordance with regulations.

REGULATORY OVERVIEW

The Ministry of Commerce and provincial-level commerce authorities carry out the management of enterprise overseas investment through the Overseas Investment Management System” and issue an “Enterprise Overseas Investment Certificate (《企業境外投資證書》) to enterprises that have completed the filing or approval procedures.

LAWS AND REGULATIONS RELATING TO OVERSEAS ISSUANCE OF SECURITIES AND LISTING BY DOMESTIC ENTERPRISES

Filing Requirements for Overseas Issuance and Listing

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》) (the “**Trial Measures**”) and its supporting guidelines, which came into effect on March 31, 2023. According to the Trial Measures, a domestic enterprise shall not engage in overseas issuance and listing activities under any of the following circumstances: I. where listing and financing are explicitly prohibited by PRC laws, administrative regulations, or relevant state provisions; II. where the overseas issuance and listing may endanger national security as determined upon review by the relevant competent departments under the State Council in accordance with the law; III. where the domestic enterprise or its controlling shareholder or de facto controller has a criminal record within the last three years for corruption, bribery, embezzlement, misappropriation of property, or disrupting the order of the socialist market economy; IV. where the domestic enterprise is under investigation for suspected criminal offenses or major violations of laws and regulations, and no definite conclusion has yet been reached; V. where there is a major ownership dispute over the equity held by the controlling shareholder, or by the de facto controller who is dominated by the controlling shareholder or de facto controller.

Confidentiality and Archives Management

On February 24, 2023, the CSRC and other relevant government departments jointly promulgated the Provisions on Strengthening Confidentiality and Archives 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》) (the “**Confidentiality Provisions**”), which came into effect on March 31, 2023. According to the requirements of the Confidentiality Provisions, if a domestic enterprise provides or publicly discloses relevant information to entities or individuals such as securities companies, securities service institutions, or overseas regulatory authorities, or provides or publicly discloses documents and materials involving state secrets or the work secrets of state organs through channels such as its overseas listed entity, it shall report to the competent authority with approval power for approval in accordance with the law, and simultaneously file with the administrative management department at the same level for the record. In addition, when a domestic enterprise provides accounting archives or copies thereof to entities or individuals such as securities companies, securities service institutions, or overseas regulatory authorities, it shall strictly follow the corresponding procedures in accordance with relevant national regulations. Securities companies and securities service institutions providing services for the overseas issuance and listing of domestic enterprises shall store their work papers

REGULATORY OVERVIEW

created within the territory of the PRC inside the PRC; if the work papers indeed need to be transferred abroad, approval procedures must be completed in accordance with relevant national regulations.

Regulations Relating to Full Circulation of H Shares

On November 14, 2019, the CSRC issued the Guidelines on Application for Full Circulation of Unlisted Domestic Shares of H-share Companies (《H股公司境內未上市股份申請全流通業務指引》) (the “**Full Circulation Guidelines**”), which were revised and re-implemented on August 1, 2023. “Full circulation” specifically refers to the listing and circulation on the Stock Exchange of unlisted domestic shares held by domestic joint-stock companies (“**H-share listed companies**”), including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares issued after overseas listing, and unlisted shares held by foreign shareholders.

Pursuant to the Full Circulation Guidelines, provided that relevant laws, regulations, and policy requirements such as state-owned asset management, foreign investment, and industry supervision are met, shareholders of unlisted domestic shares may, through autonomous negotiation, determine the number and proportion of shares to apply for circulation, and entrust the corresponding H-share listed company to initiate the full circulation application. When applying for full circulation, an H-share listed company needs to submit an application to the CSRC in accordance with the administrative approval procedure for “approval of overseas public offering and listing (including additional issuance) of shares by joint-stock limited companies”. An H-share listed company may submit a full circulation application separately or concurrently with an application for overseas refinancing; a domestic joint-stock company that is not yet listed overseas may initiate a full circulation application concurrently with its application for an initial public offering (IPO) overseas. After a full circulation application is approved by the CSRC, the H-share listed company is required to submit a report on the relevant situation to the CSRC within 15 days after the completion of the re-registration of the shares involved in the application with the CSDC. After unlisted domestic shares are listed and circulated on the Stock Exchange, they cannot be transferred back to the domestic market for circulation.

On December 31, 2019, China Securities Depository and Clearing Corporation Limited and Shenzhen Stock Exchange (the “**SZSE**”) jointly issued the Detailed Implementing Rules for H-share Full Circulation Business (《H股全流通業務實施細則》) (the “**Implementing Rules**”). Aspects of the H-share full circulation business such as cross-border re-registration, securities depository and holdings maintenance, trade instruction and order routing, settlement operations, settlement participant management, and nominee holder services are all subject to the regulations of the Implementing Rules. For matters not explicitly stipulated in the Implementing Rules, reference shall be made to other business rules of CSDC, China Securities Depository and Clearing (Hong Kong) Company Limited (“**CSDC (Hong Kong)**”) and the SZSE.

Pursuant to the Implementing Rules, an H-share listed company approved by the CSRC to participate in the H-share full circulation business, after completing the corresponding information disclosure, needs to apply to CSDC to deregister some or all

REGULATORY OVERVIEW

of its non-overseas listed shares; at the same time, it shall re-register the H-share full circulation shares that are free from pledges, freezes, or transfer restrictions with the Hong Kong share registrar, making them shares that can be listed and circulated on the Stock Exchange. The relevant securities are subject to centralized depository, and CSDC is responsible for handling settlement matters.

As the nominee holder of the aforesaid securities, CSDC is responsible for handling matters related to securities depository, holdings maintenance, and cross-border clearing and settlement for the H-share full circulation business, while also providing nominee holder services to investors. An H-share listed company is required to obtain authorization from the full circulation shareholders to select a domestic securities company to participate in the H-share full circulation business; the full circulation shareholders need to submit trading orders for H-share full circulation shares through their entrusted domestic securities company. The domestic securities company needs to select a Hong Kong securities company for the full circulation shareholders, and this Hong Kong securities company will submit trading orders to the Stock Exchange to complete the transactions. After a transaction is concluded, CSDC and CSDC (Hong Kong) will jointly handle the cross-border clearing and settlement procedures for the relevant shares and funds. The settlement currency for H-share full circulation trading business is uniformly the Hong Kong dollar. If an H-share listed company entrusts CSDC to distribute cash dividends, it needs to submit a written application to CSDC; in the process of distributing cash dividends, it may apply to CSDC for the detailed holdings of relevant investors on the record date for cash dividends. In addition, if investors acquire non-H-share full circulation securities listed on the Stock Exchange due to distributions, conversions, or other circumstances related to H-share full circulation securities, they may only sell such securities and are not permitted to buy them; if subscription rights for shares listed on the Stock Exchange are acquired, and such subscription rights are listed on the Stock Exchange, investors may only sell such subscription rights and are not permitted to exercise them.

To comprehensively advance the H-share full circulation reform and clarify the business arrangements and operational procedures for the registration, custody, and settlement and delivery of relevant shares, CSDC issued the Circular on the Issuance of the Business Guide for H-share Full Circulation (《關於發佈〈H股全流通業務指南〉的通知》) on February 7, 2020, which clarifies specific matters such as business preparation, account setup, cross-border equity re-registration and overseas centralized depository. In addition, the Business Guide for H-share Full Circulation of China Securities Depository and Clearing (Hong Kong) Company Limited (《中國證券登記結算(香港)有限公司H股全流通業務指南》) was also issued simultaneously, which clarifies matters such as relevant securities custody, custodian operations, CSDC (Hong Kong) agency services, settlement and delivery arrangements, and other supporting matters.

REGULATORY OVERVIEW

LAWS AND REGULATIONS RELATING TO U.S. EXPORT CONTROL

Under the EAR (15 C.F.R. § 734.3), an item is considered “subject to the EAR” if it meets any of the following criteria: (1) It is of U.S. origin, regardless of its location; (2) It is located in the United States, regardless of its origin; (3) It is a foreign-made item that contains U.S.-origin controlled content exceeding the applicable *de minimis* thresholds (typically 10% or 25%, depending on destination and content type, “***De Minimis Rule***”); (4) It is a foreign-produced item that is the direct product of U.S.-origin technology or software, or is produced by a plant or major component of a plant that is the direct product of such technology/software, and is subject to the FDP Rules under § 734.9 (“**Foreign-Produced Direct Product Rules**”).

In most cases, non-U.S.-produced items are subject to the EAR under the ***De Minimis Rule*** if they contain in excess of 25% controlled U.S.-origin content by value. However, the relevant *de minimis* threshold is in excess of 10% controlled U.S.-origin content for exports or reexports to Iran, Cuba, or North Korea. Controlled U.S.-origin content for these purposes includes items that are themselves controlled for export or reexport to the applicable destination.

Separately from the ***De Minimis Rule*** above, under the EAR’s foreign-produced direct products rules, certain non-U.S.-produced items that meet the conditions to constitute “direct products” of certain types of U.S.-origin items technology also are subject to the EAR, even if those non-U.S. items were produced and are located abroad and contain less than *de minimis* controlled U.S. origin content.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

We are a leading embodied intelligent industrial robotics company dedicated to reshaping the future of manufacturing through cutting-edge full-stack technology. We provide global customers with out-of-the-box, highly flexible, and exceptionally EIIR products and solutions. Through our self-developed full-stack software and hardware system and comprehensive system engineering capabilities, we have successfully developed EIIR products that can autonomously perceive, learn, decide, and execute complex tasks.

The history of our Group can be traced back to the establishment of Changzhou Microintelligence Co., Ltd. (常州微億智造科技有限公司), the predecessor of our Company, on August 16, 2018 under the laws of the PRC. On September 22, 2025, pursuant to the promoter’s agreement among the then Shareholders, our Company was converted into a joint stock limited liability company under the name of Changzhou Microintelligence Co., Ltd (常州微億智造科技股份有限公司).

While we excel in product innovation and technological achievements, as celebrated by the numerous awards, accolades, recognition and titles won by our Company, our proprietary technology and our innovative products over the years, certain subsidiaries have also been established or acquired along the way to complement our operational initiatives and expansion goals. For details of our principal operating subsidiary and the corporate structure of our Group, see “— Our Principal Operating Subsidiary” and “— Shareholding and Corporate Structure Immediately Prior to the [REDACTED]” in this section.

Key Development Milestones

The following table sets forth our key development milestones:

Year	Key Development Milestones
2018	Changzhou Microintelligence Co., Ltd. (常州微億智造科技有限公司), our predecessor company, was established in the PRC.
2019	We launched the hybrid vision algorithm. We rolled out an AI-enabled visual defect detection equipment for powder metallurgy products in the metal injection molding industry, powered by deep learning technology.
2020	We won First Prize in the Third “Blooming Cup” National 5G Application Collection Competition (第三屆「綻放杯」5G應用徵集大賽全國一等獎) held by MIIT.
2021	We released our embodied intelligent aerial photography detection robot, with the robotic arm’s motion path planning, trajectory generation, photo point and angle settings, as well imaging parameter configuration being founded on our proprietary AI algorithms. Our AI-enabled appearance defect detection equipment has achieved cumulative sales exceeding 60% market share within the metal injection molding industry segment.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Key Development Milestones
2022	We rolled out our five-axis defect detection robot that generates multi-axis coordinated points and trajectories for model generation. We acquired Jiangsu SVFactory, integrating its algorithm and platform development capabilities to achieve full in-house development capabilities from algorithms to software.
2023	We unveiled our polarization mode dispersion (PMD) and optical coherence tomography (OCT) series devices featuring 3D phase-shifting technology and optical coherence tomography technology, addressing imaging challenges for products with special materials such as high transmittance, high reflectivity, and diffuse reflection. We forged our own human-machine interactive model training platforms with our self-developed BASH which solves the “cold start” problem for AI applications, and Yixiu Cloud (一休雲) platform, a central data platform that supports the three core platforms: the SA, the ST, and the SO.
2024	We released a cross-industry standardized EIIR solution integrating “intelligent perception with guided repair-welding”, establishing a closed-loop quality control system. Our R&D projects, “Development and Application of High-Speed, Self-Planning, Integrated Intelligent System for Defect Detection and Repair” and “R&D and Application of Photoelectric Tomography Technology and System Based on AI Vision,” were recognized by the MIIT as reaching “international leading level” and “international advanced level,” respectively, and have been approved for registration in the National Science and Technology Achievements Data (國家科技成果庫). We have passed the review of the “General Requirements for Enterprise Hard Technology Capacity Building” (《企業硬科技能力建設通用要求》) and incorporated into the MIITs tiered cultivation system (工信部優質企業梯度培育體系) for high-quality enterprises, and being recognized as a hard technology enterprise by MIIT. We released “創 TRON”, our industrial-grade embodied intelligent robot, which can rapidly learn and execute complex tasks in industrial settings.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Key Development Milestones
2025	We were recognized as a national-level “Specialized, Refined, Unique, and Innovative” “Little Giant” Enterprise (國家級專精特新重點“小巨人”企業) by MIIT.
	We ranked First nationally in IDC’s “China AI Vision Industrial Robot Application Market Share, 2024” report (《中國視覺工業機器人應用市場份額 2024》) research report released by IDC.
	We have released EIIR embodied intelligent industrial robotics in various precise and complex industrial scenarios such as quality inspection, grinding, repair-welding, and material loading.
	We were named a leading enterprise in China’s industry development (中國行業發展領軍企業) and selected for Forbes China’s Top 50 AI Technology Enterprises (中國人工智能科技企業50強).
	We won Grand Prize at the 2nd National Artificial Intelligence Application Scenario Innovation Challenge organized by the Chinese Association for Artificial Intelligence (中國人工智能學會第二屆全國人工智能應用場景創新挑戰賽特等獎).
	We were honored with the designation of “typical application scenario for embodied intelligent robots” (具身智能機器人典型應用場景) by the Jiangsu Provincial Department of Industry and Information Technology (江蘇省工信廳).

OUR PRINCIPAL OPERATING SUBSIDIARY

Jiangsu SVFactory

We primarily conduct our business through our Company and Jiangsu SVFactory, our principal operating subsidiary. The following table sets forth the detailed information of Jiangsu SVFactory which made material contribution to our operating results during the Track Record Period:

Name of company	Date of establishment	Place of establishment	Ownership as of the Latest Practicable Date	Principal business activities
Jiangsu SVFactory	April 28, 2021	PRC	a directly wholly-owned subsidiary of our Company	A high-tech enterprise focusing on industrial AI

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

(1) Establishment in August 2018

Driven by his vision for the potential of industrial AI, Mr. Pan, through his controlled entity, Changzhou ASFS, founded our predecessor company, Changzhou Microintelligence Co., Ltd. (常州微億智造科技有限公司), with three other individuals in the PRC on August 16, 2018. The company was established with an initial registered capital of RMB20,000,000, with its initial shareholding held by Mr. Wang Mingxi (王明喜) (40%), Changzhou ASFS (30%), Ms. Huang Yichao (黃逸超) (25%), and Mr. Wu Junwen (鄔均文) (5%).

(2) Early development: equity transfers and capital increase in June 2019

On June 5, 2019, pursuant to equity transfer agreements entered into with Changzhou ASFS, Mr. Wang Mingxi (王明喜), Ms. Huang Yichao (黃逸超) and Mr. Wu Junwen (鄔均文) transferred equity interests held in our predecessor company in the respective amounts of RMB714,300, RMB446,400 and RMB89,300 in registered capital to Changzhou ASFS at nil consideration, in recognition of Mr. Pan’s contribution to the technological breakthroughs then achieved.

On June 14, 2019, the registered capital of our predecessor company was increased from RMB20,000,000 to RMB25,000,000. The capital increase of RMB5,000,000 was subscribed by Changzhou ASFS, with the consideration of which being satisfied by the 80% equity interests it held in Shanghai Xiongsi Industry System Co., Ltd. (上海雄思信息技術有限公司) (“**Shanghai Xiongsi**”). Upon completion of the capital increase, Shanghai Xiongsi was owned as to 80% by our Company.

(3) Series A Financing and Series B Financing

Our predecessor company underwent series A financing (the “**Series A Financing**”) and series B financing (the “**Series B Financing**”) through registered capital increases.

(i) Series A Financing in October 2019

On October 31, 2019, Baidu Online Network Technology (Beijing) Co., Ltd. (百度在線網絡技術(北京)有限公司) (“**Baidu Network**”) subscribed for the increased registered capital of RMB3,089,888 at a consideration of RMB25,300,000. Upon completion of the above Series A Financing, the registered capital of our predecessor company was increased from RMB25,000,000 to RMB28,089,888.

(ii) Series B financing in December 2019

On December 24, 2019, Jiangsu Tuobang Investment Co., Ltd. (江蘇拓邦投資有限公司) (“**Jiangsu Tuobang**”) subscribed for the increased registered capital of RMB1,792,972 at a consideration of RMB30,000,000. Upon completion of the Series B Financing, the registered capital of our predecessor company was increased from RMB28,089,888 to RMB29,882,860.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(4) Capital reserve capitalization in April 2020

On March 27, 2020, our then Shareholders resolved to convert the capital reserves of our predecessor company into registered capital, which were subscribed by all the then Shareholders in proportion to their respective equity interests in our predecessor company. Upon completion of such capital increase on April 10, 2020, the registered capital of our predecessor company was increased from RMB29,882,860 to RMB30,082,860, with the shareholding structure of our predecessor company being as follows:

Shareholders	Registered capital held (RMB)	Percentage of equity interest in our predecessor company (%)
Changzhou ASFS	12,331,986	40.99
Mr. Wang Mingxi (王明喜)	7,334,462	24.38
Ms. Huang Yichao (黄逸超)	4,584,076	15.24
Baidu Network	3,110,568	10.34
Jiangsu Tuobang	1,804,972	6.00
Mr. Wu Junwen (鄢均文)	<u>916,796</u>	<u>3.05</u>
Total	<u><u>30,082,860</u></u>	<u><u>100.00</u></u>

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(5) 2020–2022 Equity transfers

Certain equity transfers involving the transfer of registered capital in our predecessor company took place during the years of 2020 to 2022, a summary of which is set out as follows:

On April 17, 2020, certain of our then Shareholders entered into equity transfer agreements with certain independent third parties to transfer the equity interests so held by them in our predecessor company thereto, with consideration in each case being determined based on arm’s length negotiation between the parties thereto. As such equity transfers only involve transfers of registered capital, there were no changes to the registered capital of our predecessor company. Details of such equity transfers are set forth below:

Transferor	Transferee	Registered capital transferred (RMB)	Consideration (RMB)
Mr. Wang Mingxi (王明喜)	Mr. Wang Guowei (王國偉)	360,990	6,600,000
Mr. Wang Mingxi (王明喜)	Changzhou Qingfeng Yungang Investment Center (Limited Partnership) (常州青楓雲港投 資中心(有限合夥)) (“ Qingfeng Yungang ”)	902,490	16,500,000
Ms. Huang Yichao (黃逸超)	Jiangsu Tuobang	511,410	9,350,000
Mr. Wu Junwen (鄔均文)	Jiangsu Tuobang	90,250	1,650,000

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

After completion of the above equity transfers on May 14, 2020, the equity holding structure of our predecessor company is as follows:

No.	Name of shareholders	Registered share capital RMB	Approximate percentage of equity interests %
1.	Changzhou ASFS	12,331,986	40.99
2.	Wang Mingxi (王明喜)	6,070,982	20.18
3.	Huang Yichao (黃逸超)	4,072,666	13.54
4.	Baidu Network	3,110,568	10.34
5.	Jiangsu Tuobang	2,406,632	8.00
6.	Qingfeng Yungang	902,490	3.00
7.	Wu Junwen (鄔均文)	826,546	2.75
8.	Wang Guowei (王國偉)	360,990	1.20
Total		30,082,860	100.00

Further equity transfers were made by certain of our then Shareholders by entering into equity transfer agreements with independent third parties on the respective dates of August 25, 2021, August 26, 2021 and September 1, 2021, with their equity interests in our predecessor company being transferred thereto. The consideration in each case was determined based on arm’s length negotiation between the parties thereto. As such equity transfers only involve transfers of registered capital, there were no changes to the registered capital of our predecessor company. Details of such equity transfers are set forth below:

Transferor	Transferee	Registered capital transferred (RMB)	Consideration (RMB)
Mr. Wang Mingxi (王明喜)	Mr. Qian Wenjun (錢文俊)	150,414	5,000,000
Ms. Huang Yichao (黃逸超)	Mr. Qian Wenjun (錢文俊)	150,414	5,000,000
Mr. Wu Junwen (鄔均文)	Mr. Qian Wenjun (錢文俊)	150,414	5,000,000
Ms. Huang Yichao (黃逸超)	Changzhou Zhongding Tiansheng Venture Capital Partnership (Limited Partnership) (常州中鼎天盛創業投資合夥企業(有限合夥)) (“Zhongding Tiansheng”)	601,657	20,000,000

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Transferor	Transferee	Registered capital transferred (RMB)	Consideration (RMB)
Mr. Wu Junwen (鄔均文)	Ms. Gu Haibo (顧海波)	90,249	3,000,000
Mr. Wang Mingxi (王明喜)	Jiangsu Nuocheng Entrepreneurship Investment Co., Ltd. (江蘇諾誠創業投資有 限公司) (“ Jiangsu Nuocheng ”)	601,657	20,000,000
Ms. Huang Yichao (黃逸超)	Jiangsu Nuocheng	601,657	20,000,000
Mr. Wu Junwen (鄔均文)	Jiangsu Nuocheng	90,249	3,000,000
Mr. Wang Mingxi (王明喜)	Changzhou Modern Service Industry Fund (Limited Partnership) (常州市現代服務 業產業基金(有限合夥)) (“ Modern Service ”)	300,829	10,000,000
Ms. Huang Yichao (黃逸超)	Changzhou Ruitai No.12 Entrepreneurship Investment Center (Limited Partnership) (常州睿泰十二號創業投資中心 (有限合夥)) (“ Changzhou Ruitai ”)	300,829	10,000,000

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

After completion of the above equity transfers on December 3, 2021, the equity holding structure of our predecessor company is as follows:

No.	Name of shareholders	Registered share capital RMB	Approximate percentage of equity interests %
1.	Changzhou ASFS	12,331,986	40.99
2.	Wang Mingxi (王明喜)	5,018,082	16.68
3.	Baidu Network	3,110,568	10.34
4.	Huang Yichao (黃逸超)	2,418,109	8.04
5.	Jiangsu Tuobang	2,406,632	8.00
6.	Jiangsu Nuocheng	1,293,563	4.30
7.	Qingfeng Yungang	902,490	3.00
8.	Zhongding Tiansheng	601,657	2.00
9.	Wu Junwen (鄔均文)	495,635	1.65
10.	Qian Wenjun (錢文俊)	451,243	1.50
11.	Wang Guowei (王國偉)	360,990	1.20
12.	Modern Service	300,829	1.00
13.	Changzhou Ruitai	300,829	1.00
14.	Gu Haibo (顧海波)	90,249	0.30
Total		<u>30,082,860</u>	<u>100.00</u>

On July 8, 2022, Baidu Network entered into equity transfer agreements to transfer equity interests so held by it in our predecessor company in the respective amounts of RMB902,486 and RMB902,486 in registered capital to Qingfeng Yungang and Changzhou Zhonglou Listed Backup Industry Investment Partnership (Limited Partnership) (常州鐘樓上市後備產業投資合夥企業(有限合夥)) (“**Zhonglou Investment**”) at a consideration of RMB36,000,000 and RMB36,000,000, respectively. The consideration of such equity transfers were determined based on arm’s length negotiation between the parties thereto. As such equity transfers only involve transfers of registered capital, there were no changes to the registered capital of our predecessor company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

After completion of the above equity transfers on July 27, 2022, the equity holding structure of our predecessor company is as follows:

No.	Name of shareholders	Registered share capital RMB	Approximate percentage of equity interests %
1.	Changzhou ASFS	12,331,986	40.99
2.	Wang Mingxi (王明喜)	5,018,082	16.68
3.	Huang Yichao (黃逸超)	2,418,109	8.04
4.	Jiangsu Tuobang	2,406,632	8.00
5.	Qingfeng Yungang	1,804,976	6.00
6.	Baidu Network	1,305,596	4.34
7.	Jiangsu Nuocheng	1,293,563	4.30
8.	Zhonglou Investment	902,486	3.00
9.	Zhongding Tiansheng	601,657	2.00
10.	Wu Junwen (鄔均文)	495,635	1.65
11.	Qian Wenjun (錢文俊)	451,243	1.50
12.	Wang Guowei (王國偉)	360,990	1.20
13.	Modern Service	300,829	1.00
14.	Changzhou Ruitai	300,829	1.00
15.	Gu Haibo (顧海波)	90,249	0.30
	Total	30,082,860	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(6) Capital increase in December 2022

On December 23, 2022, the registered capital of our predecessor company was increased from RMB30,082,860 to RMB44,193,117, details of the subscription of such increased registered capital are as follows:

Subscribers	Registered capital subscribed for (RMB)	Consideration (RMB)
Shanghai Zhice	4,096,859	31,257,400 ⁽¹⁾
Mr. Zhang	3,777,740	28,822,700 ⁽¹⁾
Nantong Chengwei Evergreen Equity Investment Partnership (Limited Partnership) (南通成為常青股權投資合夥企業(有限合夥)) (“ Chengwei Investment ”)	2,057,223	15,695,800 ⁽¹⁾
Shanghai Weiyong	1,949,235	14,871,900 ⁽¹⁾
Jiangsu Tuobang	857,310	6,540,900 ⁽¹⁾
Changzhou Radio, Film and Television Media Group Co., Ltd. (常州廣播影視傳媒集團有限公司) (“ Changzhou Media ”)	837,404	6,389,100 ⁽¹⁾
Changzhou Canxing Industrial Investment Fund Partnership (Limited Partnership) (常州燦星產業投資基金合夥企業(有限合夥)) (“ Canxing Investment ”)	534,485	4,077,900 ⁽¹⁾

Note:

- (1) Shanghai Zhice, Mr. Zhang, Chengwei Investment, Shanghai Weiyong, Jiangsu Tuobang, Changzhou Media and Canxing Investment (the “**Jiangsu SVFactory Sellers**”) subscribed for the registered capital of our predecessor company at a consideration equivalent to the then respective equity interests so held by each of them in Jiangsu SVFactory. Upon completion of the aforementioned subscription of the increased registered capital, Jiangsu SVFactory has become our wholly-owned subsidiary.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(7) Capital increases in April 2024 and May 2024

On May 23, 2025, we completed the increase of the registered capital of our predecessor company, with its registered capital being increased from RMB44,193,117 to RMB45,699,700. The relevant capital increase agreements were signed separately on 19 April 2024, 15 May 2024 and 25 May 2024. Details of the subscription of such increased registered capital are set forth below.

Subscribers	Registered capital subscribed for (RMB)	Consideration (RMB)
Jiangsu Jiandao Entrepreneurship Investment Co., Ltd. (江蘇建道創業投資有限公司) (“ Jiangsu Jiandao ”)	753,292	30,000,000
Changzhou Industrial Investment Fund (Limited Partnership) (常州市產業投資基金(有限合夥)) (“ Changzhou Investment ”)	502,195	20,000,000
Changzhou Huada Songhe Venture Capital Partnership (Limited Partnership) (常州市華大松禾創業投資合夥企業(有限合夥)) (“ Changzhou Songhe ”)	251,097	10,000,000

(8) Equity transfers in May 2024

On May 28, 2024, Mr. Wang Mingxi (王明喜) entered into equity transfer agreements with his wife, Ms. Jin Wenying (金文英), and his daughter Ms. Wang Yiran (王逸然), transferring equity interests so held by him in our predecessor company in the respective amounts of RMB4,576,151 and RMB441,931 in registered capital thereto at a consideration of RMB4,576,151 and RMB441,931, respectively. To the best knowledge, information and belief of our Directors, such transfer of equity transfers were result of the family wealth arrangement of Mr. Wang Mingxi (王明喜).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(9) Capital increases in December 2024 and January 2025

On July 21, 2025, after completing a further round of capital increase, the registered capital of our predecessor company was increased from RMB45,699,700 to RMB54,488,104. The relevant capital increase agreements were signed separately on December 25, 2024 and January 30, 2025. Details of the subscription of such increased registered capital are set forth below.

Subscribers	Registered capital subscribed for (RMB)	Consideration (RMB)
Industrial Machinery Industry Investment Fund (Limited Partnership) (工業母機產業投資基金(有限合伙)) (“ Industrial Machinery Fund ”)	6,277,431	250,000,000
Shenzhen Capital Group Co., Ltd. (深圳市創新資本投資有限公司) (“ Shenzhen Capital ”)	502,195	20,000,000
Shenzhen Venture Capital SME Development Fund (Xinjiang) Limited Partnership (深創投中小企業發展基金(新疆)有限合夥企業) (“ Shenzhen Venture Capital SME ”)	2,008,778	80,000,000

(10) Equity transfers and capital increases in May 2025

On May 15, 2025, certain of our then Shareholders have entered into equity transfer agreements with various independent third parties to transfer thereto such equity interests in our predecessor company so held by them. The consideration of such equity transfers was determined based on arm’s length negotiation between the parties thereto. As such equity transfers only involve transfers of registered capital, there were no changes to the registered capital of our predecessor company. Details of such equity transfers are set forth below:

Transferor	Transferee	Registered capital transferred (RMB)	Consideration (RMB)
Baidu Network	Wuxi Liangxi Science and Technology City Hongtai Xinzhi Investment Partnership Enterprise (Limited Partnership) (無錫市梁溪科技城洪泰新智投資合夥企業(有限合伙)) (“ Wuxi Hongtai ”)	1,158,910	30,000,000

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Transferor	Transferee	Registered capital transferred (RMB)	Consideration (RMB)
Baidu Network	Chongqing Science and Technology Achievement Conversion Equity Investment Fund (Limited Partnership) (重慶科技成果轉化股權投資基金(有限合夥)) (“ Chongqing Conversion ”)	145,558	3,767,968
Baidu Network	Linghang Xinghan Chongqing Enterprise Management Center (Limited Partnership) (領航星瀚重慶企業管理中心(有限合夥)) (“ Linghang Xinghan ”)	1,128	29,202
Changzhou Investment	Changzhou Songhe Angel Entrepreneurship Investment Partnership Enterprise (Limited Partnership) (常州市松禾天使創業投資合夥企業(有限合夥)) (“ Songhe Angel ”)	502,195	20,000,000

Upon completion of above mentioned equity transfers and capital increase on August 12, 2025, our predecessor company’s registered capital being increased from RMB54,488,104 to RMB60,931,582. The relevant capital increase agreements were signed separately on April 18, 2025, April 30, 2025, May 9, 2025 and May 21, 2025. Details of the subscription of such increased registered capital are set forth below:

Subscribers	Registered capital subscribed for (RMB)	Consideration (RMB)
Changzhou Songhe	251,097	10,000,000
Wuxi Hongtai	3,013,167	120,000,000
Gongqingcheng Boying Investment Partnership Enterprise (Limited Partnership) (共青城博盈投資合夥企業(有限合夥)) (“ Gongqingcheng Boying ”)	2,511	100,000
Songhe Angel	251,097	10,000,000
Xuzhou Shengchuang Investment Fund Partnership Enterprise (Limited Partnership) (徐州盛創投資基金合夥企業(有限合夥)) (“ Xuzhou Investment ”)	502,195	20,000,000

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Subscribers	Registered capital subscribed for (RMB)	Consideration (RMB)
Puhua Fengqi (Ningbo) Venture Capital Fund Partnership (Limited Partnership) (普華鳳起(寧波)創業投資基金合夥企業(有限合夥)) (“ Puhua Capital ”)	1,506,584	60,000,000
Chongqing Conversion	909,776	36,232,032
Linghang Xinghan	7,051	280,798

(11) Equity transfers in July 2025

On July 9, 2025, Changzhou ASFS entered into equity transfer agreements with each of Mr. Wang Guowei (王國偉) and Mr. Qian Hai (錢海) to transfer its equity interests in our predecessor company in the respective amounts of RMB251,097 and RMB125,549 in registered capital thereto at a consideration of RMB10,000,000 and RMB5,000,000, respectively. On even date, Mr. Zhang entered into an equity transfer agreement with Mr. Qian Hai (錢海) to transfer thereto the equity interests in our predecessor company in the amount of RMB125,549 in registered capital at a consideration of RMB5,000,000. Such transfers were completed on August 22, 2025, with consideration in each case being determined based on arm’s length negotiations between the parties thereto. As such equity transfers only involve transfers of registered capital, there were no changes to the registered capital of our predecessor company.

(12) Conversion into joint stock company with limited liability in September 2025

On September 22, 2025, our predecessor company was converted into a joint stock company with limited liability under the name of Changzhou Microintelligence Co., Ltd (常州微億智造科技股份有限公司). Immediately upon completion of such conversion, the registered capital of our Company was RMB300,000,000 divided into 300,000,000 Shares with a nominal value of RMB1.00 each, which were subscribed by all the then Shareholders in proportion to their respective equity interest in our predecessor company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Set forth below is our shareholding structure immediately after the conversion:

No.	Name of shareholders	Number of Shares	Approximate Shareholding (%)
1.	Changzhou ASFS	58,862,791	19.62
2.	Industrial Machinery Fund	30,907,279	10.30
3.	Jin Wenying	22,530,930	7.51
4.	Wuxi Hongtai	20,541,453	6.85
5.	Shanghai Zhice	20,171,113	6.72
6.	Zhang Zhiqi	17,981,764	5.99
7.	Jiangsu Tuobang	16,070,199	5.36
8.	Huang Yichao	11,905,691	3.97
9.	Chengwei Investment	10,128,851	3.38
10.	Shenzhen Venture Capital SME	9,890,329	3.30
11.	Shanghai Weiyong	9,597,165	3.20
12.	Qingfeng Yungang	8,886,897	2.96
13.	Puhua Capital	7,417,746	2.47
14.	Jiangsu Nuocheng	6,368,928	2.12
15.	Chongqing Conversion	5,195,996	1.73
16.	Zhonglou Investment	4,443,438	1.48
17.	Changzhou Media	4,123,004	1.37
18.	Songhe Angel	3,708,873	1.24
19.	Jiangsu Jiandao	3,708,873	1.24
20.	Wang Guowei	3,013,645	1.00
21.	Zhongding Tiansheng	2,962,292	0.99
22.	Canxing Investment	2,631,567	0.88
23.	Changzhou Songhe	2,472,582	0.82
24.	Shenzhen Capital	2,472,582	0.82
25.	Xuzhou Investment	2,472,582	0.82
26.	Wu Junwen	2,440,283	0.81
27.	Qian Wenjun	2,221,719	0.74
28.	Wang Yiran	2,175,872	0.73
29.	Changzhou Ruitai	1,481,146	0.49
30.	Modern Service	1,481,146	0.49
31.	Qian Hai	1,236,291	0.41
32.	Gu Haibo	444,343	0.15
33.	Linghang Xinghan	40,268	0.01
34.	Gongqingcheng Boying	12,362	0.0041
	Total	300,000,000	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PRC LEGAL ADVISER’S CONFIRMATION

As advised by our PRC Legal Adviser, our Company has made all necessary registrations or filings with the relevant local branch of SAMR in respect of the equity transfers and capital increases set out above in all material respects, and such equity transfers and capital increases were conducted in compliance with the applicable PRC laws and regulations in all material respects.

[REDACTED] INVESTMENTS

Overview

(1) Series A Financing

Pursuant to a capital increase agreement dated October 17, 2019, Baidu Network subscribed for the increased registered capital of RMB3,089,888 at a consideration of RMB25,300,000. Upon completion of the Series A Financing on October 31, 2019, the registered capital of our predecessor company was increased from RMB25,000,000 to RMB28,089,888.

(2) Series B Financing

Pursuant to a capital increase agreement dated December 5, 2019, Jiangsu Tuobang subscribed for the increased registered capital of RMB1,792,972 at a consideration of RMB30,000,000. Upon completion of the Series B Financing, the registered capital of our predecessor company was increased from RMB28,089,888 to RMB29,882,860.

(3) April 2020 Transfers

Pursuant to equity transfer agreements dated April 17, 2020, Mr. Wang Mingxi transferred equity interests so held by him in our predecessor company, being 3% and 1.2% equity interests therein to Qingfeng Yungang and Mr. Wang Guowei at the respective consideration of RMB16,500,000 and RMB6,600,000. Pursuant to an equity agreement on even date, Ms. Huang Yichao and Mr. Wu Junwen transferred the respective equity interests so held by each in our predecessor company, being 1.7% and 0.3% therein to Jiangsu Tuobang at the respective consideration of RMB9,350,000 and RMB1,650,000 (collectively, the “April 2020 Transfers”).

(4) August to September 2021 Transfers

Pursuant to equity transfer agreements dated August 25, 2021, each of Mr. Wang Mingxi, Ms. Huang Yichao and Mr. Wu Junwen transferred the respective equity interests so held by each in our predecessor company, being 0.5%, 0.5% and 0.5% therein to Mr. Qian Wenjun at the respective consideration of RMB5,000,000, RMB5,000,000 and RMB5,000,000. Pursuant to an equity transfer agreement dated August 25, 2021, Ms. Huang Yichao transferred 2% equity interests so held by her in our predecessor company to Zhongding Tiansheng at a consideration of RMB20,000,000.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Pursuant to an equity transfer agreement dated August 26, 2021, Mr. Wu Junwen transferred 0.3% equity interests so held by him in our predecessor company to Ms. Gu Haibo at a consideration of RMB3,000,000. Pursuant to equity transfer agreements dated August 26, 2021, each of Mr. Wang Mingxi, Ms. Huang Yichao and Mr. Wu Junwen transferred the respective equity interests so held by each in our predecessor company, being 2%, 2% and 0.3% therein to Jiangsu Nuocheng at the respective consideration of RMB20,000,000, RMB20,000,000 and RMB3,000,000.

Pursuant to an equity transfer agreement dated September 1, 2021, Mr. Wang Mingxi transferred 1% equity interests so held by him in our predecessor company to Modern Service at a consideration of RMB10,000,000. Pursuant to an equity transfer agreement dated September 1, 2021, Ms. Huang Yichao transferred 1% equity interests so held by her in our predecessor company to Modern Service at a consideration of RMB10,000,000. (collectively, the “**August to September 2021 Transfers**”).

(5) July 2022 Transfers

Pursuant to equity transfer agreements dated July 8, 2022, Baidu Network transferred the equity interests so held by it in our predecessor company, being 3% and 3% therein to Qingfeng Yungang and Zhonglou Investment at the respective consideration of RMB36,000,000 and RMB36,000,000 (collectively, the “**July 2022 Transfers**”).

(6) Capital increase in connection with the Jiangsu SVFactory Acquisition

Pursuant to a capital increase agreement dated December 19, 2022, the subscribers, being all the then shareholders of Jiangsu SVFactory, subscribed for the increased registered capital of approximately RMB14,110,256.61 of our predecessor company (the “**Jiangsu SVFactory Acquisition**”), with the respective consideration being satisfied by the entire equity interests each held in Jiangsu SVFactory. The respective subscription amount and consideration paid by the subscribers were as follows:

Subscribers	Registered capital subscribed for (RMB)	Consideration (RMB)
Shanghai Zhice	4,096,859	31,257,400
Mr. Zhang	3,777,740	28,822,700
Chengwei Investment	2,057,223	15,695,800
Shanghai Weiyong	1,949,235	14,871,900
Jiangsu Tuobang	857,310	6,540,900
Changzhou Media	837,404	6,389,100
Canxing Investment	534,485	4,077,900

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(7) April to May 2024 Financing

Pursuant to the capital increase agreements dated April 19, 2024, May 15, 2024 and May 25, 2024, respectively, the following subscribers subscribed for the increased registered capital of approximately RMB1,506,584 in aggregate of our predecessor company (“**April to May 2024 Financing**”). The April 2024 Financing was completed on May 23, 2024, and the respective subscription amount and consideration paid by the subscribers were as follows:

Subscribers	Registered capital subscribed for (RMB)	Consideration (RMB)
Jiangsu Jiandao	753,292	30,000,000
Changzhou Investment	502,195	20,000,000
Changzhou Songhe	251,097	10,000,000

(8) May 2024 Transfers

Pursuant to equity transfer agreements both dated May 28, 2024 and as a matter of family wealth arrangement, Mr. Wang Mingxi transferred the then entire equity interests so held by him in our predecessor company, being 10.3549% and 1% equity interest therein to his wife, Ms. Jin Wenying and his daughter Ms. Wang Yiran at a consideration of RMB4,576,151 and RMB441,931, respectively (collectively, the “**May 2024 Transfers**”).

Mr. Wang Mingxi was one of the co-founders of our Company. Mr. Wang Mingxi did not play any role or assume any responsibilities in the day-to-day management and operations of our Group during the Track Record Period, and disposed of all of his equity interest in our Company in the May 2024 Transfers due to the aforementioned family wealth arrangement.

(9) December 2024 Financing

Pursuant to capital increase agreements dated December 25, 2024 and January 30, 2025, the subscribers subscribed for the increased registered capital of approximately RMB8,788,403.88 of our predecessor company (“**December 2024 Financing**”). The December 2024 Financing was completed on July 21, 2025, and the respective subscription amount and consideration paid by the subscribers were as follows:

Subscribers	Registered capital subscribed for (RMB)	Consideration (RMB)
Industrial Machinery Fund	6,277,431	250,000,000
Shenzhen Capital	502,195	20,000,000
Shenzhen Venture Capital SME	2,008,778	80,000,000

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(10) May 2025 Transfers

Pursuant to equity transfer agreements dated May 15, 2025, Baidu Network transferred the equity interests so held by it in our predecessor company, being 2.1269%, 0.2671% and 0.0021% therein to Wuxi Hongtai, Chongqing Conversion and Linghang Xinghan at the respective consideration of RMB30,000,000, RMB3,767,968 and RMB29,202. In May, 2025, Changzhou Investment transferred 0.9217% equity interests so held by it in our predecessor company to Songhe Angel at a consideration of RMB20,000,000 (collectively, the “**May 2025 Transfers**”).

(11) April 2025 Financing

Pursuant to capital increase agreements dated April 18, 2025, April 30, 2025, May 9, 2025 and May 21, 2025, the subscribers subscribed for the increased registered capital of approximately RMB6,443,477.67 of our predecessor company (“**April 2025 Financing**”). The April 2025 Financing was completed on August 12, 2025, and the respective subscription amount and consideration paid by the subscribers were as follows:

Subscribers	Registered capital subscribed for (RMB)	Consideration (RMB)
Changzhou Songhe	251,097	10,000,000
Wuxi Hongtai	3,013,167	120,000,000
Gongqingcheng Boying	2,511	100,000
Songhe Angel	251,097	10,000,000
Xuzhou Investment	502,195	20,000,000
Puhua Capital	1,506,584	60,000,000
Chongqing Conversion	909,776	36,232,032
Linghang Xinghan	7,051	280,798

(12) July 2025 Transfers

Pursuant to an equity transfer agreement dated July 9, 2025, Changzhou ASFS transferred the equity interests so held by it in our predecessor company, being 0.4121% and 0.206% therein to Mr. Wang Guowei and Mr. Qian Hai at the respective consideration of RMB10,000,000 and RMB5,000,000, respectively. Pursuant to an equity transfer agreement dated July 9, 2025, Mr. Zhang Zhiqi transferred 0.206% equity interests so held by him in our predecessor company to Mr. Qian Hai at a consideration of RMB5,000,000 (collectively, the “**July 2025 Transfers**”).

Principal terms of the [REDACTED] Investment are summarized below:

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

[REDACTED] Investment ⁽¹⁾	Name of [REDACTED] Investor	Total amount of registered capital increased or transferred (RMB)	Aggregate consideration (RMB)	Date of completion	Approximate cost per Share ⁽²⁾ (RMB)	Approximate (discount to)/ premium over the [REDACTED] ⁽³⁾
Series A Financing Series B Financing April 2020 Transfers	Baidu Network	3,089,888	25,300,000	October 31, 2019	1.66	[REDACTED]%
	Jiangsu Tuobang	1,792,972	30,000,000	December 24, 2019	3.40	[REDACTED]%
	Qingfeng Yungang	902,490	16,500,000	May 14, 2020	3.71	[REDACTED]%
	Mr. Wang Guowei	360,990	6,600,000	May 14, 2020	3.71	[REDACTED]%
August to September 2021 Transfers	Jiangsu Tuobang	601,660	11,000,000	May 14, 2020	3.71	[REDACTED]%
	Mr. Qian Wenjun	451,243	15,000,000	December 3, 2021	6.75	[REDACTED]%
	Zhongding Tiansheng	601,657	20,000,000	December 3, 2021	6.75	[REDACTED]%
	Ms. Gu Haibo	90,249	3,000,000	December 3, 2021	6.75	[REDACTED]%
July 2022 Transfers	Jiangsu Nuocheng	1,293,563	43,000,000	December 3, 2021	6.75	[REDACTED]%
	Modern Service	300,829	10,000,000	December 3, 2021	6.75	[REDACTED]%
	Changzhou Ruitai	300,829	10,000,000	December 3, 2021	6.75	[REDACTED]%
	Qingfeng Yungang	902,486	36,000,000	July 27, 2022	8.10	[REDACTED]%
	Zhonglou Investment	902,486	36,000,000	July 27, 2022	8.10	[REDACTED]%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

[REDACTED] Investment ⁽¹⁾	Name of [REDACTED] Investor	Total amount of registered capital increased or transferred (RMB)	Aggregate consideration (RMB)	Date of completion	Approximate cost per Share ⁽²⁾ (RMB)	Approximate (discount to)/ premium over the [REDACTED] ⁽³⁾
Capital increase in connection with the Jiangsu SVFactory Acquisition	Shanghai Zhice	4,096,859	31,257,443	December 23, 2022	1.55	[REDACTED]%
	Mr. Zhang	3,777,740	28,822,685	December 23, 2022	1.55	[REDACTED]%
	Chengwei Investment	2,057,223	15,695,812	December 23, 2022	1.55	[REDACTED]%
	Shanghai Weiyong	1,949,235	14,871,904	December 23, 2022	1.55	[REDACTED]%
	Jiangsu Tuobang	857,310	6,540,944	December 23, 2022	1.55	[REDACTED]%
April to May 2024 Financing	Changzhou Media	837,404	6,389,066	December 23, 2022	1.55	[REDACTED]%
	Canxing Investment	534,485	4,077,914	December 23, 2022	1.55	[REDACTED]%
	Jiangsu Jiandao	753,292	30,000,000	May 23, 2025	8.09	[REDACTED]%
	Changzhou Songhe	251,097	10,000,000	May 23, 2025	8.09	[REDACTED]%
	Changzhou Investment	502,195	20,000,000	May 23, 2025	8.09	[REDACTED]%
May 2024 Transfers	Ms. Wang Yiran	441,931	441,931	July 29, 2024	0.20	[REDACTED]%
December 2024 Financing	Ms. Jin Wenying	4,576,151	4,576,151	July 29, 2024	0.20	[REDACTED]%
	Industrial Machinery Fund	6,277,431	250,000,000	July 21, 2025	8.09	[REDACTED]%
	Shenzhen Capital	502,195	20,000,000	July 21, 2025	8.09	[REDACTED]%
May 2025 Transfers	Shenzhen Venture Capital SME	2,008,778	80,000,000	July 21, 2025	8.09	[REDACTED]%
	Wuxi Hongtai	1,158,910	30,000,000	August 12, 2025	5.26	[REDACTED]%
	Chongqing Conversion	145,558	3,767,968	August 12, 2025	5.26	[REDACTED]%
	Linghang Xinghan	1,128	29,202	August 12, 2025	5.26	[REDACTED]%
	Songhe Angel	502,195	20,000,000	August 12, 2025	8.09	[REDACTED]%
April 2025 Financing	Xuzhou Investment	502,195	20,000,000	August 12, 2025	8.09	[REDACTED]%
	Chongqing Coversion	909,776	36,232,032	August 12, 2025	8.09	[REDACTED]%
	Linghang Xinghan	7,051	280,798	August 12, 2025	8.09	[REDACTED]%
	Wuxi Hongtai	3,013,167	120,000,000	August 12, 2025	8.09	[REDACTED]%
	Gongqingcheng	2,511	100,000	August 12, 2025	8.09	[REDACTED]%
July 2025 Transfers	Boying					
	Puhua Capital	1,506,584	60,000,000	August 12, 2025	8.09	[REDACTED]%
	Changzhou Songhe	251,097	10,000,000	August 12, 2025	8.09	[REDACTED]%
	Songhe Angel	251,097	10,000,000	August 12, 2025	8.09	[REDACTED]%
	Mr. Qian Hai	251,097	10,000,000	August 22, 2025	8.09	[REDACTED]%
	Mr. Wang Guowei	251,097	10,000,000	August 22, 2025	8.09	[REDACTED]%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Note:

- (1) The [REDACTED] Investments comprises both (i) subscription of additional registered capital of the Company or new Shares by the [REDACTED] Investors, for which the Company was a party thereto and received proceeds from such [REDACTED] Investors, the details of which are set forth in the above table; and (ii) transfer of existing registered capital or Shares to the [REDACTED] Investors, for which the Company was not made a party thereto and as such, has received no proceeds therefrom, details of which are set out in “— Major Shareholding Changes of our Company” in this section.
- (2) The cost per registered share capital/Share of each series of [REDACTED] Investment is calculated by dividing the total amount of consideration by the amount of registered share capital or number of Shares subscribed by the [REDACTED] Investors in that series of [REDACTED] Investment, taking into account the enlarged registered capital of our Company as a result of the joint stock reform carried out in September 2025.
- (3) The discount to the [REDACTED] is calculated based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] Share (being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED] Share) as compared with the adjusted cost per Share.

Principal terms of the [REDACTED] Investments

[REDACTED] from the [REDACTED] Investments	The gross proceeds received by our Company from the [REDACTED] Investments involving increase of registered share capital and/or issuance of new Shares by our Company amounted to approximately RMB721.9 million.

As of the Latest Practicable Date, an amount of approximately RMB200.0 million remained unutilized and will be used for the operation and further development of our Group’s business, including research and development, market expansion and business operation as a supplement to the use of the [REDACTED] from the [REDACTED].

No proceeds were received by our Company from the [REDACTED] Investments that involved transfers of existing registered capital or Shares by our Company to the [REDACTED] Investors.

Strategic benefits the [REDACTED] Investors brought to our Company	We are of the view that our Group can benefit from the additional capital provided by the [REDACTED] Investments. Some of the [REDACTED] Investors are investors in the relevant industries, and can provide us with their knowledge and experience, which we believe would be helpful to our Group’s future development. The [REDACTED] Investments also demonstrated the confidence of the [REDACTED] Investors in our Group’s operations and served as a validation of our Group’s performance, strengths and prospects.

Basis of determining the consideration paid	The consideration for each of the [REDACTED] Investments which involved increase of registered capital and/or issuance of new Shares in which the Company was a party was determined based on arm’s length negotiations between our Group and each of the [REDACTED] Investors, after taking into consideration the timing of investment, and the then status of our business operation and financial conditions.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

To the best knowledge of our Company, for the [REDACTED] Investments which involved the transfer of existing registered capital or Shares to the [REDACTED] Investors, the considerations were determined among the relevant then Shareholders and the relevant [REDACTED] Investors based on their respective arm’s length negotiations.

Lock-up period

Pursuant to the applicable PRC laws, within the 12 months following the [REDACTED], all existing Shareholders (including the [REDACTED] Investors) cannot dispose of any of the Shares held by them.

Special rights of the [REDACTED] Investors

The [REDACTED] Investors have been granted certain special rights in relation to our Company and our Controlling Shareholders under agreements pertaining to their respective investments in our Company, including, among others, (i) redemption rights, (ii) rights of first refusal, (iii) anti-dilution rights, (iv) preferential rights, (v) shareholders’ specific request rights (vi) board’s specific request rights; (vii) information rights; (viii) liquidation preferences; and (ix) prohibitions on transfers (the “**Special Rights**”).

Pursuant to the Shareholders’ agreement and supplemental agreements to capital increase agreements entered into between the [REDACTED] Investors, our Company and our Controlling Shareholders, the redemption rights, anti-dilution rights and liquidation preferences in relation to our Company were irrevocably terminated as of June 30, 2025.

Pursuant to the supplemental agreement to the Shareholders’ agreement supplemental agreement to capital increase agreements entered into between the [REDACTED] Investors, our Company and our Controlling Shareholders, (i) the redemption rights in relation to our Controlling Shareholders were terminated prior to the first filing of the [REDACTED] by our Company with the Stock Exchange (the “**First Submission Date**”) but shall be reinstated upon the earliest of the following: (a) in the event that our Company’s [REDACTED] to the Stock Exchange is not accepted, rejected or terminated for review; (b) in the event that our Company voluntarily withdraws or decides to terminate its [REDACTED] to the Stock Exchange; or (c) in the event that our Company’s [REDACTED] expires and is not renewed or re-submitted within 12 months after expiration; (d) in the event that our Company has not been successfully [REDACTED] by December 31, 2028; and (ii) all other special rights of the [REDACTED] Investors will be automatically terminated upon the completion of the [REDACTED]. For the avoidance of doubt, no Special Rights granted to the [REDACTED] Investors will survive after the [REDACTED].

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Sole Sponsor’s confirmation

On the basis that (i) the consideration for each of the [REDACTED] Investments [were] settled more than 120 clear days prior to [REDACTED], and (ii) the Special Rights granted to our [REDACTED] Investors will be terminated on the consummation of the [REDACTED], except for the redemption rights in relation to our Controlling Shareholders which were terminated prior to the First Submission Date and shall only become exercisable upon the circumstances as described above, the Sole Sponsor confirms that the [REDACTED] Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

Information about the [REDACTED] Investors

Industrial Machinery Fund

Industrial Machinery Fund is a limited partnership established in accordance with the laws of the PRC. Its general partner is Guoqi Yuanhe Private Equity Fund Management Co., Ltd. (國器元禾私募基金管理有限公司) (“**Yuanhe Fund**”), which holds 1% partnership interest therein. Industrial Machinery Fund has four limited partners, among which 49.80% partnership interests are held by National Manufacturing Transformation and Upgrade Fund Co., Ltd. (國家製造業轉型升級基金股份有限公司), whilst none of the remaining limited partners holds 30% or more partnership interests therein.

Wuxi Hongtai

Wuxi Hongtai is a limited partnership established in accordance with the laws of the PRC. Its general partner is Wuxi Xingxin Co-creation Investment Co., Ltd. (無錫市星鑫共創投資有限公司), which holds 0.16% partnership interest therein. Wuxi Hongtai is held as to 49.92% and 49.92% by two limited partners, respectively, namely Wuxi Liangxi Sci-tech City Innovation Investment Co., Ltd. (無錫市梁溪科技城創新投資有限公司) and Wuxi Keyi Investment Development Group Co., Ltd. (無錫市科益投資發展集團有限公司), both of which are ultimately controlled by Wuxi Liangxi District People’s Government State-owned Assets Supervision and Administration Office (無錫市梁溪區人民政府國有資產監督管理辦公室), an Independent Third Party.

Jiangsu Tuobang

Jiangsu Tuobang is a limited liability company established in accordance with the laws of the PRC. Jiangsu Tuobang is held as to 50%, 35% and 15% by Huang Weixing (黃衛星), Jiang Shuping (姜毓萍) and Wang Guowei (王國偉), respectively, all of whom being Independent Third Parties.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Chengwei Investment

Chengwei Investment is a limited partnership established in accordance with the laws of the PRC. Its general partner is Shanghai Chengwei Evergreen Private Equity Fund Management Co., Ltd. (上海成為常青私募基金管理有限公司), which holds 0.12% partnership interest therein. Chengwei Investment has three limited partners, among which Jiang Shaoqing (蔣劭清) and Wu Minhui (吳敏慧) holds 60% and 34.48% partnership interests therein, respectively, with both of them being Independent Third Parties.

Shenzhen Capital and Shenzhen Venture Capital SME

Shenzhen Capital is a limited liability company established in accordance with the laws of the PRC, which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People’s Government (深圳市人民政府國有資產監督管理委員會), an Independent Third Party.

Shenzhen Venture Capital SME is a limited partnership established in accordance with the laws of the PRC. Its general partner is Shanghai Hongtu Chuangxin Private Equity Fund Management Co., Ltd. (上海紅土創新私募基金管理有限公司) and holds 1.28% partnership interests therein, which is a wholly-owned subsidiary of Shenzhen Capital. Shenzhen Venture Capital SME has 30 limited partners, and none of which holds 30% or more partnership interests therein.

Qingfeng Yungang, Zhonglou Investment and Canxing Investment

Qingfeng Yungang is a limited partnership established in accordance with the laws of the PRC. Its general partner is Changzhou Qingfeng Equity Investment Management Co., Ltd. (常州青楓股權投資管理有限公司, “**Qingfeng Investment**”), which holds 0.67% partnership interest therein. Qingfeng Investment is ultimately controlled by the People’s Government of Zhonglou District, Changzhou City (常州市鐘樓區人民政府). Qingfeng Yungang has one limited partner, namely Changzhou Zhonglou Economic Development Zone Qingfeng Industrial Guidance Fund (Limited Partnership) (常州鐘樓經濟開發區青楓產業引導基金(有限合夥)), which holds 99.33% partnership interests therein, and is ultimately controlled by the People’s Government of Zhonglou District, Changzhou City (常州市鐘樓區人民政府), an Independent Third Party.

Zhonglou Investment is a limited partnership established in accordance with the laws of the PRC. Its general partner is Qingfeng Investment, which holds 0.5% partnership interest therein. Zhonglou Investment has one limited partner, namely Changzhou Zhonglou Technology Innovation Investment Partnership (Limited Partnership) (常州鐘樓科創投資合夥企業(有限合夥)), which holds 99.5% partnership interests therein, and is ultimately controlled by the People’s Government of Zhonglou District, Changzhou City (常州市鐘樓區人民政府), an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Canxing Investment is a limited partnership established in accordance with the laws of the PRC. Its general partner is Qingfeng Investment, which holds 1.1% partnership interests therein. Canxing Investment has one limited partner, namely Changzhou Zhonglou District Urban Industrial Development Fund Co., Ltd (常州市鐘樓區城市產業發展基金有限公司), which holds 98.9% partnership interests therein, and is ultimately controlled by the People’s Government of Zhonglou District, Changzhou City (常州市鐘樓區人民政府), an Independent Third Party.

Puhua Capital

Puhua Capital is a limited partnership established in accordance with the laws of the PRC. Its general partner is Zhejiang Puhuatianqin Equity Investment Management Limited Company (浙江普華天勤股權投資管理有限公司), which is ultimately controlled by Shen Qinhua (沈琴華), an Independent Third Party. Puhua Capital has 24 limited partners. None of the remaining limited partners holds 30% or more partnership interests therein.

Jiangsu Nuocheng

Jiangsu Nuocheng is a limited liability company established in accordance with the laws of the PRC. Jiangsu Nuocheng is held as to 80% and 20% by Wang Qiong (汪瓊) and Wang Jiayi (汪佳怡), respectively, both of them being Independent Third Parties.

Chongqing Conversion

Chongqing Conversion is a limited partnership established in accordance with the laws of the PRC. Its general partner is Linghang Xinjie (Chongqing) Private Equity Investment Fund Management Limited Company (領航新界(重慶)私募股權投資基金管理有限公司), which holds 1% partnership interest therein and is ultimately controlled by Zhang Le (張樂), an Independent Third Party. Chongqing Conversion has ten limited partners, among which Chongqing Angel Navigation Enterprise Management Partnership (Limited Partnership) (重慶天使領航企業管理合夥企業(有限合夥)) holds 42.19% partnership interests therein and is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Chongqing Municipal People’s Government (重慶市人民政府國有資產監督管理委員會), an Independent Third Party. None of the remaining limited partners holds 30% or more partnership interests therein.

Changzhou Media

Changzhou Media is a limited liability company established in accordance with the laws of the PRC and is a wholly-owned subsidiary of Changzhou News and Media Center (常州市新聞傳媒中心), an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Jiangsu Jiandao

Jiangsu Jiandao is a limited liability company established in accordance with the laws of the PRC and is held as to 90% by Jiangsu Jiandao Holding Group Co., Ltd. (江蘇建道控股集團有限公司, “**Jiangsu Jiandao Holding**”). Jiangsu Jiandao Holding is held as to 70% and 30% by Zhu Weiping (朱偉平) and Zhu Tianyi (朱天怡), respectively, both of them being Independent Third Parties.

Songhe Angel and Changzhou Songhe

Songhe Angel is a limited partnership established in accordance with the laws of the PRC. Its general partner is Suzhou Songhe Venture Capital Management Partnership (Limited Partnership) (蘇州松禾創業投資管理合夥企業(有限合夥), “**Suzhou Songhe**”), which holds 1% partnership interest therein. Suzhou Songhe is ultimately controlled by Li Wei (厲偉), an Independent Third Party. Songhe Angel has eight limited partners, among which Changzhou Angel Investment Guidance Fund (Limited Partnership) (常州天使投資引導基金(有限合夥)) holds 40% partnership interests therein, which is ultimately controlled by Changzhou Finance Bureau (常州市財政局), an Independent Third Party. None of the remaining limited partners holds 30% or more partnership interests therein.

Changzhou Songhe is a limited partnership established in accordance with the laws of the PRC. Its general partner is Shenzhen Songhe Growth Private Equity Fund Management Co., Ltd. (深圳市松禾成長私募股權基金管理有限公司, “**Shenzhen Songhe**”), which holds 1.25% partnership interest therein. Shenzhen Songhe is ultimately controlled by Li Wei (厲偉), an Independent Third Party. Changzhou Songhe has four limited partners, among which BGI Genomics Co., Ltd. (深圳華大基因股份有限公司) a company listed on the Shenzhen Stock Exchange (stock code: 300676), holds 48.75% partnership interests therein. None of the remaining limited partners holds 30% or more partnership interests therein.

[REDACTED] RESTRICTED SHARE SCHEME AND INCENTIVE PLATFORMS

As of the Latest Practicable Date, our Group had four designated incentive platforms, namely Shanghai Weiba, Shanghai Weijiu, Changzhou Weishi, and Shanghai Zhice.

In 2020, certain employees and consultants acquired partnership interests in Shanghai Weiba and Shanghai Weijiu, which in turn held equity interests in Changzhou ASFS, thereby indirectly holding equity interests in our Company.

In 2021, Shanghai Zhice was established as a shareholding platform for Jiangsu SVFactory. At the time of its formation, four individuals became limited partners of Shanghai Zhice. Certain employees were granted options which, upon exercise, entitled them to acquire partnership interests in Shanghai Zhice. Through these interests, the participants indirectly held equity interests in Jiangsu SVFactory. In 2022, as part of the Jiangsu SVFactory Acquisition, Shanghai Zhice subscribed for equity interests in our Company in exchange for its equity interests in Jiangsu SVFactory. As a result, these individuals indirectly held equity interests in our Company through their partnership interests in Shanghai Zhice.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

In 2023, we granted additional awards to our employees. These employees indirectly held equity interests in our Company by acquiring partnership interests in Changzhou Weishi, which in turn held equity interests in Changzhou ASFS, thereby indirectly holding equity interests in our Company.

In 2025, we further adopted the [REDACTED] Restricted Share Scheme, under which incentive participants acquired partnership interests in Shanghai Weijiu, Shanghai Zhice, and Changzhou Weishi through capital contributions or equity transfers, thereby indirectly acquiring equity interests in our Company. For further details of the [REDACTED] Restricted Share Scheme, see “Appendix V — Statutory and General Information — D. Other Information — 1. [REDACTED] Restricted Share Scheme” in this document.

As of the Latest Practicable Date, Shanghai Weiba had four limited partners, each holding 18.29% partnership interest, and Mr. Pan served as the general partner, holding 26.83% partnership interest; Shanghai Weijiu had 44 limited partners, none of whom held more than 3% partnership interest, with Mr. Pan acting as the general partner holding an 8.10% partnership interest; Changzhou Weishi had 17 limited partners, none holding more than 20% partnership interest, and Mr. Pan was also the general partner, holding a 0.13% partnership interest; and Shanghai Zhice had 12 limited partners, none holding more than 20% partnership interest, with Mr. Zhang serving as the general partner and holding a 36.54% partnership interest. As general partners, Mr. Pan and Mr. Zhang have management control and decision-making authority over the respective incentive platforms.

As of the Latest Practicable Date, Shanghai Weiba, Shanghai Weijiu, and Changzhou Weishi held 0.50%, 4.39%, and 28.05% equity interests in Changzhou ASFS, respectively, which in turn held 19.62% of the Company’s total issued Shares. In addition, Shanghai Zhice held 6.72% of the Company’s total issued Shares. All restricted share units had been fully granted to participants, with no outstanding awards or options. Accordingly, there was no, and is not expected to be any, dilution effect on the shareholding of the Company upon [REDACTED] arising from the implementation of [REDACTED] Restricted Share Scheme.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CONCERT PARTY ARRANGEMENT

Mr. Zhang, Mr. Pan and Changzhou ASFS have been acting in concert since December 2022 on matters requiring Shareholders’ resolutions and other significant matters pertaining to the Company’s operations and development. Such arrangement between the concert parties since December 2022 is confirmed by way of a concert party agreement entered into between the Concert Parties, pursuant to which the Concert Parties have agreed to continue to act in concert and reach consensus on proposals regarding major matters as presented to the general meeting of the Company and shall follow Mr. Zhang’s vote, which shall prevail with finality, to arrive at a unanimous consent in case of any disagreement (the “**Concert Party Arrangement**”).

As of the Latest Practicable Date, the Concert Parties held approximately 35.54% of our total issued Shares, including (i) approximately 15.92% owned by Mr. Zhang directly and indirectly through Shanghai Weiyong and Shanghai Zhice (with Mr. Zhang serving as their general partner); and (ii) approximately 19.62% owned by Mr. Pan indirectly through Changzhou ASFS (an entity controlled by Mr. Pan). Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the Concert Parties will be interested in approximately 31.81% of the total issued Shares of our Company. For further details, see “Relationship with our Controlling Shareholders” in this document.

MAJOR ACQUISITIONS

Acquisition of Jiangsu SVFactory

Jiangsu SVFactory is a high-tech enterprise focusing on industrial AI. Leveraging the technological expertise of Jiangsu SVFactory, we believe that its addition to our Group enables us to enhance our technological capabilities. On December 19, 2022, we entered into capital increase agreements with each of the Jiangsu SVFactory Sellers, pursuant to which the Jiangsu SVFactory Sellers subscribed for approximately RMB14.1 million of the registered capital of our predecessor company, with the consideration being settled by the transfer of the 100% equity interest in Jiangsu SVFactory. The consideration was determined after arms’ length negotiations between the parties.

None of the applicable percentage ratios as defined under the Listing Rules in respect of the above acquisition reach 25% or above which would require disclosure of the pre-acquisition financial information of Jiangsu SVFactory pursuant to Rule 4.05A of the Listing Rules.

The completion of the acquisition took place on December 28, 2022 upon which Jiangsu SVFactory became our wholly-owned subsidiary.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Acquisition of Agilebot

Agilebot is a limited liability company established in the PRC and is principally engaged in the development of industrial robots, collaborative robots, and magnetic transportation system, with particular expertise in motion control technologies. Through our strategic investment in Agilebot, we have further complemented our core capabilities in robot hardware and underlying motion control, achieving a true synergistic fusion and optimization of software and hardware that allows us to maximize the advantages of our data and algorithms. On June 11, 2025, we entered into a framework purchase agreement (the “**Framework Agreement**”) with the shareholders of Agilebot (“**Agilebot Sellers**”) for the acquisition of 100% equity interest in Agilebot (the “**Agilebot Acquisition**”). Pursuant to the Framework Agreement, the Agilebot Acquisition shall be completed in two batches, with a definitive share purchase agreement being entered into by the parties for each batch.

On June 11, 2025, as contemplated by the Framework Agreement, we entered into a definitive share purchase agreement with the Agilebot Sellers for the first batch of the Agilebot Acquisition, acquiring 20.29% equity interest in Agilebot therefrom at the consideration of RMB224.0 million. Completion of the first batch of the Agilebot Acquisition took place on June 20, 2025, with the consideration, as determined after arms’ length negotiations between the parties thereto, being settled by cash.

The second batch of the Agilebot Acquisition in relation to the remaining 79.71% equity interest in Agilebot is expected to be completed in the fourth quarter of 2025. Pursuant to the Framework Agreement, we shall enter into a definitive agreement with the Agilebot Sellers for the second batch of the Agilebot Acquisition, which consideration, as determined after arms’ length negotiations between the parties thereto, shall be settled by cash and the issuance of consideration shares.

None of the applicable percentage ratios as defined under the Listing Rules in respect of the above acquisition reaches 25% or above which would require disclosure of the pre-acquisition financial information of Agilebot pursuant to Rule 4.05A of the Listing Rules.

REASONS FOR [REDACTED] ON THE STOCK EXCHANGE

Our Directors believe that the [REDACTED] on the Stock Exchange will give us better exposure to the international financial market and investment community, and the funds raised from the [REDACTED] will provide us with the necessary funding to pursue continuous innovation, expand our manufacturing capabilities, forge overseas sales and services network and deploy our strategic investment maneuvers. For details, see “Business” and “Future Plans and [REDACTED]” in this document.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

[REDACTED]

Rule 19A.13A of the Listing Rules requires that there must be an open market in the securities for which [REDACTED] is sought. Where a new applicant is a PRC issuer with other [REDACTED] shares at the time of [REDACTED], this will normally mean that the portion of H shares for which [REDACTED] is sought that are held by the public, at the time of [REDACTED], must: (a) represent at least 10% of the issuer’s total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK\$3,000,000,000.

Following the conversion of the Unlisted Shares into H Shares and upon completion of the [REDACTED], a total of [REDACTED] H Shares held by Mr. Zhang, Changzhou ASFS, Shanghai Weiyong and Shanghai Zhice, being members of our Controlling Shareholders, will not be counted towards the [REDACTED], representing approximately [REDACTED]% of our total issued Shares as of the Latest Practicable Date, approximately [REDACTED]% of our total issued Shares upon [REDACTED] (assuming the [REDACTED] is not exercised), or approximately [REDACTED]% of our total issued Shares (upon exercise of the [REDACTED] in full), will not be considered as part of the [REDACTED] of our Company in accordance with Rule 19A.13A of the Listing Rules.

So far as our Directors are aware, assuming (i) [REDACTED] H Shares are [REDACTED] and issued in the [REDACTED], (ii) the conversion of [REDACTED] Unlisted Shares into H Shares and (iii) the [REDACTED] is not exercised, an aggregate of [REDACTED] H Shares will count towards the [REDACTED] of our Company upon the completion of the [REDACTED], representing [REDACTED]% of the total issued Shares of our Company upon the completion of the [REDACTED]. Accordingly, the Company is expected to satisfy the [REDACTED] requirement under Rule 19A.13A of the Listing Rules.

FREE FLOAT

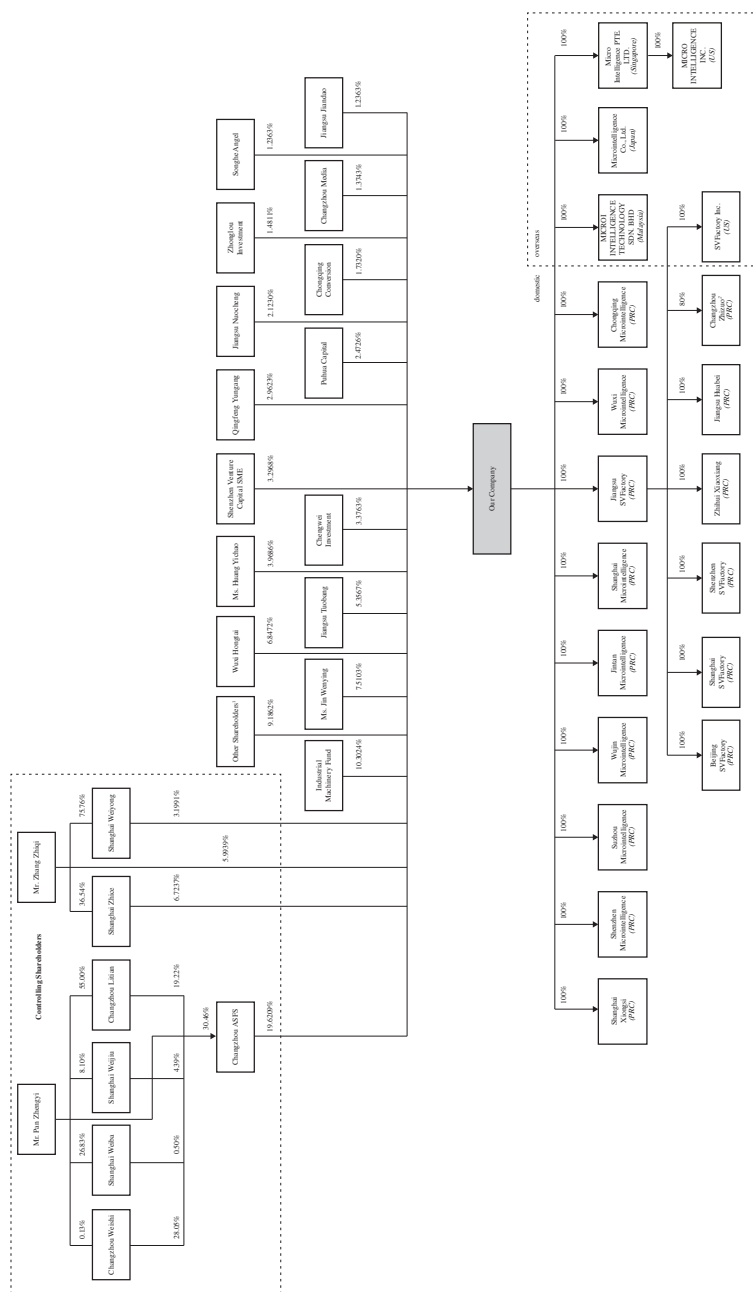
Under Rule 19A.13C of the Listing Rules, a PRC issuer with no other [REDACTED] shares at the time of the [REDACTED] must ensure that the portion of H shares for which [REDACTED] is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of [REDACTED] (i) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of [REDACTED] (excluding treasury shares), with an expected market value at the time of the [REDACTED] of not less than HK\$50,000,000, or (ii) have a market capitalization of at least HK\$600,000,000.

It is expected that immediately following completion of the [REDACTED], the [REDACTED] of the H Shares [REDACTED] on the Stock Exchange that are not subject to any disposal restrictions at the time of the [REDACTED] is not less than HK\$[REDACTED] million (calculated based on the low-end of the indicative [REDACTED] range at HK\$[REDACTED] per Share). Accordingly, our Company will be able to satisfy the requirements under Rule 19A.13C of the Listing Rules.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR SHAREHOLDING AND STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

The following chart illustrates the shareholding structure and simplified corporate structure of the Group immediately prior to the completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



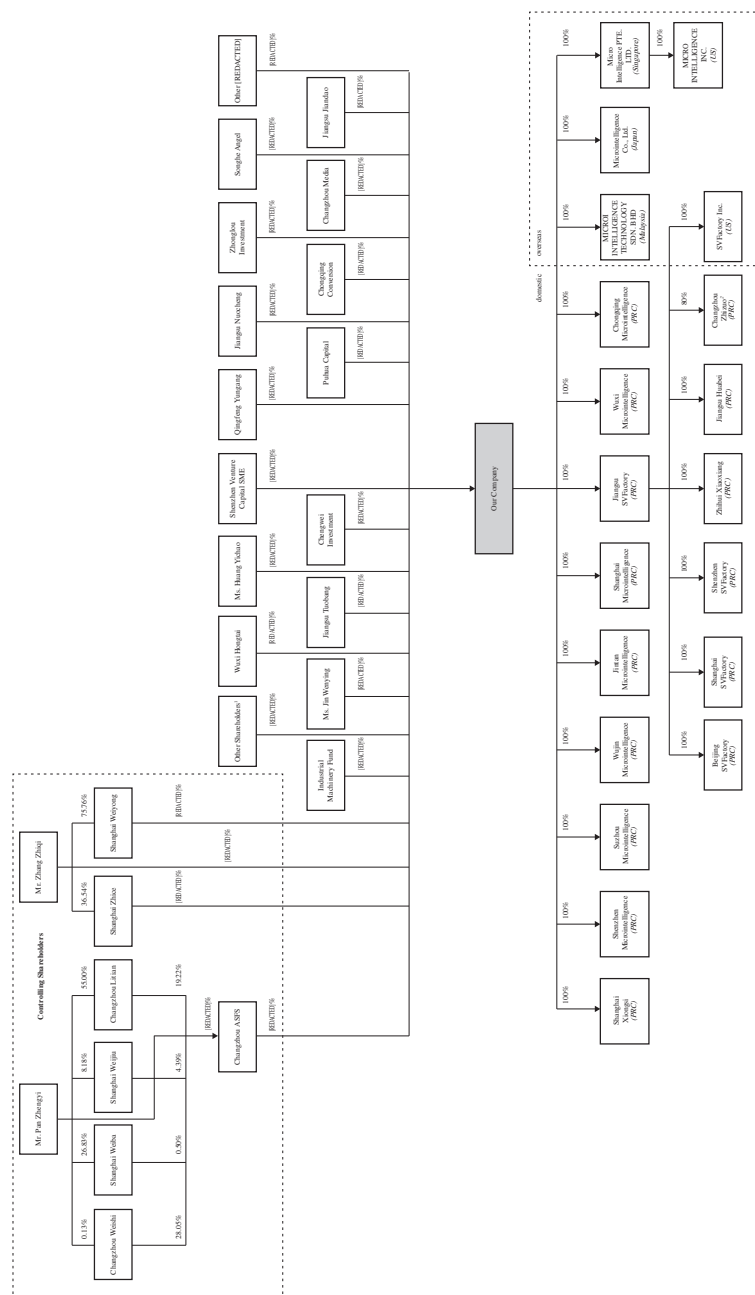
Note 1: Other Shareholders whose equity shares less than or equal to 1% are: Wang Guowei (1.0045%), Zhongding Tiansheng (0.9874%), Canxing Investment (0.8772%), Xuzhou Investment (0.8242%), Shenzhen Capital (0.8242%), Changzhou Songhe (0.8242%), Wu Junwen (0.8134%), Qian Wenjun (0.7406%), Wang Yiran (0.7253%), Changzhou Ruitai (0.4937%), Modern Service (0.4937%), Qian Hai (0.4121%), Gu Haibo (0.1481%), Linghang Xinghan (0.0134%), Gonggongcheng Boying (0.0041%).

Note 2: The holder of the remaining 20% equity interest is Mr. Ao Lian, an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR SHAREHOLDING AND CORPORATE STRUCTURE IMMEDIATELY FOLLOWING THE [REDACTED]

The following chart illustrates the shareholding structure and simplified corporate structure of the Group immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



Note 1: Other Shareholders whose equity shares less than [REDACTED]% are: Zhongding Tiansheng ([REDACTED]%), Mr. Wang Guowei ([REDACTED]%), Canxing Investment ([REDACTED]%), Xuzhou Investment ([REDACTED]%), Shenzhen Capital ([REDACTED]%), Changzhou Songhe ([REDACTED]%), Wu Junwen ([REDACTED]%), Qian Wenjun ([REDACTED]%), Wang Yiran ([REDACTED]%), Changzhou Ruitai ([REDACTED]%), Modern Service ([REDACTED]%), Qian Hai ([REDACTED]%), Gu Haibo ([REDACTED]%), Linghang Xinghan ([REDACTED]%), Gonggingcheng Boying ([REDACTED]%).

Note 2: The holder of the remaining 20% equity interest is Mr. Ao Lian, an Independent Third Party.

BUSINESS

OUR MISSION AND VISION

Lead the technology of industrial embodied intelligence, shape a new future for the global workforce.

OVERVIEW

We are a leading embodied intelligent industrial robotics company dedicated to reshaping the future of manufacturing through cutting-edge technology. We provide global customers with out-of-the-box, highly flexible, and exceptionally intelligent embodied intelligent industrial robot (EIIR) products and solutions. Through our self-developed full-stack software and hardware system and comprehensive system engineering capabilities, we have successfully developed EIIR products that can autonomously perceive, learn, decide, and execute complex tasks. During the Track Record Period, as a pioneer in multi-scenario and multi-industry application of embodied intelligent industrial robotics, we have achieved commercialization at scale and rapid growth in our financial performance:

- **Market leader with strong growth momentum:** We are the largest provider of EIIR in China in 2024 by revenue. Our flagship product line — the EIIR — is our core growth engine; its revenue grew from RMB33.8 million in 2022, with year-over-year increases of 237.5% and 138.2%, to RMB271.8 million in 2024. As a result, EIIR products have become our primary revenue driver, with their contribution to total revenue growing from 15.3% in 2022 to 53.6% in the first half of 2025. During the Track Record Period, the gross profit margin of this business line increased from 45.7% in 2022 to 54.1% in the first half of 2025, fully demonstrating our strong growth potential and excellent profitability.
- **Pioneer in multi-scenario and multi-industry commercialization:** We are one of the first leading companies in the world to achieve large-scale commercial deployment of embodied intelligence in multiple complex industrial scenarios. Currently, we have achieved commercialization at scale in real-world industrial settings, including in industries with extremely high requirements for precision, stability, and reliability, such as 3C electronics, automotive manufacturing, new energy, fast-moving consumer goods (FMCG), and semiconductors.

BUSINESS

The chart below demonstrates the highlights of our business:



Notes:

1. In terms of revenue in 2024.
2. According to IDC.
3. According to CIC.
4. As of June 30, 2025.
5. As of the Latest Practicable Date.
6. Jointly certified by the Ministry of Industry and Information Technology and Ministry of Science and Technology.
7. Since 2024.

Industrial automation has long been constrained by a series of core bottlenecks, leading to severely insufficient penetration in the vast manufacturing sector. These challenges are interconnected: (1) high deployment costs and lengthy commissioning cycles, with “soft costs” often accounting for more than half of the total project cost, deterring many enterprises; (2) rigid flexibility, where any minor change in production lines or products can lead to costly reprogramming, making it difficult to adapt to the agile production needs of modern manufacturing (small batches, high variety); and (3) a fundamental lack of intelligence, as traditional robots cannot perceive dynamic environments or understand complex processes, rendering them incapable of performing complex tasks that require experience and judgment.

The key is to introduce “embodied intelligence” by seamlessly integrating artificial intelligence (AI) into the robot’s physical form. This gives robots human-like abilities to understand, learn, and adapt to their environment, unlocking vast new market opportunities. According to CIC, the global market for industrial AI-empowered intelligent agents is projected to grow from RMB362.0 billion in 2024 to RMB1.3 trillion in 2030. We believe that our profound insights into these bottlenecks, combined with our leadership in industrial embodied intelligence, will drive the next leap in industrial robot penetration.

BUSINESS

Following our mission and vision, we have built a complete technology system through long-term R&D investment. This system was built and operates on the principles of “Fast & Slow Thinking” and “Human-in-the-Loop,” empowering our EIIR products with the ability to perceive, learn, decide, and execute intelligently. The entire system is realized through a “Cloud-Edge-Device” integrated architecture that functions like a complete organism with a brain (Cloud), a nervous system (Edge), and a body (Device).

- “Fast Thinking” for immediate, real-time action. This is enabled by “Human-in-the-Loop” through a cloud-based human machine interaction system. It allows us to rapidly inject the process expertise of human experts, solving the “cold start” problem for AI applications. Compared to the industry average of several weeks to months for commissioning, our EIIR products can go live on the production line within several days of installation.
- “Slow Thinking” for long-term, autonomous learning. Here, “Human-in-the-Loop” is essential for transforming raw data into permanent knowledge. Human experts curate, clean, and annotate the massive data generated during “Fast Thinking,” turning it into high-value assets for continuously training and evolving our core AI models in the cloud, driving the system toward true autonomy.

Following the principles of “Fast & Slow Thinking” and “Human-in-the-Loop,” we are able to achieve rapid and cost effective implementation across a wide range of industries and application scenarios, creating a robust and lasting competitive advantage.

Based on our platform-based technology, we have formed three complementary product lines to provide customers with comprehensive value, from core technology components to production-line-level solutions:

- **EIIR Products:** We provide standardized, AI-driven robots that can be integrated into production lines to perform tasks and learn new ones without manual programming, enabling flexible production. Fully driven by AI models, our EIIR products are capable of end-to-end autonomous operation, seamlessly adapting to various industrial scenarios through intelligent perception, path planning, real-time trajectory generation, and adaptive process execution.
- **AI-Enabled Intelligent Products:** We provide customized industrial equipment embedded with AI capabilities. Unlike our flagship EIIR products, the AI in these products focuses primarily on visual perception, data analysis, and process optimization, and does not involve complex, AI-driven robot motion control. By using our self-developed core technology modules and a standardized, AI-based delivery model as the cornerstone of these solutions, we can provide the broader automation market with high-performance, rapidly-delivered customized solutions. During the Track Record Period, we delivered nearly 800 AI-enabled projects to help clients upgrade their factory production lines.

BUSINESS

- **Modular Products:** We offer our core technologies as standardized, universal hardware and software components for individual sale, such as intelligent perception hardware modules, industrial software and cloud platforms, and core algorithm models. This allows us to penetrate the market with greater flexibility, empower system integrators, equipment manufacturers, and large end-customers with their own R&D capabilities, and build an industrial ecosystem around our core technology.

Through the continuous and growing deployment of our products on to production lines, we have built a self-reinforcing data flywheel. Every robot deployment and human interaction is transformed into a formidable data advantage, creating a barrier that is difficult for competitors to replicate. Every instance of human guidance and correction accumulates valuable training data. To date, we have amassed the industry’s largest unstructured, finely-annotated database sourced from real industrial scenarios, with a data volume exceeding 15TB and containing over 1 billion annotated data records. This data, sourced from the real world and aligned with actual process standards, is an invaluable asset that cannot be replicated by pure simulation, forming our core data moat.

To maximize this data advantage, we insist on full-stack, in-house development of our core technologies. As of June 30, 2025, we have a top-tier R&D team of more than 180 industry experts and engineers, accounting for close to 60% of our total employees. Our innovations are protected by a comprehensive IP portfolio of over 700 proprietary intellectual properties, including more than 180 invention patents and 300 software copyrights as of the Latest Practicable Date. Through our strategic investment in Agilebot, we have further complemented our core capabilities in robot hardware and underlying motion control, achieving a true synergistic fusion and optimization of software and hardware that allows us to maximize the advantages of our data and algorithms. In 2024, our R&D project, “Development and Application of High-Speed, Self-Planning, Integrated Intelligent System for Defect Detection and Repair” has been jointly certified by the Ministry of Industry and Information Technology (MIIT) and the Ministry of Science and Technology (MOST) as having reached an “International Leading” level.

This profound technological strength translates into tangible market leadership, enabling us to effectively empower a variety of industrial sectors. Starting with the demanding 3C electronics and automotive manufacturing fields, we have successfully solved multiple mission-critical “bottleneck” process challenges. We have expanded our applications to other high-growth emerging sectors, including new energy, FMCG, and semiconductors.

Starting in 2025, we officially launched our overseas expansion strategy to enter European and American markets. We currently serve over 25 Fortune 500 companies and global industry leaders, having secured multiple direct overseas orders through their global subsidiary factories. Our business now spans Europe and the United States, and we are actively developing our presence in new overseas markets such as Japan, Singapore, and Malaysia.

BUSINESS

COMPETITIVE ADVANTAGES

A leading company in embodied intelligent industrial robotics, progressively achieving profitability

As a pioneer and leading company in embodied intelligent industrial robotics industry, we are committed to providing customers with high-performance EIIR products in various precise and complex industrial scenarios such as quality inspection, grinding, repair-welding, and material loading and unloading. According to the CIC report, based on 2024 revenue, we are the largest provider of embodied intelligent industrial robots in China. Our business has penetrated multiple technologically demanding industries, including 3C electronics, automotive manufacturing, new energy, FMCG, and semiconductors, providing enabling capabilities for their intelligent transformation.

Our market leadership is reflected in our technological prowess and validated by our strong financial performance. During the Track Record Period, through the continuous advancement of our technology and product improvement, we achieved continuous high-speed revenue growth. Total revenue grew from RMB221.3 million in 2022 to RMB600.2 million in 2024, with a compound annual growth rate (CAGR) of 64.7%. More importantly, this growth reflects our successful strategic shift towards high-value EIIR products. The revenue contribution of our EIIR products rapidly climbed from 15.3% in 2022 to 45.3% in 2024, and further became our primary driver in the first half of 2025, contributing 53.6% of total revenue. The revenue of our EIIR products soared from RMB33.8 million in 2022 to RMB271.8 million in 2024 at a CAGR of 183.4%. This revenue shift demonstrates our successful transition to a mature business model: one driven by standardized, scalable, and high-margin core products.

In the robotics and AI industry, where high investment is often required to fuel growth, we have achieved rare profitability. Benefiting from the high gross profit margin of over 50% for our EIIR product line and based on our unique advantage of low deployment costs, we achieved profitability in 2024 and the first half of 2025. This signifies that we not only possess leading technology but also the powerful ability to convert technology into sustainable business value, setting us apart from the many competitors who are still operating at a loss.

Our leading position and innovative strength have also gained wide recognition from national and international institutions. With years of dedicated cultivation in the embodied intelligent industrial robotics field, advanced product technology, and an established market reputation, we have won numerous honors. At the national level, we have been recognized as a national-level “Specialized, Refined, Unique, and Innovative” “Little Giant” Enterprise and have received the title of National Intelligent Inspection Equipment Innovation Product. We have won several top awards in recognition of our technology innovation, including the grand prize at the 2nd National Artificial Intelligence Application Scenario Innovation Challenge and the first prize of the China Society of Image and Graphics Science and Technology Progress Award. Our R&D projects, “Development and Application of High-Speed, Self-Planning, Integrated Intelligent System for Defect Detection and Repair” and “R&D and Application of Photoelectric Tomography

BUSINESS

Technology and System Based on AI Vision,” were recognized by the MIIT as reaching “international leading level” and “international advanced level,” respectively, and have been approved for registration in the National Science and Technology Achievements Database. In terms of commercial value, we were selected for Forbes China’s Top 50 AI Technology Enterprises and ranked first nationwide in IDC’s “China AI Vision Industrial Robot Application Market Share, 2024” report. These honors are not only an affirmation of our past achievements but also a powerful testament to our future development potential, comprehensively validating our integrated strength in technological innovation, business value, and market leadership.

A versatile technology system that opens broad growth horizons

To enable rapid learning and deployment for robots in any setting, our entire technology system is built upon two powerful principles: “Fast & Slow Thinking” combined with “Human-in-the-Loop,” which fundamentally solves the critical “cold start” problem. Such core principles are the blueprint for our versatile technology system, deployed on a standardized “Cloud-Edge-Device” architecture that empowers our robots to perceive, learn, decide, and execute. This approach allows our robots to create value within days of installation and enables us to achieve rapid and cost effective implementation across a wide range of industries and application scenarios, creating a robust and lasting competitive advantage.

- *Cloud Technology: The Intelligence Engine and Learning Hub*

The cloud platform serves as the central brain of our entire technology system. It houses the intelligence engine that drives the system’s continuous evolution and, as the hub for human-machine interaction, solves the “cold start” problem for AI applications. At the learning level, to address the pain point of insufficient model generalization in industrial scenarios, we have built a data-and-knowledge dual-driven learning framework that embodies “Slow Thinking”. This framework uses “Yixiu Cloud” as its central data platform, coordinating with three capability platforms — the Subsystem of Algorithm (SA) for algorithm development, the Subsystem of Digital Twin (ST) for simulation, and the Subsystem of Operations (SO) for parameter commissioning and optimization. Through advanced methods such as multi-modal pre-training, few-shot learning, knowledge transfer, and generative augmentation, it empowers our robots with rapid self-adaptation and continuous learning capabilities, shortening traditional month-long algorithm development cycles to weeks or even days. At the decision-making level, our cloud-based human-machine interaction system, namely “BASH”, which embodies “Fast Thinking” and “Human-in-the-Loop”, introduces the intelligence of human experts, allowing process engineers to review and revise the robot’s decision results in real-time. We deconstruct the complex judgment process of human experts and highly optimize the information flow, ensuring that the expert’s operational speed does not affect the machine’s cycle time, thereby efficiently solving the “cold start” problem.

BUSINESS

- *Edge Technology: The Intelligent Hub Connecting Perception and Execution*

The edge computing platform, deployed on the factory floor, is the “central nervous system” that connects cloud intelligence with the physical world. Its core is our general-purpose inference architecture, Subsystem of Control (SC). As the core of autonomous operation, SC deeply integrates “decision-making” and “control” capabilities, serving as the execution engine for the cloud’s “Fast and Slow Thinking.” It is responsible for loading and running various complex models — the product of “Slow Thinking” — delivered from the cloud to make fully autonomous intelligent decisions. At the same time, it acts as the “central executor” for “Fast Thinking,” translating real-time, model-based decisions into precise, coordinated actions among all hardware modules via its internal hardware and algorithm scheduling system, ensuring every decision is executed flawlessly. This design creates a highly flexible decision-making hub, decoupling the underlying algorithmic capabilities from specific business logic and greatly enhancing the reusability and customization efficiency of our solutions.

- *Device Technology: Perception and High-Precision Physical Operations*

The device, as the final physical embodiment of intelligence, represents our ability to translate algorithmic perception and decisions into precise physical actions. At the perception level, we empower our robots with insight that surpasses the human eye. Our technology stack can fuse and process various types of information, from external vision and 3D sensing to internal structural tomography.

We have self-developed a low-cost, high-performance 6DoF (Degrees of Freedom) pose estimation technology that can quickly and accurately perceive the 3D position and orientation of target workpieces using only standard, low-cost 2D cameras. For transparent or semi-transparent materials that are undetectable by traditional vision, we have pioneered the advanced industrial application of Optical Coherence Tomography (OCT), giving our robots the ability to perform micron-level 3D tomographic scans of internal structures. Additionally, our fully automated calibration technology shortens the traditional manual calibration process from days to minutes. At the execution level, through our self-developed high-speed, high-precision robot arm control technology, we have modified the robot arm control interface to achieve 1ms-cycle bidirectional communication and real-time control. In addition, we have proposed a motion state decision and time-synchronized planning and control algorithm based on a third-order joint dynamics model, enabling the robot arm to maintain a stable and precise posture even while executing complex trajectories at high speed.

The powerful combination of our technology application paradigm and our full-stack technology gives our EIIR products a high degree of versatility, which has been fully validated in the market. During the Track Record Period, our products have been successfully and widely used across multiple scenarios and industries.

BUSINESS

Deep moat and data flywheel effect built on massive, precisely annotated data

In the era of AI, data is the core fuel that drives all intelligence and the most critical strategic asset for building long-term competitive advantages. Through years of commercial deployment in various industrial sites, we have amassed the industry’s largest precisely annotated database generated from real industrial scenarios. The data volume of this database has exceeded 15TB, containing over 1 billion precisely annotated data records as of June 30, 2025. The true depth of our data barrier lies not only in its scale but also in its unparalleled quality and value. All of our data originates from the complex and ever-changing frontline of real-world production. Every data record is precisely aligned with actual process engineering standards. This data captures the subtle variations and unexpected events that automation cannot handle, making it an invaluable asset that cannot be replicated by pure simulation and creating a core competitive advantage that is difficult for competitors to replicate.

Our vast and high-quality data asset is a direct result of our powerful data collection and refinement engine built on the unique “Fast & Slow Thinking” and “Human-in-the-Loop” principles. In the “Fast Thinking” stage, through our “BASH” human-machine interaction system, the tacit knowledge and experience of skilled process engineers in the cloud are injected into the robot’s every operation in real-time. Every instance of human guidance and parameter correction is fully recorded by the system in a structured manner, forming high-value annotated data rich with contextual information. Subsequently, in the “Slow Thinking” stage, these “data nutrients” are continuously fed into our “Yixiu Cloud” central data platform and “SA” platform for large-scale training and iterative optimization of our core AI models. This process not only solves the “cold start” problem during initial robot deployment but also builds a powerful, self-reinforcing data flywheel: the more the robot works, the more high-quality data it acquires, the faster it learns and evolves, and the greater its intelligence and autonomy become.

The power of the data flywheel lies in its ability to directly translate our technological advantages into significant commercial advantages. When facing new customers or scenarios, we can leverage the massive, finely-annotated data and models accumulated from previous projects to generate highly effective pre-trained models. This drastically reduces the training time and cost of AI models for new projects and shortens the deployment cycle from months in traditional models to weeks. This data-driven deployment efficiency is key to our rapid commercialization. Benefiting from this data advantage and the versatility of our technology, our EIIR products maintain industry-leading profitability. During the Track Record Period, the gross profit margins of our EIIR products were 45.7%, 47.9%, 55.1%, and 54.1%, respectively, consistently higher than the industry average. At the same time, the rapid commercialization of our products provides us with valuable opportunities to collect more high-quality real industrial data, further consolidating and deepening our data barrier. This creates a powerful feedback loop: more data leads to better models, better models enable faster commercialization, and rapid commercialization generates more high-quality data—collectively driving our data flywheel and widening our competitive lead.

BUSINESS

Efficient Go-to-Market Strategy and Diversified Customer Base

We have developed a successful go-to-market strategy that is efficient, scalable, and cost-effective. Our approach is to first win over top-tier companies in each industry. Their success serves as a powerful case study, attracting other customers. At the same time, our versatile technology is the engine that allows us to expand into new areas. Furthermore, we are developing an efficient overseas expansion model and global partner network to rapidly capitalize on the trend of localized global manufacturing. This comprehensive strategy has earned the trust of leading global companies and has helped us grow into new markets, industries, and applications, building a solid foundation for our future.

The technical strength and business value of our products have been widely and fully recognized by leading global industrial enterprises. We have successfully served over 25 Fortune 500 companies and global industry leaders, solving multiple mission-critical, industry-wide process challenges for them. For example, our EIIR products deployed at a leading automotive manufacturer enable on-demand material switching in seconds for flexible manufacturing. They also pioneered the integration of intelligent perception with guided repair-welding, creating the industry’s first closed-loop quality control system of its kind. In our collaboration with a leading global premium automotive manufacturer, our integrated inspection and repair solution successfully solved the industry-wide challenge of inspecting and grinding giga-casted vehicle bodies, significantly improving their production efficiency and product yield. The EIIR products we provided to a global leader in precision optical manufacturing has enabled high-precision quality inspection for a wide variety of highly transparent lens materials. As of June 30, 2025, we have expanded our business to over 200 clients across various industries, forming a robust and diversified customer base.

The high versatility of our technology is the core engine driving our market diversification. Because our products have significant potential for new applications, we can more easily form strategic partnerships with high-quality customers who are highly attuned to advanced technology and emerging market trends. These clients are typically early adopters of technology and cross-industry innovators. When they receive orders from customers in new sectors, they are inclined to first apply our proven and technologically transferable EIIR products. Successful innovation in one scenario naturally leads to our expansion into new industries. This strategy helps us effectively mitigate industry-specific risks and continuously capture emerging market trends.

Building on our success in the domestic market, we have launched an efficient overseas expansion model, leveraging the capabilities accumulated from serving global enterprises and the recognition from top clients. By combining the technology and networks of our global partners, we can capitalize the trend of localized global manufacturing faster than our competitors and ensure the successful deployment of industrial embodied intelligence technology overseas.

BUSINESS

Visionary management and R&D team, building a strong talent moat

We are led by an experienced and visionary management team, whose core members have outstanding track records in the industrial internet, corporate management, and intelligent manufacturing fields. Our Chairman and CEO, Mr. Zhang, is a seasoned expert in the industrial internet sector, having held key executive positions such as Vice President of SAP China and Deputy General Manager of Baidu AI Cloud Business Group. Our COO and Director, Mr. Pan, brings valuable expertise in international corporate management and industrial commercialization, having previously served as the general manager of IMV China.

Our technological innovation is driven by a world-class R&D team, led by our CTO and Director, Dr. ZHAO He. Dr. Zhao holds a Ph.D. in Biomedical Engineering from the State University of New York at Stony Brook, and has over 15 years of software development experience. He has held key technical positions at institutions such as The MathWorks, Agent Oriented Software, and JD.com’s AI Research Institute, specializing in intelligent decision systems and AI architecture design, and holds 29 authorized invention patents. This leadership team, possessing both strategic vision and excellent execution, provides a solid foundation for our steady development and clear strategic vision.

We fully recognized that forward-thinking and highly complex product development requires a top-tier team. To this end, we have creatively implemented an R&D management model we call the “Architect Accountability System.” This model breaks down traditional hierarchies, granting the lead architect of each R&D project full decision-making authority over product definition, technology roadmap selection, system design, and even employee performance reviews. This not only greatly stimulates a sense of ownership and innovative drive among our core employees but also effectively cultivates their full-stack capabilities, forging a stable and highly efficient core technical team. Furthermore, we provide substantial equity incentives for key R&D personnel through employee stock ownership platforms and stock option plans. This approach closely aligns personal growth with our long-term development, effectively attracting and retaining top talent.

As of June 30, 2025, we have a top R&D and technical team of more than 180 industry experts and engineers, accounting for close to 60% of our total employees. Our R&D team members cover multiple interdisciplinary fields, from software algorithms and optical engineering to mechanical control, forming a powerful technical force with a comprehensive structure and complementary expertise. It is this team — led by exceptional leaders, motivated by unique mechanisms, and composed of top-tier talent — that constitutes our most important talent advantage, providing a relentless driver for our continuous innovation and future growth.

BUSINESS

GROWTH STRATEGIES

Deepen R&D initiatives to build a comprehensive technology moat

To continue leading the industry and widen our technology moat, we have formulated a comprehensive, multi-layered R&D strategy. This strategy is designed to systematically enhance the technology capability matrix of our EIIR products, carrying out a comprehensive, next-generation technological upgrade across core intelligence, perception and control, development paradigms, and end applications.

The core of our R&D is to build the next-generation intelligence engine for our robots, starting with an end-to-end, specialized industrial Vision-Language-Action (VLA) models. We believe this is the path that best leverages our unique advantages and creates maximum customer value. Leveraging our accumulated high-value industrial data, mature experience in training specialized models, and a human-machine interaction system that rapidly learns from human expertise, we are confident that we will lead the deep application of these models. This will not only enable robots to perform complex inspection tasks with greater precision but also allow them to understand production commands via natural language and images, achieving automated task programming and real-time trajectory generation.

To achieve this goal, we will assemble a dedicated VLA model development team and enhance our R&D infrastructure. We will make targeted investments in the high-performance computing equipment and underlying software systems required for VLA model development, providing robust computing power to support model training and rapid iteration. In the future, we will gradually replace our existing specialized models with our self-developed VLA models to achieve a comprehensive upgrade of our product capabilities.

Notably, with this dedicated team and infrastructure in place, our development will pioneer two breakthrough applications. For appearance quality inspection, we plan to develop a retrieval-augmented system that allows the VLA model to query our extensive industrial database of defect examples and standards in real-time, enabling highly accurate and explainable judgments for even rare flaws. In parallel, we will develop generative models to the real-time, automatic generation of robot trajectories. Our approach leverages the ability of large models to understand an industrial environment that can be precisely defined through structured formal languages (such as 3D CAD models), enabling our robots to better perceive their environment and instantly create optimal paths.

Simultaneously, to build an even stronger technological barrier and support the comprehensive rollout of our specialized industrial VLA models, we plan to continuously develop and evaluate key foundational technologies, such as perception, control and high-fidelity digital twin simulation. We believe the deep integration of these technologies will create synergistic effects and lay a solid foundation for the future development of our EIIR products.

BUSINESS

Expand our product portfolio and application boundaries across multiple dimensions

We will systematically expand our product portfolio and application boundaries to build sustainable growth. First, we will strength collaborations with our existing customer base. Starting with our proven applications in quality inspection, grinding, and material loading and unloading, we will gradually extend more process services to our existing customers. For instance, with a long-term customer in the packaging industry, we began by providing solutions for quality inspection and have since expanded to cover material loading, unloading, and assembly. This allows us to enhance the end-to-end intelligence and lifecycle value for our customers by integrating our solutions more deeply into their operations. Second, leveraging the versatility and scalability of our core technology, we will continue to expand horizontally across industries at the process level. We will adapt our core technologies in more diverse process scenarios, such as through collaborations with manufacturers of specialized components like grinding heads, enabling a cross-domain extension of our capabilities to efficiently and cost-effectively enter other high-value emerging verticals like the semiconductor industry.

To accelerate this organic growth, we will also selectively engage in open ecosystem collaborations. Rather than starting from scratch in every new field, we will combine our leading core technology with the specialized domain knowledge of industry-leading partners. Through joint development and structured co-development framework with industry experts, we can overcome industry barriers more quickly and rapidly translate our technology into solutions that are tailored to specific scenarios.

Through this multi-dimensional expansion model — prioritizing organic growth while pursuing parallel ecosystem collaborations — we will drive the large-scale deployment of our robots in more industrial scenarios. This will not only open up continuous growth curves but also build powerful network effects and competitive barriers around our core technology.

Expand our international footprint and enhance localized service and delivery capabilities globally

While consolidating our leadership position in the Chinese market, we initiated our overseas business expansion. We fully recognize that the successful deployment and performance iteration of our EIIR products and their underlying AI models depend on localized understanding of our customers’ unique production environments, local data, and process needs. Therefore, for a highly integrated technology like ours, establishing traditional sales channels is far from sufficient. We must build well-established local R&D, delivery, and operational systems. This is fundamental to delivering the full value of our technology and building long-term trust with our global customers.

To achieve this, our core strategy is to build a global operational model that leverages China as a solid backbone while closely integrating local resources. This model is based on China’s mature supply chain network and our core algorithms, while working closely with local partners overseas. We will establish localized R&D, data storage, and processing capabilities, as well as supplementary facilities adapted to local capacity characteristics to better respond to overseas market demands. To implement this strategy, we will establish

BUSINESS

comprehensive regional centers in key markets such as Europe, the United States, Japan, and Southeast Asia. These centers will serve as hubs for our global clients, providing full lifecycle support from pre-sales consulting and deployment to local model iteration, ensuring we continuously strengthen our brand position and core competitiveness in the global market.

Integrate upstream and downstream industry resources through strategic cooperation, investment, and acquisition

We believe the embodied intelligent industrial robotics industry is at a critical inflection point of explosive growth. Therefore, we aim to further consolidate our industry leadership by strengthening enhanced cooperation and strategic integration across the upstream and downstream value chain, allowing us to enhance our technology chain, rapidly expand production capacity, and quickly extend into more application scenarios.

Our strategic investment in Agilebot this year is a successful implementation of this strategic thinking. This investment, along with future R&D, not only complements our core capabilities in robot hardware and underlying motion control but also achieves a synergistic fusion and optimization of software and hardware, enabling us to maximize the advantages of our data and algorithms. In the future, we will continue to make strategic investments and acquisitions in areas such as robot hardware and systems integrators.

When suitable opportunities arise, we will actively implement our strategy through mergers, acquisitions, and investments to achieve synergistic development and a win-win ecosystem. We plan to selectively identify and prudently evaluate target companies with complementary strengths. In assessing potential targets, we will consider key factors such as their operational history, financial performance, technological synergy with us, the growth potential of their market segment, their strategic fit, and valuation. We believe that relevant investments or acquisitions will enhance our technological capabilities, expand our product portfolio, broaden our customer base, and enrich our business ecosystem, thereby advancing our long-term strategy centered on the expansion of our EIIR products.

Attract, retain, and develop talent to drive future business growth

We fully recognize that experienced and professional talent is the core driver for implementing all our strategies and achieving long-term sustainable development. We are committed to attracting and cultivating the highest level of R&D and management talent globally, establishing a clear talent pipeline, and refining our incentive systems to provide a solid talent foundation for the company’s continuous innovation.

We will continue to bring in top-tier talent through diverse channels such as expert referrals, university-enterprise collaborations, and campus recruitment. We will provide our employees with market-competitive compensation packages, comprehensive equity incentive mechanisms, and continuous training and learning opportunities to promote their career development. We will continue to deepen our unique talent management models, such as the “Architect Accountability System,” to fully stimulate the innovative drive and sense of ownership among our core talent, ensuring we can attract, retain, and develop a world-class team capable of driving our future business growth.

BUSINESS

OUR CORE TECHNOLOGY

To enable rapid learning and deployment for robots in any setting, our entire technology system is built upon two powerful principles: “Fast & Slow Thinking” combined with “Human-in-the-Loop.” This approach fundamentally solves the critical “cold start” problem, allowing our robots to create value within days of installation and continuously evolve. “Fast & Slow Thinking” in combination with “Human-in-the-Loop” serves as the blueprint for our technology system on a standardized “Cloud-Edge-Device” architecture. It is this versatility that empowers our robots to perceive, learn, decide, and execute, and enables us to achieve rapid and cost effective implementation across a wide range of industries and application scenarios, creating a robust and lasting competitive advantage.

Our Core Principles: “Fast & Slow Thinking” and “Human-in-the-Loop”

Fast Thinking & Human in the Loop: Immediate Value and Adaptation

“Fast Thinking” is our robot’s real-time intuitive system, designed for immediate action and adaptation, and it is critically enabled by “Human-in-the-Loop”. Its core function is to create value from the moment of deployment, solving the paradox of “a robot cannot work without data, but it cannot acquire data without working.”

We solve this paradox by enabling our robots to quickly meet production standards, even without prior training data for a specific task. This is made possible by our cloud-based human-machine interaction system, through which, process engineers in the cloud can make real-time, remote corrections to the model’s output. This direct application of “Human-in-the-Loop” ensures the robots’ production level performance within days of their installation. This is complemented by a set of safety and reflex mechanisms, such as real-time obstacle avoidance, which are deployed on the device for instantaneous processing to ensure maximum operational safety.

This “Fast Thinking” brings significant commercial value: it drastically reduces the time-consuming on-site programming and commissioning phases of traditional robot deployments, successfully shortening the deployment cycle from months to several days, while significantly reducing the reliance on high-level programming skills from on-site engineers.

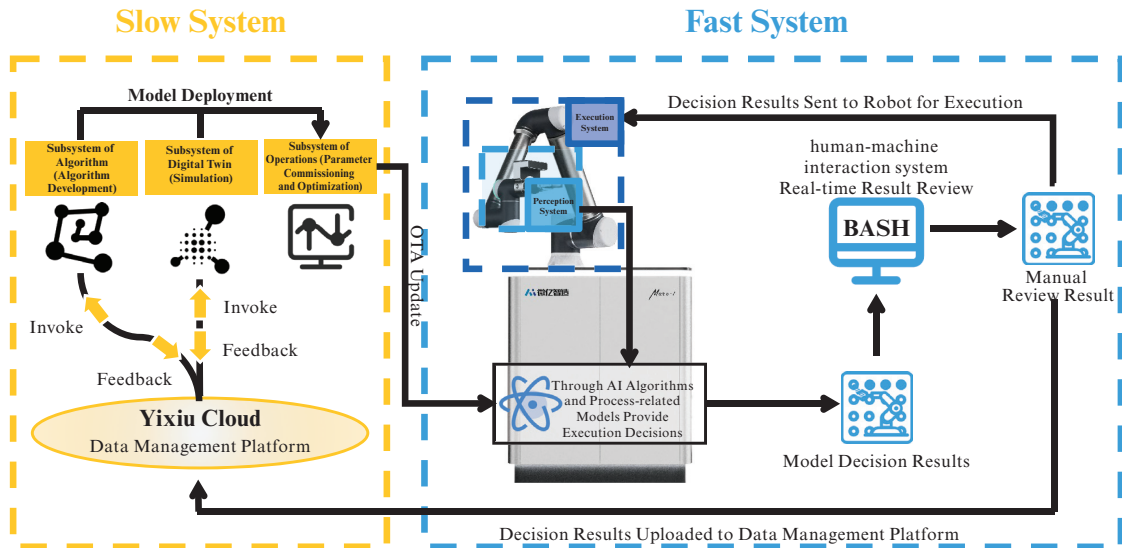
Slow Thinking & Human in the Loop: Building True Long-Term Intelligence

Slow Thinking” is our strategic system for building robust, long-term intelligence, where “Human-in-the-Loop” is essential for transforming raw experience into permanent knowledge. Its core lies in systematically converting the interactions and data generated during “Fast Thinking” into usable, long-term assets.

Every piece of human guidance and successful task execution from “Fast Thinking” is recorded in a structured manner. Here, the “Human-in-the-Loop” process involves human experts who perform critical data cleaning and annotation. They prepare and refine this high-value data before it is fed to our machine learning models for development and iteration. This curated data, rich in contextual information, is continuously used on our cloud platform for large-scale training and optimization of our core AI models.

BUSINESS

This forms a powerful reinforcement loop: the more the robot works, the more high-quality data it generates for training, leading to greater intelligence and autonomy. This systematic accumulation of real-world process knowledge allows the robot to progressively improve its efficiency, reduce the need for human intervention, and ultimately operate independently.



Enabling Architecture: An Object-Centric “Cloud-Edge-Device” Integrated System

Our principle of “Fast & Slow Thinking” is not realized by isolated technology modules but is driven by a seamlessly integrated “Cloud-Edge-Device” collaborative system. This system functions like a complete organism with a brain (Cloud), a nervous system (Edge), and a body (Device). Through a unified technology stack and system software, it intelligently allocates computational tasks to the most appropriate tier, perfectly balancing the need for large-scale data processing with the demand for real-time responses on the factory floor.

The Cloud: The System’s Central Brain and Intelligence Engine

The cloud platform is the central brain of our entire embodied intelligent robot system. At this tier, we primarily deploy the human-machine interaction components that enable the robot’s learning and decision-making functions. To meet the highest customer requirements for data security, our cloud platform also supports fully private deployment.

BUSINESS

The cloud’s “Slow Thinking” is the intelligence engine driving the system’s continuous evolution, built upon a data-and-knowledge dual-driven adaptive learning framework. This framework contains a central data platform (Yixiu Cloud) that supports the three core platforms: the SA, the ST, and the SO. Yixiu Cloud is responsible for the fine-grained data governance of the massive data collected from the “Fast” system and production line equipment, transforming it into high-value “data nutrients” for the three platforms. The ST uses this data to build high-fidelity simulation environments; the SO uses it to commission and optimize process parameters during the initial project phase; and the SA utilizes this high-quality data for core algorithm R&D and model training.

The technological advancement of the SA is reflected in its unique algorithm framework and learning strategies. Its core is a modular multi-task learning (MTL) framework. We have developed unique few-shot learning techniques, achieving automated sample generation and augmentation through methods like industry-specific perception modeling and on-demand data generation based on conditional diffusion models. Furthermore, our models utilize a ViT-structured vision-language cross-modal pre-training mechanism. This allows us to achieve, with zero or only a few dozen new samples, an accuracy level that would traditionally require thousands of samples. The core of this learning system is its powerful cross-domain transferability, enabling it to shorten algorithm development cycles from months to weeks or even days.

The cloud’s “Fast Thinking” is embodied in the “BASH” cloud-based human-machine interaction system, which solves the “cold start” problem for AI applications. During initial deployment or when facing ambiguous scenarios, the preliminary results from the on-site algorithm models are instantly transmitted to a cloud-based expert interface, where process engineers can perform efficient reviews and provide guidance. We combine the intelligence of human experts with the execution power of machines and have optimized the entire human machine interaction operational efficiency to the extreme. This optimization is reflected in two levels of “fast.” The first “fast” is that we deconstruct the complex judgment process of human experts for specific processes, automating all parts that can be handled by algorithms — such as real-time 6DoF estimation, path planning, and motion control. The human expert only needs to make a simple “correct” or “incorrect” judgment on the key results output by the model, thus minimizing expert intervention. The second “fast” is the extreme speed of information flow. We optimize in increments as small as 0.1 seconds, scrutinizing and iterating on every step from “image acquisition at the device — transmission to the “BASH” cloud system — expert operation — command sent to the SC at the edge — final execution.” Our goal is to minimize system latency to the point that it is imperceptible to the human operator, ensuring that the expert’s reaction time does not affect the machine’s cycle time, making human machine interaction fast to deploy while maintaining full production-line speed.

BUSINESS

The Edge: The Nervous System Connecting Deep Thinking with Fast Response

The edge computing platform deployed on the factory floor, is the critical bridge that brings our cloud-based intelligence to the physical world. At this tier, we primarily deploy intelligent technology components for autonomous decision-making and efficient execution. At its core is our general-purpose inference architecture, SC, which deeply integrates “decision-making” and “control” capabilities, playing the dual role of the “decision-making brain” and “central executor” at the edge.

SC is responsible for loading and running various complex algorithm models delivered from the cloud. These models include both those highly related to specific processes (such as detecting a particular type of defect) and more general-purpose models (like our self-developed framework for robot arm path planning and trajectory generation), enabling fully autonomous intelligent decision-making. The “BASH” human-machine interaction and SC’s autonomous intelligence form the two wings of our rapid decision-making system, allowing the robot to leverage human wisdom for ambiguous scenarios while efficiently executing tasks on its own.

Based on real-time, model-based decisions, SC’s internal hardware and algorithm scheduling system translates decision commands into precise, coordinated actions among all hardware modules, ensuring decisions are executed with high efficiency and without compromise. The combination of this low-code process engine and the general-purpose inference framework creates a highly flexible decision-making hub and execution unit. It decouples the underlying algorithmic capabilities from specific business logic, allowing implementation engineers to quickly configure complex task workflows for different production lines through a graphical interface. Crucially, all process models, path planning, trajectory generation and obstacle avoidance models, as well as algorithms and configuration files, can be updated remotely from the cloud via OTA (Over-the-Air). This allows the intelligent “nervous system” at the edge to continuously learn and evolve.

The Device: The Physical Embodiment of Precise Perception and High-Precision Execution

The robot itself, along with its advanced sensors and actuators, is the physical embodiment of the entire system. At this tier, we primarily deploy the physical operational components that enable perception and execution functions.

BUSINESS

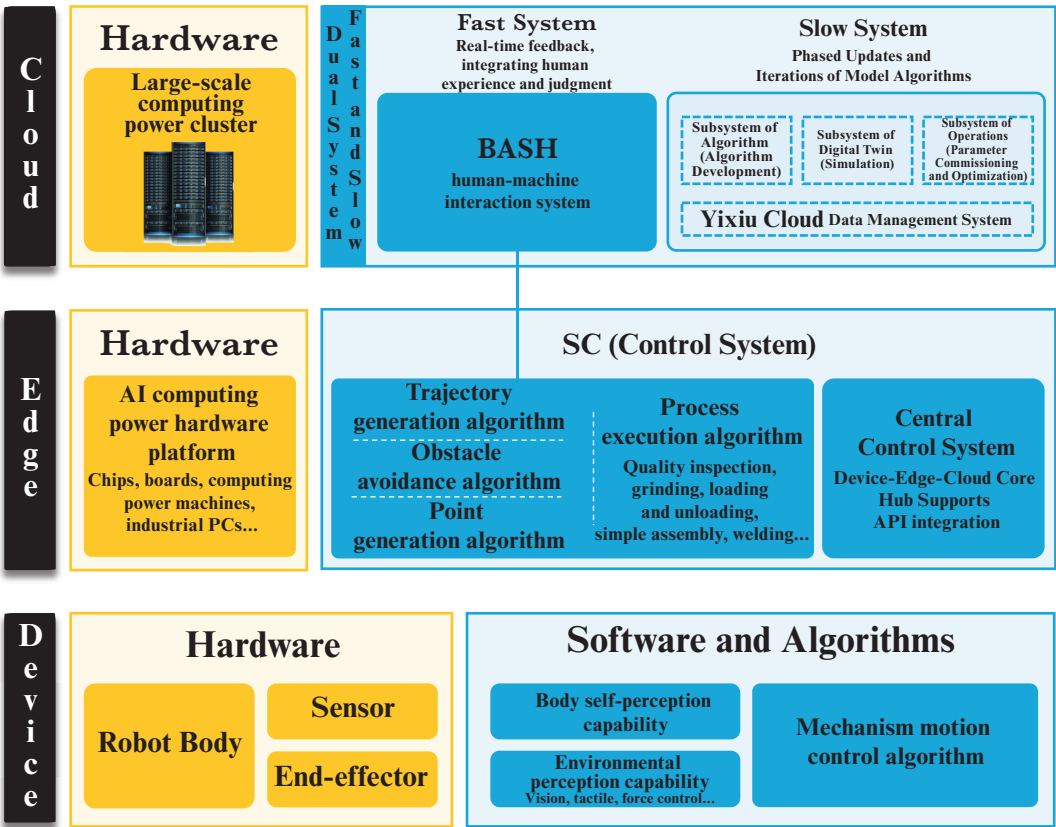
The device side provides the robot with ultra-high-precision environmental and self-perception capabilities, which is critical for enabling intelligent decision-making and execution. Our perception technology is designed as “plug-and-play” capability modules. Whether it’s conventional 2D vision, 3D sensing, or more advanced OCT, they can all be flexibly combined and configured according to task requirements. For external information perception, we have self-developed a high-precision 6DoF pose estimation technology based on 2D vision. Using only standard, cost-effective 2D camera images, it can quickly and accurately perceive the 3D position and orientation of target workpieces in space, providing the precise understanding of complex environments that is foundational for autonomous operations. For special materials like optical lenses and translucent multi-layer thin films, we have pioneered the deep industrial application of OCT. Detecting internal defects in such transparent or multi-layered materials is a significant challenge where traditional vision systems fail. While OCT has been proven in the medical field, its industrial adoption has been limited by technical bottlenecks in imaging speed, depth, and stability.

We achieved a critical breakthrough by developing our own industrial-grade OCT solution. By integrating self-developed hardware — including high-speed spectrometers and wide-field imaging systems — with advanced AI vision algorithms, our systems deliver internationally advanced performance. We can perform real-time 3D tomographic scanning over a large field of view of up to 50mm x 50mm, achieving axial and lateral resolutions as fine as 10 microns. Our high-speed models reach scan rates reaching 250,000 points per second and can penetrate materials to a class-leading depth of up to 11mm. This capability provides a systematic solution to a long-standing inspection challenge and has already been adopted by industry leaders.

Moreover, the device side also represents our ability to translate algorithmic decisions into precise physical actions. We have mastered the core technology for the precise, high-speed control of various types of industrial robot arms. To address the issues of insufficient accuracy and high latency in traditional robot arm control interfaces during high-speed trajectories, we have deeply modified them to achieve 1ms-cycle bidirectional communication and real-time control. In addition, we have proposed a motion state decision and time-synchronized planning and control algorithm based on a third-order joint dynamics model. This allows us to maintain high-precision trajectory following while ensuring speed, keeping the repetitive pixel error of camera triggers to within 5 pixels during high-speed execution of complex trajectories, which is significantly better than the standard industry performance.

BUSINESS

Together, this seamless integration of Cloud intelligence, Edge processing, and Device precision creates a system that is not only powerful on day one but is designed to grow smarter with every task it performs. The chart below illustrates our “Cloud-Edge-Device” architecture.



OUR BUSINESS MODEL AND PRODUCTS

Our core business model is built upon a versatile technology foundation. Rather than manufacturing single-function equipment, our focus is on the design, development, and commercialization of multi-function products tailored to address complex customer challenges. This is made possible by our proprietary technologies, which enable advanced capabilities in perception, learning, decision-making, and execution. Our industrial robots and solutions have served multiple sectors, including but not limited to 3C electronics, automotive manufacturing, new energy, FMCG, and semiconductors. We currently have three complementary product lines, providing customers with comprehensive value ranging from core technology components to complete production-line-level solutions:

- **EIIR Products:** This is the core of our business. We provide complete, AI-driven robots with the ability to perceive, learn, decide and execute that can be integrated into production line solutions to perform tasks and learn new ones without manual programming. From motion control to task execution, all key capabilities of our EIIR products are fully driven by AI models.

BUSINESS

- **AI-Enabled Intelligent Products:** We provide customized intelligent equipment whose core value is derived from our advanced AI technologies in machine vision, data analysis, and process optimization. Unlike our EIIR products, these AI-enabled products do not rely on AI models to drive all their key functions, such as robot motion control.
- **Modular Products:** We provide certain standardized, high-performance hardware and software components that serve as the foundational modules of our EIIR products. These components, which are built on our core technologies, can be sold independently, enabling partners and customers to develop their own solutions.

During the Track Record Period, our revenue was primarily derived from the sale of EIIR, AI-enabled intelligent and modular products. The following table sets forth a breakdown of our revenue by business line for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(unaudited)									
	(RMB in thousands, except for percentages)									
EIIR Products	33,820	15.3	114,137	26.3	271,833	45.3	46,787	32.6	220,780	53.6
AI-Enabled Intelligent Products	94,151	42.5	203,357	46.9	204,954	34.1	66,317	46.2	109,773	26.7
Modular Products	32,319	14.6	96,457	22.2	112,333	18.7	24,788	17.3	77,326	18.8
Others ⁽¹⁾	60,993	27.6	20,075	4.6	11,126	1.9	5,566	3.9	3,871	0.9
Total	221,283	100.0	434,026	100.0	600,246	100.0	143,458	100.0	411,750	100.0

Note:

- (1) Primarily represents the revenue derived from compute scheduling services and the sales of electronic appliances.

Our Products and Solutions: Commercial Applications of Core Technologies

EIIR Products

The EIIR is the core product line that defines our technological kernel and market positioning. It is an embodied intelligent industrial robot system driven in real-time by AI models, capable of autonomous perception, learning, decision-making, and execution. Our EIIR product series has the flexibility to perform both single-process and multi-process operations, enabling it to meet a wide range of complex customer needs, from single-station upgrades to full production line integrations. With our EIIR products, we provide market-proven, high-performance solutions to key high-growth industries such as 3C electronics, automotive manufacturing and new energy, all with the speed and cost-effectiveness of a standardized product.

BUSINESS

The core advantages of our EIIR products are designed to create a new paradigm for industrial production, operations, and long-term ownership, generating continuous value for customers throughout the asset’s entire lifecycle. This value begins with our disruptive rapid deployment capability, which shortens project implementation cycles from months to several days. A key advantage lies in its intelligent flexibility during the operations phase. With minimal human intervention, it can achieve rapid new product introductions, product changeovers, and process switching, and supports the free combination of processes. This flexibility is not just in hardware but stems from its software-defined core. Thanks to our adaptive technology framework, when facing a new task, the system typically only needs to train a new process model without re-architecting the underlying software, greatly enhancing its responsiveness and agility.

This high degree of flexibility fundamentally changes the lifecycle value of the asset. Compared to automated production lines, which often face lengthy shutdowns for labor-intensive re-tooling or are even rendered completely obsolete when production needs change, our EIIR products can be quickly and cost-effectively redeployed to new production lines, extending their lifecycle and significantly reducing changeover costs. When a customer’s production needs evolve, new functionalities can usually be acquired through software and algorithm upgrades via the cloud, eliminating the need to replace expensive hardware systems. This combination of rapid deployment, highly flexible operations, and long-term value assurance delivers tremendous cost benefits to our customers. Our EIIR products have the following core features:

- **AI-Driven Integrated Perception and Motion:** Our EIIR products can autonomously plan optimal path, generate trajectories, and postures in real-time based on the perceptual information they acquire about an object’s shape and state. This integrated capability of “perceive first, then plan, then act,” combined with our flexible platform framework, allows the equipment to switch between different products in a matter of seconds by simply calling a preset process package, providing ultimate flexibility for our customers’ high-mix production needs.
- **High-Precision, High-Speed Motion Control:** Automation equipment is designed based on the repeat accuracy of effective operating points, leading to a “move-stop-work” model where significant time is wasted in starting and stopping. Our technology breaks through this bottleneck. Through our self-developed multi-axis robot motion control algorithms with millisecond-level performance, we have elevated precision control from discrete operating points to the entire trajectory. Combined with sub-millisecond hardware synchronization with external devices like cameras, we enable precise operations during continuous high-speed motion. This technology, a core capability applied in our “Development and Application of an Integrated Intelligent System for High-Speed, Self-Planning Defect Inspection and Repair,” has been certified by the MIIT” as reaching an “International Leading” level. A typical example is our “Fly-Scan” application, where the robotic arm can perform continuous,

BUSINESS

smear-free imaging at speeds up to 1,000 mm/s, completing the acquisition of 170 high-quality images in 50 seconds — an efficiency improvement of over 50% compared to traditional methods.

- **Leading Process Model Library and Generation Method:** Our EIIR products possess powerful process capabilities. The core of this lies not just in the number of process models we have created so far, but in our unique, “Human-in-the-Loop-driven” mechanism for model generation and evolution. Our proprietary human machine interaction training model allows process engineers, through simple and intuitive operations, to continuously “teach” the robot their rich process knowledge and judgment experience via data and model training. It is through this dynamic learning and evolution mechanism that we have built a powerful model library. This library currently covers a rich array of applications, from identifying micron-level scratches and surface blemishes in consumer electronics, to high-precision analysis of weld seams and adhesive paths in automotive manufacturing, and complex surface profilometry and flatness inspection in precision machining.
- **Comprehensive Quality and Process Data Management:** Our products are embedded with our self-developed DQI (Dynamic Quality Intelligence) system, which performs real-time quantitative analysis of process and quality data and outputs comprehensive production management reports. The system can not only flexibly adjust process standards and inspection parameters according to customer needs but also enable process optimization and quality feedback. It deeply participates in the customer’s entire manufacturing process, creating a value loop from “problem detection” to “production optimization.”

BUSINESS



Intelligent Inspection Robot



Intelligent Assembly Robot



Multi-process EIIR
(Loading/Unloading, Inspection, Assembly)



Intelligent Inspection
and Re-welding Robot



Intelligent Loading/
Unloading and Depalletizing Robot



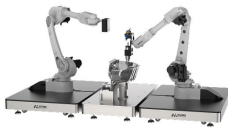
Intelligent Inspection
and Assembly Robot



Intelligent Inspection
and Welding Robot



Intelligent Loading/
Unloading and Inspection Robot



Intelligent Inspection
and Grinding Robot



Intelligent Flexible Production Line



Intelligent Inspection
and Repair Robot

Case Studies:

Flexible Loading/Unloading of PCBA

- Industry Pain Point:** The production of PCBA is defined by high-mix, low-volume batches, creating significant production challenges. Manual loading and unloading is slow, prone to human error, and cannot keep pace with demand, acting as a major bottleneck. Automation solutions, like dedicated pick-and-place machines, are rigid and inefficient for this environment. They lack the flexibility to handle diverse board types, requiring costly and time-consuming reprogramming and mechanical adjustments by specialized engineers for each new product batch, leading to excessive downtime and defeating the purpose of automation in a dynamic production setting.
- Solution:** Our intelligent loading/unloading solution directly addresses the need for flexibility and efficiency. At its core is our AI-driven integrated perception and motion capability. Using sub-millimeter, high-precision 6 DoF perception, the robot first identifies the exact type, position, and orientation of various PCBA in real-time. Based on this live data, it autonomously plans the optimal motion path and grasping parameters — from grip force to placement angle — demonstrating a seamless “perceive first, then plan, then act” workflow.

This intelligent planning is executed with exceptional stability and speed, enabling rapid yet gentle handling of delicate components. The system’s power is amplified by our process model library, which contains the knowledge to handle hundreds of board types. This allows for near-instantaneous changeovers by simply calling a new process

BUSINESS

package, eliminating the need for on-site teaching. Furthermore, the entire operation is monitored by our DQI system, which tracks throughput and cycle times, providing valuable data that helps our customers continuously optimize their production flow and reduce costs.

Inspection and Grinding of Die-Casted Part Defects

- **Industry Pain Point:** Finishing die-casted parts for industries like automotive and 3C electronics presents a dual challenge in both inspection and grinding. Manual inspection of defects like burrs and pinholes on complex surfaces is highly subjective, leading to inconsistent quality standards and low efficiency. Manual grinding is physically demanding, hazardous, and relies on scarce skilled labor. On the other hand, automation offers a poor alternative. Automated inspection systems are often inflexible and struggle with the varied shapes and reflectivity of cast parts, while separate robotic grinding cells are notoriously difficult to program and cannot adapt to the unique location and size of each defect, creating two disconnected and inefficient processes.
- **Solution:** Our integrated “inspection + grinding” solution transforms this workflow into a single, intelligent operation. The process begins with our high-precision, high-speed motion control technology. Using the proprietary “Fly-Scan” technique, the robotic arm performs continuous, smear-free imaging at up to 1,000 mm/s, capturing a complete 3D scan of the part’s complex surfaces with unmatched speed and clarity. The system’s AI, powered by our process model library, then precisely identifies defects down to 0.2mm. This library has been trained with expert knowledge to distinguish between different defect types.

Once a defect is “perceived,” the system leverages its AI-driven integrated perception and motion to automatically “plan” and “act.” It generates an optimal grinding toolpath tailored to the specific defect’s size and location and guides the robot to perform the repair. From there, the core of our solution comes into play: learning the grinding craftsmanship. Through an intuitive human-machine interaction system, a process engineer review and correct the robot’s process model output — such as tool angle and pressure — which is then used to train a reusable, high-precision process model. Equipped with both a precise path and this learned technique, the robot arm flawlessly executes the repair. To ensure a perfect result, the system then re-scans the area to verify the repair. The entire process is underpinned by our DQI system, which not only records every defect and repair action for traceability but also analyzes this data to identify trends. This creates a powerful feedback loop, allowing engineers to optimize the upstream die-casting process and move from simply fixing problems to preventing them, creating a true value loop of production optimization.

Inspection and Repair-Welding for New Energy Vehicle E-Drives

- **Industry Pain Point:** The manufacturing of e-drives, especially hairpin motors, involves precise and complex structures where defects like wire damage or poor welding can have serious consequences. The inspection and rework for these components are exceptionally challenging. Manual inspection within the dense motor windings is

BUSINESS

unreliable and prone to missing critical flaws. Manual repair-welding is a highly specialized skill that is both slow and inconsistent. Automated solutions are ill-equipped for this task; they lack the sophisticated imaging needed to navigate the complex internal geometry for inspection and are far too rigid to perform the unique, delicate welding required for each randomly located defect.

- **Solution:** We provide a true end-to-end intelligent inspection and repair-welding solution. The system’s effectiveness begins with its advanced AI-driven perception. Using self-developed optical systems, it achieves complete imaging coverage of the complex windings with a precision of up to 0.03mm. This raw data is interpreted by algorithms from our process model library, which has been extensively trained using a Human-in-the-Loop mechanism to reliably identify even the most subtle welding defects. This ability to learn from expert knowledge ensures supreme detection accuracy.

Upon detecting a flaw, the system seamlessly transitions from perception to planning by intelligently generating a precise repair-welding path. Crucially, the system then learns the delicate repair-welding process. A process engineer, through an interactive interface, reviews and correct the robots’ process model output, which are then captured and used to improve the process model. Guided by this learned expertise and the generated path, the robot executes the precise welding task with stability and accuracy outperforming human experts. To guarantee a flawless repair, the system re-inspects the welded area in a closed-loop verification process. This allows the robot to make corrections if necessary, repeating the cycle until the weld meet the quality standard. This entire closed-loop process is managed and documented by our embedded DQI quality management system. The DQI system does more than just guide the repair; it enables real-time quality data analysis and full production process traceability. By providing this deep insight, it empowers our customers to optimize their entire manufacturing process, ensuring higher yields and superior product quality.

Standardized Delivery and Evolution Process for EIIR Projects

Whether delivering a single-process EIIR or deploying a more complex multi-process EIIR, we follow a standardized project workflow. This process is not only our guarantee of efficient customer service but also enhances our ability to achieve scalable replication, drive continuous product evolution, and build a moat for our business model.

- **Stage 1: Solution Blueprint and Feasibility Assessment.** Our starting point is an assessment of the embodied intelligence feasibility for the application scenario. In addition to defining key metrics with the client, we focus on physical execution constraints such as the 3D workspace, robot reachability, and cycle time. The final output of this assessment is a recommended combination of modules from our standardized EIIR products that best matches the client’s industrial needs.
- **Stage 2: Standardized Construction and Pre-activation.** The core of this stage is to inject a customized model into a standardized physical product within a virtual world. We first build a “digital twin” environment in the cloud that is a 1:1 match

BUSINESS

of the customer’s site. Our core AI algorithms then autonomously compute the optimal robot motion trajectories and operational poses within this virtual environment. Finally, a “Standardized Digital Process Package,” containing a full set of motion, perception, and process parameters, is generated and pre-loaded into the robot’s control system before the equipment leaves the factory.

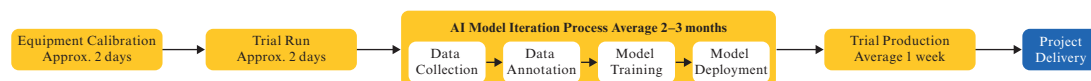
- **Stage 3: On-site Deployment and Rapid Learning.** Upon arrival at the customer’s site, the core task for the EIIR is no longer “programming” but “virtual-to-reality calibration” — precisely aligning the pre-activated model with the physical world. With our self-developed automated calibration technology, this process is typically completed within an hour. Subsequently, supported by our “Fast System” (i.e. “BASH”), cloud-based engineers validate the robot’s initial operations. Their feedback not only corrects perception (“is it seeing correctly?”) but also optimizes execution (“is it performing well?”), enabling rapid iteration of the robot’s “hand-eye coordination” capabilities.
- **Stage 4: Continuous Evolution and Value Expansion.** Once connected to the cloud (“Yixiu Cloud”), the data streamed back from the EIIR includes not only perceptual data but also high quality execution data such as forces and trajectories. Our evolution in the cloud is dedicated not only to improving the accuracy of perception models but also to optimizing motion decision-making and control strategies to make the robot’s actions more efficient and intelligent. Through OTA upgrades, we can enhance the equipment’s existing performance to meet customer delivery standards even without human intervention, and in the future, unlock entirely new functions and application capabilities for the customer, achieving true value expansion.

Ultimately, the equipment enters a fully independent operational phase, and the back-end human resources we invested in the project are released and can be reassigned to new projects. This standardized evolutionary path from “human-robot collaboration” to “full autonomy” is the core of how we achieve scalable technology, productized services, and low-cost operations, and it is fundamental to the scalability and efficiency of our business model.

Comparison of Project Implementation and Delivery

- **Traditional AI Project Delivery Model: Average project delivery in 2–3 months**

The process involves data collection, data annotation, model training and model deployment. The trial production phase can only commence after the model meets production line requirements, with an average duration of at least 2 to 3 months.



- **EIIR Project Delivery Model: Average project delivery in 21 days**

By leveraging the human-machine interaction system to provide real-time feedback and integrate human experience and judgment, the “cold start” problem is fundamentally solved, enabling trial production from the very first day, with an average duration of 21 days.



BUSINESS

AI-Enabled Intelligent Products

AI-enabled intelligent products are customized industrial equipment embedded with AI capabilities, designed to meet specific customer needs. Unlike our flagship EIIR products, the AI capabilities of these products are primarily focused on visual perception, algorithmic analysis, and data modeling, and do not involve complex, AI-driven robot motion control. These products are typically delivered on a project basis with a lower degree of standardization and serve as an effective way for us to leverage our deep AI vision technology to serve the broader automation market.

Our core differentiator from traditional non-standard equipment integrators is that we do not simply assemble third-party hardware. Instead, we use our self-developed core technology modules as the cornerstone of our solutions. This enables our products’ superior performance, rapid delivery, and continuous evolution. Through the AI-enabled intelligent products line, we can reach the market more broadly, address our customers’ most pressing current needs, while continuously accumulating profound industry know-how, which in turn empowers the large-scale application of our EIIR products.

Forms of AI-Enabled Intelligent Products

We provide end-to-end services from solution design and integration to delivery and deployment. Our solutions are designed to address specific process bottlenecks as well as comprehensive production needs, integrating advanced visual perception modules with our proprietary deep learning algorithm library. Whether delivering compact, high-precision equipment for specialized tasks or overseeing complete production line design — including process flow, mechanical, electrical, control, and software integration — we ensure seamless deployment tailored to each customer’s context, including new production line or existing line upgrades.



Standardized Delivery and Evolution Process for AI-Enabled Intelligent Products Projects

We understand that every customer’s production site is unique. Therefore, we have established a distinct process aimed at efficiently applying our standardized core technology to meet our customers’ customized needs. This process ensures both rapid project delivery and superior performance.

- **Stage 1: Solution Blueprint and Feasibility Assessment.** Our collaboration begins with a deep-dive AI and intelligent production feasibility assessment. Our solution experts work with the client to define key metrics for success metrics and focus on evaluating the on-site processes, production layout, quality control, and safety requirements. Based on this assessment and leveraging our vast library of past

BUSINESS

projects, we design an optimal solution blueprint for the customer, composed of standardized vision and algorithm modules and a custom automation workstation.

- **Stage 2: Non-standard Design and Outsourced Manufacturing.** In this stage, the non-standard solution design undergoes customer review and refinement. We then organize the supply chain for the outsourced manufacturing of the equipment, implementing strict quality control and management throughout the process. After assembly and commissioning, the equipment undergoes rigorous internal stress testing before being approved for shipment.
- **Stage 3: On-site Delivery.** After the equipment arrives at the customer’s site, it is quickly installed and integrated into the production line. We then enter the critical AI performance ramp-up period. The equipment will collect the most authentic image data from the production line to rapidly fine-tune the “foundational vision model,” allowing it to precisely adapt to the customer’s unique product details. In the initial phase, using a human-machine interaction verification approach not only ensures 100% production quality but also provides the AI model with invaluable expert knowledge, accelerating its maturation.
- **Stage 4: Continuous Evolution and Value Expansion.** Delivery is not the end but the beginning of “evolution.” Once connected to our Yixiu Cloud the equipment enters a continuous value-growth cycle. With customer authorization, on-site data is securely streamed back to the cloud for more in-depth model training. As soon as a higher-performing algorithm is developed, we will remotely push it to the customer’s equipment via OTA, continuously enhancing its capabilities.

Ultimately, the equipment will enter a fully independent operation phase, and the back-end human resources we invested in this project are released and can be reassigned to new projects.

Modular Products

Modular Products are independent component-level products developed by standardizing and universalizing core technologies that enable our robots to perceive, learn, decide and execute. These products serve as the internal building blocks for our EIIR products and can also be sold as standalone commercial products to empower our customers.

This product line allows us to penetrate the market with greater flexibility and build an ecosystem around our core technology. By providing high-performance core modules to system integrators, equipment manufacturers, and large end-customers with their own R&D and integration capabilities, we not only open up new revenue streams but also promote our technology standards in a wider range of industry applications, accelerating the intelligent transformation of the entire industry. We currently offer the following modular products:

BUSINESS

Industrial Software & Cloud Platforms: This is the “productized packaging” of our core decision-making algorithm models. For customers who need a complete, ready-to-use system but lack specialized secondary development capabilities, we deliver mature AI decision models embedded in business software and cloud platforms. The core value of these platforms remains the embedded AI algorithms; we are responsible for transforming them into an out-of-the-box solution.

- **Industrial Brain/Collaboration Platform:** Aggregating industry chain data to optimize overall operational efficiency through intelligent scheduling and analysis algorithms.
- **Intelligent Supply Chain Platform:** Using AI models for demand forecasting, intelligent product selection, and route optimization.
- **Smart Factory Management System:** Integrating AI capabilities into production management to provide services like lean production consulting, data collection, and analysis.

Core Algorithm Models: This represents our most core “AI intelligence” output, primarily targeting customers with strong software development capabilities or partners requiring expert consultation. Providing customized AI algorithm model development and integration services for the unique challenges of specific scenarios.

Intelligent Perception Hardware Modules: This is the hardware product form that solidifies our “visual perception” capabilities. We provide self-developed, high-precision, high-performance vision modules (such as OCT cameras). These modules can be directly integrated into automated equipment or production lines to perform difficult visual inspection and data collection tasks.



RESEARCH AND DEVELOPMENT

Our strategic investment in R&D is the cornerstone of our technological leadership and long-term growth. This commitment is reflected in our sustained R&D spending, which amounted to RMB75.7 million, RMB178.3 million, RMB164.9 million, and RMB114.7 million for the years 2022, 2023, 2024, and the six months ended June 30, 2025, respectively. These amounts represented 34.2%, 41.1%, 27.5%, and 27.9% of our total revenue for the respective periods.

Our R&D work has received formal national recognition. Our self-developed technological achievements, “Development and Application of High-Speed, Self-Planning, Integrated Intelligent System for Defect Detection and Repair” and “R&D

BUSINESS

and Application of Photoelectric Tomography Technology and System Based on AI Vision,” were evaluated by the MIIT as reaching “International Leading” level and “International Advanced” level, respectively, and have been approved for registration in the National Science and Technology Achievements Database.

Our innovation is driven by a dedicated in-house R&D team, managed by our Technical Management Board, which is the highest decision-making body for the company’s R&D management. It is composed mainly of technical personnel along with core members from the company’s marketing, production, and management departments to evaluate the feasibility and market prospects of R&D from various aspects. The team is structured into specialized departments focusing on key areas such as AI, robot planning and control, and cutting-edge optical and machine vision technologies. Their expertise, combined with our disciplined R&D process — from idea generation and prototyping to rigorous testing — ensures our innovations are not only leading-edge but also efficient and market-ready.

Our R&D Team

Our in-house R&D operations are coordinated and supervised by a dedicated Technical Management Board, which serves as the highest decision-making body for technological advancement, strategic planning, and innovation management. Under its supervision, our R&D center is comprised of five specialized departments:

- The **System Innovation** department primarily focuses on robot arm control and operation technologies, covering core areas such as path planning, trajectory generation, high-speed and high-precision robot arm control algorithms, advanced communication protocols, and flow control. This department plays a pivotal role in enhancing robot precision, reliability, and adaptability to complex motion demands.
- The **Platform Development** department is responsible for the R&D of our cloud-based comprehensive platforms and related product technologies. Its responsibilities include the construction and continuous optimization of the overall Cloud-Edge-Device architecture and the fast-slow systems, as well as, the development of internal R&D management systems.
- The **Optics R&D** department is dedicated to pioneering next-generation optical inspection technologies, including OCT and PMD imaging technologies. This department addresses complex visual perception challenges posed by special materials, such as transparent, semi-transparent, and highly reflective surfaces, through innovative photoelectric imaging technologies.
- The **Software Algorithm** department focuses on the R&D of classic computer vision operator libraries, rule engine frameworks, and the SC system. This department ensures the robustness, versatility, and real-time performance of the software, providing software-side support for our product system.

BUSINESS

- The **Machine Vision R&D** department is primarily responsible for the R&D of algorithms related to the visual perception of embodied intelligent industrial robotics and is committed to the research and application of cutting-edge machine vision algorithms.

As of June 30, 2025, our R&D team consisted of more than 180 members, of whom close to 60% hold postgraduate degrees or above. The core members of our R&D team have an average of nearly 12 years of industry experience.

Our R&D Process

We have established a structured and systematic R&D management process to ensure the efficiency, reliability, and market adaptability of our product innovations. Our typical R&D project generally includes the following key stages:

Requirement Analysis

The project owner conducts a comprehensive requirement analysis based on our overall technology strategy, product development direction, and customer needs. Through an in-depth assessment of industry trends and the market environment, a detailed project proposal is formulated, which clarifies project objectives, technical pathways, implementation timelines, key milestones, deliverables for each stage, and acceptance criteria, ensuring precise alignment and clarity of project goals.

The final project proposal is submitted to the Technical Management Board for review and rigorous evaluation. The Technical Management Board will engage in in-depth discussions to challenge and verify key aspects such as project necessity, technical feasibility, resource allocation, and commercialization potential. A project can only be officially initiated after receiving formal approval from the board.

Prototype Design

Upon approval by the Technical Management Board, the project quickly moves into the design and development phase. Our R&D team will formulate a comprehensive product design plan, system architecture plan, detailed technical solutions, test plans, test case preparation, and data generation, with all work strictly adhering to the approved project proposal. We uniquely implement Domain-Driven Design (“DDD”) and Test-Driven Development (“TDD”) methodologies in parallel, ensuring the simultaneous initiation of product design, system architecture, and testing. This parallel approach effectively coordinates the verification and validation (“V&V”) processes, significantly enhancing R&D efficiency and ensuring the high quality and stability of the R&D outcomes.

Testing and Validation

We place a high emphasis on testing and validation throughout the entire R&D process. Our testing strictly adheres to two core principles: (a) Rapid Identification Principle: to promptly discover and resolve issues at the source stage to reduce

BUSINESS

rectification costs and improve development efficiency; and (b) Zero-Defect Delivery Principle: to ensure that all issues that can be detected and resolved in an internal testing environment are thoroughly addressed before the product is delivered to the customer. These principles guarantee the high quality of our deliverables, enhance customer trust, and solidify our reputation for excellence in the industry.

We are committed to establishing a comprehensive and rigorous testing system in every R&D project, including unit testing, subsystem testing, integrated system testing, and stress testing. For cloud-based service systems, we also adopt a gray-box testing process to progressively verify the system’s stability in a real operating environment. Specifically, for equipment planned for delivery to customers, we conduct intensive “GoTest” testing, which is a turnkey simulation that replicates the actual operating environment at the customer’s site. This test meticulously reproduces the physical environment, electromagnetic environment, network environment, and user operation scenarios (including potential misoperations) to ensure that the equipment can be seamlessly deployed and perform excellently upon first use at the customer’s site.

INTELLECTUAL PROPERTY

We consider copyrights, trademarks, patents, domain names, trade secrets, and other intellectual property rights to be core assets of our business operations. As of the Latest Practicable Date, we own (i) 297 patents, including 187 invention patents, 74 utility model patents, and 37 design patents; (ii) 306 software copyrights; and (iii) 92 trademarks and 13 domain names in China. We also register and manage key intellectual property in overseas jurisdictions to protect our rights and support our overseas business activities. For further details on the intellectual property material to our business, please refer to the section titled “Appendix V — Statutory and General Information — B. Further Information About Our Business — 2. Intellectual property rights of our Group” in this document.

We primarily rely on a combination of intellectual property laws and contractual arrangements to protect our proprietary technology and other proprietary knowledge. These laws include patent law, copyright law, trademark law, anti-unfair competition law, as well as confidentiality, non-disclosure, and intellectual property assignment provisions contained in our employment contracts and commercial agreements.

To protect our intellectual property, we have established a multi-layered protection system, with specific measures including: (i) formulating internal policies and control mechanisms to ensure comprehensive and standardized management of intellectual property; (ii) establishing a dedicated team to guide, manage, and supervise intellectual property application, maintenance, and enforcement activities; (iii) promptly and proactively applying for intellectual property registration and protection; (iv) closely monitoring the registration, publication, and grant status of relevant rights and taking timely action upon discovering any potential conflicts or infringements; and (v) engaging external professional intellectual property service providers to assist with strategy formulation, application, and enforcement matters.

BUSINESS

During the Track Record Period and up to the Latest Practicable Date, we have not been involved in any material intellectual property infringement claims, nor have we suffered any material infringement of our intellectual property by third parties. During the Track Record Period and up to the Latest Practicable Date, we have not had any material intellectual property disputes with any third parties. However, there remains a possibility that third parties may bring lawsuits or claims against us, alleging infringement of their proprietary rights or seeking a declaratory judgment of non-infringement with respect to our intellectual property. For details, please refer to the “Risk Factors — Risks Relating to Our Business and Industry — If third parties claim that we infringe upon their intellectual property rights, we may incur liabilities and financial penalties and may have to redesign or discontinue selling the products or solutions involved.” section of this document.

PRODUCTION

Our production model is centered on design-driven, outsourced manufacturing. We currently do not own or operate major production facilities; instead, we rely on a network of qualified third-party suppliers for component processing and final assembly.

Our procurement department is responsible for the entire supply chain management, including supplier selection and partnership. We evaluate potential suppliers based on comprehensive criteria such as technical capability, production capacity, quality control systems, and delivery records. Only suppliers who pass our audit are included in our qualified supplier list. For more details, please refer to “— Our Suppliers — Supplier Management.” Meanwhile, the project management department is responsible for project scheduling, technical implementation, and daily coordination with our manufacturing partners.

Our Design-Driven Outsourcing Model

We employ a single, company-led design model to ensure complete control over intellectual property and product quality. The process is as follows:

- **In-house Design:** We complete detailed product designs, engineering drawings, and a bill of materials (BOM).
- **Supplier Execution:** We then transfer these detailed plans to our suppliers. The suppliers are responsible for procuring standard materials, manufacturing, and assembly according to our precise specifications.
- **Key Component Procurement:** To ensure product quality and protect our core technology, we procure all critical components — including robot arms, specialized optical parts, and industrial PCs equipped with our proprietary software — and provide them to our third-party manufacturing suppliers.

BUSINESS

Our Production Process

We have established a comprehensive manufacturing management system that covers the entire lifecycle from planning to final customer acceptance.

- **Production Planning:** Our planning process begins with a customer order. Using our ERP system, we generate a detailed production plan, coordinating R&D, manufacturing, and supply chain teams to define key milestones and resource allocation.
- **Material Management and Procurement:** We directly procure all critical and core components from approved suppliers. These parts are then delivered to our third-party manufacturing suppliers, who assist with receiving and incoming inspection before storing the components for assembly.
- **Outsourced Manufacturing and Assembly:** Our partners manufacture and assemble the equipment according to our designs and using the key components we provide. This stage typically includes mechanical structure assembly, electrical system wiring, and control system integration.
- **Quality Control and Testing:** Our engineers are stationed at the supplier’s factory to conduct rigorous on-site quality control. This includes in-process inspections during assembly and comprehensive system testing after the equipment is completed to verify performance and safety compliance.
- **On-site Commissioning and Acceptance:** After the equipment passes internal quality control, it is shipped to the customer’s site. Our team then carries out the final stage of the production process: on-site installation, commissioning, and calibration. This includes integrating the system into the customer’s production line and fine-tuning the software and algorithms according to specific application requirements. When the equipment meets the pre-defined acceptance criteria, the customer will formally sign off on the delivery.

Future Manufacturing Capabilities

To support our long-term growth, we are strategically enhancing our manufacturing capabilities through direct investment. Among these, our investment in Agilebot is a key strategic move aimed at vertically integrating the design and production of core robot components. By collaborating with Agilebot on its expertise in robot arm manufacturing and motion control algorithms, we expect to achieve significant synergies. This integration will foster deep co-development between AI algorithms and underlying hardware, thereby enhancing product performance, shortening development and implementation cycles, and optimizing cost efficiency, which in turn strengthens our competitive advantage. Concurrently, we plan to leverage Agilebot’s expertise in hardware. Both parties plan to build a production base in Jiangsu Province with a total construction area of 14,000 square meters, primarily for the production of hardware modules for our EIIR products, including robot arms and magnetic transport system product lines. We expect to complete the construction and commissioning of the factory in 2026.

BUSINESS

LOGISTICS AND INVENTORY MANAGEMENT

Logistics

We primarily partner with reputable third-party logistics service providers to transport our products from production facilities and warehouses to customer-designated locations. To minimize damage during long-distance transportation, all equipment must be packaged and handled according to waterproof, shockproof, and dustproof requirements. For sensitive computing equipment such as industrial control computers and servers, special attention is paid to preventing damage from vibration or impact during transit. Logistics service providers are required to report the transportation status of materials to us in real-time or at key milestones upon request. If any abnormalities are found, remedial measures must be taken immediately. After goods are delivered, our technical staff will be dispatched to the customer’s site to assist with equipment installation and commissioning.

Inventory Management

Finished products that have passed quality inspection are typically stored in our leased warehouses, with inventory levels dynamically monitored through an ERP system. The inventory turnover cycle is generally around 60 days. For domestic deliveries, we cooperate with reputable logistics partners to ensure delivery within 1 to 3 days. For overseas orders, we use a combination of sea or air freight with local delivery to complete delivery within 5 to 45 days. Throughout the delivery process, a logistics tracking system provides real-time updates to ensure delivery efficiency and transparency.

Our inventory mainly consists of raw materials, work-in-progress, and finished goods. We have established a comprehensive inventory management system covering the entire process of inventory storage, acceptance, dispatch, real-time tracking, and periodic stocktaking. As of December 31, 2022, 2023, and 2024, and June 30, 2025, our inventory amounts were RMB13.1 million, RMB45.7 million, RMB77.6 million, and RMB46.1 million, respectively. Please refer to “Financial Information — Discussion on Certain Key Balance Sheet Items — Inventories”. We have implemented strict inventory control policies to monitor inventory levels, mitigate the risk of excess or obsolete inventory, and optimize inventory turnover rates. Through close coordination with customers and suppliers, we strive to reduce the inventory levels of raw materials and work-in-progress and to lower inventory risks.

QUALITY CONTROL

Quality control and assurance are at the core of our operations, ensuring our products consistently meet high standards of safety and performance. We have implemented a comprehensive quality management system consistent with national and industry standards (such as ISO9001:2015), covering all aspects of our operations, with the aim of preventing major quality incidents.

BUSINESS

To ensure product quality throughout the value chain, we have established strict internal quality management policies and procedures. Potential institutional component suppliers must pass an on-site audit conducted jointly by our procurement, technical, and quality teams before being included in the approved supplier list. During the quality assessment process, we pay special attention to the supplier’s capabilities in incoming inspection, in-process inspection, outgoing inspection, and continuous improvement.

Our end-to-end quality control framework covers all production stages. At the incoming inspection stage, we conduct checks in sync with the material management team, implementing at least a 10% sampling or 100% full inspection for critical components. In-process inspections are implemented at key production stages (such as dynamic reducer assembly and single-joint performance testing), with non-conforming products immediately sent for rework. The final inspection stage typically lasts one to two days and includes assessments of functionality, safety, and regulatory compliance. We coordinate a three-stage acceptance process, including supplier self-inspection, our pre-acceptance, and final acceptance, to ensure all products meet delivery specifications.

We also implement strict control measures throughout the project delivery process. For all major projects, we convene multi-departmental delivery and handover review meetings attended by senior representatives from project management, engineering, algorithm implementation, procurement, and quality management departments. These meetings systematically review project management checkpoints and key test reports to ensure a seamless handover and that all products meet our delivery specifications.

Our quality assurance framework is supported by a dedicated team aimed at safeguarding product integrity and reliability. The quality management department is responsible for identifying non-conforming products, coordinating internal reviews, and following up on the resolution of non-conformities reported by customers. The relevant departments are responsible for implementing corrective measures. The quality management department is also responsible for planning the continuous improvement of the quality management system and products. When actual or potential quality issues arise, it issues requests for corrective and preventive actions and supervises the implementation and effectiveness of the corrective measures.

During the Track Record Period and up to the Latest Practicable Date, we have not experienced any major product returns, liability claims, or legal issues related to product safety or quality control, nor have we had any product or service recalls.

BUSINESS

SALES & MARKETING

Sales

We have established a broad and geographically diverse customer base in China, serving over 25 Fortune 500 companies and international industry leaders, with sales extending to overseas markets including Portugal, the United States, and Germany. We offer our products and services through a direct sales model, and we also collaborate extensively with ecosystem partners to reach target customers.

We have assembled a professional sales team that plays a key role in shaping our brand image and strengthening customer relationships. Our sales representatives possess in-depth knowledge of our products and the vertical industries of our clients, maintaining close contact with existing and potential customers to gain insights into their evolving needs. These insights are shared with our product development and marketing teams to guide product design, feature iteration, and commercial positioning. Furthermore, our sales team works closely with engineering and project teams to provide customized solutions for customers in industries such as 3C electronics, automotive manufacturing, new energy, FMCG, and semiconductors, accurately addressing their specific pain points.

The sales team adopts a matrix structure, combining customer industry, region, and product dimensions, to ensure a customer-centric approach, thorough understanding of customer needs, and rapid response, achieving efficiency, professionalism, and synergy:

- **Key Industry Account Teams**, by focusing on key accounts in 3C electronics, automotive manufacturing, new energy, consumer goods, and semiconductor industries, create customized solutions and establish strategic lighthouse benchmarks. Notably, we leverage insights from these key account projects to develop and refine industry-standard products, which we then offer to other customers in the sector.
- **Regional Sales Teams**, through regional operations, provide localized and immediate service support to customers and further penetrate into lower-tier markets.
- **Overseas Sales Teams**, by serving the Chinese factories of numerous Fortune 500 companies and international industry leaders, we have accumulated solid trust and experience, allowing us to seamlessly enter their global supply chain systems and successfully expand overseas. We are actively establishing local partner networks in various global regions to achieve effective penetration and efficient service in global regional markets.

BUSINESS

Marketing

To build brand trust by establishing “thought leadership,” we actively participate in and lead the development of industry technical standards to enhance our industry influence and brand credibility. We are also actively building a multi-layered partner ecosystem to accelerate innovation and expand market reach. We have formed strategic partnerships with giants in industrial automation, cloud services, and AI algorithms to achieve product cross-certification and technical integration, enhancing the compatibility and advancement of our solutions. We also develop partnerships with leading system integrators in various industries, combining their specialized industry knowledge and customer relationships with our product technology to jointly provide turnkey projects for customers.

To lead and educate the market, we employ a diversified market expansion strategy. On one hand, we collaborate with top global manufacturing groups to create innovative application examples of embodied intelligence in key scenarios, establishing a lighthouse effect for the industry. On the other hand, we actively participate in industry conferences such as the World Artificial Intelligence Conference and the China International Industry Fair to enhance brand awareness and attract high-quality leads. Concurrently, we share case studies, technical papers, and video demonstrations through digital marketing platforms and industry-specific vertical forums. Through precise content marketing and SEO/SEM, we nurture early-stage sales leads, effectively reaching potential customers and showcasing our technical capabilities.

Pricing

Our core pricing strategy is based on the quantifiable value created for the customer (e.g., cost savings from reduced defect rates, increased capacity from enhanced production efficiency, savings on labor costs), allowing customers to clearly perceive the return on investment (ROI) and supporting a premium brand positioning. At the same time, our pricing also considers current market conditions, historical transaction terms, customer expectations, and competitive dynamics. Our pricing strategy also reflects the degree of standardization of the products and services offered.

- **Standardized Product Pricing:** For products with fixed specifications and configurations, pricing is based on market benchmarks or the customer’s expected ROI. Such products use a uniform price list with volume discounts available.
- **Customized Solution Pricing for specific application scenarios:** For these non-standardized products, we use a cost-plus pricing model. The final price is determined by the bill of materials, customization costs, and labor costs, plus a predetermined profit margin. Each project is internally reviewed to ensure it aligns with our target gross margin goals while also meeting the customer’s ROI expectations and the product’s competitive positioning.

BUSINESS

OUR CUSTOMERS

We have established a diverse customer base covering multiple industries, particularly in emerging high-tech sectors such as 3C electronics, automotive manufacturing, new energy, FMCG, and semiconductors. Our customers are primarily industry-leading clients and general manufacturers who directly apply our various solutions in their factories. Additionally, our customer base includes system integrators who integrate our robot products into broader automation solutions by adding components, software, and custom engineering services to meet end-user application needs. We continuously monitor the evolution of complex industrial demands and constantly optimize our products to adapt to diverse market needs, thereby expanding our market coverage and deepening our industry influence.

For the years 2022, 2023, and 2024, and the six months ended June 30, 2025, the revenue from our top five customers amounted to RMB130.8 million, RMB227.4 million, RMB169.8 million, and RMB171.3 million, respectively, representing 59.1%, 52.4%, 28.3%, and 41.6% of our total revenue, respectively. For the years 2022, 2023, and 2024, and the six months ended June 30, 2025, the revenue from our largest customer was RMB46.2 million, RMB58.6 million, RMB42.0 million, and RMB53.9 million, respectively, accounting for 20.9%, 13.5%, 7.0%, and 13.1% of our total revenue, respectively.

The following table sets forth information regarding our top five customers during the Track Record Period:

For the Year Ended December 31, 2022

Customer	Background	Products Sold	Year of Commencement of Business Relationship	Payment Method	Revenue (RMB in thousands)	% of Total Revenue
Jiangsu SVFactory ⁽¹⁾	A high-tech enterprise focusing on industrial AI	Computing Services	2021	Telegraphic Transfer	46,158	20.9
Customer B	An enterprise focusing on IT and smart manufacturing systems	EIIR products and AI-Enabled Intelligent Products	2022	Telegraphic Transfer	37,770	17.1
Customer C	A Telecommunications operator	Modular Products	2020	Telegraphic Transfer	19,505	8.8
Customer D	An enterprise specializing in computer, telecom, and other electronics	AI-Enabled Intelligent Products	2021	Telegraphic Transfer	15,217	6.9
Customer E	A leading digital technology service provider	Modular Products	2022	Telegraphic Transfer	12,140	5.5
Total					130,790	59.1

BUSINESS

For the Year Ended December 31, 2023

Customer	Background	Products Sold	Year of Commencement of Business Relationship	Payment Method	Revenue (RMB in thousands)	% of Total Revenue
Customer E	A leading digital technology service provider	Modular Products	2022	Telegraphic Transfer	58,560	13.5
Customer D	An enterprise specializing in computer, telecom, and other electronics	AI-Enabled Intelligent Products	2021	Telegraphic Transfer	51,073	11.8
Customer F	A cloud computing and big data service provider	AI-Enabled Intelligent Products	2022	Telegraphic Transfer	46,131	10.6
Customer B	An enterprise focusing on IT and smart manufacturing systems	EIIR and AI-Enabled Intelligent Products	2022	Telegraphic Transfer	39,025	9.0
Customer G	An enterprise focusing on cloud computing, big data, industrial internet, and smart manufacturing	AI-Enabled Intelligent Products and Modular Products	2023	Telegraphic Transfer	32,618	7.5
Total					227,407	52.4

For the Year Ended December 31, 2024

Customer	Background	Products Sold	Year of Commencement of Business Relationship	Payment Method	Revenue (RMB in thousands)	% of Total Revenue
Customer H	A cross-industry leader with businesses in automotive, rail tech, clean energy, and electronics	AI-Enabled Intelligent Products	2021	Telegraphic Transfer	42,019	7.0
Customer E	A leading digital technology service provider	Modular Products	2022	Telegraphic Transfer	34,479	5.7
Customer I	A leading enterprise in China's digital energy and smart manufacturing sectors	AI-Enabled Intelligent Products	2024	Telegraphic Transfer	34,071	5.7
Customer D	An enterprise specializing in computer, telecom, and other electronics	AI-Enabled Intelligent Products	2021	Telegraphic Transfer	30,234	5.0
Customer J	An enterprise focusing on intelligent driving data services, integrated solutions, and smart manufacturing system integration services	EIIR Products	2024	Telegraphic Transfer	28,965	4.8
Total					169,768	28.3

BUSINESS

For the Six Months Ended June 30, 2025

Customer	Background	Products Sold	Year of Commencement of Business Relationship	Payment Method	Revenue (RMB in thousands)	% of Total Revenue
Customer I	A leading enterprise in China’s digital energy and smart manufacturing sectors	EIIR Products	2024	Telegraphic Transfer	53,863	13.1
Customer K	A leading state-owned enterprise in Fuzhou focusing on new energy, smart city solutions, and smart manufacturing	EIIR Products	2022	Telegraphic Transfer	43,282	10.5
Customer L	An enterprise providing digital and intelligent solutions for the electric power and energy Internet	AI-Enabled Intelligent Products	2024	Telegraphic Transfer	30,265	7.4
Customer M	An enterprise focusing on automation systems engineering for automotive and 3C industries	EIIR Products	2023	Telegraphic Transfer	24,212	5.9
Customer N	An enterprise providing testing solutions for semiconductors, MEMS, and filters, as well as smart equipment for the 3C industry	AI-Enabled Intelligent Products	2024	Telegraphic Transfer	19,632	4.8
Total					<u>171,254</u>	<u>41.6</u>

Note: Jiangsu SVFactory is our wholly-owned subsidiary and was regarded as our independent third party until its acquisition by our Group in December 2022. For details, please refer to “History, Development and Corporate Structure — Major Acquisitions — Acquisition of Jiangsu SVFactory”.

Except as disclosed above, as of the Latest Practicable Date, none of our Directors, their close associates, or any Shareholder (who, to the knowledge of the Directors, owns more than 5% of our issued share capital) had any interest in our top five customers for each year/period during the Track Record Period.

The principal terms and conditions in the agreements with our customers are as follows:

- **Product Delivery:** We are typically responsible for delivering the products to the location specified by the customer.
- **Payment and Credit Terms:** We usually require payment in installments and have no fixed credit term. A portion of the purchase price is paid upon contract signing, a second payment is made upon our shipment, a third payment is made after delivery and acceptance, and the final balance is paid upon the expiration of the warranty period. Some customers may opt for a lump-sum payment of the full amount after receipt and acceptance.
- **Warranty:** We typically provide a 12-month warranty period, covering repair services for product defects that occur under normal use. The warranty does not cover damage caused by misuse or external factors beyond our control.

BUSINESS

- **Product Return Policy:** We generally do not accept product returns from customers after acceptance.
- **Termination:** Generally, the contract can be terminated by mutual agreement of both parties.

OUR SUPPLIERS

We procure key components and equipment that are crucial for our production. Our procurement mainly includes raw materials, actuator components for automation, and computing power services. For the years 2022, 2023, and 2024, and the six months ended June 30, 2025, our procurement amounts from the top five suppliers were RMB101.6 million, RMB202.6 million, RMB186.0 million, and RMB218.3 million, respectively, accounting for 74.2%, 64.1%, 46.6%, and 61.7% of our total procurement. Our procurement from the largest supplier for the years 2022, 2023, 2024, and the six months ended June 30, 2025, were RMB63.0 million, RMB51.9 million, RMB50.3 million, and RMB95.0 million, respectively, representing 46.0%, 16.4%, 12.6%, and 26.9% of our total procurement.

The following table sets out information on our top five suppliers during the Track Record Period:

For the year ended December 31, 2022

Supplier	Background	Products Provided	Year of Commencement of Business Relationship	Payment Methods	Purchase Amount (RMB in thousands)	% of Total Purchases
Supplier A	A private enterprise providing intelligent equipment and solutions for manufacturing, including processing, assembly, and maintenance services	Computing Power Services	2021	Telegraphic Transfer	62,978	46.0
Supplier B	A high-tech enterprise focused on industrial automation, smart manufacturing, and robotics applications	Quality Inspection Equipment and Industrial Robotic Arm	2018	Telegraphic Transfer	20,246	14.8
Supplier C	A company focused on R&D and industrial applications of AI technology	Industrial Personal Computer and Industrial Robotic Arm	2022	Telegraphic Transfer	8,454	6.2
Supplier D	A high-tech enterprise focused on R&D and application of smart devices, industrial automation, and robotics	Quality Inspection Equipment	2021	Telegraphic Transfer	5,057	3.7
Supplier E	A private enterprise offering intelligent equipment and solutions for manufacturing and industrial production, covering processing, assembly, upgrades, and maintenance	Quality Inspection Equipment	2020	Telegraphic Transfer	4,908	3.6
Total					<u>101,643</u>	<u>74.2</u>

BUSINESS

For the year ended December 31, 2023

Supplier	Background	Products Provided	Year of Commencement of Business Relationship	Payment Methods	Purchase Amount (RMB in thousands)	% of Total Purchases
Supplier F	An enterprise focused on the R&D, manufacturing, and sales of automation hardware	Quality Inspection Equipment and Industrial Robotic Arm	2023	Telegraphic Transfer	51,860	16.4
Supplier G	A company focused on smart manufacturing and robotics technology	Computing Power Services and Quality Inspection Equipment	2023	Telegraphic Transfer	51,796	16.4
Supplier A	A private enterprise providing intelligent equipment and solutions for manufacturing, including processing, assembly, and maintenance services	Computing Power Services	2021	Telegraphic Transfer	44,581	14.1
Supplier B	A high-tech enterprise focused on industrial automation, smart manufacturing, and robotics applications	Quality Inspection Equipment and Industrial Robotic Arm	2018	Telegraphic Transfer	37,187	11.8
Supplier H	A high-tech enterprise focused on R&D of smart manufacturing, industrial automation, and advanced equipment	Quality Inspection Equipment and Industrial Robotic Arm	2023	Telegraphic Transfer	17,212	5.4
Total					202,636	64.1

For the year ended December 31, 2024

Supplier	Background	Products Provided	Year of Commencement of Business Relationship	Payment Methods	Purchase Amount (RMB in thousands)	% of Total Purchases
Supplier G	A company focused on smart manufacturing and robotics technology	Computing Power Services and Quality Inspection Equipment	2023	Telegraphic Transfer	50,322	12.6
Supplier A	A private enterprise providing intelligent equipment and solutions for manufacturing, including processing, assembly, and maintenance services	Computing Power Services	2021	Telegraphic Transfer	49,550	12.4
Supplier I	A high-tech enterprise focused on R&D of smart manufacturing, industrial automation, and advanced equipment	Intelligent Production Line and Quality Inspection Equipment	2024	Telegraphic Transfer	35,778	9.0
Supplier J	An enterprise focused on R&D, production, and sales of electronic components, smart hardware, and automation equipment	Quality Inspection Equipment and Industrial Robotic Arm	2024	Telegraphic Transfer	27,094	6.8
Supplier K	A high-tech enterprise focused on graph databases, knowledge graphs, and big data correlation analysis	Quality Inspection Equipment and Industrial Robotic Arm	2024	Telegraphic Transfer	23,224	5.8
Total					185,968	46.6

BUSINESS

For the six months ended June 30, 2025

Supplier	Background	Products Provided	Year of Commencement of Business Relationship	Payment Methods	Purchase Amount (RMB in thousands)	% of Total Purchases
Supplier L	An enterprise providing AI-driven services like intelligent content generation, AI game development tools and interactive entertainment tech solutions	GPU Server and Computing Power Services	2024	Telegraphic Transfer	94,982	26.9
Supplier G	A company focused on smart manufacturing and robotics technology	Computing Power Services and Quality Inspection Equipment	2023	Telegraphic Transfer	52,378	14.8
Supplier M	A private enterprise providing IT products and solutions, including system development and data analysis	GPU Server and Computing Power Services	2025	Telegraphic Transfer	36,729	10.4
Supplier I	An enterprise focused on industrial intelligence, industrial AI, and automation control technology	Intelligent Production Line	2024	Telegraphic Transfer	17,841	5.0
Supplier N	An enterprise focused on R&D and application of AI technology	GPU Server	2025	Telegraphic Transfer	16,372	4.6
Total					<u>218,302</u>	<u>61.7</u>

To the best of our knowledge, our top five suppliers during each year/period of the Track Record Period were independent third parties. As of the Latest Practicable Date, none of our Directors, their associates, or any shareholder (who, to the knowledge of the Directors, holds more than 5% of our issued share capital) held any interest in our top five suppliers during each year/period of the Track Record Period.

The principal terms and conditions of our agreements with suppliers are as follows:

- **Product Delivery:** The supplier is responsible for transporting the goods to the location designated by us and bears the transportation costs. The agreed delivery date is unchangeable except with our written consent.
- **Payment and Credit Terms:** The contract provides for either installment payments or monthly settlement. If monthly settlement is chosen, payment is made within an agreed number of days after the goods have been received, inspected, and the supplier’s invoice has been received.
- **Quality Assurance:** The supplier provides a quality guarantee period as stipulated in the contract, during which it will repair or maintain the goods free of charge, excluding damage caused by our improper operation. The supplier must respond promptly upon notification and, if necessary, dispatch personnel to the site within a specified time.

BUSINESS

- **Acceptance and Handling:** If we find that the goods are non-conforming upon receipt, we have the right to reject them and demand a replacement from the supplier. If the replacement still fails re-inspection, we may choose to request another replacement or terminate the contract directly.
- **Contract Termination:** We have the right to unilaterally terminate the contract if the supplier’s goods fail to pass acceptance, delivery is delayed by more than 15 days, or confidentiality obligations are breached, and we may demand payment of liquidated damages from the supplier.

Supplier Management

We have established a comprehensive supplier management system to ensure product quality, delivery reliability, service responsiveness, and supply chain efficiency, while also considering cost-effectiveness. Our procurement framework clearly defines the responsibilities of all parties and is supported by a dedicated procurement team and cost control team, including project procurement engineers and strategic procurement specialists.

We maintain a list of reputable and qualified suppliers in the industry. For key components, we evaluate suppliers based on multiple criteria, including the technical background and organizational structure of their engineering teams, production equipment and capacity, quality assurance capabilities, pricing, technical expertise, production capacity, and delivery schedules. The procurement department, together with the relevant technical, project, and quality control teams, conducts regular performance evaluations of suppliers. The evaluations cover multiple dimensions, including the procurement process, engineering support, project management, and quality control. Suppliers whose composite scores do not meet the specified threshold are required to implement improvement measures according to a plan coordinated by the relevant departments. We also conduct regular on-site audits of suppliers to assess their production facilities, quality management systems, and supply chain management practices. We employ a tiered supplier management model that includes performance incentives, corrective action plans, and the phasing out of underperforming suppliers. This dynamic mechanism allows us to continuously optimize our supplier system and maintain a competitive edge in cost and quality.

We actively communicate with our suppliers and have established long-term partnerships with most of them to avoid supply chain disruptions. During the Track Record Period, we did not experience any significant supply shortages or delays. We secure favorable pricing by entering into long-term agreements with key suppliers and have not been adversely affected by significant price fluctuations during the Track Record Period.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

We are committed to being a responsible corporate citizen and firmly believe that good Environmental, Social, and Governance (ESG) practices create long-term value for the company, its stakeholders, and society. We prioritize the management of ESG matters, strictly adhere to relevant laws, regulations, and market practices, and actively integrate ESG principles into our strategic decisions and daily operations.

BUSINESS

ESG Governance Structure

Our ESG governance structure consists of the Board of Directors, management, and various functional departments. The Board is responsible for regularly reviewing and making decisions on significant ESG matters, approving ESG strategies and reports, and overseeing progress on ESG-related issues. Management is responsible for formulating the company’s ESG strategic plan, management policies, and implementation rules; identifying and monitoring ESG-related risks and opportunities that have a significant impact on our business; managing, supervising, and reviewing the implementation of the company’s ESG measures. Management will hold regular meetings and report to the Board on ESG-related matters at least once a year, with ad-hoc meetings convened as needed to assist the Board in the overall management and supervision of ESG work. The functional departments are responsible for the implementation of specific ESG tasks, providing strong support for the achievement of the company’s ESG strategic goals.

To further enhance our management level and professional capabilities in the ESG field, we have engaged an external ESG professional consultant to provide necessary ESG expertise and assist us in comprehensively reviewing ESG-related aspects of our business operations and carrying out ESG-related work.

ESG Materiality Assessment

Effectively identifying and managing material ESG issues is the foundation and core of an enterprise’s sustainable development strategy, risk and opportunity management, and information disclosure. Through a process of identifying, assessing, and confirming issues, we have identified ESG materiality issues relevant to our company’s development, including energy management, water resource management, waste management, climate change response, product safety and quality, supply chain management, labor management, occupational health and safety, and business ethics and anti-corruption. The specific process is as follows:

- **Identification:** We identify potentially significant environmental, social, and governance issues that may affect our business or stakeholders based on the Stock Exchange’s Guide for New Listing Applicants — 4.3 Corporate Governance and Environmental, Social and Governance (《新上市人申請指南 — 4.3企業管治以及環境、社會及管治》) and the Environmental, Social and Governance Reporting Code (《環境、社會及管治報告守則》), combined with our own circumstances and industry trends. In this process, we pay special attention to the impact of potential changes in ESG-related social trends and government policies on our business model and value chain.
- **Assessment:** We conduct a preliminary materiality assessment of the identified ESG issues and invite external ESG experts to provide professional opinions and guidance, followed by prioritization.
- **Confirmation:** Management reviews the prioritization results and ultimately confirms the ESG issues that have a significant impact on the company’s sustainable development.

BUSINESS

In the future, we are committed to improving our regular communication mechanisms with stakeholders to stay informed of their concerns and expectations, and to consider how to incorporate these into our management decisions to build momentum for the company’s sustainable development.

ESG Risk Management

To manage ESG risks, we have established a risk and opportunity response and control procedure. By systematically reviewing business processes, we accurately identify existing risk points and evaluate the severity and frequency of the identified risks to determine their risk level. Based on the assessment results, we will formulate targeted risk response measures to enhance the company’s resilience to risks, while striving to balance cost-effectiveness and sustainable development. We are committed to monitoring and evaluating the effectiveness of our risk management system to ensure it is timely corrected and effectively controlled during business development. We are currently in the initial stages of studying the environmental impact of our operations and setting ESG targets. We plan to implement achievable ESG targets consistent with our expansion after [REDACTED], while minimizing environmental impact and risks. We face various risks in our operations, including ESG-related risks, which are detailed in the “Risk Factors — Risks Relating to Our Business and Industry” section of this document.

We recognize that global climate change can adversely affect economic and social development. With reference to Appendix 27 Environmental, Social and Governance Reporting Code (《環境、社會及管治報告守則》) of the Main Board Listing Rules, we have identified climate-related risks and opportunities relevant to our business and considered their potential impact on the company and our response measures. The climate risks and opportunities we have identified are detailed in the table below:

Risk/Opportunity Type	Impact Timeframe	Scope of Impact	Description	Response Measures
Transition Risk	Short-term, Medium-term, Long-term	Own Operations, Upstream Value Chain	Tighter regulatory policies may subject the company and suppliers to stricter requirements on resource use and carbon emissions, leading to increased production costs for suppliers and higher operating costs for the company.	Continuously monitor relevant policies and regulations; timely formulate, revise, and implement related internal systems to reduce compliance risks.

BUSINESS

Risk/Opportunity Type	Impact Timeframe	Scope of Impact	Description	Response Measures
Physical Risk	Short-term	Own Operations	Increased frequency of extreme weather events such as heavy rain and typhoons due to climate change, threatening employee health and safety, affecting normal company operations, and causing property damage.	Pay close attention to extreme weather warnings and communicate them to employees; implement temporary control measures such as work-from-home arrangements and adjusted travel times to remind them of personal safety.
Opportunity	Short-term	Own Operations	Improve the efficiency of energy, water, and other resources, while reducing resource consumption to save operating costs.	Actively promote energy-saving, emission reduction, and green office measures. Conduct energy-saving and emission reduction training to raise awareness among all employees. Promote resource recycling and strengthen the classification, treatment, and reuse of recyclable waste.

Environmental Responsibility

Environmental Protection

We strictly comply with environmental laws and regulations such as the Environmental Protection Law of the People’s Republic of China (《中華人民共和國環境保護法》), the Energy Conservation Law of the People’s Republic of China (《中華人民共和國節約能源法》), and the Law of the People’s Republic of China on the 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 we also closely monitor the latest policy developments and regularly evaluate and update our environmental policies and measures. According to our PRC Legal Adviser, during the Track Record Period and up to the Latest Practicable Date, we have not had any serious violations of environmental laws and regulations.

We value environmental management and have obtained ISO 14001 Environmental Management System certification. Given the nature of our business, we believe that our operations do not have a significant adverse impact on the environment, and we are not aware of any major environmental liability risks or compliance costs during the Track Record Period and up to the Latest Practicable Date.

BUSINESS

The following table shows our energy and resource consumption during the Track Record Period¹.

	For the year ended December 31,			For the six months ended
	2022	2023	2024	June 30, 2025
Energy Consumption				
Electricity Consumption (MWh)	163.47	493.09	601.49	273.03
Gasoline Consumption (MWh)	32.47	24.92	23.74	17.29
Total Energy Consumption (MWh)	195.94	518.01	625.23	290.31
Energy Consumption Intensity (MWh/million RMB revenue)	0.89	1.19	1.04	0.71
Water Consumption				
Water Consumption (cubic meters)	314.12	387.63	270.39	168.59
Water Consumption Intensity (cubic meters/million RMB revenue)	1.42	0.89	0.45	0.41
Packaging Materials				
Packaging Material Usage (kg)	24.00	36.00	32.00	15.00
Packaging Material Usage Intensity (kg/million RMB revenue)	0.11	0.08	0.05	0.04

Note: As electricity and water consumption data for some operational sites are not retroactively available, we have used annual per capita data from other traceable operational sites for estimation, considering business consistency.

Energy Management

The main energy consumption in our business operations is purchased electricity and gasoline for company vehicles. To reduce electricity consumption, we closely monitor our energy usage by compiling monthly statistics on electricity consumption at each operational site, gradually identifying high-energy-consuming areas, and planning targeted energy-saving measures. Additionally, we post energy-saving reminder signs in office areas and include electricity usage regulations in new employee orientation to enhance the energy-saving awareness of all staff.

Water Resource Management

All water we use is sourced from municipal water supplies. We deeply understand the necessity of water resource conservation and have established a water usage monitoring mechanism to regularly compile and analyze water consumption data. At the same time, we advocate for responsible water use and post water-saving reminder signs in restrooms to raise employees’ awareness of water conservation.

BUSINESS

Emissions Management

The emissions generated during our daily operations are primarily vehicle exhaust, domestic sewage, and solid waste, including domestic garbage and packaging materials. Domestic sewage is discharged through municipal pipelines for compliant treatment by municipal sewage plants. Solid waste is collected and processed by relevant personnel.

To further reduce our environmental impact, we actively take measures to promote waste reduction at the source and sorted recycling in our operations. We continuously strengthen employees’ environmental awareness by posting environmental slogans in office areas, promoting paperless offices and waste sorting, and enhancing training and advocacy during new employee orientation. Furthermore, we require proper storage and sorted placement of transportation packaging materials such as pallets and cardboard boxes to achieve recycling of packaging materials.

The following table shows our air pollutant emissions during the Track Record Period.

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
Air Pollutants				
Nitrogen Oxides (kg)	45.27	35.65	33.10	23.22
Sulfur Oxides (kg)	0.05	0.04	0.04	0.03
Particulate Matter (kg)	4.34	3.42	3.17	2.23

Addressing Climate Change

In response to the national carbon neutrality strategy, we have systematically quantified our greenhouse gas (GHG) emissions to identify the current status and potential for reduction. In the foreseeable future, we intend to further reduce GHG emissions through various workplace policies and measures. We expect to promote sustainable, green, and low-carbon development by practicing environmental protection concepts and implementing green office initiatives. To better control various quantitative indicators, we will comprehensively and prudently consider our historical emission levels during the Track Record Period and our future business expansion. We will establish GHG emission targets after [REDACTED], based on the actual development of the company, to contribute to the achievement of the national dual-carbon goals.

BUSINESS

The following table shows our greenhouse gas emissions during the Track Record Period.

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
Greenhouse Gas Emissions				
Scope 1: Direct GHG Emissions (tCO ₂ e) ¹	8.44	6.48	6.17	4.49
Scope 2: Energy Indirect GHG Emissions (tCO ₂ e) ²	87.72	264.59	322.76	146.51
Total GHG Emissions (Scope 1 + Scope 2) (tCO₂e)	96.15	271.07	328.93	151.00
GHG Emission Intensity (Scope 1 + Scope 2) (tCO₂e/million RMB revenue)	0.43	0.62	0.55	0.37
Scope 3: Other Indirect GHG Emissions (tCO ₂ e) ³	289.53	306.48	253.44	160.10

Notes:

1. Scope 1 GHG emissions are from gasoline use in company vehicles.
2. Scope 2 GHG emissions are from purchased electricity at various operational sites.
3. Scope 3 GHG emissions are from employee business travel.

Social Responsibility

Labor Management

We strictly adhere to relevant laws and regulations such as the Labor Law of the People’s Republic of China (《中華人民共和國勞動法》) and the Labor Contract Law of the People’s Republic of China (《中華人民共和國勞動合同法》). Based on these, we have formulated an Employee Handbook (《員工手冊》) that covers all aspects of management, including recruitment, termination, compensation and benefits, performance evaluation, promotion mechanisms, and working hours, to fully protect the legitimate rights and interests of our employees and promote the mutual development of the company and its employees.

Recruitment and Employment

We actively expand diversified recruitment channels, using a strategy that combines internal referrals with external talent acquisition to enhance recruitment efficiency and precision, thereby attracting a wide range of outstanding talent. We adhere to the principles of openness, fairness, and justice in recruitment and employment, ensuring that recruitment information is transparent and all applicants are treated equally, without discrimination

BUSINESS

based on gender, age, race, religious beliefs, or other factors. Upon official onboarding, we sign formal labor contracts with employees in strict accordance with relevant laws and regulations, effectively ensuring the legality and standardization of the employment relationship.

We prohibit the employment of child labor and forced labor. During the recruitment process, we require all prospective employees to provide authentic and valid identification documents to ensure their age meets legal requirements. If any instance of child labor or forced labor is discovered during employment, we will immediately terminate the employment relationship and optimize our recruitment processes and management mechanisms to prevent such incidents from recurring.

We strictly prohibit any form of discrimination and unfair treatment, resolutely opposing any unfair treatment of employees based on factors such as gender, age, or educational background, and we prioritize employment opportunities for persons with disabilities. To effectively protect employee rights, we encourage any employee who experiences discrimination to provide feedback and seek help from the company promptly, and we have also established an employee union to represent and protect the interests of our employees.

The following table shows the composition of our workforce as of June 30, 2025.

Employee Indicator		Number of Employees (Persons)
Total Employees		316
By Gender	Male	233
	Female	83
By Age Group	Under 30	94
	30–40	181
	Over 40	41

Compensation and Benefits

We provide our employees with a compensation system that is internally fair and motivating, and externally reasonable and competitive, which includes a base salary and performance-based pay. We also offer a variety of benefits and subsidies, and in accordance with the law, we contribute to pension, medical, unemployment, work-related injury, and maternity insurance, as well as a housing provident fund for our employees, and we also purchase supplementary medical insurance for them. Employees are entitled to leaves as stipulated by national laws and regulations, including personal leave, sick leave, marriage leave, bereavement leave, maternity leave, and paid annual leave.

BUSINESS

We irregularly hold discussions between employee representatives and management to deliberate on topics such as improving the work environment and enhancing benefits, to understand the needs and expectations of our employees. We highly value employee opinions and suggestions and have established a platform for collecting and processing employee suggestions to ensure their concerns are addressed in a timely manner. In addition, we conduct employee satisfaction surveys through various means to comprehensively understand employee needs and continuously improve company management.

Training and Development

We fully consider the diverse career development needs of our employees and have established systems such as the Rank System Communication and Implementation Plan (《職級體系宣導方案》) and the Performance Evaluation Principles for the Technology Research and Development Center (《技術研發中心績效考核原則》) to create multiple development paths, ensuring that our promotion mechanism is fair, transparent, scientific, and standardized, fully stimulating the potential and enthusiasm of employees in different positions.

To foster a culture of mutual learning and knowledge sharing, we provide employees with a variety of training courses, including new employee orientation, internal on-the-job training, and external training, to enhance their professional skills. Each year, we organize the “Smart Sharing Billion Plan” sharing sessions, inviting internal senior experts or external industry elites to share in-depth insights on core topics like job skill enhancement and management capability advancement, helping employees to continuously improve their professional competitiveness.

Occupational Health and Safety

We prioritize the occupational health and safety of our employees and have obtained ISO 45001 Occupational Health and Safety Management System certification. In our daily safety management, we place great importance on fire safety, actively participating in fire drills to continuously strengthen employees’ fire safety awareness and enhance their ability to respond to and handle emergency fire incidents, ensuring rapid and orderly evacuation and self-rescue in emergencies. During the Track Record Period and up to the Latest Practicable Date, we have not had any major workplace accidents. We also strictly adhere to environmental standards, commissioning third-party authoritative institutions to conduct air quality testing upon completion of all renovation projects to create a healthy and comfortable office space for our employees.

During the Track Record Period and up to the Latest Practicable Date, we have not had any incidents or complaints relates to occupational health and safety that would have a material adverse effect on our business, financial condition, or results of operations.

BUSINESS

Products and Services

Product R&D and Innovation

We have always placed research and development and innovation at a high strategic priority. Supported by continuous and stable R&D investment, we have built a rigorous, complete, and deeply integrated structured and systematic R&D management process to clarify the standards and specifications for each stage of the project lifecycle, ensuring that innovation is both efficient and reliable. At the same time, we have brought together top talent in the industry to create a formidable R&D team. With their professional expertise and market insight, they drive innovative achievements that not only lead the industry but also precisely meet market demands, achieving efficient commercialization. For more details, please refer to section “Business — Research & Development” of this document.

Product Safety and Quality

We are dedicated to providing customers with safe, reliable, and high-quality products and services. We are ISO 9001 Quality Management System certified and have established a full-process quality control procedure, implementing strict process control measures in all aspects, including business, R&D, procurement, production delivery, after-sales, and operations. We have set an annual quality target of “100% assurance of shipment quality and 100% guarantee of delivery schedule.” If quality issues are found during inspection, we will immediately replace the components and re-commission the product until the quality is fully up to standard before it leaves the factory. For details, please refer “Business — Quality Control”.

We actively manage and track customer feedback. Supported by a professional project management team, we provide customers with comprehensive, one-stop service support and take appropriate action on complaints related to product safety and quality. During the Track Record Period and up to the Latest Practicable Date, we did not receive any major complaints regarding product safety and quality.

Intellectual Property Protection

Protecting intellectual property is crucial to our business. We strictly comply with the Patent Law of the People’s Republic of China (《中華人民共和國專利法》), the Trademark Law of the People’s Republic of China (《中華人民共和國商標法》), the Copyright Law of the People’s Republic of China (《中華人民共和國著作權法》), and related intellectual property laws and regulations, and have also implemented comprehensive internal policies to establish robust management of our intellectual property. For details, please refer to “Business — Intellectual Property”.

Information Security and Privacy Protection

We deeply recognize the importance of information security for the stable operation of the enterprise and the protection of customer rights. By formulating policies such as the Cybersecurity and Access Management Process (《網路安全及訪問管理流程》), Information Security Incident Management Process (《信息安全事件管理流程》), and Employee Privacy

BUSINESS

Protection Management Measures (《員工隱私保護管理辦法》), we regulate information security operations and enhance our information security protection capabilities. At the same time, we have established an information security management framework to promote the implementation of related security measures. We are certified under ISO 27001 Information Security Management System and ISO 20000 Information Technology Service Management System.

We have adopted robust information security and privacy protection measures, including strictly restricting access to relevant information files; deploying firewalls with high capabilities for preventing external intrusions; and implementing physical isolation between internal and external networks. In addition, we regularly provide information security training for employees to enhance the security and compliance awareness of all staff. For details, please refer “Business — Data Security and Privacy”.

Supply Chain Management

We are committed to establishing clear supplier management procedures, including multiple regulations such as the Production Supplier Management Process (《生產性供應商管理流程》) and Supplier Rating and Performance Evaluation Process (《供應商評價及績效評估流程》), which provide detailed provisions for the full lifecycle management of suppliers from approval and verification to performance management. To select high-quality suppliers, we comprehensively consider factors such as production capacity and technical strength, and we prioritize suppliers who have passed relevant quality management system certifications like ISO 9001 to ensure their compliance with quality standards.

We actively respond to the concept of sustainable development and continuously strengthen our supply chain sustainability management capabilities. Suppliers are required to sign a Corporate Social Responsibility Agreement (《企業社會責任協議》) to clarify the rights and obligations of both parties in environmental protection, social responsibility, and other areas, jointly promoting a green and sustainable supply chain.

As of June 30, 2025, the number of our suppliers by region is as follows:

Supply Chain Management Indicator	Number of Suppliers (Companies)	Percentage of Total (%)
Jiangsu Province	226	45.02
Guangdong Province	91	18.13
Shanghai Municipality	70	13.94
Zhejiang Province	24	4.78
Other Regions and Overseas	91	18.13
Total	502	100

BUSINESS

Anti-corruption and Anti-bribery

To build a healthy and orderly business ecosystem and create a fair and transparent development environment, we strictly comply with all applicable anti-corruption and anti-bribery laws and regulations, such as 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》) and the Criminal Law of the People’s Republic of China (《中華人民共和國刑法》), and we have also established management systems like the Anti-Financial Fraud and Whistleblowing System (《反財務舞弊與投訴舉報制度》) to prevent and stop any form of corruption and bribery, ensuring that our employees adhere to high standards of integrity and transparency in all business activities.

We adopt a “zero-tolerance” stance towards corruption and bribery, and have established an anti-corruption task force, led by the Chief Executive Officer, to coordinate anti-corruption efforts. To strengthen compliance constraints, we require all employees to sign a Sunshine Agreement (《陽光協議》) and provide anti-corruption and anti-bribery training to every new employee. We also require all suppliers to sign an Integrity and Honesty Agreement (《誠信廉潔協議》) to build an upstream and downstream linked clean supply chain.

We have established a reporting mechanism, including a hotline (400–1600–127) and an email address (info.micro-i.com), to support employees and partners in proactively reporting any suspicious acts of corruption or bribery, and we strictly protect the identity of anonymous whistleblowers and prohibit the disclosure of information about those who report by name.

Community Involvement

We have always adhered to a sustainable development philosophy that deeply integrates corporate growth with social responsibility. For many consecutive years, we have conducted design ecosystem salons, held AI popular science lectures, and hosted over a thousand middle school and university students for research and practice activities, providing a platform for young students to experience cutting-edge technology immersively. In the future, we will invest in community education to provide young people with diverse learning opportunities and resources, helping to cultivate innovative talent adapted to the needs of the digital age. Furthermore, during the COVID-19 pandemic, the company actively responded to the government’s call by promptly donating special funds and epidemic prevention materials to the local community, demonstrating corporate social responsibility through practical actions and contributing to the building of a harmonious society.

COMPETITION

As a pioneer and leader in the embodied intelligence industrial robotics industry, we operate in a competitive environment driven by rapid technological advancements and an increasing demand for flexible, intelligent solutions to address the core challenges of modern manufacturing. Since our establishment, we have positioned ourselves as an early mover in applying embodied intelligence to complex industrial scenarios, achieving a

BUSINESS

market-leading position within China. Our success underscores our commitment to delivering highly integrated hardware and software solutions that empower companies to navigate the complexities of Industry 4.0.

However, as the concept of embodied intelligence transitions from an academic framework to a commercially viable technology, competition has intensified, drawing a diverse range of both established automation companies and innovative startups into the field. We currently face competition from players with backgrounds in traditional industrial automation, humanoid robotics, and AI, who are also vying to capture the immense market opportunity.

The accelerating pace of innovation in embodied intelligence presents significant opportunities for us, alongside unique challenges. The industry is rapidly evolving, requiring the synergistic fusion of AI, multi-modal perception, decision-making, and physical execution capabilities. Staying at the forefront of these integrated technologies and aligned with evolving customer needs is crucial. Our strategy must remain adaptable, as any delay in technological development or misalignment with specific industrial know-how could potentially slow our growth or impact our market share.

By proactively leveraging our full-stack research and development capabilities, from core hardware to advanced AI algorithms, and focusing on our proven ability to deploy solutions in complex industrial settings, we believe we are well-positioned to strengthen our market leadership. We will continue to offer cutting-edge industrial embodied intelligence solutions that redefine the future of intelligent manufacturing.

EMPLOYEES

As of June 30, 2025, we had a total of 316 full-time employees. All employees are based in China. The following table shows a breakdown of our employees by function as of June 30, 2025.

Function	Number of Employees	%
R&D	188	59.5
Engineering & Delivery	53	16.8
Sales & Marketing	39	12.3
General Administration & Management	36	11.4
Total	316	100.0

Our success depends on our ability to attract, retain, and motivate qualified talent. We firmly believe that our high-quality talent pool is one of our core competitive advantages. Therefore, we offer a competitive compensation and benefits package and a collaborative, innovative work environment, which enables us to attract and retain qualified personnel and maintain a stable management team. We emphasize training to ensure our workforce

BUSINESS

remains highly skilled, knowledgeable, and proficient. We provide training programs at all levels tailored to employees’ functions, positions, and responsibilities, covering both soft and technical skills.

We select the most suitable talent for positions through a high-standard recruitment process, utilizing a combination of online professional recruitment platforms, headhunting firms, and internal employee referrals to meet the company’s diverse talent needs. We have signed standard labor contracts, confidentiality agreements, and non-compete agreements with key employees.

In accordance with China’s social insurance and housing provident fund laws and regulations, we are required to make mandatory contributions for our employees. During the Track Record Period, we failed to make full social insurance and housing fund contributions for some employees as required by relevant PRC laws and regulations. For details, see “Risk Factors — Risks Relating to Our Business and Industry — Any failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties.”

We maintain good relations with our employees and expect to continue to do so in the future. During the Track Record Period and up to the Latest Practicable Date, there were no major strikes that adversely affected our operations, nor were there any major disputes between the Company and our employees.

INSURANCE

We believe we have provided adequate insurance coverage for our business operations by implementing all mandatory insurance policies required by PRC laws and regulations. As stipulated by PRC law, we maintain standard employee-related insurance, including pension, maternity, unemployment, work-related injury, medical insurance, and supplementary medical insurance. In line with general market practice, we have not purchased business interruption insurance or product liability insurance, as such insurance is not mandatory under relevant PRC laws. During the Track Record Period, we have not made any material insurance claims related to our business. For more information, please see “Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers which would affect our business, results of operations and financial condition.”

U.S. EXPORT CONTROL LAWS AND REGULATIONS

We do not conduct business in jurisdictions that are subject to comprehensive U.S. or international sanctions, including Russia, Iran, North Korea, and the Crimea region. During the Track Record Period, our international sanctions legal adviser reviewed our customer and supplier data against sanctions lists maintained by the PRC, the United States, the European Union, the United Kingdom, and the United Nations. This review did not identify any engagement with designated parties in such jurisdictions during the relevant period.

BUSINESS

Based on currently available information and to the best of our knowledge, including our assessment of the technologies employed in our R&D processes, the materials and components incorporated into our products, and the nature of our product offerings, our international sanctions legal adviser is of the view that, our products are not subject to the EAR. Accordingly, our transactions have not involved items that would require a U.S. export control license, nor do they appear to constitute violations of applicable U.S. export control laws.

DATA SECURITY AND PRIVACY

In the course of providing our products and services, we conduct certain necessary data-related activities to ensure product functionality and operational efficiency. For example, we may access data related to solution design, development, production, and functionality, including production line layouts, equipment configurations, material types, product specifications, and other information related to production and facilities. We handle such data in strict accordance with our customers’ confidentiality requirements and do not disclose such information without prior customer consent.

Our robot products do not collect any personal data during their use. In our business operations, we may collect and retain limited contact information for business purposes after obtaining the prior consent of customers, suppliers, and other business partners, and such collection and retention are in compliance with applicable data privacy and cybersecurity laws and regulations. We have implemented comprehensive data protection measures, including: (i) an internal access control system to ensure that personal data cannot be viewed or exported without authorization; (ii) firewalls and cybersecurity protocols to prevent cyberattacks and data breaches; (iii) role-based data access rights to ensure employees can only access data relevant to their duties; (iv) a strict supplier screening process, prioritizing qualified cloud service providers with strong data protection capabilities and disaster recovery mechanisms; and (v) regular assessments and risk management, including periodic data security reviews, compliance checks, and timely upgrades to our protection infrastructure to ensure continued compliance with evolving regulatory requirements and threat landscapes.

During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material data breaches or data loss incidents, nor have we discovered any material unauthorized use of personal information involving customers, suppliers, other business partners, or employees. As of the Latest Practicable Date, we have not encountered any disputes, litigation, or legal proceedings related to violations of information security laws and regulations.

PROPERTY

As of the Latest Practicable Date, we owned one commercial property in Jiaying, Zhejiang with a gross floor area of 15.55 square meters. As of June 30, 2025, no single property had a carrying value representing 15% or more of our total assets. Therefore, in accordance with Rule 5.01A of the Listing Rules, we are not required to include any valuation report in this document. Pursuant to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the

BUSINESS

Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report for all of the Company’s interests in land.

As of the Latest Practicable Date, we leased six properties with a total gross floor area of approximately 6,546.6 square meters, including five properties in China with a total area of approximately 6,030.8 square meters, and one property in the United States with a total area of approximately 638.4 square meters. These leased properties are primarily used for office, R&D, and warehousing purposes. The lease terms generally range from one to five years.

As of the Latest Practicable Date, we have not completed the lease registration procedures for three leased properties in China. As advised by our PRC Legal Adviser, the absence of lease registrations will not affect the validity of the lease agreements, nor materially and adversely affect our operations. According to relevant PRC regulations, the relevant government authorities may require us to complete the registration within a prescribed period, and failure to do so may result in a fine of RMB1,000 to RMB10,000 for each unregistered lease agreement. See “Risk Factors — Risks Relating to Our Business and Industry — We are subject to potential material and adverse effects in respect to defects in our existing properties leased in China.”

LICENSES, PERMITS, AND APPROVALS

We are subject to regular inspections, reviews, and audits, and must maintain or renew various licenses, permits, and certifications required to conduct our business. During the Track Record Period and up to the Latest Practicable Date, we have obtained all necessary licenses, approvals, and permits required to conduct our business in the jurisdictions where we operate, and we did not experience any material difficulties in renewing the licenses, approvals and permits, and that we currently do not expect any material difficulties in such renewal.

LEGAL PROCEEDINGS AND COMPLIANCE MATTERS

Legal Proceedings

We may from time to time be a party to various legal, arbitration, or administrative proceedings arising from the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Advisers, we had not been involved in any litigation, arbitration, or administrative proceedings that could have a material adverse effect on our financial condition or results of operations.

Compliance

We are subject to various regulatory requirements and guidelines promulgated by PRC regulatory authorities. During the Track Record Period and up to the Latest Practicable Date, we have not had any material non-compliance incidents, nor have we been subject to fines, enforcement actions, or other penalties for non-compliance that, individually or in the aggregate, could have a material adverse effect on our business, financial condition, and results of operations.

BUSINESS

RISK MANAGEMENT AND INTERNAL CONTROL

To monitor and reduce the impact of risks relevant to our business, we have established a comprehensive risk management and internal control framework. Our Board of Directors provides oversight and is supported by a governance structure designed to ensure robust control and compliance across all operations.

Our corporate governance framework includes policies and procedures to ensure effective oversight and decision-making. We have clear guidelines for managing potential conflicts of interest and related-party transactions to ensure all activities are conducted in the best interests of the Company. Our financial management is governed by strict controls, including standardized financial reporting procedures to ensure accuracy and compliance with accounting standards, regular reconciliation of bank accounts, diligent treasury management for all financial accounts and investments, and periodic physical asset counts to safeguard company property.

In our operations, we have implemented standardized controls to ensure efficiency and reliability. Our procurement process includes requirements for competitive bidding and regular supplier data maintenance to manage costs and quality. Sales and revenue processes are guided by clear criteria for revenue recognition and complete customer information management. We also maintain systematic inventory controls for all materials from issuance to their use in production to ensure accurate cost accounting.

Our IT controls are designed to protect data integrity and ensure business continuity. This framework includes strict user access management based on the principle of least privilege, a formal change management process for system modifications, and a disaster recovery plan to mitigate potential operational disruptions. We also maintain a comprehensive management system for our intellectual property, actively tracking all patents and trademarks to protect our innovations. We believe these measures provide a solid foundation for managing risks and supporting our long-term growth.

Based on the foregoing, the Directors of the Company are of the view that, as of the Latest Practicable Date, the Company’s current internal control measures are sufficient to ensure compliance with relevant laws and regulations.

BUSINESS

AWARDS AND RECOGNITION

The table below lists the major awards and honors we received during the Track Record Period and up to the Latest Practicable Date.

Year	Award/Honor	Issuing Authority/Organization
2025	Ranked First Nationally in IDC’s “China AI Vision Industrial Robot Market Share” Report ” (“中國AI視覺工業機器人市場份額”報告)	International Data Corporation (IDC) (國際數據公司)
2025	Selected for “2025 ‘AI+’ Industry Benchmark Case Collection” (2025年「人工智能+」行業標桿案例薈萃)	China Academy of Information and Communications Technology (CAICT) East China Branch (中國信息通信研究院華東分院)
2025	National-level Specialized, Refined, Unique, and Innovative “Little Giant” Enterprise (國家級專精特新重點「小巨人」企業)	MIIT (工業和信息化部)
2025	Forbes China Top 50 AI Technology Enterprises (福布斯中國人工智能科技企業TOP 50)	Forbes China (福布斯中國)
2025	Grand Prize, 2nd National AI Application Scenarios Innovation Challenge (第二屆全國人工智能應用場景創新挑戰賽特等獎)	Chinese Association for Artificial Intelligence (CAAI) (中國人工智能學會)
2024	National-level Innovative Product for Intelligent Inspection Equipment (國家級智能檢測裝備創新產品)	MIIT (工業和信息化部)
2024	First Prize, 7th “Blooming Cup” 5G Application Contest (第七屆「綻放杯」5G應用徵集大賽全國一等獎)	CAICT (中國信息通信研究院)
2023	National Next-Generation Information Technology Typical Product, Application, and Service Case (國家級新一代信息技術典型產品、應用和服務案例)	MIIT (工業和信息化部)
2023	National Intellectual Property Advantage Enterprise (國家知識產權優勢企業)	China National Intellectual Property Administration (CNIPA) (國家知識產權局)
2023	The First IJCAI International Workshop on Generalization under Limited Resources in Open-World Settings First Place in Track 2 (Rotation Detection), Third Place in Track 1 (Level Detection) (IJCAI 第一屆開放世界有限資源泛化國際研討會第二賽道(旋轉檢測)第一名，第一賽道(水平檢測)第三名)	International Joint Conference on Artificial Intelligence (IJCAI) (國際人工智能聯合會議)
2022	First Prize, Science and Technology Progress Award of the China Society of Image and Graphics (中國圖象圖形學學會科技進步獎一等獎)	China Society of Image and Graphics (CSIG) (中國圖象圖形學學會)
2022	National Pilot Demonstration Project for the Integration and Development of Next-Generation Information Technology and Manufacturing (國家級新一代信息技術與製造業融合發展試點示範項目)	MIIT (工業和信息化部)

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

As of the Latest Practicable Date, Mr. Zhang, Mr. Pan and Changzhou ASFS, by virtue of the Concert Party Arrangement, are collectively entitled to exercise control of approximately 35.54% of the voting powers of our Company, among which:

- (i) Mr. Zhang being entitled to exercise the voting rights attaching to approximately 15.92% of the total issued Shares of our Company, which includes his direct interest (approximately 5.99%) and indirect interest through Shanghai Weiyong and Shanghai Zhice respectively, both of which are limited partnerships where Mr. Zhang serves as the general partner; and
- (ii) Mr. Pan being indirectly entitled to exercise the voting rights attaching to approximately 19.62% of the total issued Shares of our Company through Changzhou ASFS. Mr. Pan is deemed to control Changzhou ASFS as he controls an aggregate of approximately 82.62% of its equity interest. Such control is established through his direct shareholding of 30.46% in Changzhou ASFS, and his capacity as the general partner of each of the entities below:
 - (a) Changzhou Litian;
 - (b) Shanghai Weiba;
 - (c) Shanghai Weijiu; and
 - (d) Changzhou Weishi.

Accordingly, Mr. Zhang, Mr. Pan, Changzhou ASFS, Shanghai Weiyong, Shanghai Zhice, Changzhou Litian, Shanghai Weiba, Shanghai Weijiu and Changzhou Weishi together constitute a group of Controlling Shareholders as defined under the Listing Rules.

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

For further details of the Concert Party Arrangement and the members of our Controlling Shareholders, see “History, Development and Corporate Structure” and “Directors and Senior Management”.

DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, none of our Controlling Shareholders, our Directors or any of their respective close associates had any interests in a business, apart from the business of our Group, which competed or was likely to compete, directly or indirectly, with our business or would otherwise require disclosure under Rule 8.10 of the Listing Rules.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors believe that our Company is capable of carrying on its business independently of our Controlling Shareholders and/or their respective close associates after the [REDACTED] for the reasons set out below.

Management Independence

Our Directors are of the view that our Company is managed independently of our Controlling Shareholders for the following reasons:

- (a) each of our Directors is aware of his/her fiduciary duties as a director which require, among other things, that he/she must act for the benefit of and in the best interests of our Company and our Shareholders as a whole, and must not allow any conflict between his/her duties as a Director and his/her personal interest to exist;
- (b) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, at any meetings held to discuss a matter that gives rise to a conflict with any of our Directors and their respective associates, any conflicted Directors will abstain from voting and will not be counted in the quorum of the relevant Board meeting;
- (c) our Board consists of Directors and of whom four are independent non-executive Directors with extensive experience in different industries. They have been appointed in accordance with the requirements of the Listing Rules to ensure that the decisions of our Board are made only after due consideration of independent and impartial opinion;
- (d) connected transactions between our Group and our Controlling Shareholders or their respective associates, if any, are subject to the requirements under the Listing Rules, including the requirements of reporting, announcement and Shareholders’ approval (where applicable); and
- (e) daily management and operation of our Group are carried out by a senior management team, 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 interests of our Group. For further details of the industry experience of our senior management team, see “Directors and Senior Management”.

Based on the above, our Directors are satisfied that the Board as a whole, together with our senior management team, is able to perform its managerial role independently and manage our business independently from our Controlling Shareholders after the [REDACTED].

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Operational Independence

Our Company makes business decisions independently. We hold all relevant licences and all relevant intellectual property rights and research and development facilities, and have sufficient capital and employees necessary to make all decisions on, and to carry out, our own business operation independent of our Controlling Shareholders and will continue to do so after the [REDACTED].

Our Directors consider that our operations do not depend on the operation of our Controlling Shareholders for the following reasons:

- (a) there is no competing business between our Group and any of our Controlling Shareholders;
- (b) none of our Directors has an interest in any business which competes or is likely to compete, either directly or indirectly, with our business;
- (c) we have our own independent operational capabilities and independent access to our customers and suppliers; and
- (d) our Company has its own administrative and corporate governance infrastructure (including its own accounting, legal and human resources departments).

Based on the above, our Directors are satisfied that we are able to operate independently from our Controlling Shareholders after the [REDACTED].

Financial Independence

Our Company is financially independent for the reasons set out below:

- (a) we have an independent financial system and finance team responsible for our own treasury functions and we have made, and will continue to make, financial decisions based on our own business needs; and
- (b) we have sufficient capital to operate our business independently. As of June 30, 2025, we had certain outstanding loans guaranteed by Mr. Zhang and Mr. Pan, our Controlling Shareholders. For details, see Note 38 to the Accountant’s Report in Appendix I to this document. As of the Latest Practicable Date, we have initiated communications with the relevant banks to obtain their consent for the full discharge of all such guarantees provided by our Controlling Shareholders for our benefit. We expect to complete the discharge of these guarantees and replace them with guarantees or other credit support to be provided by our Group (without any involvement from our Controlling Shareholders or their close associates) prior to the [REDACTED]. Save as disclosed above, as of the Latest Practicable Date, there were no loans, advances or guarantees provided to us by our Controlling Shareholders or their close associates.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Based on the above, our Directors believe that we are able to maintain financial independence from our Controlling Shareholders and their respective close associates after [REDACTED].

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance.

We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

- (a) under the Articles of Association, where a Shareholders’ meeting is to be held for considering proposed transactions in which any of our Controlling Shareholders or any of their close associates has a material interest, the relevant Controlling Shareholders or their close associates will not vote on the relevant resolutions;
- (b) where a Board meeting is held for matters in which a Director has a material interest, such Director shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;
- (c) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Company enters into connected transactions with any of our group of Controlling Shareholders or any of their associates, our Company will comply with the applicable Listing Rules;
- (d) our independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interest between our Group and our Controlling Shareholders (the “**Annual Review**”) and provide advice to protect the interests of our minority Shareholders;
- (e) our Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by our independent non-executive Directors for the Annual Review;
- (f) our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in our annual reports or by way of announcements as required by the Listing Rules;
- (g) where our Directors reasonably request the advice of independent professionals such as financial advisers, the appointment of such independent professionals will be made at our Company’s expenses; and

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (h) we have appointed Orient Capital (Hong Kong) Limited as our compliance adviser to provide advice and guidance to us in respect of compliance with the applicable laws and regulations in Hong Kong as well as the Listing Rules, including various requirements relating to corporate governance during its term of appointment.

Based on the above, our Directors believe that sufficient corporate governance measures have been or will be put in place to manage conflicts of interest that may arise between our Group and our Controlling Shareholders and to protect our Shareholders’ interests as a whole after the [REDACTED].

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board comprises twelve Directors, including five executive Directors, three non-executive Directors and four independent non-executive Directors.

The following table sets forth certain information in respect of our Directors:

Name	Age	Position	Date of Appointment as a Director	Date of Joining Our Group	Roles and Responsibilities	Relationship with Directors and Senior Management
Executive Directors						
Mr. Zhang Zhiqi (張志琦)	48	Chairman of the Board, executive Director and chief executive officer	January 2023	December 2022	Responsible for overseeing the overall strategic planning, business development, and management of our Group	Acting in concert with Mr. Pan, our executive Director, chief operation officer and general manager
Mr. Pan Zhengyi (潘正頤)	41	Executive Director, chief operation officer	October 2019	August 2018	Responsible for overseeing the overall business operations of our Group	Acting in concert with Mr. Zhang, our chairman, executive Director and chief executive officer
Mr. Zhao He (趙何)	50	Executive Director and chief technology officer	January 2023	December 2022	Responsible for R&D, product planning and design of our Group	None
Mr. Hou Dawei (侯大為)	45	Executive Director	October 2019	August 2018	Responsible for sales and marketing operation of our Group	None
Ms. Chen Cuihong (陳翠紅)	45	Executive Director	August 2021	August 2018	Responsible for project management of our Group	None
Non-executive Directors						
Ms. Zhao Junwei (趙俊韓)	36	Non-executive Director	December 2024	December 2024	Responsible for providing recommendations on the strategic development of our Group	None
Mr. Liu Jieyin (劉捷音)	38	Non-executive Director	December 2024	December 2024	Responsible for providing recommendations on the strategic development of our Group	None

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Date of Appointment as a Director	Date of Joining Our Group	Roles and Responsibilities	Relationship with Directors and Senior Management
Mr. He Yan (賀岩)	45	Non-executive Director	September 2025	September 2025	Responsible for providing recommendations on the strategic development of our Group	None
Independent non-executive Directors						
Ms. Siu Hera Kitwan (蕭潔雲)	66	Independent non-executive Director	September 2025	September 2025	Responsible for supervising and providing independent opinion and judgment to the Board	None
Mr. Wang Wenxue (王文學)	66	Independent non-executive Director	September 2025	September 2025	Responsible for supervising and providing independent opinion and judgment to the Board	None
Mr. Xiang Zhe (向哲) (formerly known as Xiang Jianbo (向儉波))	45	Independent non-executive Director	September 2025	September 2025	Responsible for supervising and providing independent opinion and judgment to the Board	None
Mr. James Zhao-hui Zhang	59	Independent non-executive Director	September 2025	September 2025	Responsible for supervising and providing independent opinion and judgment to the Board	None

Executive Directors

Mr. Zhang Zhiqi (張志琦), aged 48, is the chairman of the Board, an executive Director and chief executive officer of our Company. Mr. Zhang is primarily responsible for overseeing the overall strategic planning, business development and management of our Group. Mr. Zhang has been our chairman of the Board since January 2023 and was re-designated as our executive Director in September 2025. Mr. Zhang also serves as director in various subsidiaries, including Jiangsu SVFactory, Jintan Microintelligence, Shanghai SVFactory and Beijing SVFactory.

Mr. Zhang has over 25 years of experience in the technology industry. Before joining our Company, he served at SAP (Beijing) Software System Co., Ltd.* (思愛普(北京)軟體系統有限公司) from August 1999 to May 2015 where his past positions included vice president and served at OpenTrans Technology Co., Ltd.* (上海先燦信息科技有限公司) from June 2015 to October 2017. Mr. Zhang then served as the deputy general manager of the smart cloud business group at Baidu, Inc. (a company listed on the Stock Exchange, stock code: 9888 and on the Nasdaq Stock Market, ticker symbol: BIDU) from November 2017 to June 2020 and as the vice president of Dingtalk at Alibaba Group in July 2020.

DIRECTORS AND SENIOR MANAGEMENT

In July 2000, Mr. Zhang graduated from Shanghai University (上海大學) with a major in automation control.

Mr. Pan Zhengyi (潘正頤), aged 41, is an executive Director and the chief operating officer of our Company. Mr. Pan is primarily responsible for the overall business operations of our Group. Mr. Pan has been our Director since October 2019 and the chief operating officer since December 2022 and was re-designated as our executive Director in September 2025. Mr. Pan also serves as director in various subsidiaries, including Wuxi Microintelligence Co., Ltd.* (無錫微億智造科技有限公司), Chongqing Microintelligence Co., Ltd.* (重慶微億智造科技有限公司), Shanghai Xiongsi, Shanghai Microintelligence and Changzhou Wujin Microintelligence Co., Ltd.* (常州武進微億智造科技有限公司).

Mr. Pan has over 20 years of experience in finance and management. Before joining our Company, he served at Donggou Grain Warehouse of Shanghai Grains and Oils Warehousing Co., Ltd.* (上海糧油倉儲有限公司東溝糧食倉庫) from July 2005 to December 2006 and served at Shanghai Manbu Chuangmei Advertising Co., Ltd. (上海漫步創媒廣告有限公司) from January 2007 to April 2010. He then served at ISS Facility Services (Shanghai) Co., Ltd. (歐艾斯設施管理服務(上海)有限公司) from May 2010 to December 2012 and at IMV Technologies (Shanghai) Co., Ltd. (上海卡蘇生物科技有限公司) from January 2013 to April 2018 where he once served as the general manager.

Mr. Pan obtained his bachelor’s degree in accounting and his master’s degree in regional economics from Shanghai University of Finance and Economics (上海財經大學) in June 2007 and January 2014, respectively.

Mr. Pan was previously a director of the following company prior to its dissolution:

Name of company	Place of incorporation	Position held by Mr. Pan	Nature of business	Status	Date of dissolution	Reasons for dissolution
Jiangsu Qizhao Precision Mold Co., Ltd.	PRC	Chairman of the board	Manufacturing, processing, and sales of equipment and related spare parts and components	Deregistration	May 15, 2025	Dissolved by winding up

Mr. Pan confirmed that (i) to the best of his knowledge, information and belief after making reasonable inquiries, the above company was solvent prior to its dissolution; (ii) there was no wrongful act on his part leading to the dissolution of the above company; and (iii) he is not aware of any actual or potential claim that has been or will be made against him as a result of the dissolution of the above companies.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Zhao He (趙何), aged 50, is an executive Director and the chief technology officer of our Company. Mr. Zhao is primarily responsible for R&D, product planning and design of our Group. Mr. Zhao has been our chief technology officer since December 2022. He has been our Director since January 2023 and was re-designated as our executive Director in September 2025. He served as the vice general manager at Jiangsu SVFactory from September 2021 to December 2022, where he was primarily responsible for research and development.

Mr. Zhao has more than 15 years of experience in the software engineering industry. Before joining our Company, he served as a senior software engineer at The MathWorks, Inc. from August 2008 to July 2012. He served successively as senior software engineer and principal software engineer at Agent Oriented Software Pty Ltd from November 2012 to March 2018. Mr. Zhao then served as an algorithm engineer at the innovative applications group under the visual R&D department of the JD Cloud & AI division at JD.com Inc., (a company listed on the Nasdaq Stock Market, ticker symbol: JD, and on the Stock Exchange, stock code: 9618) from March 2018 to February 2020.

Mr. Zhao obtained his bachelor’s degree in automation and his master’s degree in pattern recognition and intelligent systems from the University of Science and Technology of China (中國科學技術大學) in July 1999 and June 2002, respectively. Mr. Zhao then obtained his doctoral degree in biomedical engineering from the State University of New York at Stony Brook in May 2008.

Mr. Hou Dawei (侯大為), aged 45, is an executive Director of our Company. Mr. Hou is primarily responsible for the sales and marketing operations of our Group. Mr. Hou has been our Director since October 2019 and was re-designated as our executive Director in September 2025.

Before joining our Company, he served as the director of the Network Technology Department at the Shanghai Branch of HC Group Limited (a company listed on the Stock Exchange of Hong Kong, stock code: 2280) from 2002 to 2005. He served as an algorithm researcher at the Advanced Technology Research Center of PricewaterhouseCoopers LLP (普華永道高級技術研究中心) in the United States from June 2007 to December 2007 and served as a research consultant at the Information School of the University of Washington in the United States from September 2008 to March 2009. Mr. Hou then served as the chief operating officer at Haikeruisi (Shanghai) Industrial Co., Ltd. (海客瑞斯(上海)實業有限公司) from September 2009 to May 2013. He also served at Shanghai Youdao Network Information Technology Co., Ltd. (上海友道網絡信息科技有限公司) from May 2013 to August 2018.

Mr. Hou obtained his bachelor’s degree in computer application from East China Normal University (華東師範大學) in July 2003. He then obtained his master’s degree in computational linguistics from University of Washington, Seattle in August 2008.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Hou was previously a director, supervisor or manager of the following companies prior to their respective revocation/deregistration:

Name of company	Place of incorporation	Position held by Mr. Hou	Nature of business	Status	Date of dissolution	Reasons for dissolution
Jiangsu Qizhao Precision Mold Co., Ltd.	PRC	Director	Manufacturing, processing, and sales of equipment and related spare parts and components	Deregistration	May 15, 2025	Dissolved by winding up
Shanghai Bilian Biotechnology Service Co., Ltd.	PRC	Supervisor	Biotechnology and pharmaceuticals	Business licence revoked and deregistered	December 14, 2021	Cessation of business
HOCRES (SHANGHAI) INDUSTRY CO., LTD.	PRC	Supervisor	Wholesale trade business	Business licence revoked	May 6, 2019	Cessation of business

Mr. Hou confirmed that (i) to the best of his knowledge, information and belief after making reasonable inquiries, each of the above companies was solvent immediately prior to its revocation/deregistration; (ii) there was no wrongful act on his part leading to the revocation/deregistration of each of the above companies; and (iii) he is not aware of any actual or potential claim that has been or will be made against him as a result of the revocation/deregistration of each of the above companies.

Ms. Chen Cuihong (陳翠紅), aged 45, is an executive Director and the deputy general manager of our Company. Ms. Chen is primarily responsible for project management in our Group. Ms. Chen joined our Company in August 2018 and has been our deputy general manager since February 2022. She has been our Director since August 2021 and was re-designated as our executive Director in September 2025.

Before joining our Company, Ms. Chen successively served as an engineer, technical quality supervisor, director of the technical quality department and deputy general manager at Wuxi Kechuang Machinery Design and Manufacturing Co., Ltd. (無錫科創機械設計製造有限公司) from July 2002 to June 2018. Ms. Chen then served as a quality manager at Guotai Precision Components (Wuxi) Co., Ltd. (國泰精密機件(無錫)有限公司) in July 2018.

Ms. Chen obtained her bachelor’s degree in mechanical engineering and automation from Jiangnan University (江南大學) in June 2002. She obtained her master’s degree in mechanical engineering from Jiangnan University (江南大學) in June 2015. Ms. Chen was qualified as the senior engineer by the Jiangsu Province Department of Human Resources and Social Security (江蘇省人力資源和社會保障廳) in October 2022.

DIRECTORS AND SENIOR MANAGEMENT

Non-executive Directors

Ms. Zhao Junwei (趙俊韋), aged 36, is a non-executive Director of our Company. Ms. Zhao is responsible for providing recommendations on the strategic development of our Group. Ms. Zhao has been our Director since December 2024 and was re-designated as our non-executive Director in September 2025.

Ms. Zhao has over 10 years of experience in investment management. Ms. Zhao has been serving at Guoqi Yuanhe Private Equity Fund Management Co., Ltd. (國器元禾私募基金管理有限公司) since April 2023 and is primarily engaged in investment work. Prior to that, Ms. Zhao served at Haikejin Group (海科金集團) from July 2013 to July 2016 and at Guangzhou Mupu Investment Management Co., Ltd. (廣州默樸投資管理有限公司) from February 2017 to February 2020. Ms. Zhao then served as a senior investment manager at CapitalLink (Beijing) Fund Management Co., Ltd.* (凱聯(北京)投資基金管理有限公司) from April 2021 to February 2023.

Ms. Zhao obtained her undergraduate certificate in industrial engineering from Beijing Institute of Technology (北京理工大學) in June 2011. She obtained her master’s degree in finance from Tsinghua University (清華大學) in July 2013.

Mr. Liu Jieyin (劉捷音), aged 38, is a non-executive Director of our Company. Mr. Liu is responsible for providing recommendations on the strategic development of our Group. Mr. Liu has been our Director since December 2024 and was re-designated as our non-executive Director in September 2025.

Mr. Liu has served as an investment director at Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司) since September 2012, where he is primarily responsible for venture capital fund investment.

Mr. Liu obtained his bachelor’s degree in Economics from Nantong University and obtained his master of science degree from Newcastle University in November 2012.

Mr. He Yan (賀岩), aged 45, is a non-executive Director of our Company. Mr. He is responsible for providing recommendations on the strategic development of our Group. Mr. He was appointed as our non-executive Director in September 2025.

Mr. He has served as the vice president and chief technology officer of Agilebot since November 2020. Prior to that, Mr. He successively served as a software engineer and senior system engineer at Delphi (China) Technology Center Co., Ltd. (德爾福(中國)研發中心有限公司) from April 2006 to July 2012. Mr. He served as the senior engineer and R&D director at Shanghai Foresight Robotics Co., Ltd. (上海福賽特機器人有限公司) (currently known as Shanghai Foresight Technology Co., Ltd. (上海福賽特技術股份有限公司)) from April 2015 to December 2017. He then successively served as the deputy general manager and general manager at Rtimeman Intelligent Control Technology Co., Ltd. (實時俠智能控制技術有限公司) from January 2018 to October 2020.

DIRECTORS AND SENIOR MANAGEMENT

Mr. He obtained his bachelor’s degree in mechatronics engineering from Hohai University (河海大學) in June 2003 and obtained his master’s degree in mechatronics engineering from Shanghai Jiao Tong University (上海交通大學) in March 2006.

Independent non-executive Directors

Ms. Siu Hera Kitwan (蕭潔雲), aged 66, was appointed as an independent non-executive Director of our Company in September 2025. She is primarily responsible for supervising and providing independent opinion and judgment to the Board.

Ms. Siu worked as market planning manager at Hong Kong Telecommunications Limited from September 1994 to September 1996, followed by PCCW (formerly Cable & Wireless HKT Limited) from January 1997 to April 2001 with her last position as CEO of Solar Inc., a joint venture company between PCCW and Computer Associates International Limited. She then joined Computer Associates International Limited and subsequently served at Nokia (China) Investment Co., Ltd. (諾基亞(中國)投資有限公司) with her last position as vice president, corporate affairs China from May 2005 to March 2010. She then served at SAP (Beijing) Software System Co., Ltd (思愛普(北京)軟件系統有限公司) from April 2010 to January 2014, where her past positions include China president. Ms. Siu served as the managing director of Greater China at Pearson (Beijing) Management Consulting Co., Ltd. (培生(北京)管理諮詢有限公司) from February 2014 to May 2016 and served at Cisco Technologies Beijing Co., Ltd. (思科科技(北京)有限公司) from November 2016 to September 2020, where her past positions included senior vice president of Cisco Systems, Inc. and chief executive officer of Cisco Greater China. In addition, Ms. Siu holds and has held directorships in several other publicly listed companies. She has been a director of Goodyear Tire & Rubber Company (a company listed on the NASDAQ Stock Market, ticker: GT) since December 2019; a director of Vallourec S.A. (a company listed on Euronext Paris, ticker: VK, whose American Depositary Receipts are listed on the NASDAQ Stock Market, ticker: VLOWY) since July 2021; and an independent non-executive director of ASMPT Limited (a company listed on the Main Board of the Stock Exchange, stock code: 0522) since July 2022. Furthermore, she served as a member of the supervisory board of TeamViewer SE (a company listed on the Frankfurt Stock Exchange, ticker: TMV) from December 2021 to June 2025.

Ms. Siu obtained her bachelor’s degree in business administration and master’s degree in business administration from University of Nevada in May 1982 and May 1984, respectively.

Mr. Wang Wenxue (王文學), aged 66, was appointed as an independent non-executive Director of our Company in September 2025. He is primarily responsible for supervising and providing independent opinion and judgment to the Board.

Mr. Wang has been the vice general manager at Shanghai Hongpu Private Equity Fund Management Co., Ltd. (上海宏溥私募基金管理有限公司) since April 2024. He has been an independent non-executive director at Wave Cyber (Shanghai) Co., Ltd. (上海唯賽勃新材料股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 688718) since January 2020. Prior to that, Mr. Wang served as the chairman of the board at China Fortune Securities Co., Ltd. (華鑫證券有限責任公司) from June 2001 to April 2011 and

DIRECTORS AND SENIOR MANAGEMENT

subsequently at Morgan Stanley China Fortune Securities Co., Ltd (摩根士丹利華鑫證券有限公司) (currently known as Morgan Stanley Securities (China) Co., Ltd. (摩根士丹利證券(中國)有限公司)) from May 2011 to October 2019.

Mr. Wang obtained his bachelor’s degree in finance from Shaanxi Radio and TV University (陝西省廣播電視大學) (currently known as the Open University of Shaanxi (陝西開放大學)) in July 1986 and obtained his master’s degree in project management from University of Greenwich through distance learning in June 2009. Mr. Wang obtained the Fund Practitioner Qualification Certificate (基金從業資格證書) from the Asset Management Association of China (中國證券投資基金業協會) in April 2024.

Mr. Xiang Zhe (向哲) (formerly known as Xiang Jianbo (向儉波)), aged 45, was appointed as an independent non-executive Director of our Company in September 2025. He is primarily responsible for supervising and providing independent opinion and judgment to the Board.

Mr. Xiang has been the managing partner at Hunan Rongxin Certified Public Accountants (湖南容信會計師事務所) since January 2025. Prior to that, he served at Zhongqin Wanxin Certified Public Accountants (中勤萬信會計師事務所) from January 2010 to October 2012, Dahua Certified Public Accountants (大華會計師事務所) from November 2012 to April 2013, and China Audit Asia Pacific Certified Public Accountants Hunan Branch (中審亞太會計師事務所湖南分所) from July 2013 to October 2014. Mr. Xiang served at Sealand Securities Co., Ltd. (國海證券股份有限公司) from August 2014 to April 2019. Mr. Xiang founded Hunan Luheng Certified Public Accountants (湖南路衡會計師事務所) and served as the managing partner from April 2019 to December 2024.

Mr. Xiang obtained his associate diploma in law and undergraduate certificate in law from Xiangtan University (湘潭大學) in June 2005 and June 2010, respectively. Mr. Xiang has been a certified public accountant of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in the PRC since November 2011.

Mr. James Zhao-hui Zhang (張朝暉), aged 59, was appointed as an independent non-executive Director of our Company on September 2025. He is primarily responsible for supervising and providing independent opinion and judgment to the Board.

Mr. James Zhang has served as a member of the investment committee of the Hong Kong Science & Technology Parks Corporation since July 2025. Since November 2024, Mr. James Zhang has held the position of adjunct associate professor in the Department of Management at the Chinese University of Hong Kong. He has also held the position of adjunct associate professor of finance at the Hong Kong University of Science and Technology since August 2019. Mr. James Zhang has served as an independent director of Chenghe Acquisition II Co. (a company listed on the New York Stock Exchange, ticker symbol: CHEB) and Ribbon Acquisition Corp (a company listed on the Nasdaq Stock Market, ticker symbol: RIBB) since June 2024 and January 2025, respectively. He also served as an independent director of Chenghe Acquisition I Co. (a company listed on the Nasdaq Stock Market, ticker symbol: LATGU) from October 2023 to January 2025. He has also served as a partner of Venture University LLC since September 2020, chief investment officer, technologies and venture capital at The Great Eagle Company, Limited (鷹君有限公

DIRECTORS AND SENIOR MANAGEMENT

司) since July 2021 and as a venture partner at GRC Managers Limited from September 2014 to September 2021. In April 2013, Mr. James Zhang joined Formation8 GP, LLC and served as its partner until April 2014. Prior to that, Mr. James Zhang was a venture partner at Softbank China Venture Capital, served as entrepreneur in residence at Khosla Ventures and was employed by Mendel Biotechnology, Inc.

Mr. James Zhang obtained his bachelor of arts degree in biochemistry and molecular biology from the University of California, Santa Cruz in 1988 and his PhD in genetics from the University of California, Davis in March 1993. He was a postdoctoral fellow at Stanford University from January 1994 to August 1997.

Mr. Zhang was the chief executive officer of Modular Bioscience, Inc, a company established under the laws of the U.S., which was administratively dissolved following the cessation of its business operation. Mr. Zhang confirmed that (i) to the best of his knowledge, information and belief after making reasonable inquiries, the said company was solvent immediately prior to its dissolution; (ii) there is no wrongful act on his part leading to the dissolution of the said company; (iii) he is not aware of any actual or potential claim that has been or will be made against him as a result of the dissolution of the said company; and (iv) no misconduct or misfeasance had been involved on his part in the dissolution of the said company.

SENIOR MANAGEMENT

The following table sets out information regarding the members of senior management of our Company.

Name	Age	Position	Date of Appointment as a Senior Management	Date of Joining Our Group	Roles and Responsibilities	Relationship with Directors and Senior Management
Mr. Zhang Zhiqi (張志琦)	48	Chairman of the Board, executive Director and chief executive officer	December 2022	December 2022	Responsible for overseeing the overall strategic planning, business development, and management of our Group	Acting in concert with Mr. Pan, our executive Director, chief operation officer and general manager
Mr. Pan Zhengyi (潘正頤)	41	Executive Director, chief operation officer	August 2018	August 2018	Responsible for overall business operations of our Group	Acting in concert with Mr. Zhang, our chairman, executive Director and chief executive officer
Mr. Zhao He (趙何)	50	Executive Director and chief technology officer	December 2022	December 2022	Responsible for product planning and design of our Group	None
Ms. Kang Yuhui (康宇暉)	51	Chief financial officer	July 2023	July 2023	Responsible for the overall implementation of financial strategy of our Group	None

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Date of Appointment as a Senior Management	Date of Joining Our Group	Roles and Responsibilities	Relationship with Directors and Senior Management
Mr. Dong Zhigang (董志剛)	50	Chief marketing officer	March 2025	March 2025	Responsible for execution of strategic direction and business growth of our Group	None
Ms. Tong Zhuqing (童竹勛)	36	Board secretary and head of the government affairs department	October 2021	March 2019	Responsible for the board affairs and investor relationship of our Group	None

Mr. Zhang Zhiqi (張志琦), aged 48, is the chairman of the Board, an executive Director and the chief executive officer of our Company. See “— Directors — Executive Directors” for his biographical details.

Mr. Pan Zhengyi (潘正頤), aged 41, is an executive Director and the chief operating officer of our Company. See “— Directors — Executive Directors” for his biographical details.

Mr. Zhao He (趙何), aged 50, is an executive Director and the chief technology officer of our Company. See “— Directors — Executive Directors” for his biographical details.

Ms. Kang Yuhui (康宇暉), aged 51, is our chief financial officer. Ms. Kang is primarily responsible for the overall implementation of financial strategy of our Group.

Ms. Kang has been our chief financial officer since July 2023. Prior to that, Ms. Kang served as the director of general affairs department at Shinto Electronics (Shanghai) Co., Ltd. (新藤電子(上海)有限公司) from February 2006 to May 2008, where she once served as manager of general affairs department. She then served as the finance director at Schleuniger Trading (Shanghai) Co., Ltd. (索銳格貿易(上海)有限公司) from June 2008 to March 2013. Ms. Kang served as the partner and general manager at Weiteng Investment Management Consulting (Shanghai) Co., Ltd. (微騰投資管理諮詢(上海)有限公司) from April 2013 to July 2023 and served as the chief financial officer at Shanghai Fengchao Cultural Technology Co., Ltd. (上海風潮文化科技有限公司) from November 2018 to June 2023. Ms. Kang obtained her college degree in financial accounting from Wuhu Union University (蕪湖聯合大學) (currently known as Wuhu Institute of Technology (蕪湖職業技術大學)) in July 1994 and obtained her bachelor’s degree in national economic management from University of Science and Technology of China (中國科學技術大學) through distance learning in December 1998. Ms. Kang obtained her master’s degree in business administration from Trinity Western University through distance learning in June 2022.

Ms. Kang obtained the Certificated Intermediate Accounting Professional Qualification (中級會計專業技術資格) by Ministry of Finance of the PRC in May 2001. She has been awarded as Chartered Global Management Accountant and Associate of The Chartered Institute of Management Accountants since February 2023 and has been a fellow of the Institute of Public Accountants of Australia since March 2020. She has also been a member of the Australian Society of Certified Practicing Accountants since September 2024.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Dong Zhigang (董志剛), aged 50, is our chief marketing officer. Mr. Dong is responsible for overseeing brand development, sales strategy, and marketing management of our Company.

Before joining our Company in March 2025, Mr. Dong served as a senior account manager at Oracle (China) Software Systems Co., Ltd. (甲骨文(中國)軟件系統有限公司) from August 2010 to August 2011. He then served successively at SAP (Beijing) Software System Co., Ltd (思愛普(北京)軟件系統有限公司) from September 2011 to March 2016 and at SAP (China) Co., Ltd. (思愛普(中國)有限公司) from April 2016 to December 2021, where his past positions included global senior vice president and co-general manager of SAP China. He then served as the chief executive officer at Xiamen Dongyin Cloud Chain Technology Co., Ltd. (廈門洞隱雲鏈科技有限公司).

Mr. Dong obtained his bachelor’s degree in machinery manufacturing technology and equipment (mechanical engineering automation) from University of Shanghai for Science and Technology (上海理工大學) in January 1999 and obtained his master’s degree in business administration from University of Mannheim in October 2021.

Ms. Tong Zhuqing (童竹勛), aged 36, is the board secretary and head of the government affairs department of our Company and has been appointed as one of our joint company secretaries with effect from the [REDACTED]. Ms. Tong is primarily responsible for board affairs and investor relationship of our Group. Ms. Tong joined our Group as the assistant to the chief executive officer in March 2019 and has been our board secretary and head of the government affairs department since October 2021.

Before joining our Company, Ms. Tong served at GE Healthcare Trade and Development (Shanghai) Co., Ltd. from March 2011 to October 2014. She then served successively as a data and tools engineer and senior data and tools engineer at Schneider Electric (China) Co., Ltd Shanghai Branch (施耐德電氣(中國)有限公司上海分公司) from November 2014 to March 2019.

Ms. Tong obtained her bachelor’s degree in computer science and technology from Shanghai Jian Qiao University (上海建橋學院) in July 2011 and obtained her master’s degree in software engineering from Nanjing University (南京大學) in December 2017.

Save as disclosed above, (i) none of our Directors and members of senior management has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document; (ii) none of our Directors has any interests in any business, which competes or is likely to compete, either directly or indirectly, with our business which would require disclosure under Rule 8.10 of the Listing Rules; and (iii) none of our Directors and members of the senior management is related to other Directors and members of the senior management.

DIRECTORS AND SENIOR MANAGEMENT

Save as disclosed herein, to the best knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

JOINT COMPANY SECRETARIES

Ms. Tong Zhuqing (童竹勛), aged 36, is the board secretary and head of the government affairs department of our Company. She was appointed as one of the joint company secretaries of our Company with effect from the [REDACTED]. See “— Senior Management” for her biographical details.

Ms. Tsang Wing Man (曾穎雯), was appointed as one of the joint company secretaries of our Company with effect from the [REDACTED]. Ms. Tsang currently serves as a manager of SWCS Corporate Services Group (Hong Kong) Limited and has over 10 years of experience in company secretarial matters. She is an associate member of The Chartered Governance Institute and The Hong Kong Chartered Governance Institute.

Ms. Tsang obtained her bachelor’s degree in business administration from City University of Hong Kong.

CONFIRMATION FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in September 13, 2025, and (ii) 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 has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

DIRECTORS AND SENIOR MANAGEMENT

MANAGEMENT AND CORPORATE GOVERNANCE

Board Committees

We have established three Board Committees in accordance with the relevant laws and regulations in mainland China, the Articles of Association and the code of corporate governance practices under the Listing Rules, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. The functions of the three committees are summarized as follows:

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Audit Committee are to review the Company’s financial information and its disclosure, oversee and evaluate the internal and external audit and internal controls, and exercise such other functions and powers delegated by the Board. The Audit Committee comprises three members, namely Ms. Siu Hera Kitwan and Mr. Wang Wenxue as the members of the Audit Committee, with Mr. Xiang Zhe as the chairperson of the Audit Committee and is the director appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Remuneration Committee

We have established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Remuneration Committee are to formulate standards for appraising Directors and senior management of the Company and conduct assessments; formulate and review the policies for and proposals on the remuneration of Directors and senior management of the Company. The Remuneration Committee comprises five members, namely Mr. Zhang, Mr. Wang Wenxue, Mr. Xiang Zhe and Mr. Pan as the members of the Remuneration Committee, with Ms. Siu Hera Kitwan as the chairperson of the Remuneration Committee.

Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the Nomination Committee are to selecting candidates for Directors and senior management of the Company, and set up criteria and procedures for selection and making recommendations. The Nomination Committee comprises five members, namely Ms. Siu Hera Kitwan, Mr. James Zhao-hui Zhang, Mr. Xiang Zhe and Mr. Pan as the members of the Nomination Committee, with Mr. Zhang as the chairperson of the Nomination Committee.

DIRECTORS AND SENIOR MANAGEMENT

Compliance with the Corporate Governance Code

We aim to implement a high standard of corporate governance, which we believe is crucial to safeguard the interests of our Shareholders. To accomplish this, we expect to comply with the Corporate Governance Code set out in Appendix C1 of the Listing Rules after the [REDACTED], save that Mr. Zhang will serve as both our chairman of the Board and chief executive officer as discussed below.

Pursuant to code provision A.2.1 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 responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Mr. Zhang currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. The 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. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of our Company if and when it is appropriate taking into account the circumstances of our Group as a whole.

Board Diversity

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our Company’s competitive advantage and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent. Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a Director of our Company, the Nomination Committee will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. In particular, our Company currently has three female Director in the Board and will continue to work towards enhancing the gender diversity of the Board. Our Directors have a balanced mix of knowledge and skills, and we have four independent non-executive Directors, with different industry backgrounds. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our board diversity policy. Pursuant to the board diversity policy, the Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for formal adoption.

DIRECTORS AND SENIOR MANAGEMENT

Management Presence

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive Directors must be ordinarily resident in Hong Kong. We do not have sufficient management presence in Hong Kong for the purposes of Rule 8.12 of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rule 8.12 of the Listing Rules. See “Waivers from Strict Compliance with the Listing Rules” for further details.

REMUNERATION

Our Directors received their remuneration in the form of fees, salaries, allowances, discretionary bonuses, share-based compensation, retirement benefit scheme contributions and other benefits in kind.

For the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the aggregate amount of emoluments paid or payable to our Directors amounted to approximately RMB2.9 million, RMB19.7 million, RMB6.3 million and RMB2.2 million, respectively.

Under the arrangement currently in force, we estimate the total compensation before taxation to be accrued to our Directors for the year ending December 31, 2025 to be approximately RMB4.5 million.

For the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the aggregate amount of emoluments paid to the five highest paid individuals (excluding Directors and supervisors) by us amounted to approximately RMB3.2 million, RMB25.4 million, RMB5.2 million and RMB2.3 million, respectively.

During the Track Record Period, no remuneration was made by us to any of the Directors or the five highest paid individuals (i) as an inducement to join us; or (ii) as compensation for the loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. None of the Directors had waived or agreed to waive their remuneration during the relevant period.

Save as disclosed above, no other payments have been paid or are payable in respect of the Track Record Period to our Directors and senior management by our Group.

For additional information on Directors’ remuneration during the Track Record Period as well as information on the five highest paid individuals, see Note 11 to the Accountant’s Report in Appendix I.

DIRECTORS AND SENIOR MANAGEMENT

[REDACTED] RESTRICTED SHARE SCHEME

Our Company has conditionally adopted the [REDACTED] Restricted Share Scheme, major terms of which are set out in the section headed “Statutory and General Information — D. Other Information — 1. [REDACTED] Restricted Share Scheme” in Appendix V to this document.

COMPLIANCE ADVISER

We have appointed Orient Capital (Hong Kong) Limited as our compliance adviser pursuant to Rules 3A.19 and 3A.23 of the Listing Rules. The compliance adviser will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise our Company in certain circumstances including:

- (a) before the publication of any regulatory announcement, circular or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (c) where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this Document or where our business activities, developments or results deviate from any forecast, estimate or other information in this Document; and
- (d) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its [REDACTED] securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the compliance adviser will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The compliance adviser will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment will commence on the [REDACTED] and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, as of the Latest Practicable Date and immediately following the completion of the [REDACTED] (assuming that no other changes are made to the issued share capital of the Company between the Latest Practicable Date and the [REDACTED]), each of the following persons will have an interest or short position (as applicable) in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the issued voting shares of our Company:

As of the Latest Practicable Date					Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised) ⁽²⁾		
Name of the substantial Shareholder	Nature of interest	Description of Shares	Number of Shares directly or indirectly held ⁽¹⁾	Approximate percentage of interest in the total issued share capital of our Company	Number of Shares directly or indirectly held ⁽¹⁾	Approximate percentage of shareholding in our Unlisted Shares/H Shares	Approximate percentage of interest in the total issued share capital of our Company
Mr. Zhang	Interest held jointly with other persons ⁽³⁾	Unlisted Shares	106,612,834	35.54%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	—	[REDACTED]	[REDACTED]	[REDACTED]
	Interest in controlled corporation ⁽⁴⁾	Unlisted Shares	29,768,278	9.92%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	—	[REDACTED]	[REDACTED]	[REDACTED]
	Beneficial owner	Unlisted Shares	17,981,764	5.99%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Pan	Interest held jointly with other persons ⁽³⁾	H Shares	Nil	—	[REDACTED]	[REDACTED]	[REDACTED]
		Unlisted Shares	106,612,834	35.54%	[REDACTED]	[REDACTED]	[REDACTED]
	Interest in controlled corporation ⁽⁵⁾	H Shares	Nil	—	[REDACTED]	[REDACTED]	[REDACTED]
		Unlisted Shares	58,862,791	19.62%	[REDACTED]	[REDACTED]	[REDACTED]
	Changzhou ASFS	Interest held jointly with other persons ⁽³⁾	H Shares	Nil	—	[REDACTED]	[REDACTED]
Unlisted Shares			106,612,834	35.54%	[REDACTED]	[REDACTED]	[REDACTED]
Beneficial owner		H Shares	Nil	—	[REDACTED]	[REDACTED]	[REDACTED]
		Unlisted Shares	58,862,791	19.62%	[REDACTED]	[REDACTED]	[REDACTED]
Industrial Machinery Industry Investment Fund (Limited Partnership)* (工業母機產業投資基金(有限合夥))	Beneficial owner	H Shares	Nil	—	[REDACTED]	[REDACTED]	[REDACTED]
		Unlisted Shares	30,907,279	10.30%	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Jin Wenying (金文英)	Beneficial owner	H Shares	Nil	—	[REDACTED]	[REDACTED]	[REDACTED]
		Unlisted Shares	22,530,930	7.51%	[REDACTED]	[REDACTED]	[REDACTED]
	Wuxi Hongtai ⁽⁶⁾	Beneficial owner	H Shares	Nil	—	[REDACTED]	[REDACTED]
Unlisted Shares			20,541,453	6.85%	[REDACTED]	[REDACTED]	[REDACTED]
Interests of parties acting in concert		H Shares	Nil	—	[REDACTED]	[REDACTED]	[REDACTED]
Gongqingcheng Boying ⁽⁷⁾	Beneficial owner	Unlisted Shares	12,362	0.00%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	—	[REDACTED]	[REDACTED]	[REDACTED]
	Interests of parties acting in concert	Unlisted Shares	20,541,453	6.85%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	—	[REDACTED]	[REDACTED]	[REDACTED]
Changzhou Modern Service Industry Investment Fund (Limited Partnership)	Beneficial owner	Unlisted Shares	1,481,146	0.49%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	Nil	—	[REDACTED]	[REDACTED]	[REDACTED]

SUBSTANTIAL SHAREHOLDERS

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of [REDACTED] Unlisted Shares in issue and [REDACTED] H Shares in issue immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and the Conversion of Unlisted Shares into H Shares. Unlisted Shares and H Shares are both ordinary Shares in the share capital of our Company, and are considered as one class of Shares.
- (3) Mr. Zhang, Mr. Pan and Changzhou ASFS are parties acting in concert in respect of their shareholding interests in the Company pursuant to Concert Party Arrangement. Therefore, each of Mr. Zhang, Mr. Pan and Changzhou ASFS is deemed to be interested in the interest of each other under the SFO.
- (4) As of the Latest Practicable Date, Shanghai Zhice and Shanghai Weiyong directly held 20,171,113 and 9,597,165 Unlisted Shares in our Company, respectively, and were owned as to 36.54% and 75.76% by Mr. Zhang, respectively, and Mr. Zhang was the general partner of each of Shanghai Zhice and Shanghai Weiyong. Therefore, Mr. Zhang is deemed to be interested in such Shares held by Shanghai Zhice and Shanghai Weiyong under the SFO.
- (5) As of the Latest Practicable Date, Changzhou ASFS directly held 58,862,791 Unlisted Shares in our Company, and was owned as to 30.46%, 19.22%, 0.50%, 4.39% and 28.05% by Mr. Pan, Changzhou Litian, Shanghai Weiba, Shanghai Weijiu and Changzhou Weishi, respectively. Mr. Pan was the general partner of each of Changzhou Litian, Shanghai Weiba, Shanghai Weijiu and Changzhou Weishi. Therefore, Mr. Pan is deemed to be interested in such Shares held by Changzhou ASFS under the SFO.
- (6) Wuxi Hongtai and Gongqingcheng Boying are parties acting in concert. Therefore, each is deemed to be interested in such Shares held by each other under the SFO.

Save as disclosed above and the section headed “Appendix V — Statutory and General Information — Further Information about our Directors and Substantial Shareholders”, our Directors are not aware of any person who will, immediately following completion of the [REDACTED] (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 our Company which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will, directly or indirectly, be interested in 10% or more of the issued voting shares of any other members of our Group.

SHARE CAPITAL

This section presents certain information regarding our share capital before and upon completion of the [REDACTED].

BEFORE THE COMPLETION OF THE [REDACTED]

As of the Latest Practicable Date, the issued share capital of our Company was RMB300,000,000, comprising 300,000,000 Unlisted Shares of nominal value RMB1.00 each.

UPON THE COMPLETION OF THE [REDACTED]

Immediately following the completion of the [REDACTED] and the conversion of certain Unlisted Shares into H Shares, assuming that the [REDACTED] is not exercised, the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate Percentage of the Total Share Capital of our Company
Unlisted Shares in issue	[REDACTED]	[REDACTED]%
H Shares to be converted from Unlisted Shares	[REDACTED]	[REDACTED]%
H Shares to be [REDACTED] under the [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]%</u>
Total	<u><u>[REDACTED]</u></u>	<u><u>100.00%</u></u>

Immediately following completion of the [REDACTED] and the conversion of certain Unlisted Shares into H Shares, assuming the [REDACTED] is fully exercised, the issued share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate Percentage of the Total Share Capital of our Company
Unlisted Shares in issue	[REDACTED]	[REDACTED]%
H Shares to be converted from Unlisted Shares	[REDACTED]	[REDACTED]%
H Shares to be [REDACTED] under the [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]%</u>
Total	<u><u>[REDACTED]</u></u>	<u><u>100.00%</u></u>

SHARE CAPITAL

RANKING

Upon completion of the [REDACTED], the Shares will consist of H Shares and Unlisted Shares. H Shares and Unlisted Shares are all ordinary Shares in the share capital of our Company. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai — Hong Kong Stock Connect or 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 persons of the PRC.

Unlisted Shares and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Document. 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 OUR UNLISTED SHARES INTO H SHARES

According to the regulations issued by the CSRC, the holders of our Unlisted Shares may, at their own option, authorize the Company to apply to the CSRC for conversion of their respective Unlisted Shares to H Shares, and such converted Shares may be [REDACTED] and traded on an overseas stock exchange provided that the required filings with the securities regulatory authorities of the State Council for the conversion, [REDACTED] and trading of such converted Shares have been completed. Additionally, such conversion, trading and [REDACTED] shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. Save as disclosed in this Document and to the best knowledge of our Directors, we are not aware of the intention of such existing Shareholders to convert their Unlisted Shares.

If any of the Unlisted Shares are to be converted, [REDACTED] and traded as H Shares on the Stock Exchange, the filings with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the Conversion of Unlisted Shares into H Shares as set forth below, we will apply for the [REDACTED] of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion after the [REDACTED] to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As the [REDACTED] of additional Shares after the [REDACTED] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for [REDACTED] at the time of our [REDACTED] in Hong Kong. No class Shareholder voting is required for the conversion of such Shares or the [REDACTED] and trading of such converted Shares on an overseas stock exchange. Any application for [REDACTED] of the converted shares on the Stock Exchange after our initial [REDACTED] is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

SHARE CAPITAL

After all the requisite filings have been completed and approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Unlisted Share register, and our Company will re-register such Shares on the H Share register maintained in Hong Kong and instruct the [REDACTED] to issue H Share certificates. Registration on the H Share register of our Company will be on the conditions that (i) the [REDACTED] lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be traded on the Stock Exchange complies with the Listing Rules and the [REDACTED] and the [REDACTED] in force from time to time.

Save for 1,481,146 Unlisted Shares held by Changzhou Modern Service Industry Investment Fund (Limited Partnership), our Company has applied for the conversion of all of our remaining Unlisted Shares into H Shares upon [REDACTED], comprising [REDACTED] Unlisted Shares held by our existing Shareholders.

TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

Pursuant to the PRC Company Law, our Shares issued prior to the [REDACTED] shall not be transferred within one year from the [REDACTED].

Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company unless otherwise permitted by applicable laws and regulations. The Shares that the aforementioned persons hold in our Company cannot be transferred within half a year after they leave their positions as Directors and members of the senior management in our Company.

FILLING WITH THE CSRC AND FULL CIRCULATION APPLICATION

In accordance with the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies and the Overseas Listing Trial Measures announced by the CSRC, H-share listed companies which apply for the conversion of domestic shares and unlisted foreign shares into H shares for [REDACTED] and circulation on the Stock Exchange shall file the application with the CSRC according to the administrative filing procedures necessary for the Overseas Listing Trial Measures. An H-share [REDACTED] company may apply for a “Full Circulation” separately or when applying for refinancing overseas. An unlisted domestic joint stock company may apply for “Full Circulation” when applying for an overseas [REDACTED].

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

SHARE CAPITAL

SHAREHOLDERS’ GENERAL MEETING

See “Regulatory Overview” and “Appendix IV — Summary of Articles of Association” for details of circumstances under which our general meeting is required.

FINANCIAL INFORMATION

The following discussion and our analysis should be read in conjunction with our consolidated financial statements included in the Accountant’s Report in Appendix I, together with the accompanying notes. Our consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this document, including but not limited to the sections headed “Risk Factors” and “Business.”

For the purposes of this section, unless the context otherwise requires, references to 2022, 2023 and 2024 refer to our fiscal years ended December 31 of such years, respectively.

OVERVIEW

We are a leading embodied intelligent industrial robotics company dedicated to reshaping the future of manufacturing through cutting-edge technology. We provide global customers with out-of-the-box, highly flexible, and exceptionally intelligent embodied intelligent industrial robot (EIIR) products and solutions. Through our self-developed full-stack software and hardware system and comprehensive system engineering capabilities, we have successfully developed EIIR products that can autonomously perceive, learn, decide, and execute complex tasks. During the Track Record Period, as a pioneer in multi-scenario and multi-industry application of embodied intelligent industrial robotics, we have achieved commercialization at scale and rapid growth in our financial performance.

Our revenue was RMB221.3 million, RMB434.0 million, RMB600.2 million, RMB143.5 million and RMB411.8 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. We recorded gross profit of RMB71.8 million, RMB183.8 million, RMB287.3 million, RMB70.5 million and RMB203.3 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. In 2024 and the six months ended June 30, 2025, we recorded a profit for the period of RMB15.7 million and RMB6.7 million, respectively.

BASIS OF PREPARATION

The historical financial information of our Group has been prepared in accordance with International Financial Reporting Standards (“**IFRS Accounting Standards**”) issued by International Accounting Standards Board (“**IASB**”). The preparation of the historical financial information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to make judgements, estimates and assumptions in the process of applying our Group’s accounting policies.

FINANCIAL INFORMATION

Judgments made by management in the application of IFRS Accounting Standards that have significant effect on the historical financial information and major sources of estimation uncertainty are discussed in Note 2.1 to the Accountant’s Report included in Appendix I to this Document.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATION

We believe that the most significant factors affecting our results of operations and financial condition include the following:

Demand for industrial AI-empowered intelligent agents, including embodied intelligent industrial robots

As a leading embodied intelligent industrial robot company, we serve a diverse customer base across high-growth sectors, including 3C electronics, automotive manufacturing, new energy, fast-moving consumer goods (FMCG) and semiconductors. According to CIC, we ranked first in China’s embodied intelligent industrial robotics industry with revenue of RMB271.8 million in 2024, confirming our market leadership. Consequently, our revenue growth is directly linked to the demand for embodied intelligent industrial robots and the broader industrial AI-empowered intelligent agents market. The global market for industrial AI-empowered intelligent agents offers substantial growth potential, driven by the accelerating adoption of intelligent and sustainable manufacturing. According to CIC, the market is expected to expand at a 23.6% CAGR, from RMB362.0 billion in 2024 to RMB1,292.3 billion by 2030.

The industrial AI-empowered intelligent agents market and our financial performance is directly linked to the investment and purchasing activities of the downstream industries we serve. Our ongoing investment in core technologies and our broad product portfolio enable us to serve a wide spectrum of sectors, strengthening our resilience against economic cycles. This strategic adaptability allows us to mitigate risks associated with demand fluctuations in any single industry by having the capability of swiftly pivoting toward emerging markets with strong growth potential. As a leading embodied intelligent industrial robotics company in China with a growing international presence, we believe we are well-positioned to capture this market growth and drive sustained revenue expansion.

The ability to attract new clients, as well as retain and deepen relationships with existing ones

Our growth will depend on the expansion of our client base. We have built a diversified customer base, covering high-tech industries such as 3C electronics, automotive manufacturing, new energy and semiconductors. Our customer base includes both manufacturers who directly apply our robot solutions in their factories and system integrators who integrate our products into their automation solutions. To sustain this momentum, we are actively expanding into underpenetrated markets and developing new end-customer segments. This dual approach — deepening existing relationships while securing new clients — is fundamental to capturing a larger share of the rapidly growing industrial AI-empowered intelligent agents market and enhancing our global competitive position.

FINANCIAL INFORMATION

Product technology innovation and market competitiveness

The key to our sustained operational growth is maintaining our technological leadership and product development capabilities. Through our self-developed full-stack technologies and comprehensive engineering capabilities, we have successfully developed EIIR products that can autonomously perceive, learn, decide, and execute complex tasks. Our continued dedication and investment in R&D have further enriched our technology matrix and laid a solid foundation for building and continuously improve our EIIR products, AI-enabled intelligent and modular products. We have invested substantially in R&D. During the Track Record Period, our R&D expenses were RMB75.7 million, RMB178.3 million, RMB164.9 million, RMB85.2 million and RMB114.7 million in 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively.

Our ability to generate positive results from our R&D efforts and successfully implement new technologies is critical to our future business and operational performance. Going forward, we will continue to enhance our technologies and optimize our product portfolio in order to strengthen our market position. We will continue to invest in technology research and development in embodied intelligence such as developing end-to-end industrial VLA models.

Our ability to manage our costs and operating efficiency

Our profitability depends on the effectiveness of our measures on improving cost control and operational efficiency. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our cost of sales was RMB149.5 million, RMB250.2 million, RMB313.0 million, RMB73.0 million and RMB208.4 million, respectively, accounting for 67.5%, 57.6%, 52.1%, 50.9% and 50.6% of our revenue for the same periods, respectively. Our main cost of sales includes raw material procurement used to manufacturing our products, such as robotic arms, optical components, mechanical parts, and computing equipment.

Controlling these costs is critical to our financial results, especially as we scale our business. While we anticipate the absolute value of our cost of sales will rise with revenue, we aim to increase our gross profit margin through a range of initiatives. These include strategic pricing adjustments, supply chain optimization, increased component localization, design-to-cost engineering, and the adoption of lean manufacturing practices.

As our business continues to expand, we expect to realize significant operating leverage and economies of scale. By streamlining operations and managing expenses effectively, we believe these structural cost savings will further contribute to our overall efficiency, profitability, and long-term financial resilience.

FINANCIAL INFORMATION

MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Our material accounting policies and the judgments made by management in applying IFRS Accounting Standards that have a material effect on our financial condition and results of operations are set forth in Note 2 and Note 4 to the Accountant’s Report in Appendix I to this Document. In preparing our financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Such estimates and judgments are based on historical experience and other relevant factors, including expectations of future events, and are considered reasonable under the circumstances. We set out below those accounting policies and estimates that, in our view, involve critical estimation and judgment.

Material Accounting Policies

Revenue recognition

We principally derive revenue from the sale of EIIR products, AI-enabled intelligent products, modular products and other products. Revenue is recognized when or as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time.

Control of the goods and services is transferred over time if our performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

When either party to a contract has performed, the Group presents the contract on the consolidated statements of financial position as a contract asset or a contract liability, depending on the relationship between the entity’s performance and the customer’s payment.

FINANCIAL INFORMATION

The accounting policies for our principal revenue sources are as follows:

Sales of EIIR products and AI-Enabled Intelligent Products

Revenue from sales of EIIR products and AI-enabled intelligent products is recognized at a point in time, typically upon shipment and delivery to the location specified in the sales contract and after inspection and acceptance by the customer.

Sales of Modular Products

Revenue from sales of modular products, which consist of standardized high-performance hardware and software components forming the building blocks of our systems, is recognized at a point in time, generally upon delivery to the customer and acceptance of the products.

Sales of Other Products and Ancillary Services

Revenue from sales of other products, primarily electronic appliances, is recognized at a point in time. Revenue from the provision of ancillary services is recognized over the contract period as the services are rendered and the customer simultaneously receives and consumes the benefits.

Multiple Performance Obligations

Certain customer contracts include multiple performance obligations, such as the sale of products together with ancillary services. In such cases, we allocate the transaction price to each performance obligation based on their relative standalone selling prices, which are generally determined based on observable sales to similar customers under similar circumstances. Where standalone selling prices are not directly observable, we estimate them using either an expected cost-plus margin approach or an adjusted market assessment approach.

The determination of standalone selling prices requires management judgement, and changes in assumptions or estimates may affect the amount and timing of revenue recognized.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets

FINANCIAL INFORMATION

or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each Track Record Period.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labor and related expenses. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Critical Accounting Judgments and Estimates

Recognition of share-based payments to employees

The fair value of restricted shares granted to certain employees are measured on the respective grant dates based on the fair value of the underlying shares. Our Group only recognise an expense for those restricted shares expected to vest over the vesting period during which the grantees become unconditionally entitled to those share-based awards. Changes in these estimates and assumptions could have a material effect on determination of the fair value of restricted shares and share options and the amount of such share-based awards vested, which may in turn significantly impact the determination of share-based payments.

Provision for expected credit losses on trade receivables

The loss allowance for financial assets is based on assumptions about Probability of Default (“PD”), Exposure at Default (“EAD”) and Loss Given Default (“LGD”). Our Group use judgement in making these assumptions and selecting inputs to the impairment calculation, based on our Group’s past history, existing market conditions as well as forward looking estimates at the end of each Track Record Period.

Impairment of non-financial assets (other than goodwill)

Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to sell. These calculations require the use of judgments and estimates.

Judgement is required to determine key assumptions adopted in the valuation models for impairment review purpose. Changing the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and as a result affect the Group’s financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take additional impairment charge to the consolidated income statements.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS)/INCOME

The following table sets forth a summary of our consolidated statements of comprehensive (loss)/income for the periods indicated.

	Years ended December 31,			For the six months ended	
	2022	2023	2024	June 30, 2024	2025
	(unaudited)				
	(RMB in thousands)				
Revenue	221,283	434,026	600,246	143,458	411,750
Cost of sales	(149,467)	(250,209)	(312,981)	(72,955)	(208,425)
Gross profit	71,816	183,817	287,265	70,503	203,325
Selling expenses	(17,137)	(49,756)	(31,314)	(12,722)	(16,300)
General and administrative expenses	(73,821)	(60,733)	(42,032)	(22,423)	(33,851)
Research and development expenses	(75,681)	(178,330)	(164,874)	(85,234)	(114,748)
(Provision for)/reversal of expected credit losses on financial assets and contract assets — net	(3,241)	(10,312)	(10,821)	(3,438)	5,185
Other income	5,949	21,754	18,666	5,089	271
Other gains/loss — net	808	(1,444)	(501)	(298)	(482)
Operating (loss)/profit	(91,307)	(95,004)	56,389	(48,523)	43,400
Finance income	65	178	22	14	350
Finance cost	(11,268)	(28,816)	(34,094)	(15,928)	(30,126)
Financial cost — net	(11,203)	(28,638)	(34,072)	(15,914)	(29,776)
Share of loss of an associate accounted for using the equity method	—	(188)	(2,424)	(1,265)	(1,906)
(Loss)/profit before income tax	(102,510)	(123,830)	19,893	(65,702)	11,718
Income tax credit/(expenses)	10,500	10,026	(4,154)	10,256	(5,034)
(Loss)/profit for the year/period	(92,010)	(113,804)	15,739	(55,446)	6,684
Other comprehensive (loss)/income					
<i>Item that may be reclassified to profit or loss</i>					
Exchange differences on translation of foreign operations	—	(86)	(127)	(65)	5
Total comprehensive (loss)/income for the year/period	(92,010)	(113,890)	15,612	(55,511)	6,689

FINANCIAL INFORMATION

NON-IFRS MEASURE

To supplement our consolidated financial statements which are presented in accordance with IFRS Accounting Standards, we use adjusted net profit/(loss) for the year from continuing operations (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS Accounting Standards. We believe that the non-IFRS measure helps identify underlying trends in our business and provides useful information to investors and others in understanding and evaluating our results of operations. However, our presentation of the non-IFRS measure may not be comparable to similarly titled measures presented by other companies. The use of the non-IFRS measure has limitations as analytical tools, and you should not consider it in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

We define adjusted net profit as profit for the period adjusted by adding back share-based payment and interest expenses on redemption liabilities. The following table reconciles our adjusted net loss presented to the most directly comparable financial measure calculated and presented in accordance with IFRSs Accounting Standards, which is loss for the year/period.

	Years ended December 31,			For the six months ended	
	2022	2023	2024	June 30,	2025
				2024	
				(unaudited)	
	<i>(RMB in thousands)</i>				
(Loss)/profit for the year/period	(92,010)	(113,804)	15,739	(55,446)	6,684
Add:					
Share-based payment expenses	53,294	65,842	5,631	5,337	290
Interest expenses on redemption liabilities	9,751	19,850	22,776	10,431	23,419
Adjusted net profit/(loss) (Non-IFRS measure)	<u>(28,965)</u>	<u>(28,112)</u>	<u>44,146</u>	<u>(39,678)</u>	<u>30,393</u>

FINANCIAL INFORMATION

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

Revenue by Business Line

During the Track Record Period, our revenue was primarily derived from sales of EIIR, AI-enabled intelligent and modular products. The following table sets forth a breakdown of our revenues by business line in absolute amounts and as percentages of total revenues, for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
	<i>(unaudited)</i>									
	<i>(RMB in thousands, except for percentages)</i>									
EIIR Products	33,820	15.3	114,137	26.3	271,833	45.3	46,787	32.6	220,780	53.6
AI-Enabled Intelligent Products	94,151	42.5	203,357	46.9	204,954	34.1	66,317	46.2	109,773	26.7
Modular Products	32,319	14.6	96,457	22.2	112,333	18.7	24,788	17.3	77,326	18.8
Others ⁽¹⁾	60,993	27.6	20,075	4.6	11,126	1.9	5,566	3.9	3,871	0.9
Total	<u>221,283</u>	<u>100.0</u>	<u>434,026</u>	<u>100.0</u>	<u>600,246</u>	<u>100.0</u>	<u>143,458</u>	<u>100.0</u>	<u>411,750</u>	<u>100.0</u>

Note:

- (1) Primarily represents the revenue derived from compute scheduling services and the sales of electronic appliances. The segment’s high contribution in 2022 was primarily driven by computing services sold to Jiangsu SVFactory. Following its acquisition, such sales are eliminated upon consolidation and no longer recognized as external revenue.

Cost of Sales

Our cost of sales consists primarily of raw materials, computing power cost and labor cost. Raw materials primarily comprise of robotic arms, optical components, mechanical parts, and computing equipment. Computing power costs consist largely of cloud computing services we used. Labor costs are primarily made up of personnel expenses related to project delivery.

FINANCIAL INFORMATION

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 periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(unaudited)									
	(RMB in thousands, except for percentages)									
Raw materials	84,838	56.8	180,502	72.1	229,476	73.3	52,205	71.6	154,554	74.2
Computing										
power cost	48,703	32.6	46,188	18.5	52,893	16.9	11,072	15.2	42,406	20.3
Labor cost	14,349	9.6	17,137	6.8	25,057	8.0	7,205	9.9	9,182	4.4
Others ⁽¹⁾	1,577	1.0	6,382	2.6	5,555	1.8	2,473	3.3	2,283	1.1
Total	149,467	100.0	250,209	100.0	312,981	100.0	72,955	100.0	208,425	100.0

(1) Mainly consists of depreciation and inventory provision.

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, 2024 and for the six months ended June 30, 2024 and 2025, we had gross profit of RMB71.8 million, RMB183.8 million, RMB287.3 million, RMB70.5 million and RMB203.3 million, respectively. During the same periods, we had gross margin of 32.5%, 42.4%, 47.9%, 49.1% and 49.4%, respectively.

The following table sets forth our gross profit and gross profit margin breakdown by business line:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin	Gross Profit	Gross Profit Margin
	(unaudited)									
	(RMB in thousands, except for percentages)									
EIIR Products	15,443	45.7	54,648	47.9	149,820	55.1	27,781	59.4	119,511	54.1
AI-Enabled										
Intelligent										
Products	26,426	28.1	71,631	35.2	97,367	47.5	32,815	49.5	47,476	43.2
Modular										
Products	9,661	29.9	43,182	44.8	31,885	28.4	5,498	22.2	33,090	42.8
Other	20,286	33.3	14,356	71.5	8,193	73.6	4,409	79.2	3,248	83.9
Total	71,816	32.5	183,817	42.4	287,265	47.9	70,503	49.1	203,325	49.4

FINANCIAL INFORMATION

Selling Expenses

Our selling expenses primarily comprise of (i) employee benefit expenses and share-based compensation for our sales personnel, (ii) travel expenses incurred by our sales personnel, (iii) marketing and advertising expenses, primarily related to our participation in industrial exhibitions to promote our products, (iv) business development expenses and (v) service fees. The following table sets forth a breakdown of our selling expenses by nature, in absolute amounts and as percentages of total selling expenses, for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(unaudited)									
	(RMB in thousands, except for percentages)									
Employee benefit expenses	12,788	74.6	19,985	40.2	16,003	51.1	8,509	66.9	8,090	49.6
Share-based payment	213	1.2	13,726	27.6	83	0.3	83	0.7	—	—
Travel expenses	1,976	11.5	4,930	9.9	4,544	14.5	2,125	16.7	2,054	12.6
Marketing and advertising expenses	76	0.4	2,008	4.0	3,731	11.9	143	1.1	1,762	10.8
Business development expenses	963	5.6	2,676	5.4	2,751	8.8	829	6.5	1,816	11.1
Services fees	283	1.7	1,746	3.5	2,555	8.2	142	1.1	641	3.9
Others ⁽¹⁾	838	5.0	4,685	9.4	1,647	5.2	891	7.0	1,937	12.0
Total	17,137	100.0	49,756	100.0	31,314	100.0	12,722	100.0	16,300	100.0

Note:

- (1) Others primarily include office expenses, warehouse expenses, depreciations and other expenses incurred for our sales and marketing activities.

FINANCIAL INFORMATION

General and Administrative Expenses

During the Track Record Period, our general and administrative expenses consisted of (i) employee benefit expenses and share-based compensation for our administrative and management personnel, (ii) depreciation and amortization, (iii) services fees, (vi) office expenses and (v) travel expenses. The following table sets forth a breakdown of our administrative expenses in absolute amounts and as a percentage of our total general and administrative expenses for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
	<i>(unaudited)</i>									
	<i>(RMB in thousands, except for percentages)</i>									
Share-based payment	52,676	71.4	15,807	26.0	4,405	10.5	4,110	18.3	290	0.9
Employee benefit expenses	13,176	17.8	23,550	38.8	18,882	44.9	9,470	42.2	11,129	32.9
Depreciation and amortization	1,564	2.1	6,536	10.8	5,922	14.1	3,119	13.9	2,861	8.5
Services fees	2,635	3.6	6,730	11.1	5,654	13.5	1,825	8.1	11,646	34.4
Office expenses	1,214	1.6	3,135	5.2	4,010	9.5	1,986	8.9	2,980	8.8
Travel expenses	882	1.2	1,458	2.4	971	2.3	517	2.3	786	2.3
Others ⁽¹⁾	1,674	2.3	3,517	5.7	2,188	5.2	1,396	6.3	4,159	12.2
Total	73,821	100.0	60,733	100.0	42,032	100.0	22,423	100.0	33,851	100.0

Note:

- (1) Others primarily include low-value consumables, minor renovation expenses, courier fees, and other miscellaneous fees incurred in our general business operation.

FINANCIAL INFORMATION

R&D Expenses

During the Track Record Period, our R&D expenses consisted of (i) employee benefits expenses and share-based payment expense for R&D personnel, (ii) computing power costs; (iii) depreciation expenses; (iv) raw materials consumed; and (v) other expenses. 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 periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(unaudited)									
	(RMB in thousands, except for percentages)									
Employee benefits expenses	44,475	58.8	83,118	46.6	74,673	45.3	38,778	45.5	32,856	28.6
Share-based payment	405	0.5	34,627	19.4	1,144	0.7	1,144	1.3	—	—
Computing power costs	17,714	23.4	51,740	29.0	75,201	45.6	39,958	46.9	78,564	68.5
Depreciation expenses	2,649	3.5	2,485	1.4	2,172	1.3	1,176	1.4	1,835	1.6
Raw materials consumed	2,426	3.2	2,903	1.6	3,651	2.2	2,495	2.9	969	0.8
Others ⁽¹⁾	8,012	10.6	3,457	2.0	8,033	4.9	1,683	2.0	524	0.5
Total	75,681	100.0	178,330	100.0	164,874	100.0	85,234	100.0	114,748	100.0

Note:

(1) Others primarily include travel expenses, service fees and outsources R&D expenses.

(Provision for)/reversal of expected credit losses on financial assets and contract assets — net

During the Track Record Period, we recorded net expected credit losses on financial assets and contract assets of RMB3.2 million, RMB10.3 million, RMB10.8 million and RMB3.4 million, in 2022, 2023 and 2024 and for the six months ended June 30, 2024, respectively. For the six months ended June 30, 2025, we recorded net impairment reversal of RMB5.2 million. Our expected credit losses on financial assets and contract assets were primarily attributable to the expected credit losses recognized on trade receivables, contract assets, notes and other receivables. Our net reversal of expected credit losses were primarily driven by an improvement in the aging profile of receivables as well as more powerful collections.

FINANCIAL INFORMATION

Other Income

Other income primarily consisted of (i) government grants, primarily representing government subsidies and grants in relation to our business operation, certain R&D projects and incentives for technology innovation; and (ii) value-added tax refunds. Our other income amounted to RMB5.9 million, RMB21.8 million, RMB18.7 million, RMB5.1 million and RMB0.3 million in 2022, 2023, 2024 and for the six months ended June 30, 2024 and 2025, respectively. The following table sets forth a breakdown of our other income in absolute amount and as a percentage of our total other income for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(unaudited)									
	(RMB in thousands, except for percentages)									
Government grants	5,193	87.3	21,480	98.7	18,483	99.0	4,927	96.8	119	43.9
Value added tax (“VAT”) refund.	535	9.0	234	1.1	179	1.0	160	3.1	150	55.4
Others ⁽¹⁾	221	3.7	40	0.2	4	—	2	0.1	2	0.7
Total	5,949	100.0	21,754	100.0	18,666	100.0	5,089	100.0	271	100.0

Note:

(1) Others primarily include rental income.

Other Gains/(Loss), net

During the Track Record Period, we recorded net other gains of RMB0.8 million in 2022, and net other losses of RMB1.4 million, RMB0.5 million, RMB0.3 million and RMB0.5 million in 2023, 2024 and for the six months ended June 30, 2024 and 2025, respectively. Our other gains and losses mainly consisted of foreign exchange gains or losses.

FINANCIAL INFORMATION

Finance Costs, net

During the Track Record Period, our finance costs primarily included interest expenses on redemption liabilities, bank borrowings, lease liabilities and other borrowings. These costs were partially offset by finance income, which was comprised of interest income from bank deposits. The following table sets forth the components of our net finance costs in absolute amounts and as percentages of total for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
	<i>(unaudited)</i>									
	<i>(RMB in thousands, except for percentages)</i>									
Finance income:										
Interest income from bank deposits	65	0.6	178	0.6	22	0.1	14	0.1	350	1.2
Finance costs:										
Interest expenses on redemption liabilities	(9,751)	(87.0)	(19,850)	(69.3)	(22,776)	(66.8)	(10,431)	(65.5)	(23,419)	(78.7)
Interest expenses on bank borrowings	(1,165)	(10.4)	(7,801)	(27.2)	(10,532)	(30.9)	(5,068)	(31.9)	(5,804)	(19.5)
Interest expenses on lease liabilities	(261)	(2.3)	(649)	(2.3)	(485)	(1.4)	(266)	(1.7)	(177)	(0.6)
Interest expenses on other borrowings	(91)	(0.9)	(516)	(1.8)	(301)	(1.0)	(163)	(1.0)	(726)	(2.4)
Finance cost, net	<u>(11,203)</u>	<u>(100.0)</u>	<u>(28,638)</u>	<u>(100.0)</u>	<u>(34,072)</u>	<u>(100.0)</u>	<u>(15,914)</u>	<u>(100.0)</u>	<u>(29,776)</u>	<u>(100.0)</u>

Income Tax Credit/Expensees

During the Track Record Period, we recorded income tax credits of RMB10.5 million, RMB10.0 million in 2022 and 2023, and income tax expenses of RMB4.2 million in 2024, respectively. For the six months ended June 30, 2024 and 2025, we have recorded income tax credits of RMB10.3 million and income tax expenses of RMB5.0 million, respectively.

FINANCIAL INFORMATION

The PRC

Our subsidiaries incorporated in China are subject to PRC enterprise income tax on their taxable income in accordance with the relevant PRC income tax laws. Pursuant to the PRC Enterprise Income Tax Law, or the EIT Law, which became effective on January 1, 2008 and was last amended on December 29, 2018, a uniform 25% enterprise income tax rate is generally applicable to both foreign-invested enterprises and domestic enterprises, except where a special preferential rate applies. For example, enterprises qualified as “High and New Technology Enterprises” are entitled to a 15% enterprise income tax rate rather than the 25% uniform statutory tax rate. The enterprise income tax is calculated based on the entity’s global income as determined under PRC tax laws and accounting standards.

Our Company qualified as High and New Technology Enterprises (“HNTEs”) in 2020 and is entitled to a preferential income tax rate of 15% for a three-year period. Our Group’s subsidiaries Jiangsu SvFactory and Shanghai Microintelligence, qualified as an HNTE in 2024 and is entitled to a preferential income tax rate of 15% for a three-year period from 2024 to 2026.

In addition, certain of our subsidiaries in mainland China met the criteria for “small low-profit enterprises” under the PRC Enterprise Income Tax Law and benefited from a reduced tax rate of 20%.

For further details, refer to Note 13 of the Accountant’s Report in Appendix I.

As of the Latest Practicable Date, we had fulfilled all our tax obligations and had not had any dispute with any tax authority.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Revenue

Our revenue increased by 187.0% from RMB143.5 million in the six months ended June 30, 2024 to RMB411.8 million in the six months ended June 30, 2025, which was primarily attributable to our continued business expansion, particularly the strong performance of our EIIR business. This growth was largely attributable to a significant increase in revenue from EIIR products, reflecting continued strong market acceptance and our successful expansion in industrial applications such as loading and unloading and grinding.

Our revenue from sales of EIIR products increased by 371.9% from RMB46.8 million in the six months ended June 30, 2024 to RMB220.8 million in the six months ended June 30, 2025, primarily driven by the expansion of our customer base and accordingly the increased sales of EIIR products. The number of units sold more than tripled and the average selling price also rose by more than a third. Our revenues from sales of EIIR products represented 32.6% and 53.6% of total revenue in the six months ended June 30, 2024 and 2025, respectively.

FINANCIAL INFORMATION

Our revenue from sales of AI-enabled intelligent products increased by 65.5% from RMB66.3 million in the six months ended June 30, 2024 to RMB109.8 million in the six months ended June 30, 2025, primarily driven by a significant increase in the average value of the projects that we completed in the six months ended June 30, 2025. Our revenue from sales of AI-enabled intelligent products represented 46.2% and 26.7% of total revenue in the six months ended June 30, 2024 and 2025, respectively.

Our revenue from sales of modular products increased by 212.0% from RMB24.8 million in the six months ended June 30, 2024 to RMB77.3 million in the six months ended June 30, 2025, primarily due to increased adoption of our industrial software and cloud platform by more clients. Our revenue from sales of modular products represented 17.3% and 18.8% of total revenue in the six months ended June 30, 2024 and 2025, respectively.

Cost of Sales

Our cost of sales increased by 185.7% from RMB73.0 million in the six months ended June 30, 2024 to RMB208.4 million in the six months ended June 30, 2025, which is mainly attributable to higher raw material costs and greater spending on computing power, driven by increased product sales.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 188.4% from RMB70.5 million in the six months ended June 30, 2024 to RMB203.3 million in the six months ended June 30, 2025. Our gross profit margin slightly increased from 49.1% in the six months ended June 30, 2024 to 49.4% in the six months ended June 30, 2025. Specifically, the overall gross profit margin improvement was mainly driven by the following factors:

- **EIIR Products:** Gross profit increased from RMB27.8 million for the six months ended June 30, 2024 to RMB120.0 million for the six months ended June 30, 2025, with the gross margin decreasing from 59.4% to 54.1%. The higher gross margin in the six months ended June 30, 2024 was primarily due to the contribution from certain projects that achieved high margin from project specific cost optimization measures.
- **AI-Enabled Intelligent Products:** Gross profit increased from RMB32.8 million for the six months ended June 30, 2024 to RMB47.5 million for the six months ended June 30, 2025, with the gross margin decreasing from 49.5% to 43.2%, primarily due to competitive market pressures.

FINANCIAL INFORMATION

- **Modular Products:** Gross profit increased from RMB5.5 million for the six months ended June 30, 2024 to RMB33.1 million for the six months ended June 30, 2025, with the gross margin increasing from 22.2% to 42.8%. In the first half of 2024, margins were suppressed by several low gross margin cloud platform projects accepted to retain a strategic client. We did not take on such low gross margin projects in 2025 amid continued pricing pressure, which freed up resources to serve more clients, resulting in simultaneous growth in both gross profit and margin.

Selling Expenses

Our selling expenses increased by 28.1% from RMB12.7 million in the six months ended June 30, 2024 to RMB16.3 million in the six months ended June 30, 2025, which was driven by a RMB1.6 million increase in marketing and advertising expenses for increased media promotion campaigns.

General and Administrative Expenses

Our general and administrative expenses increased by 51.0% from RMB22.4 million in the six months ended June 30, 2024 to RMB33.9 million in the six months ended June 30, 2025, primarily attributed to a RMB10.0 million rise in expenses for services fees, which was partially offset by a RMB3.8 million reduction in share-based payment expense recognition.

Research and Development Expenses

Our research and development expenses increased by 34.6% from RMB85.2 million in the six months ended June 30, 2024 to RMB114.7 million in the six months ended June 30, 2025, primarily attributable to a RMB38.6 million rise in computing power costs driven by heightened demand for computing in embodied intelligence research and development.

(Provision for)/reversal of expected credit losses on financial assets and contract assets — net

Our impairment losses on financial assets and contract assets changed from a net loss of RMB3.4 million in the six months ended June 30, 2024 to a net gain of RMB5.2 million in the six months ended June 30, 2025, primarily due to the reversal of expected credit losses as a result of the collection of certain trade receivables.

Other Income

Our other income decreased by 94.7% from RMB5.1 million in the six months ended June 30, 2024 to RMB0.3 million in the six months ended June 30, 2025, primarily due to the decrease in government grants.

FINANCIAL INFORMATION

Other Gains/(Loss) — net

Our other losses slightly increased from RMB0.3 million in the six months ended June 30, 2024 to RMB0.5 million in the six months ended June 30, 2025, mainly consisted of foreign exchange gains and losses.

Finance Cost, net

Our finance costs increased by 87.1% from RMB15.9 million in the six months ended June 30, 2024 to RMB29.8 million in the six months ended June 30, 2025, primarily attributable to an increase in interest expenses on redemption liabilities to RMB23.4 million from RMB10.4 million, mainly associated with new Series C redemption liabilities.

(Loss)/Profit for the Period

As a result of the foregoing, we recorded turnaround from a loss of RMB55.4 million in the six months ended June 30, 2024 to a profit of RMB6.7 million in the six months ended June 30, 2025.

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

Revenue

Our revenue increased by 38.3% from RMB434.0 million in 2023 to RMB600.2 million in 2024, primarily because of our continued business expansion. This growth was largely attributable to a significant increase in revenue from EIIR products, reflecting strong market acceptance and our successful expansion into new industrial applications such as loading and unloading, welding, and grinding.

Our revenue from sales of EIIR products increased by 138.2% from RMB114.1 million in 2023 to RMB271.8 million in 2024, which was mainly attributable to a more than doubling of unit sales and a slight increase in the average selling price of each of such unit. This was primarily driven by the launch of our multi-process EIIR products in late 2023, with enhanced functionalities that allowed coverage of broadened application scenarios. Although it had limited contribution to the 2023 financial performance due to their late-year introduction, they became a key growth driver in 2024. As a result, our revenue from sales of EIIR products represented 26.3% and 45.3% of total revenue for the year ended December 31, 2023 and 2024, respectively.

Our revenue from sales of AI-enabled intelligent products slightly increased from RMB203.4 million in 2023 to RMB205.0 million in 2024. However, due to overall revenue growth, its contribution to total revenue decreased from 46.9% in 2023 to 34.1% in 2024.

Our revenue from sales of modular products increased by 16.5% from RMB96.5 million in 2023 to RMB112.3 million in 2024. Our revenue from sales of modular products represented 22.2% and 18.7% of total revenue in 2023 and 2024, respectively.

FINANCIAL INFORMATION

Cost of Sales

Our cost of sales increased by 25.1% from RMB250.2 million in 2023 to RMB313.0 million in 2024, primarily due to (i) the increase in raw material costs from RMB180.5 million in 2023 to RMB229.5 million in 2024 and (ii) the increase in staff costs from RMB17.1 million in 2023 to RMB25.1 million in 2024. The increase in raw material and staff costs was generally in line with our revenue growth, reflecting our overall business expansion. Our cost of sales accounted for 57.6% and 52.1% of our total revenue in 2023 and 2024, respectively.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 56.3% from RMB183.8 million in 2023 to RMB287.3 million in 2024. Our gross profit margin increased from 42.4% in 2023 to 47.9% in 2024, primarily due to continued product mix optimization and enhanced operational efficiency across our key business segments. This operational efficiency improvement was mainly driven by enhancements to our BASH and Yixiu Cloud technology, including a major performance upgrade in the second half of 2023. These upgrades increased our efficiency and reduced costs by shortening the lead time from delivery to production and accelerating the transition from human-guided operation to full autonomy. Specifically, the overall gross profit margin improvement was mainly driven by the following factors:

- **EIIR Products:** Gross profit increased from RMB54.6 million in 2023 to RMB149.8 million in 2024, with the gross margin rising from 47.9% to 55.1%, primarily due to improved cost efficiencies from economies of scale as well as the continued improvement of BASH and Yixiu Cloud.
- **AI-Enabled Intelligent Products:** Gross profit increased from RMB71.6 million in 2023 to RMB97.4 million in 2024, and the gross margin improved from 35.2% to 47.5%, primarily due to the continued improvement of BASH and Yixiu Cloud.
- **Modular Products:** Gross profit decreased from RMB43.2 million in 2023 to RMB31.9 million in 2024, with the gross margin declining from 44.8% to 28.4%, mainly due to the acceptance of several low-margin orders for a key cloud platform client amid their cost-saving initiatives in 2024.

Selling Expenses

Our selling expenses decreased by 37.1% from RMB49.8 million in 2023 to RMB31.3 million in 2024, primarily due to (i) a decrease of RMB13.6 million in share-based payment expenses and (ii) a reduction of RMB4.0 million in employee benefit expenses, primarily resulting from the realignment of the sales team structure to better match the business needs of our product lines.

FINANCIAL INFORMATION

General and Administrative Expenses

Our general and administrative expenses decreased by 30.8% from RMB60.7 million in 2023 to RMB42.0 million in 2024, primarily attributable to (i) a decrease of RMB11.4 million in share-based payment expenses, and (ii) a decrease of RMB4.7 million in the employee benefit expenses primarily due to a decrease in management headcount to streamline the organizational structure.

Research and Development Expenses

Our research and development expenses decreased by 7.5% from RMB178.3 million in 2023 to RMB164.9 million in 2024, primarily due to (i) an RMB8.4 million reduction in employee benefits, resulting from the streamlining of team structure, and (ii) a RMB33.5 million drop in share-based compensation. This decrease was partially offset by a RMB23.5 million increase in computing power costs to support continued in-depth R&D in embodied intelligence.

(Provision for)/reversal of expected credit losses on financial assets and contract assets — net

Our expected credit losses on financial assets and contract assets remained relatively stable at RMB10.3 million in 2023 and RMB10.8 million in 2024.

Other Income

Our other income decreased by 14.2% from RMB21.8 million in 2023 to RMB18.7 million in 2024, primarily attributable to the decrease in government grants from RMB21.5 million in 2023 to RMB18.5 million in 2024.

Other Gains/(Loss) — net

Our net other losses decreased from RMB1.4 million in 2023 to RMB0.5 million in 2024, primarily attributable to the increase in net foreign exchange gain of approximately RMB0.8 million.

Finance Cost — net

Our net finance costs increased by 19.0% from RMB28.6 million in 2023 to RMB34.1 million in 2024, primarily due to (i) an increase in interest expenses on bank borrowing from RMB7.8 million in 2023 to RMB10.5 million in 2024, mainly resulting from increased bank borrowing and (ii) an increase in interest expenses on redemption liabilities from RMB19.9 million to RMB22.8 million, attributable to the granting of redemption rights to Series C investors during May to June 2024.

Income Tax (Expenses)/Credit

We recorded an income tax credit of RMB10.0 million in 2023, compared to an income tax expense of RMB4.2 million in 2024. The shift from a tax credit to an expense was primarily due to improved profitability of our operations.

FINANCIAL INFORMATION

(Loss)/Profit for the Year

As a result of the foregoing, we recorded a loss for the year of RMB113.8 million in 2023, as compared to a profit of RMB15.7 million in 2024.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

Our revenue increased significantly from RMB221.3 million in 2022 to RMB434.0 million in 2023, primarily driven by successful organic business expansion coupled with the merger with Jiangsu SVFactory in December 2022.

Our revenue from sales of EIIR products increased by 237.5% from RMB33.8 million in 2022 to RMB114.1 million in 2023, primarily attributable to expanded industrial applications and increased customer adoption. The number of units sold more than doubled and the average selling price also increased due to the high demand for our EIIR products. The growth was also attributable to the enhanced technology capabilities of our EIIR business following the acquisition of Jiangsu SVFactory, which enabled us to launch new and improved products in 2023. Our revenue from sales of EIIR products represented 15.3% and 26.3% of total revenue for the year ended December 31, 2022 and 2023, respectively.

Our revenue from sales of AI-enabled intelligent products increased by 116.0% from RMB94.2 million in 2022 to RMB203.4 million in 2023, mainly attributable to the enhanced delivery capabilities resulting from the launch of our BASH and Yixiu Cloud, which significantly increased our efficiency and thereby our capacity to take on and complete more projects. The number of projects we completed more than doubled. Our revenue from the sales of AI-enabled intelligent products represented 42.5% and 46.9% of total revenue in 2022 and 2023, respectively.

Our revenue from sales of modular products increased by 198.4% from RMB32.3 million in 2022 to RMB96.5 million in 2023, primarily driven by incremental revenue from cloud platform services following the acquisition of Jiangsu SVFactory. This segment represented 14.6% and 22.2% of total revenue in 2022 and 2023, respectively.

Cost of Sales

Our cost of sales increased by 67.4% from RMB149.5 million in 2022 to RMB250.2 million in 2023, primarily due to the increase in raw material costs from RMB84.8 million in 2022 to RMB180.5 million in 2023, which was mainly attributable to revenue growth. Our cost of sales accounted for 67.5% and 57.6% of our total revenue in 2022 and 2023, respectively.

FINANCIAL INFORMATION

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased significantly from RMB71.8 million in 2022 to RMB183.8 million in 2023. Our gross profit margin increased from 32.5% in 2022 to 42.4% in 2023. With respect to each of our product line, their gross profit margin were all in an upward trend. This was primarily attributable to the launch of the BASH and Yixiu Cloud technology in 2023, which allowed us to increase the efficiency and save cost significantly through shortening the lead time from delivery to production and from needing human guidance to autonomy. Specifically, the overall gross profit margin improvement was mainly driven by the following factors:

- **EIIR Products:** Gross profit increased from RMB15.4 million in 2022 to RMB54.6 million in 2023, with the gross margin rising from 45.7% to 47.9%. The increase was primarily due to improved cost efficiencies from economies of scale and the launch of BASH and Yixiu Cloud.
- **AI-Enabled Intelligent Products:** Gross profit increased from RMB26.4 million in 2022 to RMB71.6 million in 2023, and the gross margin improved from 28.1% to 35.2%, primarily due to the launch of BASH and Yixiu Cloud.
- **Modular Products:** Gross profit increased from RMB9.7 million in 2022 to RMB43.2 million in 2023, with the gross margin increasing from 29.9% to 44.8%. The increase was mainly due to the acquisition of Jiangsu SVFactory, which contributed higher-margin revenue from its industrial software & cloud platform services.

Selling Expenses

Our selling expenses increased significantly from RMB17.1 million in 2022 to RMB49.8 million in 2023, primarily due to (i) an increase of RMB13.5 million in share-based compensation, (ii) an increase of RMB7.2 million in employee benefits expenses, (iii) an increase of RMB1.9 million in marketing and advertising expenses, and (iv) an increase of RMB3.0 million in travel expenses, with the latter three increases mainly driven by the expansion of the sales team following the acquisition of Jiangsu SVFactory.

General and Administrative Expenses

Our general and administrative expenses decreased significantly from RMB73.8 million in 2022 to RMB60.7 million in 2023, primarily due to a decrease of RMB36.9 million in share-based compensation expenses, which was partially offset by (i) an increase of RMB10.4 million in employee benefit expenses, primarily due to the consolidation of Jiangsu SVFactory and (ii) an increase of RMB5.0 million in depreciation and amortization, largely attributable to the expansion of our business operations.

FINANCIAL INFORMATION

Research and Development Expenses

Our research and development expenses increased significantly from RMB75.7 million in 2022 to RMB178.3 million in 2023, primarily due to (i) an increase of RMB38.6 million in employee benefits expense, primarily due to the expansion of the R&D team due to the consolidation of Jiangsu SVFactory; (ii) an increase of RMB34.2 million in share-based expense, primarily due to the vesting of equity grants under our then employee incentive scheme; and (iii) an increase of RMB34.0 million in computing power costs, attributable to increased R&D activities in embodied intelligence.

(Provision for)/reversal of expected credit losses on financial assets and contract assets — net

Our expected credit losses on financial assets and contract assets increased from net losses of RMB3.2 million in 2022 to RMB10.3 million in 2023, primarily due to the increase in provisions for expected credit losses on our trade and notes receivables, which reflected the higher outstanding balances arising from our revenue growth in line with business expansion.

Other Income

Our other income increased significantly from RMB5.9 million in 2022 to RMB21.8 million in 2023, primarily attributable to the increase in government grants from RMB5.2 million in 2022 to RMB21.5 million in 2023, mainly due to national and local government policy support for the technology and advanced manufacturing sectors.

Other Gains/(Loss) — net

Our net other losses remained insignificant and shifted from a net gain of RMB0.8 million in 2022 to a net loss of RMB1.4 million in 2023, primarily due to a net foreign exchange losses of RMB1.7 million in 2023.

Finance Cost — net

Our net finance costs increased significantly from RMB11.2 million in 2022 to RMB28.6 million in 2023. This increase was primarily driven by (i) an increase of RMB6.6 million in interest expenses on interest-bearing bank borrowings million due to an increase in outstanding loan amounts; and (ii) an increase of RMB10.1 million in interest expenses on redemption liabilities from RMB9.8 million to RMB19.9 million, mainly attributable to the granting of redemption rights to capital contribution from new investors in July and December 2022. Our finance costs represented 5.1% and 6.6% of total revenues for the year ended December 31, 2022 and 2023, respectively.

Income Tax

Our income tax credits remained stable from RMB10.5 million in 2022 to RMB10.0 million in 2023.

FINANCIAL INFORMATION

Loss for the Year

As a result of the foregoing, our loss for the year increased from RMB92.0 million in 2022 to RMB113.8 million in 2023.

DISCUSSION ON CERTAIN KEY BALANCE SHEET ITEMS

The table below sets forth selected information from our consolidated balance sheets as of the dates indicated, which have been extracted from our consolidated financial statements included in Appendix I to this Document.

	As of December 31,			As of
	2022	2023	2024	June 30,
				2025
				(Unaudited)
	(RMB in thousands)			
Total non-current assets	292,161	296,078	276,815	454,091
Total current assets	<u>326,506</u>	<u>491,039</u>	<u>761,889</u>	<u>1,305,241</u>
Total assets	<u>618,667</u>	<u>787,117</u>	<u>1,038,704</u>	<u>1,759,332</u>
Total non-current liabilities	(281,451)	(266,071)	(361,871)	(181,659)
Total current liabilities	<u>(301,323)</u>	<u>(533,201)</u>	<u>(667,745)</u>	<u>(618,303)</u>
Total liabilities	<u>(582,774)</u>	<u>(799,272)</u>	<u>(1,029,616)</u>	<u>(799,962)</u>
Net current assets/(liabilities)	25,183	(42,162)	94,144	686,938
Net assets/(liabilities)	<u>35,893</u>	<u>(12,155)</u>	<u>9,088</u>	<u>959,370</u>
Equity/(Deficit) attributable to owners of the Company				
Paid-in capital	44,193	44,193	45,700	60,932
Reserves	123,106	188,862	192,859	1,121,225
Accumulated losses	<u>(131,406)</u>	<u>(245,210)</u>	<u>(229,471)</u>	<u>(222,787)</u>
Total equity/(deficit)	<u>35,893</u>	<u>(12,155)</u>	<u>9,088</u>	<u>959,370</u>

FINANCIAL INFORMATION

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

	As of December 31, 2022	2023	2024	As of June 30, 2025	As of July 31, 2025 (Unaudited)
Current assets					
Inventories	13,147	45,743	77,553	46,127	91,604
Trade and notes receivables	172,375	386,540	615,133	500,388	482,835
Financial assets at fair value through other comprehensive income	1,568	199	5	508	508
Financial assets at fair value through profit or loss	—	—	—	224,000	224,000
Prepayments and other receivables	20,982	15,379	18,595	91,078	75,114
Contract assets	12,088	22,311	35,742	43,541	43,541
Restricted cash	22,826	—	744	56,034	56,034
Cash and cash equivalents	83,520	20,867	14,117	343,565	293,092
Total current assets	326,506	491,309	761,889	1,305,241	1,266,728
Current liabilities					
Trade and notes payables	110,613	208,099	212,772	95,943	91,913
Other payables and accruals	35,207	53,407	96,107	105,319	100,409
Contract liabilities	4,335	12,446	10,145	24,651	26,085
Borrowings	145,699	254,040	342,887	386,435	375,438
Current income tax liabilities	1,578	1,553	2,023	2,023	2,023
Lease liabilities	3,891	3,656	3,811	3,932	3,948
Total current liabilities	301,323	533,201	667,745	618,303	599,816
Net current assets/(liabilities)	25,183	(42,162)	94,144	686,938	666,912

Our net current assets decreased slightly from RMB686.9 million as of June 30, 2025 to RMB666.9 million as of July 31, 2025. This was primarily due to (i) a decrease in cash and cash equivalents of RMB50.5 million, and (ii) a decrease in prepayments and other receivables of RMB16.0 million, partially offset by an increase in inventory of RMB45.5 million.

Our net current assets increased from RMB94.1 million as of December 31, 2024, to RMB686.9 million as of June 30, 2025. This was primarily due to (i) an increase in cash and cash equivalents of RMB329.4 million, (ii) an increase in financial assets at fair value through profit or loss of RMB224.0 million, (iii) an increase in prepayments and other receivables of RMB72.5 million, and (iv) an increase in contract assets of RMB7.8 million. The increase in our net current assets was partially offset by (i) a decrease in trade and notes receivables of RMB114.7 million, (ii) an increase in borrowings of RMB43.5 million, a decrease in inventories of RMB31.4 million, and (iii) an increase in other payables and accruals of RMB9.2 million.

We recorded net current assets of RMB94.1 million as of December 31, 2024 as compared to net current liabilities of RMB42.2 million as of December 31, 2023, primarily due to (i) an increase in trade and notes receivables of RMB228.6 million, (ii) an increase in inventories of RMB31.8 million, partially offset by (i) an increase in borrowings of RMB88.8 million, (ii) an increase in other payables and accruals of RMB42.7 million, (iii) a decrease in cash and cash equivalents of RMB6.8 million, and (iv) an increase in trade and notes payables of RMB4.7 million.

FINANCIAL INFORMATION

We recorded net current liabilities of RMB42.2 million as of December 31, 2023 as compared to net current assets of RMB25.2 million as of December 31, 2022, primarily due to (i) an increase in borrowings of RMB108.3 million, (ii) an increase in trade and notes payables of RMB97.5 million, and (iii) a decrease in cash and cash equivalents of RMB62.7 million; partially offset by (i) an increase in trade and notes receivables of RMB214.2 million, (ii) an increase in inventories of RMB32.6 million, and (iii) an increase in other payables and accruals of RMB18.2 million.

Property, Plant and Equipment

Our property, plant and equipment consist primarily of machinery, such as computing equipment for AI training and inference, computers and electronic equipment and leasehold improvements.

Our property, plant and equipment remained relatively stable at RMB30.7 million as of December 31, 2022, and RMB32.1 million as of December 31, 2023, and then decreased to RMB26.8 million as of December 31, 2024, which was primarily attributable to the decreases in computers and electronic equipment, machinery, leasehold improvements, resulting from normal depreciation and amortization expenses which outpaced the value of new capital expenditures during the period. Our property, plant and equipment increased significantly to RMB133.4 million as of June 30, 2025, mainly attributable to the increase of computing equipment to support our R&D.

Right-of-Use Assets

Our right-of-use assets primarily represent office premises and warehouses. We recorded right-of-use assets of RMB14.5 million, RMB11.9 million, RMB7.5 million and RMB5.8 million as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. The decrease in our right-of-use assets was primarily due to the expiration or termination of certain lease contracts, combined with ongoing depreciation charges, partially offset by the addition of new lease commitments.

Intangible Assets

Our intangible assets primarily comprised of our technology, software usage rights and goodwill. Our intangible assets remained relatively stable at RMB227.5 million, RMB222.4 million, RMB217.5 million, and RMB215.2 million as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. Among which, goodwill amounted to RMB178.1 million, which was mainly generated from the acquisition of Jiangsu SVFactory. For details, see Note 19 to the Accountant’s Report in Appendix I to this document.

Deferred tax assets

Our deferred tax assets primarily comprised deductible temporary differences arising from provisions for credit losses, inventory write-downs, asset impairment, and tax losses carried forward.

FINANCIAL INFORMATION

Our deferred tax assets increased by 47.9% from RMB19.5 million as of December 31, 2022 to RMB28.9 million as of December 31, 2023, primarily due to the increase in tax losses and provisions for credit losses. Subsequently, our deferred tax assets decreased by 15.1% to RMB24.5 million as of December 31, 2024, mainly as a result of reduced deductible temporary differences from tax losses following our improved profitability. Our deferred tax assets decreased from RMB24.5 million as of December 31, 2024 to RMB19.2 million as of June 30, 2025, primarily due to the realization of deductible temporary differences arising from tax loss carryforwards as certain subsidiaries turned tax profitable, partially offset by deductible temporary differences recognized from provisions and impairment allowances.

Inventories

Our inventories consist primarily of raw materials, work in progress and finished goods. The following table sets forth a breakdown of our inventories as of the dates indicated.

	As of December 31,			As of
	2022	2023	2024	June 30,
				2025
				(unaudited)
	(RMB in thousands)			
Raw materials	1,974	8,486	4,716	8,619
Work in progress	8,312	37,368	73,249	37,782
Finished goods	3,266	479	—	—
Less: allowance for impairment of inventories	<u>(405)</u>	<u>(590)</u>	<u>(412)</u>	<u>(274)</u>
Total	<u>13,147</u>	<u>45,743</u>	<u>77,553</u>	<u>46,127</u>

FINANCIAL INFORMATION

Our inventories increased significantly from RMB13.1 million as of December 31, 2022 to RMB45.7 as of December 31, 2023 and to RMB77.6 million as of December 31, 2024, primarily due to a substantial increase in raw materials and work in progress, driven by the expansion of our business. As of June 30, 2025, our inventory further decreased to RMB46.1 million, mainly attributable to our downstream customers’ industry seasonality, which leads to a concentration of orders in the second half of the year for production and delivery in the first half of next year.

The table below sets forth an aging analysis for our inventories, net of loss allowances as at the dates indicated.

	As of December 31,			As of
	2022	2023	2024	June 30,
				2025
				(unaudited)
	(RMB in thousands)			
Within 1 year	11,880	43,829	69,888	40,929
1 to 2 years	912	1,596	6,561	2,926
2 to 3 years	556	384	1,093	2,090
More than 3 years	204	524	423	456
Less: allowance for impairment of inventories	<u>(405)</u>	<u>(590)</u>	<u>(412)</u>	<u>(274)</u>
Total	<u>13,147</u>	<u>45,743</u>	<u>77,553</u>	<u>46,127</u>

The following table sets forth inventories turnover days for the periods indicated.

	For the year ended December 31,			For the six months ended
	2022	2023	2024	June 30,
				2025
				(unaudited)
Inventories turnover days ⁽¹⁾	<u>36</u>	<u>43</u>	<u>72</u>	<u>53</u>

Note:

- (1) Calculated as the average balance of inventories divided by the cost of materials used for the relevant period and multiplied by the number of days in the relevant period. Average balance is calculated as the average of the beginning balance and ending balance of a given period. The number of days for the year ended December 31 is 365 days. The number of days for the six months ended June 30 is 180 days.

FINANCIAL INFORMATION

Our inventories turnover days increased from 43 days in 2023 to 72 days in 2024 primarily due to the seasonality of our downstream customers’ demand.

We believe maintaining appropriate levels of inventories dynamically can help us fully address our consumers’ demand and achieve consumer satisfaction without adversely affecting our liquidity. We have in place a set of policies and procedures to manage our inventories. For details, see “Business — Logistics and Inventory Management — Inventory Management.”

As of July 31, 2025, approximately RMB4.5 million of our inventories outstanding as of June 30, 2025, had been subsequently used.

Trade and notes receivables

Our trade and notes receivables primarily refer to trade receivables arising from contracts with customers and notes receivables at amortized cost, less provision for impairment. The following table sets forth a breakdown of our trade and notes receivables as of the dates indicated.

	As of December 31,			As of
	2022	2023	2024	June 30,
				2025
				(unaudited)
	(RMB in thousands)			
Trade receivables from contracts with customers	<u>177,218</u>	<u>405,351</u>	<u>642,643</u>	<u>519,052</u>
Notes receivables	4,827	978	2,858	6,151
Less: expected credit losses	<u>(9,670)</u>	<u>(19,789)</u>	<u>(30,368)</u>	<u>(24,815)</u>
Total	<u>172,375</u>	<u>386,540</u>	<u>615,133</u>	<u>500,388</u>

Our trade and notes receivables increased from RMB172.4 million as of December 31, 2022 to RMB386.5 million as of December 31, 2023, and further increased to RMB615.1 million as of December 31, 2024, primarily driven by our rapid business expansion and substantial growth in revenue over the period. As of June 30, 2025, our trade receivables further decreased to RMB500.4 million, mainly attributable to enhanced collection efforts during the period, which reduced the outstanding balance of trade receivables, resulting in a corresponding decrease in the expected credit losses.

FINANCIAL INFORMATION

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

	As of December 31,			As of
	2022	2023	2024	June 30,
				2025
				(unaudited)
	(RMB in thousands)			
Up to 1 year	155,836	360,363	513,186	444,296
1 to 2 years	17,979	39,467	96,196	44,218
2 to 3 years	426	2,458	28,926	20,436
Over 3 years	<u>2,977</u>	<u>3,063</u>	<u>4,335</u>	<u>10,102</u>
Total	<u>177,218</u>	<u>405,351</u>	<u>642,643</u>	<u>519,052</u>

The following table sets forth our trade receivables turnover days for the periods indicated:

	For the year ended December 31,			For the six
	2022	2023	2024	months ended
				June 30,
				2025
				(unaudited)
Trade receivables turnover days ⁽¹⁾	<u>165</u>	<u>229</u>	<u>319</u>	<u>254</u>

Note:

- (1) Calculated as the average of the opening and ending trade receivables balances for the period, divided by revenue for the relevant period, multiplied by the number of days in the relevant period. The number of days for the year ended December 31 is 365 days. The number of days for the six months ended June 30 is 180 days.

FINANCIAL INFORMATION

Our trade receivables turnover days increased from 165 days in 2022 to 229 days in 2023, and further increased to 319 days in 2024. The increase in 2023 was primarily due to the increased revenue from our AI-enabled intelligent products, which carry longer payment terms. The further increase in 2024 was primarily due to the expansion of sales and strategic efforts to capture market share, resulting in longer collection cycles and a higher proportion of accounts receivable relative to revenue. Our trade receivables turnover days decreased from 319 days in 2024 to 254 days in the six months ended June 30, 2025, primarily because of our enhanced collection efforts and a favorable shift in the revenue mix toward EIIR products, which have shorter payment terms.

As of the Latest Practicable Date, RMB491.3 million, or 76.5% of our trade and notes receivables outstanding as of December 31, 2024, had subsequently been settled. As of July 31, 2025, RMB22.0 million of our trade and notes receivables outstanding as of June 30, 2025, had subsequently been settled. We believe that there is no material recoverability issue for our trade receivables, and based on our subsequent settlement status, sufficient provision has been made.

Financial assets at fair value through profit or loss

Our financial assets at fair value through profit or loss amounted to RMB224.0 million as of June 30, 2025, which primarily represent unlisted equity investments related to our strategic investment in Agilebot.

Prepayments, other receivables and other assets

Prepayments, other receivables and other assets mainly consist of (i) prepayments for products and services procurement, (ii) rebate receivable and refunds receivable from suppliers, (iii) deposit in relation to leasing and operational security, (iv) other current asset, primarily consisting of prepaid input VAT and deductible input VAT, and (v) others, which mainly consist of employee advances, receivables from related parties and third-party loans.

FINANCIAL INFORMATION

The following table sets forth the details of our prepayments, other receivables and other assets as of the dates indicated.

	As of December 31,			As of
	2022	2023	2024	June 30,
	(RMB in thousands)			2025
				(Unaudited)
Other receivables				
Rebate receivable	4,028	—	—	—
Deposits	2,315	2,220	2,134	3,357
Others	1,407	1,226	827	6,422
Amounts due from related parties	—	200	1,998	322
Less: expected credit losses of other receivables	(691)	(704)	(727)	(802)
	<u>7,059</u>	<u>2,942</u>	<u>4,232</u>	<u>9,299</u>
Prepayments and Other assets				
Deductible				
Value-added Tax	5,409	7,770	9,409	47,634
Products and services procurement	8,253	4,292	4,653	32,129
Other prepayments and prepaid expenses	<u>261</u>	<u>375</u>	<u>301</u>	<u>2,016</u>
	<u>13,923</u>	<u>12,437</u>	<u>14,363</u>	<u>81,779</u>
Total prepayments, deposits and other receivables	<u>20,982</u>	<u>15,379</u>	<u>18,595</u>	<u>91,078</u>

Our prepayments, other receivables and other assets decreased from RMB21.0 million as of December 31, 2022 to RMB15.4 million as of December 31, 2023. The decrease was primarily due to (i) the full settlement of a rebate receivable amounting to RMB4.0 million in 2023, and (ii) a decrease in prepayments for products and services procurement of RMB4.0 million, mainly resulting from the arrival and cost recognition of computing equipment purchased.

Our prepayments, other receivables and other assets further increased from RMB15.4 million as of December 31, 2023 to RMB18.6 million as of December 31, 2024, primarily due to increases in amounts due from related parties and deductible value-added tax.

FINANCIAL INFORMATION

Our prepayments, other receivables and other assets further increased from RMB18.6 million as of December 31, 2024 to RMB91.1 million as of June 30, 2025, primarily because of (i) an increase in deductible value-added tax of RMB38.2 million, primarily attributable to increased procurement of raw materials and (ii) an increase in prepayments for products and services procurement of RMB27.5 million, mainly relating to key raw materials.

Contract Assets

Our contract assets primarily represent warranty retainers recognized in accordance with the terms of customer contracts upon project acceptance. Our contract assets increased from RMB12.1 million as of December 31, 2022 to RMB22.3 million as of December 31, 2023, and further increased to RMB35.7 million as of December 31, 2024. The increases were primarily attributable to the increase of revenue, which resulted in a corresponding increase in warranty retainers recognized in accordance with contractual terms upon project acceptance. Our contract assets further increased from RMB35.7 million as of December 31, 2024 to RMB43.5 million as of June 30, 2025.

Cash and Cash Equivalents

We had cash and cash equivalents of RMB83.5 million, RMB20.9 million, RMB14.1 million and RMB343.6 million as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively.

Trade and Notes Payables

Our trade and notes payables primarily represent the amounts payable to third parties. Our trade and notes payables increased from RMB110.6 million as of December 31, 2022 to RMB208.1 million as of December 31, 2023 and further increased to RMB212.8 million as of December 31, 2024, primarily attributable to (i) increased procurement of computing power driven by the expansion of research and development projects, and (ii) higher purchases of mechanical components, such as robotic arms and industrial computers, resulting from growth in equipment business. Our trade and notes payables further decreased to RMB95.9 million as of June 30, 2025 as a result of more timely settlement of payables to our suppliers in the first half of 2025.

FINANCIAL INFORMATION

The following table sets forth the aging analysis of our trade payables based on the purchase date as of the dates indicated.

	As of December 31,			As of
	2022	2023	2024	June 30,
	(RMB in thousands)			2025
				(Unaudited)
Within 1 year	82,457	199,067	177,592	82,448
1 to 2 years	28,129	7,270	28,785	3,294
2 to 3 years	27	1,735	4,647	3,987
Over 3 years	—	27	1,748	6,214
Total	<u>110,613</u>	<u>208,099</u>	<u>212,772</u>	<u>95,943</u>

The following table sets forth our trade payables turnover days for the years indicated.

	For the year ended December 31,			For the six
	2022	2023	2024	months ended
				June 30,
				2025
				(unaudited)
Trade payables turnover days ⁽¹⁾	<u>257</u>	<u>232</u>	<u>245</u>	<u>133</u>

Note:

- (1) Calculated as the average of the opening and ending trade payables balances for the period, divided by cost of sales for the relevant period, multiplied by the number of days in the relevant period. The number of days for the year ended December 31 is 365 days. The number of days for the six months ended June 30 is 180 days.

Our trade payables turnover days decreased from 257 days in 2022 to 232 days in 2023, and increased to 245 days in 2024, then further decreased to 133 days in the six months ended June 30, 2025, reflecting an overall decreasing trend in trade payables turnover days due to our initiatives to shorten the trade payables settlement cycle. In addition, the shift in our revenue mix toward higher sales of EIIR products — which rely more on standardized components with shorter payment cycles — has also contributed to the reduction in turnover days.

As of July 31, 2025, RMB6.9 million of our RMB95.9 million trade payables outstanding as of June 30, 2025 had been subsequently settled.

FINANCIAL INFORMATION

Other Payables and Accruals

Our other payables and accruals mainly include (i) VAT and other taxes payable, (ii) payroll and welfare payables relating to employee compensation, (iii) warranty provision, and (iv) other payables, which mainly consist of employee advances and reimbursements, deposits we received and accrued operating expenses. The following table sets forth the details of our other payables and accruals as of the dates indicated.

	As of December 31,			As of
	2022	2023	2024	June 30,
	(RMB in thousands)			2025
				(Unaudited)
VAT and other taxes payables	14,535	30,251	74,104	84,175
Employee benefits payables	13,936	16,282	10,115	11,260
Warranty provision	2,176	107	4,580	7,720
Accrual expenses	574	1,007	995	1,002
Current portion of long-term payable	3,810	4,061	1,347	—
Other payables	<u>176</u>	<u>1,699</u>	<u>4,966</u>	<u>1,162</u>
Total	<u>35,207</u>	<u>53,407</u>	<u>96,107</u>	<u>105,319</u>

Our other payables and accruals increased by 51.7% from RMB35.2 million as of December 31, 2022 to RMB53.4 million as of December 31, 2023, further increased by 80.0% to RMB96.1 million as of December 31, 2024, and rose to RMB105.3 million as of June 30, 2025. The growth was primarily attributable to increased VAT and other taxes payables resulting from our substantial revenue growth during the respective periods.

Contract Liabilities

Our contract liabilities primarily represent advance payments received from customers for products or services to be delivered. We had contract liabilities of RMB4.7 million, RMB13.8 million, RMB10.2 million and RMB24.7 million as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively. The significant increase in contract liabilities in 2023 was primarily due to our business expansion and growth in sales, resulting in higher customer advances received. The significant increase in contract liabilities as of June 30, 2025 was primarily due to the receipt of advance payments for several newly contracted large-scale projects and wider adoption of our prepayment policy amid growing product popularity.

FINANCIAL INFORMATION

Long-term payables

Our long-term payables primarily consisted of obligations under finance lease arrangements. These payables decreased from RMB5.5 million as of December 31, 2022 to RMB1.4 million as of December 31, 2023, and nil as of December 31, 2024 and as of June 30, 2025.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements mainly from cash generated from our business operations, equity financing and bank loans. As of December 31, 2022, 2023, 2024 and June 30, 2025, we had cash and cash equivalents of RMB83.5 million, RMB20.9 million, RMB14.1 million and RMB343.6 million. After the [REDACTED], we intend to finance our future capital requirements through cash generated from our operating activities, the [REDACTED] from the [REDACTED], and other future equity or debt financings.

Cash Flow Analysis

	For the year ended December 31,			For the six months ended	
	2022	2023	2024	June 30 2024	2025
	(unaudited)				
	(RMB in thousands)				
Net cash used in operating activities	(158,227)	(105,362)	(153,958)	(78,558)	(15,112)
Net cash flows generated from/ (used in) investing activities	38,067	(17,949)	(6,368)	(1,367)	(426,943)
Net cash generated from financing activities	179,658	61,423	153,533	77,500	771,628
Net (decrease)/increase in cash and cash equivalents	59,498	(61,888)	(6,793)	(2,425)	329,573
Cash and cash equivalents at the beginning of the year	22,969	83,520	20,867	20,867	14,117
Exchange gains/(losses) on cash and cash equivalents	1,053	(765)	43	(13)	(125)
Cash and cash equivalent at the end of the year/period	83,520	20,867	14,117	18,429	343,565

Operating activities

Net cash flows used in operating activities in the six months ended June 30, 2025 was RMB15.1 million, primarily from profit before income tax of RMB11.7 million, adjusted for certain non-cash items and changes in net working capital. Adjustments for non-cash items primarily include (i) depreciation of property, plant and equipment of RMB7.3 million, (ii) finance costs of RMB29.8 million, and (iii) a reversal of credit loss allowances on financial assets of RMB5.2 million. The net working capital change was mainly due to (i) a decrease in trade and notes payables of RMB102.2 million, (ii) an increase in trade and

FINANCIAL INFORMATION

notes receivables of RMB37.2 million, (iii) an increase in restricted cash of RMB55.3 million, (iv) an increase in inventories of RMB40.2 million, and (v) an increase in contract liabilities of RMB14.4 million.

Net cash flows used in operating activities in 2024 was RMB154.0 million, primarily from profit before income tax of RMB19.9 million, adjusted for certain non-cash items and changes in net working capital. Adjustments for non-cash items primarily include (i) depreciation of property, plant and equipment of RMB9.7 million, and (ii) finance expenses of RMB34.1 million. The net working capital change was mainly due to (i) an increase in trade and notes receivables of RMB253.9 million, (ii) an increase in trade and notes payables of RMB47.1 million, and (iii) a decrease in inventories of RMB34.9 million.

Net cash flows used in operating activities in 2023 was RMB105.4 million, primarily from a loss before income tax of RMB123.8 million, adjusted for certain non-cash items and changes in net working capital. Adjustments for non-cash items primarily include (i) depreciation of property, plant and equipment of RMB10.0 million, (ii) finance expenses of RMB28.6 million, (iii) share-based compensation of RMB65.8 million, and (iv) credit loss allowances on financial assets of RMB10.3 million. The net working capital change was mainly due to (i) an increase in trade and notes receivables of RMB227.7 million, (ii) an increase in trade and notes payables of RMB121.7 million, (iii) a decrease in inventories of RMB33.5 million, (iv) an increase in restricted cash of RMB22.8 million, and (v) an increase in contract liabilities of RMB9.1 million.

Net cash flows used in operating activities in 2022 was RMB158.2 million, primarily from loss before income tax of RMB102.5 million, adjusted for certain non-cash items and changes in net working capital. Adjustments for non-cash items primarily include (i) finance expenses of RMB11.2 million, and (ii) share-based compensation of RMB53.3 million. The net working capital change was mainly due to (i) an increase in trade and notes receivables of RMB194.1 million, (ii) an increase in trade and notes payables of RMB148.9 million, (iii) a decrease in contract liabilities of RMB55.5 million, (iv) an increase in inventories of RMB6.9 million, and (v) a decrease in restricted cash of RMB22.8 million.

FINANCIAL INFORMATION

Investing activities

Net cash flows used in investing activities in the six months ended June 30, 2025 was RMB426.9 million, which consists primarily of (i) purchases of financial assets of RMB224.0 million, primarily related to our strategic investment in Agilebot and (ii) purchases of property, plant and equipment of RMB201.7 million, primarily related to our investment in computing equipment.

Net cash flows used in investing activities in 2024 was RMB6.4 million, which consists primarily of (i) purchases of property, plant and equipment of RMB2.4 million, and (ii) payment for additional capital contribution to our associate of RMB2.0 million.

Net cash flows used in investing activities in 2023 was RMB17.9 million, which consists primarily of purchases of property, plant and equipment of RMB17.1 million.

Net cash flows generated from investing activities in 2022 was RMB38.1 million. This was primarily attributable to the acquisition of Jiangsu SVFactory, from which we acquired net cash of RMB 41.8 million.

Financing activities

Net cash flows generated from financing activities in the six months ended June 30, 2025 was RMB771.6 million, which consists primarily of (i) proceeds from bank and other borrowings of RMB381.6 million and (ii) proceeds from capital contribution of RMB606.6 million, partially offset by repayment of bank borrowings of RMB203.0 million.

Net cash flows generated from financing activities in 2024 was RMB153.5 million, which consists primarily of proceeds from bank and other borrowings of RMB414.3 million, partially offset by (i) repayment of bank and other borrowings of RMB359.9 million and (ii) interest paid for borrowings of RMB10.5 million.

Net cash flows generated from financing activities in 2023 was RMB61.4 million, which consists primarily of proceeds from bank and other borrowings of RMB244.0 million, partially offset by (i) repayment of bank and other borrowings of RMB170.1 million and (ii) interest paid for borrowings of RMB7.8 million.

Net cash flows generated from financing activities in 2022 was RMB179.7 million, which consists primarily of proceeds from bank borrowings of RMB178.4 million.

INDEBTEDNESS AND CONTINGENT LIABILITIES

Indebtedness

During the Track Record Period, our indebtedness primarily consisted of (i) bank borrowings and (ii) lease liabilities.

FINANCIAL INFORMATION

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

	As of December 31,			As of	As of
	2022	2023	2024	June 30, 2025	July 31, 2025
	<i>(RMB in thousands)</i>			<i>(Unaudited)</i>	
Non-current					
Borrowings	30,000	—	19,920	155,000	155,000
Lease liabilities	11,044	8,825	4,568	2,578	1,910
Redemption liabilities	210,645	230,495	313,271	—	—
	251,689	239,320	337,759	157,578	156,910
Current					
Borrowings	145,699	254,040	342,887	386,435	375,438
Lease liabilities	3,891	3,656	3,811	3,932	3,948
	149,590	257,696	346,698	390,367	379,386
	401,279	497,016	684,457	547,945	536,296

Bank Borrowings

As of December 31, 2022, 2023, 2024, and June 30, 2025 and July 31, 2025, we had borrowings of RMB175.7 million, RMB254.0 million, RMB362.8 million, RMB541.4 million and RMB530.4 million, respectively, primarily comprising secured and unsecured bank loans obtained mainly to supplement our working capital. All borrowings are denominated in Renminbi. The effective interest rates on our bank loans ranged from 2.8% to 4.36% during the Track Record Period.

Our Directors confirm that as of the Latest Practicable Date, the agreements under our borrowings did not contain any covenant that would have a material and adverse effect on our ability to make additional borrowings or issue debt or equity securities in the future. Our Directors further confirm that we had no defaults in bank and other borrowings, nor did we breach any covenants (that were not waived) during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that during the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in obtaining credit facilities, withdrawal of facilities, or requests for early repayment, and there is no material change in our indebtedness.

As of July 31, 2025, we had unutilized banking facilities of RMB529.1 million.

Lease Liabilities

Our lease liabilities pertain to payment obligations for properties leased primarily related to office premises. The carrying amount of our lease liabilities amounted to RMB14.9 million, RMB12.5 million, RMB8.4 million and RMB6.5 million as of December 31, 2022, 2023, 2024 and June 30, 2025, respectively.

FINANCIAL INFORMATION

Redemption liabilities

Redemption liabilities primarily consist of financial liabilities associated with preferred shares bearing redemption rights. The balance of these instruments increased from RMB210.6 million as of December 31, 2022 to RMB230.5 million as of December 31, 2023, and further increased to RMB313.3 million as of December 31, 2024. The increase in 2023 was mainly attributable to the accrual of investment returns related to preferred shares. The increase in 2024 was primarily due to an additional RMB60.0 million in preferred share issuances and a corresponding RMB22.8 million finance costs. The balance of redemption liabilities decreased to nil as of June 30, 2025, resulting from the derecognition of financial liabilities after the termination of all preferred shareholder rights.

Contingent Liabilities

As of December 31, 2022, 2023, 2024 and June 30, 2025, we had contingent liabilities of RMB17.2 million, RMB17.9 million, RMB18.6 million and RMB19.0 million.

CAPITAL EXPENDITURES AND COMMITMENTS

Capital Expenditures

Our capital expenditures during the Track Record Period primarily consisted of expenditures related to the purchase of property, plant and equipment, short-term bank deposits, intangible assets and contribution to investment in an associate. In 2022, 2023, 2024 and the six months ended June 30, 2024 and 2025, our capital expenditures were RMB3.8 million, RMB18.1 million, RMB4.4 million, RMB1.4 million and RMB260.9 million, respectively. The significant increase from the six months ended June 30, 2024 to the six months ended June 30, 2025 was primarily related to our strategic investment in computing equipment to support our R&D.

Capital Commitments

We had capital commitments of RMB14.0 million, RMB12.0 million, RMB9.0 million as of December 31, 2023, 2024, and June 30, 2025, respectively, which were primarily in connection with the unpaid capital contribution for our associate.

MATERIAL RELATED PARTY TRANSACTIONS

During the Track Record Period, we engaged in certain related party transactions from time to time. Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm’s length basis.

For a more detailed discussion of related party transactions, see Note 38 to the Accountant’s Report set forth in Appendix I to this Document.

FINANCIAL INFORMATION

KEY FINANCIAL RATIOS

The following table sets forth certain of the key financial ratios of our Group for the periods or as of the dates indicated:

	For the year ended/As of December 31,			For the six months ended/As of June 30, 2025
	2022	2023	2024	(unaudited)
Current ratio ⁽¹⁾	1.1	0.9	1.1	2.1
Quick ratio ⁽²⁾	1.0	0.8	1.0	2.0
Inventory Turnover ⁽³⁾	10.1	8.5	1.0	3.4
Gearing Ratio ⁽⁴⁾	5.3	(21.9)	40.8	0.6
Interest Coverage Ratio ⁽⁵⁾	8.1	3.3	(1.6)	(1.4)
Debt to Equity Ratio ⁽⁶⁾	11.2	(40.9)	(75.3)	0.6
Net Debt to Equity Ratio ⁽⁷⁾	8.9	(39.2)	73.8	0.2

Note:

- (1) Calculated using current assets divided by current liabilities.
- (2) Calculated using current assets less inventories divided by current liabilities.
- (3) Calculated as cost of revenue divided by average net inventory.
- (4) Calculated as total interest-bearing borrowings and lease liabilities divided by total equity.
- (5) Calculated as profit before tax plus finance costs, divided by finance costs.
- (6) Calculated as total interest-bearing debt divided by shareholders' equity.
- (7) Calculated as total interest-bearing debt minus cash and cash equivalents, divided by shareholders' equity.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as Shareholder's equity or that are not reflected in our consolidated financial statements. 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 engages in leasing, hedging, or product development services with us.

FINANCIAL INFORMATION

FINANCIAL RISKS DISCLOSURE

Our principal financial instruments comprise lease liabilities, interest-bearing borrowings, cash and bank balances and short-term bank deposits. 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 receivables and trade payables, which arise directly from our operations.

The main risks arising from our financial instruments are interest rate risk, credit risk and liquidity risk. Our Directors review and agree on policies for managing each of these risks and they are summarized below.

For further details of our financial risks, see Note 3.1 to the Accountant’s Report included in Appendix I to this Document.

Market Risk

Foreign exchange risk

Our exposure to foreign exchange risk primarily arises from certain cash and cash equivalents and trade receivables denominated in USD. The majority of our business operations and assets are denominated in RMB, which is also the functional currency of our Group. Accordingly, we are primarily exposed to changes in the RMB/USD exchange rate.

Cash flow and fair value interest rate risk

Our exposure to the risk of changes in market interest rates relates primarily to our debt obligations with floating interest rates.

Credit Risk

Our exposure to credit risk arises from cash and cash equivalents, trade and notes receivables, contract assets, financial assets at fair value through other comprehensive income (“FVOCI”) and other receivables. The carrying amounts of these financial assets represent our Group’s maximum exposure to credit risk in relation to these financial assets.

Risk management

To manage risk arising from cash and cash equivalents and restricted cash, we only transact with state-owned or reputable financial institutions in Mainland China.

To manage risk arising from trade and notes receivables, contract assets and financial assets at FVOCI, we have policies in place to ensure that management performs ongoing credit evaluations of the counterparties.

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experiences, and forward-looking information.

FINANCIAL INFORMATION

For further details of our credit risks, see Note 3.1 to the Accountant’s Report included in Appendix I to this Document.

Liquidity Risk

We monitor and maintain a level of cash and cash equivalents deemed adequate by the management of our Group to finance the operations and mitigate the effects of fluctuations in cash flows.

DIVIDENDS

We are incorporated under the laws of the PRC. Pursuant to our Articles of Association, our Board may declare dividends after taking into account our results of operations, financial condition, cash requirements and availability and other factors which our Board considers relevant. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders.

No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. We cannot assure you that our Company will be able to declare dividends of any amount each year or in any year.

We have not previously declared or paid any cash dividend or dividend in kind during the Track Record Period. We currently expect to retain all future earnings for use in operation and expansion of our business, and do not have any dividend policy to declare or pay any dividends in the foreseeable future.

WORKING CAPITAL SUFFICIENCY

Taking into account the financial resources available to us, including anticipated cash flow from our operating activities, cash and cash equivalents, available banking facilities and the estimated [REDACTED] we expect to receive from this [REDACTED], our Directors are of the view that we will have sufficient working capital to meet our present requirements for at least the next 12 months from the date of this Document.

DISTRIBUTABLE RESERVES

As of June 30, 2025, we had no distributable reserves.

[REDACTED]

Our [REDACTED] mainly include [REDACTED] and professional fees paid to legal, accounting and other advisors for their services rendered in relation to the [REDACTED] and the [REDACTED]. Assuming full payment of the discretionary incentive fee, the estimated total [REDACTED] (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, of which approximately HK\$[REDACTED] million is expected to be charged to our consolidated statements of comprehensive (loss)/income

FINANCIAL INFORMATION

and the remaining amount of HK\$[REDACTED] million is expected to be recognized directly as a deduction from equity upon the [REDACTED]. Our Directors do not expect such expenses to have a material and adverse impact on our financial results for the year ending December 31, 2025.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the Latest Practicable Date, there had been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since June 30, 2025, being the end date of the periods reported on in the Accountant’s Report set out in Appendix I to this Document, and there had been no event since June 30, 2025 that would materially affect the information shown in the Accountant’s Report set out in Appendix I to this Document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

See Appendix II to this Prospectus for details.

FUTURE PLANS AND [REDACTED]

FUTURE PLAN

For details of our future plans, see “Business — Growth Strategies.”

[REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million, assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED]), after deducting [REDACTED] commissions fees and estimated expenses payable by us in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised. In line with our strategies, we intend to apply the [REDACTED] for the following purposes:

- (1) **Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be allocated to the research and development of our core technologies to enhance the intelligence level and performance of our Embodied Intelligent Industrial Robot (EIIR) products.** We believe continuous innovation is critical to solidifying our market leadership and deepening our technological moat.
 - **approximately [REDACTED]%, or HK\$[REDACTED] million, for the development of our proprietary end-to-end professional industrial VLA models.** We plan to transition from our current specialized models to more powerful end-to-end models. This strategic upgrade will fundamentally enhance our EIIR products’ “Perception-Learning-Decision-Execution” loop, enabling superior cross-scenario adaptability and autonomous learning capabilities. A portion of these funds will be used to procure high-performance computing equipment and software necessary for large-scale model training. The remainder will be used to establish a dedicated development team of top-tier AI talent, which will be crucial for strengthening our “data flywheel” effect.
 - **approximately [REDACTED]%, or HK\$[REDACTED] million, to advance our embodied AI hardware technology.** To ensure our robots can physically execute increasingly complex tasks with higher precision and efficiency, we will invest in enhancing our full-stack hardware capabilities. This includes: (i) the R&D and procurement of advanced core components, particularly customized end-effectors designed for specific industrial applications; (ii) the holistic optimization of our robot units, improving control systems, perception sensors, and on-board computing power; and (iii) the continued development of multi-process EIIR products suitable for more diverse scenarios to deliver “1 + 1 > 2” value to our customers.

FUTURE PLANS AND [REDACTED]

- (2) **Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used to deepen our global footprint by establishing a localized overseas sales and service network.** Building on our initial success in overseas markets, we aim to provide our international clients with full life-cycle support.
- **approximately [REDACTED]%, or HK\$[REDACTED] million, to establish a direct sales presence in key international markets,** including (i) the United States, (ii) Europe, and (iii) Japan. We will recruit experienced local sales teams to penetrate these markets more effectively.
 - **approximately [REDACTED]%, or HK\$[REDACTED] million, to build out our local service and delivery capabilities.** We plan to establish regional delivery centers in the United States and Europe, staffed with on-site technical support personnel to achieve timely responses, localized service, and efficient solutions for our global customers.
- (3) **Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used for strategic investments and acquisitions to build an open and win-win application ecosystem.** For vertical industry expansion, we will seek to invest in or acquire companies with deep domain expertise and established customer channels in high-value industries. This will allow us to rapidly deploy our EIIR products into new scenarios and build industry-specific data flywheels. For horizontal technology enhancement, we will target companies with core enabling technologies that complement our own. Following our successful strategic investment in Agilebot, which secured our capabilities in robot bodies and motion control, we will continue to seek targets that can strengthen our ability to develop and manufacture integrated intelligent workstations and critical core components.
- (4) **Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used for the expansion of our manufacturing capabilities.** This is to meet the expected strong growth in orders for our flagship EIIR products.
- **approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for leasing and renovating a new production facility.** To rapidly capture the market opportunity, we plan to set up new production facility to provide additional space for production lines for EIIR products and modular hardware products.
 - **approximately [REDACTED]%, or HK\$[REDACTED] million, is expected to be used for equipping of the new production facility.** These funds will cover the acquisition of advanced production and testing equipment.
- (5) **Approximately [REDACTED]% of the [REDACTED], or HK\$[REDACTED] million, will be used for working capital and other general corporate purposes** to support our business operations and growth.

FUTURE PLANS AND [REDACTED]

The above allocation of the [REDACTED] from the [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 indicative [REDACTED] range stated in this document.

If the [REDACTED] is exercised in full, the [REDACTED] that we will receive will be approximately HK\$[REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range). In the event that the [REDACTED] is exercised in full, we intend to apply the additional [REDACTED] to the above purposes in the proportions stated above.

To the extent that our [REDACTED] are not sufficient to fund the purposes set out above, we intend to fund the balance through a variety of means, including cash generated from operations, bank loans and other borrowings. To the extent that the [REDACTED] from the [REDACTED] are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we will place such [REDACTED] in short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions. We will make an announcement in the event of any material change to the intended [REDACTED] as described above.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

[REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

[REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

[REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

[REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

[REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

[REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

[REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

[REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

[REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

[REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

[REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

[REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

[REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

[REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

[REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANT’S REPORT

The following is the text of a report set out on pages [I-1] to [I-3], received from the Company’s reporting accountant, [PricewaterhouseCoopers], Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of HKSIR 200 Accountants’ Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

[to insert firm’s letterhead]

[DRAFT]

ACCOUNTANT’S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CHANGZHOU MICROINTELLIGENCE CO., LTD (常州微億智造科技股份有限公司) AND ORIENT CAPITAL (HONG KONG) COMPANY LIMITED.

Introduction

We report on the historical financial information of Changzhou Microintelligence Co., Ltd (常州微億智造科技股份有限公司) (the “Company”) and its subsidiaries (together, the “Group”) set out on pages [I-4] to [I-106], which comprises the consolidated balance sheets as at 31 December 2022, 2023 and 2024, the balance sheets of the Company as at 31 December 2022, 2023 and 2024, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2022, 2023 and 2024 and material accounting policy information and other explanatory information (together, the “Financial Information”). The Financial Information set out on pages [I-4] to [I-106] 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 [REDACTED] of H Shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors’ responsibility for the Financial Information

The directors of the Company are responsible for the preparation of 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 Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant’s responsibility

Our responsibility is to express an opinion on the 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 Financial Information is free from material misstatement.

APPENDIX I

ACCOUNTANT’S REPORT

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Financial Information. The procedures selected depend on the reporting accountant’s judgement, including the assessment of risks of material misstatement of the Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity’s preparation of 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 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 Financial Information gives, for the purposes of the accountant’s report, a true and fair view of the financial position of the Company as at 31 December 2022, 2023 and 2024 and the consolidated financial position of the Group as at 31 December 2022, 2023 and 2024 and of its consolidated financial performance and its consolidated cash flows for the each of the years then ended in accordance with the basis of preparation set out in Note 2.1 to the historical financial information.

Review of stub period financial information

We have reviewed the stub period financial information of the Group which comprises the consolidated balance sheet as at 30 June 2025, the balance sheet of the Company as at 30 June 2025, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the six months ended 30 June 2024 and 2025 and other explanatory information (the “Stub Period Financial Information”). The directors of the Company are responsible for the presentation and preparation of the Stub Period Financial Information in accordance with the basis of preparation set out in Note 2.1 to the historical financial information. Our responsibility is to express a conclusion on the Stub Period Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the International Auditing and Assurance Standards Board (“IAASB”). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to

APPENDIX I

ACCOUNTANT’S REPORT

our attention that causes us to believe that the Stub Period Financial Information, for the purposes of the accountant’s report, is not prepared, in all material respects, 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 of Hong Kong Limited (the “Listing Rules”) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Financial Information, no adjustments to the Underlying Financial Statements as defined on page [I-4] have been made.

Dividends

We refer to Note 14 to the historical financial information which states that no dividends have been paid by Changzhou Microintelligence Co., Ltd (常州微億智造科技股份有限公司) in respect of the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025.

[PricewaterhouseCoopers]

Certified Public Accountants

Hong Kong

[Date]

APPENDIX I

ACCOUNTANT’S REPORT

I HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the historical financial information as at 31 December 2022, 2023, 2024 and the six months ended 30 June 2025 and for the years/period then ended (the “Track Record Period”) (the “Historical Financial Information”) which forms an integral part of this accountant’s report.

The consolidated financial statements of the Group for the years ended 31 December 2022, 2023 and 2024, on which the Financial Information is based, were audited by [PricewaterhouseCoopers] in accordance with International Standards on Auditing (“ISAs”) issued by the International Auditing and Assurance Standards Board (“IAASB”) (“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.

APPENDIX I

ACCOUNTANT’S REPORT

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS)/INCOME

	<i>Note</i>	Year ended 31 December			Six months ended 30 June	
		2022 <i>RMB'000</i>	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>	2024 <i>RMB'000</i> (Unaudited)	2025 <i>RMB'000</i> (Unaudited)
Revenue	6	221,283	434,026	600,246	143,458	411,750
Cost of sales	10	<u>(149,467)</u>	<u>(250,209)</u>	<u>(312,981)</u>	<u>(72,955)</u>	<u>(208,425)</u>
Gross profit		71,816	183,817	287,265	70,503	203,325
Selling expenses	10	(17,137)	(49,756)	(31,314)	(12,722)	(16,300)
General and administrative expenses	10	(73,821)	(60,733)	(42,032)	(22,423)	(33,851)
Research and development expenses	10	(75,681)	(178,330)	(164,874)	(85,234)	(114,748)
(Provision for)/reversal of expected credit losses on financial assets and contract assets — net	9	(3,241)	(10,312)	(10,821)	(3,438)	5,185
Other income	7	5,949	21,754	18,666	5,089	271
Other gains/(loss) — net	8	<u>808</u>	<u>(1,444)</u>	<u>(501)</u>	<u>(298)</u>	<u>(482)</u>
Operating (loss)/profit		(91,307)	(95,004)	56,389	(48,523)	43,400
Finance income	12	65	178	22	14	350
Finance cost	12	<u>(11,268)</u>	<u>(28,816)</u>	<u>(34,094)</u>	<u>(15,928)</u>	<u>(30,126)</u>
Finance cost — net	12	(11,203)	(28,638)	(34,072)	(15,914)	(29,776)
Share of loss of an associate accounted for using the equity method	16	—	(188)	(2,424)	(1,265)	(1,906)
(Loss)/profit before income tax		(102,510)	(123,830)	19,893	(65,702)	11,718
Income tax credit/(expense)	13	<u>10,500</u>	<u>10,026</u>	<u>(4,154)</u>	<u>10,256</u>	<u>(5,034)</u>
(Loss)/profit for the year/period		<u>(92,010)</u>	<u>(113,804)</u>	<u>15,739</u>	<u>(55,446)</u>	<u>6,684</u>
(Loss)/profit attributable to:						
Owners of the Company		(92,010)	(113,804)	15,739	(55,446)	6,684
Non-controlling interests		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
		<u>(92,010)</u>	<u>(113,804)</u>	<u>15,739</u>	<u>(55,446)</u>	<u>6,684</u>

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX I

ACCOUNTANT’S REPORT

	<i>Note</i>	Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
					(Unaudited)	(Unaudited)
Other comprehensive (loss)/						
income						
<i>Item that may be reclassified to</i>						
<i>profit or loss</i>						
Exchange differences on						
translation of foreign						
operations		—	(86)	(127)	(65)	5
Total comprehensive (loss)/income						
for the year/period		<u>(92,010)</u>	<u>(113,890)</u>	<u>15,612</u>	<u>(55,511)</u>	<u>6,689</u>
Total comprehensive (loss)/						
income attributable to:						
Owners of the Company		(92,010)	(113,890)	15,612	(55,511)	6,689
Non-controlling interests		—	—	—	—	—
		<u>(92,010)</u>	<u>(113,890)</u>	<u>15,612</u>	<u>(55,511)</u>	<u>6,689</u>
(Losses)/earnings per share						
attributable to the equity						
owners of the Company						
Basic and diluted (losses)/						
earnings per share (<i>RMB</i>)	15	<u>(0.62)</u>	<u>(0.52)</u>	<u>0.07</u>	<u>(0.25)</u>	<u>0.03</u>

APPENDIX I

ACCOUNTANT’S REPORT

CONSOLIDATED BALANCE SHEETS

		As at 31 December			As at 30 June
		2022	2023	2024	2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)
ASSETS					
Non-current assets					
Property, plant and equipment	17	30,682	32,072	26,825	133,446
Right-of-use assets	18	14,464	11,859	7,529	5,783
Intangible assets	19	227,473	222,440	217,535	215,242
Investments accounted for using the equity method	16	—	812	388	1,482
Deferred tax assets	35	19,542	28,895	24,538	19,165
Other non-current assets	17	—	—	—	78,973
Total non-current assets		<u>292,161</u>	<u>296,078</u>	<u>276,815</u>	<u>454,091</u>
Current assets					
Inventories	22	13,147	45,743	77,553	46,127
Trade and notes receivables	23	172,375	386,540	615,133	500,388
Contract assets	6	12,088	22,311	35,742	43,541
Prepayments and other receivables	25	20,982	15,379	18,595	91,078
Financial assets at fair value through other comprehensive income	24	1,568	199	5	508
Financial assets at fair value through profit or loss	26	—	—	—	224,000
Restricted cash	27	22,826	—	744	56,034
Cash and cash equivalents	27	<u>83,520</u>	<u>20,867</u>	<u>14,117</u>	<u>343,565</u>
Total current assets		<u>326,506</u>	<u>491,039</u>	<u>761,889</u>	<u>1,305,241</u>
Total assets		<u><u>618,667</u></u>	<u><u>787,117</u></u>	<u><u>1,038,704</u></u>	<u><u>1,759,332</u></u>
EQUITY/(DEFICIT)					
Equity/(deficit) attributable to owners of the Company					
Paid-in capital	28	44,193	44,193	45,700	60,932
Reserves	29	123,106	188,862	192,859	1,121,225
Accumulated losses		<u>(131,406)</u>	<u>(245,210)</u>	<u>(229,471)</u>	<u>(222,787)</u>
Equity attributable to owners of the Company		<u>35,893</u>	<u>(12,155)</u>	<u>9,088</u>	<u>959,370</u>
Non-controlling interests		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total equity/(deficit)		<u><u>35,893</u></u>	<u><u>(12,155)</u></u>	<u><u>9,088</u></u>	<u><u>959,370</u></u>

APPENDIX I

ACCOUNTANT’S REPORT

		As at 31 December			As at
		2022	2023	2024	30 June
	Note	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)
LIABILITIES					
Non-current liabilities					
Borrowings	30	30,000	—	19,920	155,000
Lease liabilities	18	11,044	8,825	4,568	2,578
Long-term payables	33	5,481	1,384	—	—
Deferred tax liabilities	35	6,780	6,102	5,424	5,085
Contract liabilities	6	343	1,372	60	—
Redemption liabilities	31	210,645	230,495	313,271	—
Other non-current liabilities	34	<u>17,158</u>	<u>17,893</u>	<u>18,628</u>	<u>18,996</u>
Total non-current liabilities		<u>281,451</u>	<u>266,071</u>	<u>361,871</u>	<u>181,659</u>
Current liabilities					
Trade and notes payables	32	110,613	208,099	212,772	95,943
Other payables and accruals	32	35,207	53,407	96,107	105,319
Contract liabilities	6	4,335	12,446	10,145	24,651
Borrowings	30	145,699	254,040	342,887	386,435
Current income tax liabilities		1,578	1,553	2,023	2,023
Lease liabilities	18	<u>3,891</u>	<u>3,656</u>	<u>3,811</u>	<u>3,932</u>
Total current liabilities		<u>301,323</u>	<u>533,201</u>	<u>667,745</u>	<u>618,303</u>
Total liabilities		<u><u>582,774</u></u>	<u><u>799,272</u></u>	<u><u>1,029,616</u></u>	<u><u>799,962</u></u>
Total liabilities and equity/ (deficit)		<u><u>618,667</u></u>	<u><u>787,117</u></u>	<u><u>1,038,704</u></u>	<u><u>1,759,332</u></u>

APPENDIX I

ACCOUNTANT’S REPORT

BALANCE SHEETS OF THE COMPANY

		As at 31 December			As at 30 June
		2022	2023	2024	2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)
ASSETS					
Non-current assets					
Property, plant and equipment	17	18,089	22,785	20,718	128,218
Intangible assets		62	—	—	205
Investments accounted for using the equity method	16	—	812	388	1,482
Investments in subsidiaries	16	245,503	256,272	255,312	265,312
Deferred tax assets	35	12,633	21,685	17,289	15,905
Other non-current assets	17	—	—	—	78,973
Total non-current assets		<u>276,287</u>	<u>301,554</u>	<u>293,707</u>	<u>490,095</u>
Current assets					
Inventories	22	7,094	30,666	72,662	44,145
Trade and notes receivables	23	114,888	281,552	455,901	439,605
Contract assets		9,126	18,237	33,014	36,997
Prepayments and other receivables	25	79,662	119,485	165,552	256,206
Financial assets at fair value through other comprehensive income	24	1,568	74	5	508
Financial assets at fair value through profit or loss	26	—	—	—	224,000
Restricted cash	27	22,661	—	692	56,000
Cash and cash equivalents	27	<u>6,490</u>	<u>9,174</u>	<u>6,222</u>	<u>226,008</u>
Total current assets		<u>241,489</u>	<u>459,188</u>	<u>734,048</u>	<u>1,283,469</u>
Total assets		<u><u>517,776</u></u>	<u><u>760,742</u></u>	<u><u>1,027,755</u></u>	<u><u>1,773,564</u></u>
EQUITY					
Share capital	28	44,193	44,193	45,700	60,932
Reserves	29	123,085	189,799	194,807	1,123,167
Accumulated losses		<u>(133,849)</u>	<u>(218,161)</u>	<u>(183,408)</u>	<u>(187,950)</u>
Total equity		<u><u>33,429</u></u>	<u><u>15,831</u></u>	<u><u>57,099</u></u>	<u><u>996,149</u></u>

APPENDIX I

ACCOUNTANT’S REPORT

		As at 31 December			As at 30 June
		2022	2023	2024	2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)
LIABILITIES					
Non-current liabilities					
Borrowings	30	30,000	—	19,920	155,000
Long-term payables	33	5,481	1,384	—	—
Contract liabilities		343	961	60	—
Redemption liabilities	31	<u>210,645</u>	<u>230,495</u>	<u>313,271</u>	<u>—</u>
Total non-current liabilities		<u>246,469</u>	<u>232,840</u>	<u>333,251</u>	<u>155,000</u>
Current liabilities					
Trade and notes payables	32	93,024	194,752	201,125	86,650
Other payables and accruals	32	32,965	101,749	138,720	184,725
Contract liabilities		1,980	2,320	8,460	23,369
Borrowings	30	<u>109,909</u>	<u>213,250</u>	<u>289,100</u>	<u>327,671</u>
Total current liabilities		<u>237,878</u>	<u>512,071</u>	<u>637,405</u>	<u>622,415</u>
Total liabilities		<u>484,347</u>	<u>744,911</u>	<u>970,656</u>	<u>777,415</u>
Total equity and liabilities		<u>517,776</u>	<u>760,742</u>	<u>1,027,755</u>	<u>1,773,564</u>

APPENDIX I

ACCOUNTANT’S REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY/(DEFICIT)

		Attributable to owners of the Company					
		Paid-in capital (Note 28)	Reserves (Note 29)	Accumulated deficit	Total	Non- controlling Interest	Total (deficit)/ equity
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at							
	1 January 2022	30,083	(3,354)	(39,396)	(12,667)	—	(12,667)
	Loss for the year	—	—	(92,010)	(92,010)	—	(92,010)
	Total comprehensive income	—	—	(92,010)	(92,010)	—	(92,010)
Transactions with owners							
	Capital contribution from shareholders	28	14,110	204,892	—	219,002	219,002
	Recognition of redemption liabilities	31	—	(131,726)	—	(131,726)	(131,726)
	Share-based payment	20	—	53,294	—	53,294	53,294
	Total transactions with owners		14,110	126,460	—	140,570	140,570
Balance at							
	31 December 2022	44,193	123,106	(131,406)	35,893	—	35,893
Balance at							
	1 January 2023	44,193	123,106	(131,406)	35,893	—	35,893
	Currency translation differences	—	(86)	—	(86)	—	(86)
	Loss for the year	—	—	(113,804)	(113,804)	—	(113,804)
	Total comprehensive income	—	(86)	(113,804)	(113,890)	—	(113,890)
Transactions with owners							
	Share-based payment	20	—	65,842	—	65,842	65,842
	Total transactions with owners		—	65,842	—	65,842	65,842
Balance at							
	31 December 2023	44,193	188,862	(245,210)	(12,155)	—	(12,155)

APPENDIX I

ACCOUNTANT’S REPORT

		Attributable to owners of the Company					
		Paid-in capital (Note 28) Stock RMB'000	Reserves (Note 29) RMB'000	Accumulated deficit RMB'000	Total RMB'000	Non- controlling Interest RMB'000	Total (deficit)/ equity RMB'000
	Note						
Balance at							
1 January 2024		44,193	188,862	(245,210)	(12,155)	—	(12,155)
Profit for the year		—	—	15,739	15,739	—	15,739
Currency translation differences		—	(127)	—	(127)	—	(127)
Total comprehensive income		—	(127)	15,739	15,612	—	15,612
Transactions with owners							
Capital contribution from shareholders	28	1,507	58,493	—	60,000	—	60,000
Recognition of redemption liabilities	31	—	(60,000)	—	(60,000)	—	(60,000)
Share-based payment	20	—	5,631	—	5,631	—	5,631
Total transactions with owners		1,507	4,124	—	5,631	—	5,631
Balance at							
31 December 2024		45,700	192,859	(229,471)	9,088	—	9,088
<i>(Unaudited)</i>							
Balance at							
1 January 2024		44,193	188,862	(245,210)	(12,155)	—	(12,155)
Loss for the period		—	—	(55,446)	(55,446)	—	(55,446)
Currency translation differences		—	(65)	—	(65)	—	(65)
Total comprehensive income		—	(65)	(55,446)	(55,511)	—	(55,511)
Transactions with owners							
Capital contribution from shareholders	28	1,507	58,493	—	60,000	—	60,000
Recognition of redemption liabilities	31	—	(60,000)	—	(60,000)	—	(60,000)
Share-based payment	20	—	5,337	—	5,337	—	5,337
Total transactions with owners		1,507	3,830	—	5,337	—	5,337
Balance at 30 June 2024		45,700	192,627	(300,656)	(62,329)	—	(62,329)

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX I

ACCOUNTANT’S REPORT

		Attributable to owners of the Company					
		Paid-in capital (Note 28) RMB'000	Reserves (Note 29) RMB'000	Accumulated deficit RMB'000	Total RMB'000	Non- controlling Interest RMB'000	Total (deficit)/ equity RMB'000
	Note						
(Unaudited)							
Balance at 1 January 2025		45,700	192,859	(229,471)	9,088	—	9,088
Profit for the period		—	—	6,684	6,684	—	6,684
Currency translation differences		—	5	—	5	—	5
Total comprehensive income		—	5	6,684	6,689	—	6,689
Transactions with owners							
Capital contribution from shareholders	28	15,232	591,381	—	606,613	—	606,613
Recognition of redemption liabilities	31	—	(606,613)	—	(606,613)	—	(606,613)
Derecognition of redemption liabilities	31	—	943,303	—	943,303	—	943,303
Share-based payment	20	—	290	—	290	—	290
Total transactions with owners		15,232	928,361	—	943,593	—	943,593
Balance at 30 June 2025		60,932	1,121,225	(222,787)	959,370	—	959,370

APPENDIX I

ACCOUNTANT’S REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December			Six months ended 30 June	
		2022	2023	2024	2024	2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)	(Unaudited)
Cash flows from operating activities						
Cash used in operations	36(a)	(158,292)	(105,510)	(153,975)	(78,567)	(15,462)
Interest received		65	178	22	14	350
Income tax paid		—	(30)	(5)	(5)	—
Net cash (used)/generated from in operating activities		(158,227)	(105,362)	(153,958)	(78,558)	(15,112)
Cash flows from investing activities						
Purchase of financial assets through profit and loss	26	—	—	—	—	(224,000)
Purchases of property, plant and equipment		(3,758)	(17,090)	(2,337)	(367)	(201,700)
Payment for investments accounted for using the equity method	16	—	(1,000)	(2,000)	(1,000)	(3,000)
Loans to an associate		—	—	(2,430)	—	(6,700)
Purchases of intangible assets		—	—	(70)	—	(223)
Acquisitions of a subsidiary (net of cash acquired)	37	41,816	—	—	—	—
Proceeds from disposal of property, plant and equipment		9	141	19	—	—
Repayment of loans by an associate		—	—	450	—	8,680
Net cash generated from/(used in) investing activities		38,067	(17,949)	(6,368)	(1,367)	(426,943)
Cash flows from financing activities						
Repayments of bank borrowings		(2,700)	(165,699)	(305,540)	(135,720)	(203,000)
Interest paid		(1,165)	(7,801)	(10,532)	(5,068)	(5,804)
Repayments of other borrowings		—	(4,362)	(54,322)	(2,181)	(5,763)
Payment of lease liabilities		(4,076)	(4,755)	(3,993)	(2,051)	(2,046)
Proceeds from bank borrowings		178,399	244,040	414,307	162,520	381,628
Proceeds of other borrowings		9,200	—	53,613	—	—
Redemption liabilities		—	—	60,000	60,000	606,613
Net cash generated from financing activities		179,658	61,423	153,533	77,500	771,628
Net increase/(decrease) in cash and cash equivalents		59,498	(61,888)	(6,793)	(2,425)	329,573
Cash and cash equivalents at beginning of year/period		22,969	83,520	20,867	20,867	14,117
Exchange gains/(losses) on cash and cash equivalents		1,053	(765)	43	(13)	(125)
Cash and cash equivalents at end of year/period	27	83,520	20,867	14,117	18,429	343,565

APPENDIX I

ACCOUNTANT’S REPORT

II NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Changzhou Microintelligence Co., Ltd. (常州微億智造科技有限公司) (the predecessor company) was incorporated as a limited liability company in Changzhou, People’s Republic of China (the “PRC”) on 16 August 2018. The address of its registered office and headquarters of the Company is Building 4, Changzhou Big Data Industrial Park, No. 280 Yulong South Road, Zhonglou Economic Development Zone, Changzhou, Zhejiang Province, the PRC. On 22 September 2025, the Company was converted into a joint stock company with limited liability in the PRC, and changed its name to Changzhou Microintelligence Co., Ltd (常州微億智造科技股份有限公司) (“the Company”).

The Company and its subsidiaries (together, the “Group”) are principally engaged in sales of robots and software solutions, leveraging core technologies to effectively address the varied needs of our customers in industrial settings by offering embodied intelligent industrial robots products (“EIIR products”), AI-enabled intelligent products, modular products and other products in the PRC.

Mr. Zhang Zhiqi and Mr. Pan Zhengyi are the ultimate controlling shareholders of the Group as at the date of this report.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of the Historical Financial Information. These policies have been consistently applied throughout the Track Record Period, unless otherwise stated.

2.1 Basis of preparation

(i) Compliance with IFRS Accounting Standards

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards (“IFRS Accounting Standards”) issued by the International Accounting Standards Board (IASB).

IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The preparation of the financial information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information, are disclosed in Note 4.

(ii) Historical cost convention

The Historical Financial Information has been prepared under the historical cost convention, except that certain financial assets/liabilities are carried at fair value.

APPENDIX I

ACCOUNTANT’S REPORT

(iii) *Accounting policies*

In preparing the Historical Financial Information, the Group has consistently adopted all applicable new and amended IFRS Accounting Standards throughout all the years presented except for any new standard, amendment and interpretation to existing standards that are not yet effective.

The followings are new standards, amendments to existing standards and new interpretations that have been issued but are not effective for the Track Record Period and have not been early adopted:

New/amended standards	Effective for annual periods beginning on or after
Amendments to the Classification and Measurement of Financial Instruments — Amendments to IFRS 9 and IFRS 7	1 January 2026
Contracts Referencing Nature-dependent Electricity — Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvement to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate — Amendments to IFRS 10 and IAS 28	To be determined

According to the assessment made by the directors of the Company, these new and amended standards are either not relevant to the Group or not significant to the financial performance and positions of the Group when they become effective, except for IFRS 18 which will mainly impact the presentation of the consolidated statements of comprehensive loss.

IFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management — defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made.

Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. The Group will continue to assess the impact of IFRS 18 on the consolidated financial statements of the Group.

2.2 Principles of consolidation

(i) *Subsidiaries*

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

APPENDIX I

ACCOUNTANT’S REPORT

Intra-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated balance sheets respectively.

(ii) Changes in ownership interests in subsidiaries without change of control

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in other reserves within equity attributable to owners of the Company.

(iii) Associates

The Group’s interests in associates in the form of ordinary shares with significant influence but not control or joint control are generally accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet.

The Company may designate a venture capital investment in associate as FVPL at initial recognition. A venture capital investment can be distinguished from other investments by considering the way it is managed, the nature of the investment, and expected returns.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses of the investee in profit or loss, and the Group’s share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group and the Company.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.5.

APPENDIX I

ACCOUNTANT’S REPORT

2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations under non-common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest’s proportionate share of the acquired entity’s net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity.

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity’s incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

When the acquirer exchanges its share-based payment awards (replacement awards) for awards held by employees of the acquiree, the replacements of share-based payment awards are accounted for as modifications of the acquiree’s existing share-based payment awards, in accordance with IFRS 2.

The value of the replaced acquiree award at the acquisition date that relates to pre-combination services is accounted for as part of consideration in a business combination, which is calculated as the IFRS 2 measure of the acquiree’s awards multiplied by the ratio of completed service to the greater of the

APPENDIX I

ACCOUNTANT’S REPORT

original or the new total vesting period. The amount of replacement share-based payment award that relates to post-combination services is a payment for services, and it is charged to the post-combination statement of profit or loss.

The IFRS 2 value of replacement awards attributable to both pre-combination services and to post-combination services is adjusted for the number of share-based payment awards expected to vest.

2.4 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the Track Record Period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values of 5% over their estimated useful lives as follows:

Machinery	3–10 years
Transportation	4–5 years
Computers and electronic equipment	3–5 years
Other equipment	3–5 years
Leasehold improvements	Estimated useful lives or remaining lease terms, whichever is shorter

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each Track Record Period.

Construction-in-progress is stated at cost less accumulated impairment losses. This includes cost of construction and other direct costs. Construction-in-progress is not depreciated until such time as the assets are completed and are ready for operational use.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount (Note 2.5).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

2.5 Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each Track Record Period.

APPENDIX I

ACCOUNTANT’S REPORT

2.6 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labour and related expenses. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.7 Trade and notes receivables and other receivables

Trade and notes receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Majority of other receivables are deposits and other receivable from third parties. If collection of trade and notes receivables and other receivables are expected in one year or less (or in the normal operating cycle of business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and notes receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and notes receivables and other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.1 for further information about the Group’s impairment policies for trade and notes receivables and other receivables and Note 4.3 for a description of the Group’s accounting estimate for trade and notes receivables.

The Group holds the notes receivables for both collection of contractual cash flows and selling purpose. If selling of the notes receivables meets the definition of derecognition of financial assets, notes receivables are measured at fair value through other comprehensive income (“FVOCI”). Otherwise, notes receivables are measured at amortized cost using the effective interest method.

2.8 Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (“OCI”) or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (“FVOCI”).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

APPENDIX I

ACCOUNTANT’S REPORT

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVPL”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group’s management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group’s right to receive payments is established.

APPENDIX I

ACCOUNTANT’S REPORT

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and notes receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For others, it is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

2.9 Redemption liabilities

A contract that contains an obligation to repurchase the Company’s own equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount, even if the Company’s obligations to purchase is conditional on the counterparty exercising a right to redeem. The Company undertakes such redemption obligations as certain redemption rights are granted to the investors in the Company’s financing process, such redemption obligation is recognized as financial liability initially at the present value of the redemption amount and subsequently measured at amortized cost with changes charged in finance costs.

The Group derecognizes redemption liabilities to financial investors when, and only when, the redemption obligations are discharged, cancelled or expired. The carrying amount of the redemption liabilities to financial investors derecognized is then credited into equity.

2.10 Paid-in capital

Paid-in capital from owners are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Other reserve is recorded to reflect the carrying amount of the redemption liabilities when it is initially reclassified from equity and will be reversed back to equity when the redemption liabilities are derecognized upon the Group’s obligations in connection with those redemption liabilities are discharged, cancelled or expired.

2.11 Share-based payments

The Group operates certain share incentive plans, under which the Group receives services from employees as consideration for equity instruments of the Company. The fair value of the services received in exchange for the grant of the equity instruments is recognised as an expense in the consolidated statements of comprehensive income with a corresponding increase in equity.

In terms of the options and/or restricted share units awarded to employees, the total amount to be expensed is determined by reference to the fair value of the options and/or shares granted:

- including any market performance conditions;

APPENDIX I

ACCOUNTANT’S REPORT

- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Service and non-marketing performance vesting conditions are included in calculation of the number of options and shares that are expected to vest. The total amount expensed is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each Track Record Period, the Group revises its estimates of the number of options and shares that are expected to vest based on the service and non-marketing vesting performance conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where the terms of the share-based payment plan are modified, the expense that is not yet recognized for the award is recognized over the remaining vesting period as if the terms had not been modified.

If a modification increases the fair value of the equity instruments granted, the incremental fair value granted is included in the measurement of the amount recognized for the services received over the remainder of the vesting period. The incremental fair value is the difference between the fair value of the modified equity instrument and that of the original equity instrument, both estimated as at the date of the modification.

If the Group modifies the terms or conditions of its equity instruments granted in a manner that reduces the total fair value of the share-based payment arrangement, or is not otherwise beneficial to the employee, the Group shall nevertheless continue to account for the services received as consideration for the equity instruments granted as if that modification had not occurred.

When the identifiable consideration received by the Company appears to be less than the fair value of the equity instruments granted or liability incurred, the Company measures the unidentifiable goods or services received as the difference between the fair value of the share-based payment and the fair value of any identifiable goods or services received. The Company measures the unidentifiable goods or services received at the grant date.

If a grant of equity instruments is cancelled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Group shall account for the cancellation or settlement as an acceleration of vesting, and shall therefore recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

2.12 Revenue recognition

The Group principally derives revenue from the sale of embodied intelligent industrial robots products, AI-enabled intelligent products, modular products and other products.

Revenue is recognized when or as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group’s performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

APPENDIX I

ACCOUNTANT’S REPORT

If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

When either party to a contract has performed, the Group presents the contract on the consolidated statements of financial position as a contract asset or a contract liability, depending on the relationship between the entity’s performance and the customer’s payment.

The accounting policies for the Group’s principal revenue sources are as follows:

(i) Sales of embodied intelligent industrial robots products and AI-enabled intelligent products

The Group generates revenue from sales of integrated embodied intelligent industrial robots products (“EIIR products”) and AI-enabled intelligent products.

The revenue for sales of the products mentioned above is recognized at a point in time when the control of the products mentioned above are transferred to the customer. Specifically, sales are recognised when the products have been shipped to the specific location in accordance with the sales contract and the customers have inspected and accepted the products.

(ii) Sales of modular products

The Group sells modular products and generates revenue from sales of standardized, universal hardware and software components for individual sale.

The revenue for sales of the products mentioned above is recognized at a point in time when the control of the products mentioned above are transferred to the customer. Specifically, sales are recognised when the products have been delivered to customers and the customers have inspected and accepted the products.

(iii) Sales of other products and services

The Group generates revenue from sales of other products which are mainly electronic appliances, computer scheduling and provision of ancillary services. This revenue of electronic appliances is recognized at a point in time and the revenue of ancillary services is recognized over the contracted period with customers in which the services are provided as the customers simultaneously receive and consume the benefit provided by the Group.

(iv) Multiple performance obligations in contracts with customers

Several contracts with customers include multiple performance obligations of sales of products and provision of ancillary services. For such arrangements, the Group allocates transaction price to each performance obligation based on the relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers when the Group sells it separately in similar circumstances to similar customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgements on these assumptions and estimates may impact the revenue recognition.

APPENDIX I

ACCOUNTANT’S REPORT

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group entities’ functional currency. The Group’s businesses are principally conducted in RMB. The majority of assets is denominated in RMB. The non-RMB assets and liabilities are cash and cash equivalents and trade receivables denominated in USD. The Group is primarily exposed to changes in RMB/USD exchange rates.

The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates. Cash repatriation from the PRC are subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group did not have other significant exposure to foreign exchange risk.

As at 31 December 2022, 2023 and 2024 and 30 June 2025, if the USD strengthened/weakened by 10% against the RMB, with all other variables held constant, profit/(loss) before income tax for the years/periods then ended would have been approximately RMB172,000, RMB790,000 RMB984,000 and RMB576,000 higher/lower respectively as a result of foreign exchange gains/losses on translation of USD denominated financial assets.

(ii) Cash flow and fair value interest rate risk

The Group’s income and operating cash flows are substantially independent of changes in market interest rates, as the Group has no significant interest-bearing assets except for cash and cash equivalents, restricted cash measured at amortised cost.

The Group’s exposure to changes in interest rates is attributable to its borrowings from banks. Borrowings at variable rates expose the Group to cash flow interest rate risk whereas borrowings at fixed rates expose the Group to fair value interest rate risk, details of which has been disclosed in Note 30. The Group has not hedged its cash flow or fair value interest rate risk. The redemption liabilities to financial investors (Note 31) of the Group carried at fixed rates expose the Group to fair value interest risk.

As at 31 December 2022, 2023, 2024 and 30 June 2025, if the Group’s interest rates on borrowings had been 10% higher/lower, the (loss)/profit before income tax for the year/period then ended would have been approximately RMB597,000, RMB864,000, RMB1,234,000, RMB1,841,000 higher/lower respectively.

APPENDIX I

ACCOUNTANT’S REPORT

(b) Credit risk

Credit risk arises from cash and cash equivalents, trade and notes receivables, contract assets, financial assets at fair value through other comprehensive income (“FVOCI”) and other receivables. The carrying amounts of these financial assets represent the Group’s maximum exposure to credit risk in relation to these financial assets.

Risk management

To manage this risk, cash and cash equivalents and restricted cash is mainly placed with state-owned or reputable financial institutions in Mainland China which are all high-credit-quality financial institutions.

To manage risk arising from trade and notes receivables, contract assets and financial assets at FVOCI, management performs ongoing credit evaluations of the counterparties. Trade and notes receivables have been grouped based on shared credit risk characteristics and aging to measure the expected credit losses. Trade and notes receivables are written off when there is no reasonable expectation of recovery. Impairment losses on trade and notes receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experiences, and forward-looking information.

Impairment of financial assets and contract assets

The Group has three types of financial assets that are subject to the expected credit loss model: (i) cash and cash equivalents and restricted cash; (ii) trade and notes receivables, contract assets and financial assets at FVOCI; and (iii) other receivables.

APPENDIX I

ACCOUNTANT’S REPORT

(i) Cash and cash equivalents and restricted cash

To manage risk arising from cash and cash equivalents and restricted cash, the Group only transacts with state-owned or reputable financial institutions in Mainland China. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. Cash and cash equivalents and restricted cash are also subject to the impairment requirements of IFRS 9, while the identified credit loss was immaterial.

(ii) Trade and notes receivables, contract assets and financial assets at FVOCI

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and notes receivables. To measure the expected credit losses, trade and notes receivables have been grouped based on shared credit risk characteristics and aging.

For trade and notes receivables, management makes periodic assessments as well as individual assessment on the recoverability based on historical settlement records and past experience and adjusts for forward looking information. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The determination of the expected loss rates is based on the probability of default and the loss given the default with reference to the credit ratings of the counter parties at the end of each reporting period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product (GDP) and consumer price index (CPI) of mainland China in which it provides services to be the relevant factors, and accordingly adjusts the loss rates based on expected changes in those factors.

Individually impaired trade receivables are related to customers who are experiencing unexpected economic difficulties. The Group expects that the amounts of the receivables will partially or entirely have difficulty to be recovered and has recognized impairment losses.

Trade receivables

Category 1 (collective basis): customers who are grouped based on shared credit risk characteristics.

Category 2 (individual basis): customers who are insolvent or in operating difficulty with a relatively higher credit risk.

APPENDIX I

ACCOUNTANT’S REPORT

As of 31 December 2022, 2023 and 2024 and 30 June 2025, the loss allowance provision for the trade receivables was determined as follows.

As at 31 December 2022			
	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate <i>RMB'000</i>	Loss allowance <i>RMB'000</i>
Category 1	175,473	4.52%	(7,925)
Category 2	<u>1,745</u>	<u>100.00%</u>	<u>(1,745)</u>
	<u>177,218</u>	<u>5.46%</u>	<u>(9,670)</u>
As at 31 December 2023			
	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate <i>RMB'000</i>	Loss allowance <i>RMB'000</i>
Category 1	403,567	4.46%	(18,005)
Category 2	<u>1,784</u>	<u>100.00%</u>	<u>(1,784)</u>
	<u>405,351</u>	<u>4.88%</u>	<u>(19,789)</u>
As at 31 December 2024			
	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate <i>RMB'000</i>	Loss allowance <i>RMB'000</i>
Category 1	636,097	3.75%	(23,822)
Category 2	<u>6,546</u>	<u>100.00%</u>	<u>(6,546)</u>
	<u>642,643</u>	<u>4.73%</u>	<u>(30,368)</u>
As at 30 June 2025			
	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate <i>RMB'000</i>	Loss allowance <i>RMB'000</i>
Category 1	512,509	3.57%	(18,272)
Category 2	<u>6,543</u>	<u>100.00%</u>	<u>(6,543)</u>
	<u>519,052</u>	<u>4.78%</u>	<u>(24,815)</u>

APPENDIX I

ACCOUNTANT’S REPORT

Contract assets

As of 31 December 2022, 2023 and 2024 and 30 June 2025, the loss allowance provision for the contract assets was determined as follows.

	As at 31 December 2022		
	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate <i>RMB'000</i>	Loss allowance <i>RMB'000</i>
Category 1	12,647	4.42%	(559)
Category 2	<u>130</u>	<u>100.00%</u>	<u>(130)</u>
	<u>12,777</u>	<u>5.39%</u>	<u>(689)</u>

	As at 31 December 2023		
	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate <i>RMB'000</i>	Loss allowance <i>RMB'000</i>
Category 1	23,180	3.75%	(869)
Category 2	<u>—</u>	<u>—</u>	<u>—</u>
	<u>23,180</u>	<u>3.75%</u>	<u>(869)</u>

	As at 31 December 2024		
	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate <i>RMB'000</i>	Loss allowance <i>RMB'000</i>
Category 1	36,830	2.95%	(1,088)
Category 2	<u>—</u>	<u>—</u>	<u>—</u>
	<u>36,830</u>	<u>2.95%</u>	<u>(1,088)</u>

	As at 30 June 2025		
	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate <i>RMB'000</i>	Loss allowance <i>RMB'000</i>
Category 1	44,888	3.00%	(1,347)
Category 2	<u>34</u>	<u>100.00%</u>	<u>(34)</u>
	<u>44,922</u>	<u>3.07%</u>	<u>(1,381)</u>

APPENDIX I

ACCOUNTANT’S REPORT

Notes receivables and financial assets at FVOCI

As of 31 December 2022, 2023 and 2024 and 30 June 2025, the loss allowance provision for notes receivables and financial assets at FVOCI was determined as follows.

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
				(Unaudited)
Expect loss rate	—	—	—	—
Notes receivables	4,827	978	2,858	6,151
Financial assets at FVOCI	<u>1,568</u>	<u>199</u>	<u>5</u>	<u>508</u>
	<u>6,395</u>	<u>1,177</u>	<u>2,863</u>	<u>6,659</u>

The notes receivables and financial assets at FVOCI are notes issued by those who are of high credit quality with a low risk of default and therefore no material credit loss was recognized.

(iii) Other receivables

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability based on historical settlement records, past experience and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group measures credit risk of other receivables and finance lease receivables using Probability of Default (“PD”), Exposure at Default (“EAD”) and Loss Given Default (“LGD”).

- Financial instruments that are not credit-impaired on initial recognition are classified in “Stage 1” and have their credit risk continuously monitored by the Group. The expected credit loss is measured on a 12-month basis.
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to “Stage 2” but is not yet deemed to be credit-impaired. The expected credit loss is measured on lifetime basis.
- If the financial instrument is credit-impaired, the financial instrument is then moved to “Stage 3”. The expected credit loss is measured on lifetime basis.

APPENDIX I

ACCOUNTANT’S REPORT

As at 31 December 2022, 2023 and 2024 and 30 June 2025 the loss allowance of other receivables are determined as follows:

As at 31 December 2022			
	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate <i>RMB'000</i>	Loss allowance <i>RMB'000</i>
Stage 1	7,197	1.92%	(138)
Stage 3	<u>553</u>	<u>100.00%</u>	<u>(553)</u>
	<u>7,750</u>	<u>8.92%</u>	<u>(691)</u>
As at 31 December 2023			
	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate <i>RMB'000</i>	Loss allowance <i>RMB'000</i>
Stage 1	3,088	4.73%	(146)
Stage 3	<u>558</u>	<u>100.00%</u>	<u>(558)</u>
	<u>3,646</u>	<u>19.31%</u>	<u>(704)</u>
As at 31 December 2024			
	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate <i>RMB'000</i>	Loss allowance <i>RMB'000</i>
Stage 1	4,397	3.75%	(165)
Stage 3	<u>562</u>	<u>100.00%</u>	<u>(562)</u>
	<u>4,959</u>	<u>14.66%</u>	<u>(727)</u>
As at 30 June 2025			
	Gross carrying amount <i>RMB'000</i> (Unaudited)	Expected credit loss rate <i>RMB'000</i> (Unaudited)	Loss allowance <i>RMB'000</i> (Unaudited)
Stage 1	9,540	2.53%	(241)
Stage 3	<u>561</u>	<u>100.00%</u>	<u>(561)</u>
	<u>10,101</u>	<u>7.94%</u>	<u>(802)</u>

APPENDIX I

ACCOUNTANT’S REPORT

Other receivables mainly include deposits, advance to employees and others. All the Group’s financial assets at amortized cost are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition as described in Note 25. As of 31 December 2022, 2023, and 2024, and 30 June 2025, the majority of the Group’s other receivables were classified in Stage 1, and their expected credit losses were measured on a 12-month basis. Other receivables with a relatively low reasonable expectation of recovery were classified in Stage 3, and their expected credit losses were measured on a lifetime basis.

(iv) Summary of impairment of financial assets

Impairment losses on the above-mentioned trade related receivables and other receivables are presented as net impairment losses within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

The movement of loss allowance for trade and notes receivables, contract assets, financial assets at FVOCI and other receivables during the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025 is as follows:

	Trade and notes receivables and financial assets at FVOCI	Contract assets	Other receivables	Total
Opening loss allowance as at 1 January 2022	<u>(7,075)</u>	<u>(87)</u>	<u>(647)</u>	<u>(7,809)</u>
Increase in loss allowance recognized in profit or loss during the year	(2,595)	(602)	(44)	(3,241)
As at 31 December 2022	<u>(9,670)</u>	<u>(689)</u>	<u>(691)</u>	<u>(11,050)</u>
Opening loss allowance as at 1 January 2023	<u>(9,670)</u>	<u>(689)</u>	<u>(691)</u>	<u>(11,050)</u>
Increase in loss allowance recognized in profit or loss during the year	(10,119)	(180)	(13)	(10,312)
As at 31 December 2023	<u>(19,789)</u>	<u>(869)</u>	<u>(704)</u>	<u>(21,362)</u>

APPENDIX I

ACCOUNTANT’S REPORT

	Trade and notes receivables and financial assets at FVOCI	Contract assets	Other receivables	Total
Opening loss allowance as at 1 January 2024	<u>(19,789)</u>	<u>(869)</u>	<u>(704)</u>	<u>(21,362)</u>
Increase in loss allowance recognized in profit or loss during the year	(10,579)	(219)	(23)	(10,821)
As at 31 December 2024	<u>(30,368)</u>	<u>(1,088)</u>	<u>(727)</u>	<u>(32,183)</u>
<i>(Unaudited)</i>				
Opening loss allowance as at 1 January 2024	(19,789)	(869)	(704)	(21,362)
Increase in loss allowance recognized in profit or loss during the year	<u>(3,033)</u>	<u>(403)</u>	<u>(2)</u>	<u>(3,438)</u>
As at 30 June 2024	<u>(22,822)</u>	<u>(1,272)</u>	<u>(706)</u>	<u>(24,800)</u>
<i>(Unaudited)</i>				
Opening loss allowance as at 1 January 2025	<u>(30,368)</u>	<u>(1,088)</u>	<u>(727)</u>	<u>(32,183)</u>
Decrease/(increase) in loss allowance recognized in profit or loss during the year	<u>5,553</u>	<u>(293)</u>	<u>(75)</u>	<u>5,185</u>
As at 30 June 2025	<u>(24,815)</u>	<u>(1,381)</u>	<u>(802)</u>	<u>(26,998)</u>

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. The Group’s objective is to maintain adequate committed credit lines to ensure sufficient and flexible funding is available to the Group.

APPENDIX I

ACCOUNTANT’S REPORT

The table below analyses the Group’s financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
At 31 December 2022					
Redemption liabilities	—	—	—	335,105	335,105
Borrowings	150,450	30,358	—	—	180,808
Trade and notes payables	110,613	—	—	—	110,613
Lease liabilities	4,500	3,672	8,213	—	16,385
Long-term payables	4,363	4,361	1,380	—	10,104
Other payables and accruals (excluding employee benefits payables, warranty provision and tax payables)	750	—	—	—	750
	<u>270,676</u>	<u>38,391</u>	<u>9,593</u>	<u>335,105</u>	<u>653,765</u>
At 31 December 2023					
Redemption liabilities	—	—	335,105	—	335,105
Borrowings	259,025	—	—	—	259,025
Trade and notes payables	208,099	—	—	—	208,099
Lease liabilities	4,141	4,288	5,035	—	13,464
Long-term payables	4,358	1,379	—	—	5,737
Other payables and accruals (excluding employee benefits payables, warranty provision and tax payables)	2,706	—	—	—	2,706
	<u>478,329</u>	<u>5,667</u>	<u>340,140</u>	<u>—</u>	<u>824,136</u>
At 31 December 2024					
Redemption liabilities	—	—	417,738	—	417,738
Borrowings	349,256	20,240	—	—	369,496
Trade and notes payables	212,772	—	—	—	212,772
Lease liabilities	4,119	4,152	547	—	8,818
Other payables and accruals (excluding employee benefits payables, warranty provision and tax payables)	5,961	—	—	—	5,961
Long-term payables	1,377	—	—	—	1,377
	<u>573,485</u>	<u>24,392</u>	<u>418,285</u>	<u>—</u>	<u>1,016,162</u>

APPENDIX I

ACCOUNTANT’S REPORT

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
<i>(unaudited)</i>					
At 30 June 2025					
Borrowings	398,302	52,748	81,150	31,721	563,921
Trade payables	95,943	—	—	—	95,943
Lease liabilities	4,148	2,446	179	—	6,773
Other payables and accruals (excluding employee benefits payables, warranty provision and tax payables)	2,164	—	—	—	2,164
	<u>500,557</u>	<u>55,194</u>	<u>81,329</u>	<u>31,721</u>	<u>668,801</u>

3.2 Capital management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders’ value in the long-term.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, the Group considers the cost of capital and the risks associated with the issued share capital. The Group may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or repurchase the Company’s shares. In the opinion of the directors of the Company, the Group’s net liabilities mainly include redemption liabilities to financial investors disclosed in Note 31, and there are no regulatory indicators in the industry where the Company is located. Measurement of capital management is not a tool currently used in the internal management reporting procedures of the Group.

3.3 Fair value estimation

(a) Financial assets and liabilities

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
<i>Notes</i>					
At 31 December 2022					
Financial assets					
Financial assets at FVOCI	24	—	—	1,568	1,568
Total financial assets		<u>—</u>	<u>—</u>	<u>1,568</u>	<u>1,568</u>

APPENDIX I

ACCOUNTANT’S REPORT

	<i>Notes</i>	Level 1 <i>RMB'000</i>	Level 2 <i>RMB'000</i>	Level 3 <i>RMB'000</i>	Total <i>RMB'000</i>
At 31 December 2023					
Financial assets					
Financial assets at FVOCI	24	—	—	199	199
Total financial assets		<u>—</u>	<u>—</u>	<u>199</u>	<u>199</u>
	<i>Notes</i>	Level 1 <i>RMB'000</i>	Level 2 <i>RMB'000</i>	Level 3 <i>RMB'000</i>	Total <i>RMB'000</i>
At 31 December 2024					
Financial assets					
Financial assets at FVOCI	24	—	—	5	5
Total financial assets		<u>—</u>	<u>—</u>	<u>5</u>	<u>5</u>
	<i>Notes</i>	Level 1 <i>RMB'000</i>	Level 2 <i>RMB'000</i>	Level 3 <i>RMB'000</i>	Total <i>RMB'000</i>
At 30 June 2025 (unaudited)					
Financial assets					
Financial assets at FVOCI	24	—	—	508	508
Financial assets at FVPL	26	<u>—</u>	<u>—</u>	<u>224,000</u>	<u>224,000</u>
Total financial assets		<u>—</u>	<u>—</u>	<u>224,508</u>	<u>224,508</u>

The Group’s policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting year/period

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading securities) is based on quoted market prices at the end of the Track Record Period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted debt and equity investment.

(b) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include quoted market prices or dealer quotes for similar instruments.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

APPENDIX I

ACCOUNTANT’S REPORT

The carrying amounts of the Group’s current financial assets, including cash and cash equivalents, restricted cash, trade and notes receivables, other receivables; and the Group’s current financial liabilities, including trade payables, other payables and accruals and lease liabilities approximate their fair values due to their short maturities.

The following table presents the changes in Level 3 items including financial assets at fair value through other comprehensive income:

	Financial assets at fair value through profit or loss (Note 26) RMB’000	Financial assets at fair value through other comprehensive income RMB’000	Total RMB’000
At 1 January 2022	—	108	108
Additions	—	1,568	1,568
Disposals	—	(108)	(108)
At 31 December 2022	—	1,568	1,568
At 1 January 2023	—	1,568	1,568
Additions	—	500	500
Disposals	—	(1,869)	(1,869)
At 31 December 2023	—	199	199
At 1 January 2024	—	199	199
Additions	—	2,932	2,932
Disposals	—	(3,126)	(3,126)
At 31 December 2024	—	5	5
<i>(Unaudited)</i>			
At 1 January 2025	—	5	5
Additions	224,000	750	224,750
Disposals	—	(247)	(247)
At 30 June 2025	224,000	508	224,508

APPENDIX I

ACCOUNTANT’S REPORT

(c) Valuation inputs and relationships to fair value

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

As at 31 December 2022

Description	Fair value	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Financial assets at FVOCI				
— Notes receivables	1,568	Discount rate	1.55%	The higher the discounted rate, the lower the fair value

As at 31 December 2023

Description	Fair value	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Financial assets at FVOCI				
— Notes receivables	199	Discount rate	1.55%	The higher the discounted rate, the lower the fair value

As at 31 December 2024

Description	Fair value	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Financial assets at FVOCI				
— Notes receivables	5	Discount rate	1.55%	The higher the discounted rate, the lower the fair value

APPENDIX I

ACCOUNTANT’S REPORT

As at 30 June 2025 (unaudited)

Description	Fair value	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Financial assets at FVPL				
— Investment (Note 26)	224,000	Latest transaction price	Not applicable	Not applicable
Financial assets at FVOCI				
— Notes receivables	508	Discount rate	1.55%	The higher the discounted rate, the lower the fair value

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of historical financial information requires the use of accounting estimates, which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group’s accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Goodwill impairment assessment

For the purposes of goodwill impairment assessment, management considered the whole group as one cash-generated-units (“CGU”) and goodwill was monitored at group level. Management assessed the impairment of goodwill by determining the recoverable amounts of the CGU to which goodwill has been allocated based on the higher of value-in-use calculation and fair value less cost of disposals. Significant judgements and estimates were involved in the goodwill impairment assessment. These significant judgements and estimates include the adoption of appropriate valuation method and the use of key assumptions in the valuation, which primarily include annual revenue growth rate, terminal revenue growth rates, gross profit rates and discount rate.

4.2 Impairment of non-financial assets (other than goodwill)

Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to sell. These calculations require the use of judgments and estimates.

Judgement is required to determine key assumptions adopted in the valuation models for impairment review purpose. Changing the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and as a result affect the Group’s financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take additional impairment charge to the consolidated income statements.

APPENDIX I

ACCOUNTANT’S REPORT

4.3 Provision for expected credit losses on trade receivables

The loss allowance for financial assets disclosed in Note 3.1 is based on assumptions about Probability of Default (“PD”), Exposure at Default (“EAD”) and Loss Given Default (“LGD”). The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group’s past history, existing market conditions as well as forward looking estimates at the end of each Track Record Period.

4.4 Recognition of share-based payments to employees

The fair value of restricted share units and share options granted to certain employees are measured on the respective grant dates based on the fair value of the underlying shares. The Group only recognise an expense for those restricted shares expected to vest over the vesting period. Changes in these estimates and assumptions could have a material effect on determination of the fair value of restricted share units and share options and the amount of such share-based awards vested, which may in turn significantly impact the determination of share-based payments.

4.5 Recognition of contingent liability

A contingent liability was recognised on the potential payment to the supplier and the amount is estimated to be RMB17,158,000, RMB17,893,000, RMB18,628,000 and RMB18,996,000 as of 31 December 2022, 2023, 2024 and 30 June 2025, respectively. The potential future payment is due to the termination of the originally agreed purchase orders. When estimating the amount, the Company considered the total claim exposure, the determination of payment amount related to these early terminated purchase orders under multiple scenarios.

4.6 Current and deferred income tax

Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional tax will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the year/period in which such determination is made.

For temporary differences or tax losses which give rise to deferred tax assets, the Group assesses the likelihood that the deferred tax assets could be recovered. Deferred tax assets are recognised based on the Group’s estimates and assumptions that they will be recovered from taxable income arising from continuing operations in the foreseeable future.

5 SEGMENT INFORMATION

During the Track Record Period, the Group is engaged in the research, development, and application of technologies related to the digital and intelligent transformation and upgrading of the industrial manufacturing sector, creating a series of intelligent products that combine perception algorithms with drive-control algorithms.

The executive directors of the Company review the operating results of the business as one operating segment to make strategic decisions and resources allocation.

The major operating entities of the Group are domiciled in the PRC. Accordingly, majority of the Group’s results were derived in the PRC and all the operating assets of the Group are located in the PRC during the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025.

APPENDIX I

ACCOUNTANT’S REPORT

6 REVENUE

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
EIIR products	33,820	114,137	271,833	46,787	220,780
AI-enabled intelligent products	94,151	203,357	204,954	66,317	109,773
Modular products	32,319	96,457	112,333	24,788	77,326
Others	60,993	20,075	11,126	5,566	3,871
Total	221,283	434,026	600,246	143,458	411,750

Revenue from the transfer of products and rendering of services at a point in time or over time, which are analysed as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
At a point in time					
— EIIR products	33,820	114,137	271,833	46,787	220,780
— AI-enabled intelligent products	94,151	203,357	204,954	66,317	109,773
— Modular products	32,319	96,457	112,333	24,788	77,326
— Others	49,244	8,971	5,346	2,454	1,365
	209,534	422,922	594,466	140,346	409,244
Over time					
— Others	11,749	11,104	5,780	3,112	2,506
Total	221,283	434,026	600,246	143,458	411,750

APPENDIX I

ACCOUNTANT’S REPORT

Revenue from customers contributing over 10% of the Group’s total revenue is as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Customer A	46,158	—	—	—	—
Customer B	37,770	*	*	—	—
Customer C	*	58,560	*	20,228	*
Customer D	*	51,073	*	20,342	*
Customer E	—	46,131	—	—	—
Customer F	—	*	*	18,080	—
Customer G	—	—	*	18,066	—
Customer H	—	—	*	—	53,863
Customer I	*	*	*	—	43,282
Total	83,928	155,764	—	76,716	97,145

* The revenue generated from the customer was less than 10% of the total revenue of the Group for the relevant years/periods.

The Group has recognized the following liabilities related to contracts with customers:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Contract liabilities	4,678	13,818	10,205	24,651

The following table shows the amount of revenue recognised that were included in the contract liabilities at the beginning of each of the Track Record Period:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Revenue recognized that was included in the contract liabilities at the beginning of the year	6,391	4,335	12,446	10,015	9,917

Transaction price allocated to the unsatisfied performance obligation related to contract liabilities is immaterial during the Track Record Period.

APPENDIX I

ACCOUNTANT’S REPORT

The Group has recognized the following assets related to contracts with customers:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Current contract assets relating to quality guarantee	12,777	23,180	36,830	44,888
Less: loss allowance (<i>Note 3.1(b)</i>)	(689)	(869)	(1,088)	(1,347)
Total contract assets	<u>12,088</u>	<u>22,311</u>	<u>35,742</u>	<u>43,541</u>

Contract assets are generally the final payments of revenue contracts which are due at the end of the quality guarantee period. Contract assets are recorded as the Group has the right on these amounts of consideration conditioned on something other than the passage of time when the revenue is recognised. The contract assets are transferred to trade receivables when the rights become unconditional.

7 OTHER INCOME

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Government grants (<i>a</i>)	5,193	21,480	18,483	4,927	119
Value added tax (“VAT”) refund	535	234	179	160	150
Others	<u>221</u>	<u>40</u>	<u>4</u>	<u>2</u>	<u>2</u>
	<u>5,949</u>	<u>21,754</u>	<u>18,666</u>	<u>5,089</u>	<u>271</u>

(a) Governments grants received during the year primarily comprised the financial subsidies received from various local government authorities in mainland China. There are no unfulfilled condition or other contingencies attaching to these grants.

8 OTHER GAINS/(LOSS) — NET

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Net foreign exchange gains/(losses)	1,053	(679)	170	52	(130)
Net (losses)/gains on disposals of long-term assets	(30)	(24)	28	32	—
Donation expend	(100)	(31)	(12)	(8)	(4)
Others	<u>(115)</u>	<u>(710)</u>	<u>(687)</u>	<u>(374)</u>	<u>(348)</u>
	<u>808</u>	<u>(1,444)</u>	<u>(501)</u>	<u>(298)</u>	<u>(482)</u>

APPENDIX I

ACCOUNTANT’S REPORT

9 (PROVISION FOR)/REVERSAL OF EXPECTED CREDIT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS — NET

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
(Provision for)/reversal of impairment losses on:					
— trade and notes receivables	(2,595)	(10,119)	(10,579)	(3,033)	5,553
— contract assets	(602)	(180)	(219)	(403)	(293)
— other receivables	(44)	(13)	(23)	(2)	(75)
	<u>(3,241)</u>	<u>(10,312)</u>	<u>(10,821)</u>	<u>(3,438)</u>	<u>5,185</u>

10 EXPENSES BY NATURE

The expenses charged to cost of sales, selling expenses, administrative expenses and research and development expenses are analysed as follow.

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Raw materials and consumables used	82,775	196,445	270,365	89,315	128,230
Changes in finished goods and work in progress	6,288	(26,084)	(35,580)	(37,471)	35,329
Computing power costs (a)	65,002	106,293	129,103	51,324	113,014
Employee benefit expenses	82,424	145,175	127,471	65,491	58,153
Share-based payment (Note 20)	53,294	65,842	5,631	5,337	290
Depreciation and amortization	4,494	14,257	13,172	6,749	7,071
Professional services fees	2,521	6,672	5,164	1,695	11,646
Travel expenses	4,197	7,128	5,989	2,824	3,345
Office expenses	1,317	4,145	4,531	2,163	3,564
Marketing, advertising and business development expenses	1,039	4,684	6,482	972	3,578
Warranty costs	2,514	1,905	4,672	1,129	3,288
Services fees	4,391	4,251	10,595	1,774	641
Provision for impairment of inventories	1,236	881	973	202	16
Others	<u>4,614</u>	<u>7,434</u>	<u>2,633</u>	<u>1,830</u>	<u>5,159</u>
Total	<u>316,106</u>	<u>539,028</u>	<u>551,201</u>	<u>193,334</u>	<u>373,324</u>

- (a) Computing power costs include the depreciation of computing equipment, the amounts of which for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025 were approximately RMB2,222,000, RMB5,051,000, RMB5,246,000, RMB2,623,000 and RMB4,524,000 respectively.

APPENDIX I

ACCOUNTANT’S REPORT

11 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Wages, salaries and bonuses	65,572	112,026	97,328	50,790	45,447
Pension costs-defined contribution plans	7,170	12,827	12,042	6,086	5,137
Other employee benefits	9,682	20,322	18,101	8,615	7,569
Share-based payment expenses (Note 20)	<u>768</u>	<u>65,842</u>	<u>5,631</u>	<u>5,337</u>	<u>290</u>
Total employee benefit expenses	<u>83,192</u>	<u>211,017</u>	<u>133,102</u>	<u>70,828</u>	<u>58,443</u>

(a) Pensions — defined contribution plans

Employees of the Group are required to participate in a defined contribution plan administrated and operated by the local municipal government in the PRC. The Group contributes funds which are calculated on certain percentages of the employee salary as agreed by the local municipal government to the plan to fund the retirement benefits of the employees.

During the Track Record Period, no forfeited contributions were utilised by the Group to reduce its contributions for the year/period.

The five individuals whose emoluments were the highest in the Company for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025 included 1, 2, 2, 2 and 1 directors and supervisors, respectively, whose emoluments are reflected in Note 40. The emoluments payable to the remaining 4, 3, 3, 3 and 4 highest paid individuals during the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025 are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Wages, salaries and bonuses	2,773	1,716	1,810	1,060	1,668
Pension costs-defined contribution plans, other social security and housing fund	398	435	323	184	300
Share-based payments	<u>—</u>	<u>23,279</u>	<u>3,095</u>	<u>2,800</u>	<u>290</u>
	<u>3,171</u>	<u>25,430</u>	<u>5,228</u>	<u>4,044</u>	<u>2,258</u>

APPENDIX I

ACCOUNTANT’S REPORT

(b) Five highest paid individuals

The emoluments of the non-director highest paid employees fell within the following bands:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Within HKD1,000,000	4	—	—	1	4
HKD1,000,001 to HKD5,000,000	—	—	3	2	—
HKD5,000,001 to HKD10,000,000	—	2	—	—	—
HKD10,000,001 to HKD15,000,000	—	1	—	—	—
	<u>4</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>4</u>

12 FINANCE COST — NET

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Finance income					
Interest income on bank deposits	<u>65</u>	<u>178</u>	<u>22</u>	<u>14</u>	<u>350</u>
Finance cost					
Interest expenses on bank borrowings	(1,165)	(7,801)	(10,532)	(5,068)	(5,804)
Interest expenses on lease liabilities	(261)	(649)	(485)	(266)	(177)
Interest expenses on other borrowings	(91)	(516)	(301)	(163)	(726)
Interest expenses on redemption liabilities	<u>(9,751)</u>	<u>(19,850)</u>	<u>(22,776)</u>	<u>(10,431)</u>	<u>(23,419)</u>
Finance cost — net	<u>(11,203)</u>	<u>(28,638)</u>	<u>(34,072)</u>	<u>(15,914)</u>	<u>(29,776)</u>

13 INCOME TAX EXPENSES

(i) PRC Corporate income tax (“PRC CIT”)

The income tax provision of the Group in respect of its operations in PRC was subject to statutory tax rate of 25% on the assessable profits for the years ended 31 December 2022, 2023, 2024 and the periods ended 30 June 2024 and 2025, based on the existing legislation, interpretations and practices in respect thereof.

The Company obtained its High and New Technology Enterprises (“HNTE”) status in year 2020 and hence is entitled to a preferential tax rate of 15% for a three-year period commencing 2020. In 2023, the Company succeeded the qualification for HNTE and is therefore subject to a preferential income tax rate of 15% for a three-year period commencing 2023.

APPENDIX I

ACCOUNTANT’S REPORT

The Group’s subsidiary, Jiangsu SVFactory Technology Co., Ltd. (江蘇智雲天工科技有限公司) was qualified as HNTE in year 2024 and hence it is entitled to a preferential tax rate of 15% for a three-year period commencing 2024.

During the Track Record Period, certain subsidiaries in the mainland China that qualified as “small low-profit enterprises” under the Enterprise Income Tax Law of the PRC enjoyed a preferential income tax rate of 20%.

(ii) Hong Kong income tax

The entity incorporated in Hong Kong is subject to Hong Kong profits tax of which the tax rate is 8.25% for assessable profits in the first HKD2 million and 16.5% for any assessable profits in excess of HKD2 million.

(iii) The United States income tax

The United States income tax rate divided into the federal tax and state tax. The federal income tax is 21%. And the state income tax rates range from 1% to 12%.

(iv) Singapore income tax

The entity incorporated in Singapore is subject to Singapore income tax at a rate of 17% for taxable income earned in Singapore. No provision for Singapore income tax was made as the Group had no estimated assessable profit that was subject to Singapore income tax during the Track Record Period.

The following table sets for the component of the Group’s income tax expense for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025.

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Current income tax expense	1,552	5	475	6	—
Deferred income tax (expense)/credit					
(Note 35)	(12,052)	(10,031)	3,679	(10,262)	5,034
Income tax (expense)/credit	(10,500)	(10,026)	4,154	(10,256)	5,034

APPENDIX I

ACCOUNTANT’S REPORT

The tax on the Group’s profit before income tax differs from the theoretical amount that would arise using the statutory tax rate of 25% for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025. The differences are analysed as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
(Loss)/Profit before income tax	(102,510)	(123,830)	19,893	(65,702)	11,718
Tax calculated at the applicable statutory tax rate of 25%	(25,627)	(30,958)	4,973	(16,426)	2,930
Adjustment for tax effect of:					
Preferential income tax rates applicable to certain companies comprising the Group	10,625	11,115	(2,987)	5,649	(1,828)
Super deduction for research and development expenses (a)	(5,885)	(7,667)	(6,410)	(3,326)	(2,607)
Tax effects of expenses not deductible for tax purposes	9,500	3,241	4,145	1,646	3,626
Tax losses for which no deferred tax asset was recognised	743	4,442	3,419	1,885	2,558
Other temporary difference for which no deferred tax asset was recognised	144	9,801	1,025	326	355
Utilization of previously unrecognized temporary difference and tax losses	—	—	(11)	(10)	—
Income tax (expenses)/credit	<u>(10,500)</u>	<u>(10,026)</u>	<u>4,154</u>	<u>(10,256)</u>	<u>5,034</u>

For each of the years ended 31 December 2022, 2023, 2024 and the periods ended 30 June 2024, 2025, the effective tax rate was 10%, 8%, 21%, 16%, 43%, respectively.

APPENDIX I

ACCOUNTANT’S REPORT

(a) Super Deduction for research and development expenses

The State Taxation Administration of the People’s Republic of China announced in September 2018 that enterprises engaging in research and development activities would entitle to claim 175% of their research and development expenses (“Super Deduction”) from 1 January 2018 to 31 December 2020, and announced in March 2021 to extend this preferential claim percentage to 31 December 2023. As announced in March 2022 and September 2022, technology-based small and medium-sized enterprises would entitle to claim 200% of their research and development expenses from 1 January 2022 and other enterprises would entitle to claim 200% of their research and development expenses from 1 October 2022 to 31 December 2022. As announced in March 2023, enterprises engaging in research and development activities would entitle to claim 200% of their research and development expenses as Super Deduction from 1 January 2023. The Group has made its best estimate for the Super Deduction to be claimed for the Group’s entities in ascertaining their assessable profits during the Track Record Period.

Deductible losses that are not recognized for deferred tax assets will expire as follows:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				(Unaudited)
2025	236	236	236	236
2026	2,367	2,367	2,367	2,367
2027	26,335	26,335	26,335	26,333
2028	—	18,191	18,139	18,139
2029	—	—	16,858	16,858
2030	—	—	—	7,424
	<u>28,938</u>	<u>47,129</u>	<u>63,935</u>	<u>71,357</u>

14 DIVIDENDS

No dividend was paid or declared by the Company during the Track Record Period.

15 (LOSSES)/EARNINGS PER SHARE

On 22 September 2025, the Company was converted into a joint stock company with limited liability, 300,000,000 ordinary shares at RMB1.0 each were issued and allotted to the then owners of the Company in proportion to their paid-in capital to the Company on that day. This capitalization of share capital is applied retrospectively for the purpose of calculating basic loss per share, as adjusted for the paid-in capital by the then owners and the number of registered capital.

(a) Basic (losses)/earnings per share

Basic earnings per share is calculated by dividing the (loss)/profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during three years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX I

ACCOUNTANT’S REPORT

Those shares with redemption features were included in the calculation of weighted average number of ordinary shares outstanding.

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
				(Unaudited)	(Unaudited)
(Loss)/profit attributable to owners of the Company (RMB'000)	(92,010)	(113,804)	15,739	(55,446)	6,684
Weighted average number of ordinary shares in issue (thousands)	<u>148,305</u>	<u>217,587</u>	<u>222,112</u>	<u>219,159</u>	<u>258,911</u>
Basic (loss)/earnings per share attributable to the equity holders of the Company (RMB per share)	<u>(0.62)</u>	<u>(0.52)</u>	<u>0.07</u>	<u>(0.25)</u>	<u>0.03</u>

(b) Diluted (losses)/earnings per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive instruments. For the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 30 June 2025, these potential ordinary share, i.e., shares with Redeem Rights (Note 31) and share option plan, were not included in the calculation of diluted loss per share because they were anti-dilutive. Accordingly, diluted loss per share for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 30 June 2025 were the same as basic loss per share for the respective year/period.

APPENDIX I

ACCOUNTANT’S REPORT

16 SUBSIDIARIES AND ASSOCIATE

The Group and The Company

(a) Subsidiaries of the Group and the Company

As at the date of this report, the Group and the Company has direct or indirect interests in the following subsidiaries:

Name of entity	Date of incorporation	Place of incorporation/operation	Registered share capital	Effective interest held by the Group				As at the date of this report	Principal activities
				As at 31 December 2022 RMB'000	2023 RMB'000	2024 RMB'000	As at 30 June 2025 RMB'000		
Shanghai X Industry System Co., Ltd. (ii)	21 November 2005	Shanghai, PRC	RMB5,000,000	100%	100%	100%	100%	100%	Sales of software
Shanghai Microintelligence Co., Ltd. (i)	20 April 2020	Shanghai, PRC	RMB5,000,000	100%	100%	100%	100%	100%	Research and development services
Jiangsu SVFactory Co., Ltd. (ii) (iii)	28 April 2021	Changzhou, PRC	RMB21,290,101	100%	100%	100%	100%	100%	Sales of cloud platform
Beijing SVFactory Co., Ltd. (ii)	28 May 2021	Beijing, PRC	RMB5,000,000	100%	100%	100%	100%	100%	Sales of robotic products
Shanghai SVFactory Technology Co., Ltd. (ii)	07 June 2021	Shanghai, PRC	RMB5,000,000	100%	100%	100%	100%	100%	Research and development services
Shenzhen Zhihui Xiaoxiang Technology Co., Ltd. (ii) (v)	12 July 2021	Shenzhen, PRC	RMB5,000,000	100%	100%	100%	100%	100%	Dormant
Suzhou Microintelligence Co., Ltd. (ii)	11 August 2021	Suzhou, PRC	RMB100,000	100%	100%	100%	100%	100%	Sales of robotic products
SVFactory, Inc. (US) (ii) (v)	17 August 2021	Michigan, US	USD500,000	100%	100%	100%	100%	100%	Dormant
Shenzhen Microintelligence Co., Ltd. (ii)	25 August 2021	Shenzhen, PRC	RMB5,000,000	100%	100%	100%	100%	100%	Sales of robotic products
Jiangsu Flabegram Technology Co., Ltd. (ii) (v)	13 October 2021	Changzhou, PRC	RMB10,000,000	100%	100%	100%	100%	100%	Dormant
Changzhou Zhizuo Technology Co., Ltd. (ii)	29 October 2021	Changzhou, PRC	RMB1,000,000	80%	80%	80%	80%	100%	Dormant
Hong Kong SVFACTORY Co., Limited (ii) (iv)	16 November 2021	Hong Kong	USD300,000	100%	100%	NA	NA	NA	Deregistered
Shenzhen SVFactory Co., Ltd. (ii) (v)	16 January 2023	Shenzhen, PRC	RMB5,000,000	NA	100%	100%	100%	100%	Sales of cloud platform
Ningbo Microintelligence Co., Ltd. (ii) (iv)	13 July 2023	Ningbo, PRC	RMB11,000,000	NA	100%	NA	NA	NA	Deregistered
Foshan Microintelligence Co., Ltd. (ii) (iv)	18 August 2023	Foshan, PRC	RMB5,000,000	NA	100%	NA	NA	NA	Deregistered
Changzhou Wujin Microintelligence Co., Ltd. (ii) (v)	26 September 2023	Yancheng, PRC	RMB5,000,000	NA	100%	100%	100%	100%	Sales of robotic products
Micro Intelligence Inc. (US) (ii)	29 September 2021	Michigan, USA	USD300,000	100%	100%	100%	100%	100%	Dormant
Changzhou Jintan Microintelligence Co., Ltd. (ii)	16 April 2024	Changzhou, PRC	RMB10,000,000	NA	NA	100%	100%	100%	Sales of robotic products
Wuxi Microintelligence Co., Ltd. (ii) (v)	24 April 2025	Wuxi, PRC	RMB150,000,000	NA	NA	NA	100%	100%	Dormant
Intelligence PTE. LTD. (Singapore) (ii)	07 May 2025	Singapore	SGD180,000	NA	NA	NA	100%	100%	Sales of robotic products
Chongqing Microintelligence Co., Ltd. (v)	28 August 2025	Chongqing, PRC	RMB40,000,000	NA	NA	NA	NA	100%	Sales of robotic products
Microintelligence Co., Ltd. (Japan) (vi)	10 July 2025	Japan	JPY9,000,000	NA	NA	NA	NA	100%	Sales of robotic products
MICROI INTELLIGENCE TECHNOLOGY SDN. BHD (Malaysia) (vi)	2 July 2025	Malaysia	1,000 shares	NA	NA	NA	NA	100%	Sales of robotic products

APPENDIX I

ACCOUNTANT’S REPORT

- (i) The financial statements of Shanghai Micro-intelligence Co., Ltd. for the year ended 31 December 2022 were audited by Zhongruicheng Certified Public Accountants (中瑞誠會計師事務所(特殊普通合夥)), and the financial statements for the year ended 31 December 2023 were audited by Shandong Sui’an Certified Public Accountants (山東穗安會計師事務所(普通合夥)).
- (ii) No statutory financial statements of other subsidiaries were issued for the years ended 31 December 2022, 2023 and 2024 as there is no statutory audit requirement in the place of incorporation.
- (iii) The Company issued registered paid-in capital to the shareholders of Jiangsu SVFactory Co., Ltd. in the aggregate amount of approximately RMB14.1 million to acquire 100% shares of Jiangsu SVFactory Co., Ltd. in December, 2022 (Note 37).
- (iv) Hong Kong SVFACTORY Co., Limited was deregistered on 28 June 2025.

Ningbo Micro-intelligence Co., Ltd. was deregistered on 13 July 2023.

Foshan Micro-intelligence Co., Ltd. was deregistered on 18 August 2023.
- (v) The registered capital of Changzhou Wujin Microintelligence Co., Ltd., Wuxi Microintelligence Co., Ltd., Chongqing Microintelligence Co., Ltd., SVFactory, Inc., Shenzhen SVFactory Co., Ltd., Shenzhen Zhihui Xiaoxiang Technology Co., Ltd. and Jiangsu Flabegram Technology Co., Ltd. has not been fully paid-in.
- (vi) Microintelligence Co., Ltd. (Japan) is established on 10 July 2025. MICROI INTELLIGENCE TECHNOLOGY SDN. BHD (Malaysia) is established on 2 July 2025.
- (vii) The statutory financial statements of the Company and these entities for the years ended 31 December 2022 and 2023 were audited by Beijing Hongjingcheng Accounting Firm (General Partnership) 北京鴻京誠會計師事務所(普通合夥) and Shenzhen Zhongchuang Accounting Firm (General Partnership) 深圳中創會計師事務所(普通合夥), respectively.

Investment in subsidiaries — the Company

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Investments in subsidiaries	245,503	256,272	261,890	271,890
Less: allowance for impairment of investment in subsidiaries	—	—	(6,578)	(6,578)
	<u>245,503</u>	<u>256,272</u>	<u>255,312</u>	<u>265,312</u>

APPENDIX I

ACCOUNTANT’S REPORT

The movements in investments in an associate were as follows:

	Year ended 31 December			Six months ended
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
				(Unaudited)
Opening balance	—	—	812	388
Investments in an associate	—	1,000	2,000	3,000
Share of loss of associate	—	(188)	(2,424)	(1,906)
	<u>—</u>	<u>812</u>	<u>388</u>	<u>1,482</u>

Set out below is the associate of the Group during the Track Record Period and are accounted for using the equity method, which are held directly by the Group. The country of incorporation or registration is also their principal place of business.

Company name	Place of business/ country of incorporation	% of ownership interest					Nature of relationship	Measurement method	Carrying amount as at			
		As at 31 December			As at	As at the			Carrying amount as at 31 December			
		2022	2023	2024	30 June 2025	date of this report			2022	2023	2024	30 June 2025
		%	%	%	%	%			RMB'000	RMB'000	RMB'000	RMB'000
												(Unaudited)
Hintonbot Intelligence Technology Co., Ltd.	PRC	—	30	30	30	30	Associate	Equity method	—	812	388	1,482

APPENDIX I

ACCOUNTANT’S REPORT

17 PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery RMB'000	Computers and electronic equipment RMB'000	Other equipment RMB'000	Transportation RMB'000	Leasehold improvements RMB'000	Buildings RMB'000	Total RMB'000
As at 1 January 2022							
Cost	21,086	2,408	1,723	329	2,403	232	28,181
Accumulated depreciation	(4,730)	(950)	(585)	(196)	(776)	(56)	(7,293)
Net book amount	16,356	1,458	1,138	133	1,627	176	20,888
Year ended 31 December 2022							
Opening net book amount	16,356	1,458	1,138	133	1,627	176	20,888
Acquisition of a subsidiary (Note 37)	6,986	1,740	562	—	2,218	—	11,506
Additions	290	1,112	331	—	2,025	—	3,758
Disposals	—	—	(39)	—	—	—	(39)
Depreciation charge (Note 10)	(3,409)	(853)	(351)	(78)	(729)	(11)	(5,431)
Closing net book amount	20,223	3,457	1,641	55	5,141	165	30,682
At 31 December 2022							
Cost	28,362	5,260	2,550	329	6,646	232	43,379
Accumulated depreciation	(8,139)	(1,803)	(909)	(274)	(1,505)	(67)	(12,697)
Net book amount	20,223	3,457	1,641	55	5,141	165	30,682
Year ended 31 December 2023							
Opening net book amount	20,223	3,457	1,641	55	5,141	165	30,682
Additions	10,798	735	—	—	40	—	11,573
Disposals	—	(42)	(107)	(16)	—	—	(165)
Depreciation charge (Note 10)	(6,252)	(1,720)	(479)	(39)	(1,517)	(11)	(10,018)
Closing net book amount	24,769	2,430	1,055	—	3,664	154	32,072

APPENDIX I

ACCOUNTANT’S REPORT

	Machinery RMB'000	Computers and electronic equipment RMB'000	Other equipment RMB'000	Transportation RMB'000	Leasehold improvements RMB'000	Buildings RMB'000	Total RMB'000
At 31 December 2023							
Cost	39,160	5,931	2,424	—	6,686	232	54,433
Accumulated depreciation	(14,391)	(3,501)	(1,369)	—	(3,022)	(78)	(22,361)
Net book amount	24,769	2,430	1,055	—	3,664	154	32,072
Year ended 31 December 2024							
Opening net book amount	24,769	2,430	1,055	—	3,664	154	32,072
Additions	3,336	292	15	—	808	—	4,451
Disposals	—	(21)	(1)	—	—	—	(22)
Depreciation charge (Note 10)	(6,099)	(1,516)	(462)	—	(1,588)	(11)	(9,676)
Closing net book amount	22,006	1,185	607	—	2,884	143	26,825
At 31 December 2024							
Cost	42,496	5,979	2,400	—	7,494	232	58,601
Accumulated depreciation	(20,490)	(4,794)	(1,793)	—	(4,610)	(89)	(31,776)
Net book amount	22,006	1,185	607	—	2,884	143	26,825
(Unaudited)							
Six months ended 30 June 2025							
Opening net book amount	22,006	1,185	607	—	2,884	143	26,825
Additions	112,597	247	11	758	341	—	113,954
Depreciation charge (Note 10)	(5,890)	(487)	(156)	(15)	(780)	(5)	(7,333)
Closing net book amount	128,713	945	462	743	2,445	138	133,446
At 30 June 2025							
Cost	155,093	6,226	2,411	758	7,835	232	172,555
Accumulated depreciation	(26,381)	(5,281)	(1,948)	(15)	(5,390)	(94)	(39,109)
Net book amount	128,712	945	463	743	2,445	138	133,446

As of June 30, 2025, the Company has paid RMB78,973,000 for the purchase of computer equipment, which will be recognized as fixed assets after delivery.

APPENDIX I

ACCOUNTANT’S REPORT

During the Track Record Period, the amounts of depreciation expense charged to profit or loss are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cost of sales	45	1,045	1,243	616	621
Research and development expenses	3,807	6,161	5,732	2,957	5,506
Selling expenses	191	366	286	157	104
General and administrative expenses	1,388	2,446	2,415	1,196	1,102
	<u>5,431</u>	<u>10,018</u>	<u>9,676</u>	<u>4,926</u>	<u>7,333</u>

The Company

	Machinery RMB'000	Computers and electronic equipment RMB'000	Other equipment RMB'000	Transportation RMB'000	Leasehold improvements RMB'000	Total RMB'000
As at 1 January 2022						
Cost	21,086	1,527	1,682	329	2,223	26,847
Accumulated depreciation	(4,730)	(637)	(564)	(196)	(746)	(6,873)
Net book amount	<u>16,356</u>	<u>890</u>	<u>1,118</u>	<u>133</u>	<u>1,477</u>	<u>19,974</u>
Year ended 31 December 2022						
Opening net book amount	16,356	890	1,118	133	1,477	19,974
Additions	149	639	341	—	2,025	3,154
Disposals	—	—	(39)	—	—	(39)
Depreciation charge (Note 10)	(3,390)	(517)	(346)	(78)	(669)	(5,000)
Closing net book amount	<u>13,115</u>	<u>1,012</u>	<u>1,074</u>	<u>55</u>	<u>2,833</u>	<u>18,089</u>
At 31 December 2022						
Cost	21,235	2,166	1,984	329	4,248	29,962
Accumulated depreciation	(8,120)	(1,154)	(910)	(274)	(1,415)	(11,873)
Net book amount	<u>13,115</u>	<u>1,012</u>	<u>1,074</u>	<u>55</u>	<u>2,833</u>	<u>18,089</u>

APPENDIX I

ACCOUNTANT’S REPORT

	Machinery RMB'000	Computers and electronic equipment RMB'000	Other equipment RMB'000	Transportation RMB'000	Leasehold improvements RMB'000	Total RMB'000
Year ended 31 December 2023						
Opening net book amount	13,115	1,012	1,074	55	2,833	18,089
Additions	10,798	79	—	—	39	10,916
Disposals	—	—	—	(16)	—	(16)
Depreciation charge (<i>Note 10</i>)	(4,418)	(486)	(372)	(39)	(889)	(6,204)
Closing net book amount	19,495	605	702	—	1,983	22,785
At 31 December 2023						
Cost	32,033	2,245	1,984	313	4,287	40,862
Accumulated depreciation	(12,538)	(1,640)	(1,282)	(313)	(2,304)	(18,077)
Net book amount	19,495	605	702	—	1,983	22,785
Year ended 31 December 2024						
Opening net book amount	19,495	605	702	—	1,983	22,785
Additions	3,336	68	15	—	508	3,927
Disposals	—	—	—	—	—	—
Depreciation charge (<i>Note 10</i>)	(4,267)	(370)	(369)	—	(988)	(5,994)
Closing net book amount	18,564	303	348	—	1,503	20,718
At 31 December 2024						
Cost	35,369	2,313	1,999	313	4,795	44,789
Accumulated depreciation	(16,805)	(2,010)	(1,651)	(313)	(3,292)	(24,071)
Net book amount	18,564	303	348	—	1,503	20,718
(Unaudited)						
Six months ended 30 June 2025						
Opening net book amount	18,564	303	348	—	1,503	20,718
Additions	112,597	247	11	—	341	113,196
Depreciation charge (<i>Note 10</i>)	(4,975)	(127)	(109)	—	(485)	(5,696)
Closing net book amount	126,186	423	250	—	1,359	128,218
At 30 June 2025						
Cost	147,966	2,560	2,010	313	5,136	157,985
Accumulated depreciation	(21,780)	(2,137)	(1,760)	(313)	(3,777)	(29,767)
Net book amount	126,186	423	250	—	1,359	128,218

APPENDIX I

ACCOUNTANT’S REPORT

As of June 30, 2025, the company has paid RMB78,973,000 for the purchase of computer equipment, which will be recognized as fixed assets after delivery.

During the Track Record Period, the amounts of depreciation expense charged to profit or loss are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Cost of sales	—	1,035	1,232	616	616
Research and development expenses	3,523	3,511	3,139	1,663	4,335
Selling expenses	152	160	104	60	62
Administrative expenses	1,325	1,498	1,519	728	683
	<u>5,000</u>	<u>6,204</u>	<u>5,994</u>	<u>3,067</u>	<u>5,696</u>

18 LEASE

(a) Amounts recognized in the consolidated balance sheets

	Year ended 31 December			Six months ended
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				(Unaudited)
Right-of-use assets				
Offices and warehouses (i)	<u>14,464</u>	<u>11,859</u>	<u>7,529</u>	<u>5,783</u>
	<u>14,464</u>	<u>11,859</u>	<u>7,529</u>	<u>5,783</u>
Lease liabilities				
Current	3,891	3,656	3,811	3,932
Non-current	<u>11,044</u>	<u>8,825</u>	<u>4,568</u>	<u>2,578</u>
	<u>14,935</u>	<u>12,481</u>	<u>8,379</u>	<u>6,510</u>

- (i) Additions to right-of-use assets during the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025 were RMB7,197,000, RMB1,652,000, nil and nil respectively.

APPENDIX I

ACCOUNTANT’S REPORT

(b) Amounts recognized in the consolidated statements of comprehensive loss

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Depreciation charge of right-of-use assets	1,200	4,257	3,767	1,960	1,746
Interest expenses (included in finance costs)	261	649	485	266	177
Expense relating to short-term leases (included in cost of sales, research and development expenses, sales and marketing expenses, and general and administrative expenses)	748	1,332	440	182	602
	<u>2,209</u>	<u>6,238</u>	<u>4,692</u>	<u>2,408</u>	<u>2,525</u>

The total cash outflows for leases payments for the years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2024 and 2025 were approximately RMB4,076,000, RMB4,755,000, RMB3,993,000, RMB2,051,000 and RMB2,046,000 respectively.

APPENDIX I

ACCOUNTANT’S REPORT

19 INTANGIBLE ASSETS

	Software RMB'000	Technology RMB'000	Goodwill RMB'000	Total RMB'000
At 1 January 2022				
Cost	170	—	—	170
Accumulated amortisation	(23)	—	—	(23)
Net book amount	147	—	—	147
Year ended 31 December 2022				
Opening net book amount	147	—	—	147
Acquisition of a subsidiary (<i>Note 37</i>)	4,100	45,200	178,111	227,411
Amortisation charge (<i>Note 10</i>)	(85)	—	—	(85)
Closing net book amount	4,162	45,200	178,111	227,473
At 31 December 2022				
Cost	4,270	45,200	178,111	227,581
Accumulated amortisation	(108)	—	—	(108)
Net book amount	4,162	45,200	178,111	227,473
Year ended 31 December 2023				
Opening net book amount	4,162	45,200	178,111	227,473
Amortisation charge (<i>Note 10</i>)	(513)	(4,520)	—	(5,033)
Closing net book amount	3,649	40,680	178,111	222,440
At 31 December 2023				
Cost	4,270	45,200	178,111	227,581
Accumulated amortisation	(621)	(4,520)	—	(5,141)
Net book amount	3,649	40,680	178,111	222,440
Year ended 31 December 2024				
Opening net book amount	3,649	40,680	178,111	222,440
Additions	70	—	—	70
Amortisation charge (<i>Note 10</i>)	(455)	(4,520)	—	(4,975)
Closing net book amount	3,264	36,160	178,111	217,535
At 31 December 2024				
Cost	4,340	45,200	178,111	227,651
Accumulated amortisation	(1,076)	(9,040)	—	(10,116)
Net book amount	3,264	36,160	178,111	217,535

APPENDIX I

ACCOUNTANT’S REPORT

	Software RMB'000	Technology RMB'000	Goodwill RMB'000	Total RMB'000
(Unaudited)				
Six months ended 30 June 2025				
Opening net book amount	3,264	36,160	178,111	217,535
Additions	223	—	—	223
Amortisation charge (<i>Note 10</i>)	<u>(256)</u>	<u>(2,260)</u>	<u>—</u>	<u>(2,516)</u>
Closing net book amount	<u>3,231</u>	<u>33,900</u>	<u>178,111</u>	<u>215,242</u>
At 30 June 2025				
Cost	4,563	45,200	178,111	227,874
Accumulated amortisation	<u>(1,332)</u>	<u>(11,300)</u>	<u>—</u>	<u>(12,632)</u>
Net book amount	<u>3,231</u>	<u>33,900</u>	<u>178,111</u>	<u>215,242</u>

During the Track Record Period, the amounts of amortisation expenses charged to profit or loss are as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Cost of sales	—	4,520	4,520	2,260	2,260
Research and development expenses	—	451	455	226	237
Administrative expenses	<u>85</u>	<u>62</u>	<u>—</u>	<u>—</u>	<u>19</u>
	<u>85</u>	<u>5,033</u>	<u>4,975</u>	<u>2,486</u>	<u>2,516</u>

Goodwill impairment

The goodwill arose from the Group’s acquisition of 100% equity interest in Jiangsu SVFactory Co., Ltd. in December 2022 (Note 37). After the acquisition, Jiangsu SVFactory’s business and the Company’s existing business were managed together and the Company shortened traditional month-long algorithm development cycles, which benefits from Jiangsu SVFactory’s algorithm technologies. Therefore the management considered the whole group as one cash-generated-units (“CGU”) and goodwill was monitored at group level.

The Group carries out its annual impairment test on goodwill by comparing the recoverable amounts of cash generating units (“CGU”) to the carrying amounts. Management determined the recoverable amount of the CGU based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets prepared by management covering a forecast period. Cash flows beyond the forecast period are extrapolated using the estimated terminal growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

Based on the results of the impairment assessments, no impairment loss on the goodwill was recognized as at 31 December 2022, 2023, 2024 and 30 June 2025.

APPENDIX I

ACCOUNTANT’S REPORT

The key inputs and results of the impairment assessments are as follows:

	As at 31 December			As at
	2022	2023	2024	30 June 2025
Annual revenue growth rate for the forecast period	9%–38%	9%–38%	9%–31%	9%–31%
Gross profit rate	40.9%–49.2%	40.9%–49.2%	40.9%–49.2%	40.9%–49.2%
Terminal growth rate (%)	2%	2%	2%	2%
Pre-tax discount rate (%)	15%	14%	14%	13%
Recoverable amount (<i>in millions of RMB</i>)	960	1,205	1,055	1,171
Headroom (<i>in millions of RMB</i>)	<u>687</u>	<u>938</u>	<u>803</u>	<u>817</u>

The discount rate used is pre-tax and reflects market assessments of the time value and the specific risks relating to the industry. The revenue growths rate and budgeted gross profit rate was determined by the management based on past performance and its expectation for market development.

The Group performs the sensitivity analysis based on the assumptions that revenue amount or terminal value or the discount rate have been changed. Had the estimated key assumptions during the forecast period been changed as below, the headroom would be decreased to as below:

	As at 31 December			As at
	2022	2023	2024	30 June 2025
	<i>(in millions of RMB)</i>			
Revenue growth rate decreases by 10%	280	633	552	551
Gross margin decreases by 10%	203	351	105	79
Terminal growth rate decreases by 10%	675	922	784	797
Discount rate increases by 10%	<u>512</u>	<u>738</u>	<u>604</u>	<u>618</u>

20 SHARE-BASED PAYMENTS

(a) Employee incentive schemes

The Group adopted several employee restricted share unit plans (“RSU Plans”) to provide incentives for its directors, management team, employees and certain consultants contributing to the Group. During the Track Record Period, the employee incentive plan involves four partnership platforms and all shares held by these platforms were transferred from the ultimate controlling shareholders.

The Group granted restricted share units (“RSU”) to management team employees with certain service period.

RSU Plans

In December 2023, 2,910,739 restricted share units (“RSU”) of the partnership platforms were granted to directors, management team, employees immediately at a consideration of RMB1.0712 per share and without any service condition, and the Company recognized share-based compensation expenses immediately. During the year ended 31 December 2023, the expenses recognized were RMB55,069,830.

APPENDIX I

ACCOUNTANT’S REPORT

In December 2020, 403,283 restricted share units of the partnership platforms were granted to certain directors, managements and employees at a consideration of RMB1.0712 per share and with a 4- year service condition. From 2020 to 2023, the Company also adopted several batches of the RSU Plan with certain service period, which allows employees to hold the shares of the Company through the partnership platforms indirectly. From December 2023 to January 2024, the Company entered into supplementary agreements with the grantees to cancel the vesting condition and the RSUs were granted to the grantees immediately. During the year ended 31 December 2023 and 2024, the expenses recognized were RMB270,000 and RMB475,000, respectively.

Movements in the number of restricted shares unit held by the grantees subject to service condition during the Track Record Period are as follows:

	Year ended 31 December			Six months ended
	2022	2023	2024	30 June 2025
At the beginning of the year/ period	403,283	403,283	381,394	123,741
Granted	—	123,741	—	—
Vested	—	(145,630)	(257,653)	—
At the end of the year/period	<u>403,283</u>	<u>381,394</u>	<u>123,741</u>	<u>123,741</u>

From 2021 to 2022, Jiangsu SVFactory Co., Ltd. (“Jiansu SVFactory”) adopted a restricted share scheme, which allows employees to purchase certain interests of the partnership platform at a consideration of RMB1 per share to indirectly hold the shares of Jiangsu SVFactory. On 30 December 2022, Jiangsu SVFactory’s restricted share scheme was replaced by 2,090,456 share options of the Company’s restricted share scheme through the acquisition of Jiangsu SVFactory while the vesting condition kept the same as that condition before the acquisition date. The value of the replaced Jiangsu SVFactory’s restricted share scheme at the acquisition date that relates to pre-combination was accounted for as part of consideration amounting to RMB14,712,000 (Note 37) and the remaining value of the restricted share scheme that related to post-combination services was amortized during the remaining service period after acquisition date. From December 2023 to January 2024, the Company entered into supplementary agreements with the grantees to cancel the vesting condition and the remaining options could be vested immediately. During the year ended 31 December 2023 and 2024, the expenses recognized were RMB1,290,000 and RMB4,570,000, respectively.

Movements in the number of share options granted and their related weighted average exercise price during the Track Record Period are as follows:

	Year ended 31 December		
	2022	2023	2024
At the beginning of the year/period	—	2,090,456	1,048,122
Replacement through acquisition	2,090,456	—	—
Vested	—	(1,042,334)	(1,048,122)
At the end of the year/period	<u>2,090,456</u>	<u>1,048,122</u>	<u>—</u>

APPENDIX I

ACCOUNTANT’S REPORT

(b) Fair value of restricted shares granted

During the Track Record Period, the Company has employed the binomial option-pricing model to determine the fair value of the share options based on the fair value of the underlying equity of the Company at the grant date and determines the fair value of restricted share units on the basis of the fair value of the underlying ordinary shares on the date when the equity instruments are granted, less the exercise price. The fair value of the underlying equity of the Company is determined by the equity price allocation model.

Key assumptions are set out below:

	As at 31 December	
	2022	2023
Fair value per ordinary share (<i>RMB</i>)	15.13	19.99
Risk-free interest rates	2.53%	2.30%
Dividend Yield	—	—
Expected volatility	50.37%	46.19%

(c) Share-based payment to investors

On 27 July 2022, Series A investor, Baidu Online Network Technology (Beijing) Co., Ltd. (百度在線網絡技術(北京)有限公司) (“Baidu Network”), transferred equity interest in the predecessor company in the respective amounts of RMB902,486 and RMB902,486 in registered capital to Changzhou Qingfeng Yungang Investment Center (Limited Partnership) (常州青楓雲港投資中心(有限合夥)) (“Qingfeng Yungang”) and Changzhou Zhonglou Listed Backup Industry Investment Partnership (Limited Partnership) (常州鐘樓上市後備產業投資合夥企業(有限合夥)) (“Zhonglou Investment”) at a consideration of RMB36,000,000 and RMB36,000,000, respectively.

The redemption liabilities due to Baidu Network is RMB19,474,000 on the day before the above mentioned equity transfer transaction. To facilitate the aforementioned transaction, the Company committed the redemption amount and liquidation preference amount to Qingfeng Yungang and Zhonglou Investment based on the equity transfer price without any consideration received, and therefore the Company recognized the difference of the redemption liabilities before and after transaction amounting to RMB52,526,000 as the share-based payment expenses in the year ended 31 December 2022.

(d) Expenses arising from share-based compensation transactions

Expenses for the share-based compensation have been charged to the consolidated statements of comprehensive income as follows:

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(Unaudited)	(Unaudited)
Administrative expenses	52,676	15,808	4,404	4,110	290
Selling expenses	213	13,726	83	83	—
Research and development expenses	405	34,627	1,144	1,144	—
Cost of sales	—	1,681	—	—	—
	<u>53,294</u>	<u>65,842</u>	<u>5,631</u>	<u>5,337</u>	<u>290</u>

APPENDIX I

ACCOUNTANT’S REPORT

21 FINANCIAL INSTRUMENTS BY CATEGORY

The Group

The Group holds the following financial instruments:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				(Unaudited)
Financial assets at amortized costs:				
Cash and cash equivalents				
<i>(Note 27)</i>	83,520	20,867	14,117	343,565
Restricted cash <i>(Note 27)</i>	22,826	—	744	56,034
Trade and notes receivables				
<i>(Note 23)</i>	172,375	386,540	615,133	500,388
Other receivables <i>(Note 25)</i>	7,750	3,646	4,959	10,101
Financial assets at FVOCI				
<i>(Note 24)</i>	1,568	199	5	508
Financial assets at FVPL <i>(Note 26)</i>	—	—	—	224,000
	<u>288,039</u>	<u>411,252</u>	<u>634,958</u>	<u>1,134,596</u>

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				(Unaudited)
Financial liabilities at amortized costs:				
Redemption liabilities <i>(Note 31)</i>	210,645	230,495	313,271	—
Lease liabilities <i>(Note 18)</i>	14,935	12,481	8,379	6,510
Trade and notes payables <i>(Note 32)</i>	110,613	208,099	212,772	95,943
Other payables and accruals				
(excluding employee benefits				
payables, warranty provision and				
tax payables) <i>(Note 32)</i>	750	2,706	5,961	2,164
Borrowings <i>(Note 30)</i>	175,699	254,040	362,807	541,435
Long-term payables <i>(Note 33)</i>	<u>9,291</u>	<u>5,445</u>	<u>1,347</u>	<u>—</u>
	<u>521,933</u>	<u>713,266</u>	<u>904,537</u>	<u>646,052</u>

The Group’s exposure to various risks associated with the financial instruments is discussed in Note 3. The maximum exposure to credit risk at the end of the Track Record Period is the carrying amount of each class of financial assets mentioned above.

APPENDIX I

ACCOUNTANT’S REPORT

22 INVENTORIES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Work in progress	8,312	37,368	73,249	37,782
Raw materials	1,974	8,486	4,716	8,619
Finished goods	3,266	479	—	—
Less: provision for inventory	(405)	(590)	(412)	(274)
	<u>13,147</u>	<u>45,743</u>	<u>77,553</u>	<u>46,127</u>

During three years ended 31 December 2022, 2023 and 2024 and six months ended 30 June 2024 and 2025, inventories were recognised as cost of sales and research and development expenses amounted to RMB110,235,000, RMB241,704,000, RMB309,896,000, RMB73,580,000 and RMB205,471,000, respectively, and provision for impairment of inventories charged to cost of sales amounted to RMB1,236,000, RMB881,000, RMB973,000, RMB202,000 and RMB16,000, respectively.

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Work in progress	1,429	22,849	68,919	36,188
Raw materials	6,070	7,903	4,155	8,231
Less: provision for inventory	(405)	(86)	(412)	(274)
	<u>7,094</u>	<u>30,666</u>	<u>72,662</u>	<u>44,145</u>

During three years ended 31 December 2022, 2023 and 2024 and six months ended 30 June 2024 and 2025, inventories were recognised as cost of sales and research and development expenses amounted to RMB98,715,000, RMB218,825,000, RMB278,756,000, RMB63,630,000 and RMB202,290,000, respectively, and provision for impairment of inventories charged to cost of sales amounted to RMB1,236,000, RMB377,000, RMB420,000, RMB8,000 and RMB16,000, respectively.

APPENDIX I

ACCOUNTANT’S REPORT

23 TRADE AND NOTES RECEIVABLES

The Group

As at 31 December 2022, 2023 and 2024 and 30 June 2025, the fair value of the Group’s trade and notes receivables.

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
				(Unaudited)
Trade receivables from contracts with customers (i) (ii)	177,218	405,351	642,643	519,052
Notes receivables	4,827	978	2,858	6,151
Less: provision for impairment	(9,670)	(19,789)	(30,368)	(24,815)
Total trade and notes receivables	<u>172,375</u>	<u>386,540</u>	<u>615,133</u>	<u>500,388</u>

(i) Ageing analysis of trade receivables

The ageing analysis of the trade receivables based on date of revenue recognition was as follows:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
				(Unaudited)
Within 1 year	155,836	360,363	513,186	444,296
1–2 years	17,979	39,467	96,196	44,218
2–3 years	426	2,458	28,926	20,436
Over 3 years	<u>2,977</u>	<u>3,063</u>	<u>4,335</u>	<u>10,102</u>
	<u>177,218</u>	<u>405,351</u>	<u>642,643</u>	<u>519,052</u>

The Company

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
				(Unaudited)
Trade receivables from contracts with customers (ii) (iii)	115,785	292,669	469,837	452,478
Notes receivables at amortised cost	4,827	978	2,858	6,152
Less: provision for impairment	(5,724)	(12,095)	(16,794)	(19,025)
Total trade and notes receivables	<u>114,888</u>	<u>281,552</u>	<u>455,901</u>	<u>439,605</u>

APPENDIX I

ACCOUNTANT’S REPORT

(ii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables based on date of revenue recognition was as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Within 1 year	94,629	268,016	413,396	414,631
1–2 years	17,851	19,230	42,675	18,161
2–3 years	368	2,458	9,530	10,232
Over 3 years	<u>2,937</u>	<u>2,965</u>	<u>4,236</u>	<u>9,454</u>
	<u>115,785</u>	<u>292,669</u>	<u>469,837</u>	<u>452,478</u>

(iii) Fair values of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

24 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Notes receivables classified as financial assets at FVOCI	<u>1,568</u>	<u>199</u>	<u>5</u>	<u>508</u>

Notes receivables held both by collecting contractual cash flows and selling of these assets are classified as FVOCI. All the aging of notes receivable is within one year.

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Notes receivables classified as financial assets at FVOCI	<u>1,568</u>	<u>74</u>	<u>5</u>	<u>508</u>

APPENDIX I

ACCOUNTANT’S REPORT

25 PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Other receivables				
Rebate receivable	4,028	—	—	—
Deposits	2,315	2,220	2,134	3,357
Others	1,407	1,226	827	6,422
Amounts due from related parties	—	200	1,998	322
	<u>7,750</u>	<u>3,646</u>	<u>4,959</u>	<u>10,101</u>
Less: impairment of other receivables	<u>(691)</u>	<u>(704)</u>	<u>(727)</u>	<u>(802)</u>
	<u>7,059</u>	<u>2,942</u>	<u>4,232</u>	<u>9,299</u>
Prepayments and Other assets				
Deductible Value-added Tax	5,409	7,770	9,409	47,634
Products and services procurement	8,253	4,292	4,653	32,129
Other prepayments and prepaid expenses	<u>261</u>	<u>375</u>	<u>301</u>	<u>2,016</u>
	<u>13,923</u>	<u>12,437</u>	<u>14,363</u>	<u>81,779</u>
Total prepayments, deposits and other receivables	<u><u>20,982</u></u>	<u><u>15,379</u></u>	<u><u>18,595</u></u>	<u><u>91,078</u></u>

APPENDIX I

ACCOUNTANT’S REPORT

The Company

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				(Unaudited)
Other receivables				
Amounts due from related parties	67,603	115,461	159,974	177,638
Rebate receivable	4,028	—	—	—
Deposits	265	396	560	1,763
Others	561	216	325	5,802
	<u>72,457</u>	<u>116,073</u>	<u>160,859</u>	<u>185,203</u>
Less: impairment of other receivables	<u>(979)</u>	<u>(1,586)</u>	<u>(2,215)</u>	<u>(2,548)</u>
	<u>71,478</u>	<u>114,487</u>	<u>158,644</u>	<u>182,655</u>
Prepayments and other assets				
Deductible Value-added Tax	2,941	4,288	5,647	44,569
Products and services procurement	5,203	550	1,046	28,353
Other prepayments and prepaid expenses	40	160	215	629
	<u>8,184</u>	<u>4,998</u>	<u>6,908</u>	<u>73,551</u>
Total prepayments, deposits and other receivables	<u>79,662</u>	<u>119,485</u>	<u>165,552</u>	<u>256,206</u>

26 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and the Company

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				(Unaudited)
Unlisted investments, at fair value	<u>—</u>	<u>—</u>	<u>—</u>	<u>224,000</u>

On 11 June 2025, the Company entered into a framework purchase agreement (“Framework Agreement”) with the shareholders of Agilebot Robotics Co., Ltd. (“Agilebot Sellers”) for the acquisition of 100% equity interest in Agilebot Robotics Co., Ltd. (the “Agilebot Acquisition”). Pursuant to the Framework Agreement, the Agilebot Acquisition shall be completed in two batches. The first batch transaction was completed in June 2025.

Pursuant to the Framework Agreement, the Company shall enter into a definitive agreement with the Agilebot Sellers for the second batch of the remaining 79.71% equity, which consideration shall be settled by cash and the issuance of consideration shares. If the second batch fails to complete and the failure reason is not attribute to the Company, the founding shareholder of Agilebot commits to redeem the 20.29% equity at the original price of the first batch transaction. Therefore the investment for 20.29% equity and arrangement with founding shareholder of Agilebot was designated as a financial asset at fair value through profit or loss as a whole.

APPENDIX I

ACCOUNTANT’S REPORT

27 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

The Group

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				(Unaudited)
Cash and cash balances	106,346	20,867	14,861	399,599
Less: restricted cash (a)	(22,826)	—	(744)	(56,034)
Cash and cash equivalents	<u>83,520</u>	<u>20,867</u>	<u>14,117</u>	<u>343,565</u>

- (a) As of 31 December 2022 and 2024 and 30 June 2025 the restricted cash in the amount of RMB22,826,000, RMB744,000 and RMB56,034,000, respectively, were frozen deposits. As of 30 June 2025 the restricted cash in the amount of RMB56,000,000 was pledged to Bank of China for the loan of RMB156,000,000 (Note 30).

The cash and cash equivalents are denominated in the following currencies:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				(Unaudited)
RMB	69,680	20,136	13,260	339,494
USD	13,840	730	857	4,071
EUR	—	1	—	—
	<u>83,520</u>	<u>20,867</u>	<u>14,117</u>	<u>343,565</u>

The Company

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				(Unaudited)
Cash and cash balances	29,151	9,174	6,914	282,008
Less: restricted cash (a)	(22,661)	—	(692)	(56,000)
Cash and cash equivalents	<u>6,490</u>	<u>9,174</u>	<u>6,222</u>	<u>226,008</u>

APPENDIX I

ACCOUNTANT’S REPORT

- (a) As of 31 December 2022 and 2024, the restricted cash in the amount of RMB22,661,000 and RMB692,000, respectively, were the frozen deposits. As of 30 June 2025, the restricted cash in the amount of RMB56,000,000 was pledged for the loan of RMB156,000,000 (Note 30).

The cash and cash equivalents are denominated in the following currencies:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
RMB	6,490	9,174	6,222	223,840
USD	—	—	—	2,168
	<u>6,490</u>	<u>9,174</u>	<u>6,222</u>	<u>226,008</u>

28 PAID-IN CAPITAL

The Group and the Company

Paid-in capital are generated from founders’ and investors’ capital injection. The excess of total consideration raised over paid-in capital was credited to the Company’s capital reserve (Note 29).

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
At 1 January	30,083	44,193	44,193	45,700
Capital contribution from shareholders	<u>14,110</u>	<u>—</u>	<u>1,507</u>	<u>15,232</u>
At 31 December	<u>44,193</u>	<u>44,193</u>	<u>45,700</u>	<u>60,932</u>

Note:

- (i) In May 2024, the Company entered into an investment agreement with series C investors, pursuant to which total capital of RMB60,000,000 was contributed into the Company. The proceeds of RMB50,000,000 were received by the Company in May 2024. The remaining proceeds of RMB10,000,000 were received by the Company in June 2024, with RMB1,507,000 and RMB58,493,000 credited to the Company’s paid-in capital and capital reserves, respectively (Note 29). Certain redemption rights upon capital contribution were granted to Series C investors, details of which refer to Note 31.
- (ii) From February to June 2025, the Company entered into an investment agreement with series C investors, pursuant to which total capital of RMB606,613,000 was contributed into the Company with RMB15,232,000 and RMB591,381,000 credited to the Company’s paid-in capital and capital reserves, respectively (Note 29). Certain redemption rights upon capital contribution were granted to Series C investors, details of which refer to Note 31.
- (iii) On 22 September 2025, the Company was converted into a joint stock company with limited liability, 300,000,000 ordinary shares at RMB1.0 each were issued and allotted to the then owners of the Company in proportion to their paid-in capital to the Company on that day.

APPENDIX I

ACCOUNTANT’S REPORT

29 RESERVES

The Group

	Reserves				
	Other reserve	Capital reserve	Share-based payment	Currency translation reserve	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2022	(54,029)	49,882	793	—	(3,354)
Capital contribution from investors	(2,091)	206,983	—	—	204,892
Share-based payment (Note 20)	—	—	53,294	—	53,294
Recognition of redemption liabilities (Note 31)	<u>(136,519)</u>	<u>4,793</u>	<u>—</u>	<u>—</u>	<u>(131,726)</u>
At 31 December 2022	<u>(192,639)</u>	<u>261,658</u>	<u>54,087</u>	<u>—</u>	<u>123,106</u>
At 1 January 2023	(192,639)	261,658	54,087	—	123,106
Share-based payment (Note 20)	1,043	—	64,799	—	65,842
Currency translation differences	<u>—</u>	<u>—</u>	<u>—</u>	<u>(86)</u>	<u>(86)</u>
At 31 December 2023	<u>(191,596)</u>	<u>261,658</u>	<u>118,886</u>	<u>(86)</u>	<u>188,862</u>

APPENDIX I

ACCOUNTANT’S REPORT

			Reserves		
	Other reserve <i>RMB'000</i>	Capital reserve <i>RMB'000</i>	Share-based payment <i>RMB'000</i>	Currency translation reserve <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2024	(191,596)	261,658	118,886	(86)	188,862
Capital contribution from investor	—	58,493	—	—	58,493
Share-based payment (<i>Note 20</i>)	1,048	—	4,583	—	5,631
Recognition of redemption liabilities (<i>Note 31</i>)	(60,000)	—	—	—	(60,000)
Currency translation differences	—	—	—	(127)	(127)
At 31 December 2024	<u>(250,548)</u>	<u>320,151</u>	<u>123,469</u>	<u>(213)</u>	<u>192,859</u>
At 1 January 2025	(250,548)	320,151	123,469	(213)	192,859
Capital contribution from investors	—	591,381	—	—	591,381
Share-based payment (<i>Note 20</i>)	—	—	290	—	290
Recognition of redemption liabilities (<i>Note 31</i>)	(606,613)	—	—	—	(606,613)
Derecognition of redemption liabilities (<i>Note 31</i>)	858,432	84,871	—	—	943,303
Currency translation differences	—	—	—	5	5
At 30 June 2025 (unaudited)	<u>1,271</u>	<u>996,403</u>	<u>123,759</u>	<u>(208)</u>	<u>1,121,225</u>

APPENDIX I

ACCOUNTANT’S REPORT

The Company

	Reserves				
	Other reserve <i>RMB'000</i>	Capital reserve <i>RMB'000</i>	Share-based payment <i>RMB'000</i>	Currency translation reserve <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2022	(54,029)	50,219	592	—	(3,218)
Capital contribution from investors	(2,091)	206,983	—	—	204,892
Share-based payment	—	—	53,137	—	53,137
Recognition of financial instruments with preferred rights at amortized cost (<i>Note 31</i>)	<u>(136,519)</u>	<u>4,793</u>	<u>—</u>	<u>—</u>	<u>(131,726)</u>
At 31 December 2022	<u>(192,639)</u>	<u>261,995</u>	<u>53,729</u>	<u>—</u>	<u>123,085</u>
At 1 January 2023	(192,639)	261,995	53,729	—	123,085
Share based payment	1,043	—	65,671	—	66,714
Currency translation differences	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
At 31 December 2023	<u>(191,596)</u>	<u>261,995</u>	<u>119,400</u>	<u>—</u>	<u>189,799</u>
At 1 January 2024	(191,596)	261,995	119,400	—	189,799
Capital contribution from investors	—	58,493	—	—	58,493
Share-based payment	1,048	—	5,467	—	6,515
Recognition of financial instruments with preferred rights at amortized cost (<i>Note 31</i>)	<u>(60,000)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(60,000)</u>
At 31 December 2024	<u>(250,548)</u>	<u>320,488</u>	<u>124,867</u>	<u>—</u>	<u>194,807</u>
At 1 January 2025	(250,548)	320,488	124,867	—	194,807
Share-based payment	—	—	289	—	289
Capital contribution from investors	—	591,381	—	—	591,381
Recognition of redemption liabilities (<i>Note 31</i>)	(606,613)	—	—	—	(606,613)
Derecognition of redemption liabilities (<i>Note 31</i>)	<u>858,432</u>	<u>84,871</u>	<u>—</u>	<u>—</u>	<u>943,303</u>
At 30 June 2025 (unaudited)	<u>1,271</u>	<u>996,740</u>	<u>125,156</u>	<u>—</u>	<u>1,123,167</u>

APPENDIX I

ACCOUNTANT’S REPORT

30 BANK BORROWINGS

The Group

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				(Unaudited)
Bank borrowings included in current liabilities				
Long term borrowings due within one year — unsecured and guaranteed	—	30,000	27,000	25,920
Long term borrowings due within one year — secured and guaranteed	—	—	—	25,000
Bank Borrowings — unsecured and guaranteed	125,703	156,040	290,887	325,515
Bank Borrowings — secured and guaranteed	—	33,000	25,000	10,000
Bank Borrowings — unsecured and unguaranteed	19,996	35,000	—	—
	<u>145,699</u>	<u>254,040</u>	<u>342,887</u>	<u>386,435</u>
Bank borrowings included in non-current liabilities				
Bank Borrowings — unsecured and guaranteed	30,000	30,000	46,920	49,920
Bank Borrowings — secured and guaranteed	—	—	—	156,000
Less:				
long term borrowings due within one year — unsecured and guaranteed	—	(30,000)	(27,000)	(25,920)
long term borrowings due within one year — secured and guaranteed	—	—	—	(25,000)
	<u>30,000</u>	<u>—</u>	<u>19,920</u>	<u>155,000</u>
Total Bank Borrowings	<u>175,699</u>	<u>254,040</u>	<u>362,807</u>	<u>541,435</u>

The Group had interest-bearing bank loans of RMB145.7 million, RMB254.0 million, RMB342.9 million and RMB386.4 million as of 31 December 2022, 2023, 2024 and 30 June 2025, respectively, all of which were due within one year on demand. The Group had interest-bearing bank loans of RMB30.0 million, RMB19.9 million and RMB155.0 million as of 31 December 2022, 31 December 2024 and 30 June 2025, respectively, all of which were due in more than one year.

The unsecured and guaranteed borrowings were RMB155.7 million, RMB186.0 million, RMB337.8 million and RMB375.4 million as of 31 December 2022, 2023, 2024 and 30 June 2025, respectively. The secured and guaranteed borrowings were RMB33.0 million, RMB25.0 million and RMB166.0 million as of 31 December 2023, 2024, and 30 June 2025, respectively. The unsecured and unguaranteed borrowings were RMB20.0 million and RMB35.0 million as of 31 December 2022 and 2023, respectively.

APPENDIX I

ACCOUNTANT’S REPORT

The annual interest rate of the interest-bearing bank loans was 3.3%, 3.5%, 3.6%, and 4.1% as of 31 December 2022, 2023, 2024, and 30 June 2025, respectively.

As at 31 December 2023, the Group borrowed one short-term secured and guaranteed loan of RMB3,000,000 at an annualized interest rate of 3.85% and RMB30,000,000 at an annualized interest rate of 3.95% from the third party, secured by intellectual property rights and guaranteed by Mr. Pan Zhengyi.

As at 31 December 2024, the Group borrowed one short-term secured and guaranteed loan of RMB25,000,000 at an annualized interest rate of 1.00% from the third party, secured by intellectual property rights and guaranteed by Mr. Pan Zhengyi.

As at 30 June 2025, the Group borrowed one short-term secured and guaranteed loan of RMB10,000,000 at an annualized interest rate of 1.00% from the third party, secured by intellectual property rights and guaranteed by Mr. Pan Zhengyi and the Group borrowed another long-term secured and guaranteed loan of RMB156,000,000 at an annualized interest rate of 2.80% from the third party, secured by deposits and guaranteed by Mr. Pan Zhengyi and Mr. Zhang Zhiqi.

The Company

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				(Unaudited)
Bank borrowings included in current liabilities				
Long term borrowings due within one year — unsecured and guaranteed	—	30,000	27,000	25,920
Long term borrowings due within one year — secured and guaranteed	—	—	—	25,000
Bank Borrowings — unsecured and guaranteed	89,913	123,250	237,100	266,751
Bank Borrowings — secured and guaranteed	—	30,000	25,000	10,000
Bank Borrowings — unsecured and unguaranteed	19,996	30,000	—	—
	<u>109,909</u>	<u>213,250</u>	<u>289,100</u>	<u>327,671</u>
Bank borrowings included in non-current liabilities				
Bank Borrowings — unsecured and guaranteed	30,000	30,000	46,920	49,920
Bank Borrowings — secured and guaranteed	—	—	—	156,000
Less:				
Long term borrowings due within one year — unsecured and guaranteed	—	(30,000)	(27,000)	(25,920)
Long term borrowings due within one year — secured and guaranteed	—	—	—	(25,000)
	<u>30,000</u>	<u>—</u>	<u>19,920</u>	<u>155,000</u>
Total Bank Borrowings	<u>139,909</u>	<u>213,250</u>	<u>309,020</u>	<u>482,671</u>

APPENDIX I

ACCOUNTANT’S REPORT

The Company had interest-bearing bank loans of RMB109.9 million, RMB213.3 million, RMB289.1 million and RMB327.7 million as of 31 December 2022, 2023, 2024 and 30 June 2025, respectively, all of which were due within one year on demand. The Company had interest-bearing bank loans of RMB30.0 million, RMB19.9 million and RMB155.0 million as of 31 December 2022, 31 December 2024, and 30 June 2025, respectively, all of which were due in more than one year.

The unsecured and guaranteed borrowings were RMB119.9 million, RMB153.3 million, RMB284.0 million and RMB316.7 million as of 31 December 2022, 2023, 2024, and 30 June 2025, respectively. The secured and guaranteed borrowings were RMB30.0 million, RMB25.0 million and RMB166.0 million as of 31 December 2023, 2024, and 30 June 2025, respectively. The unsecured and unguaranteed borrowings were RMB20.0 million and RMB30.0 million as of 31 December 2022 and 2023, respectively.

The annual interest rate of the interest-bearing bank loans was 3.3%, 3.5%, 3.6%, and 3.7% as of 31 December 2022, 2023, 2024 and 30 June 2025.

As at 31 December 2023, the Company borrowed one short-term secured and guaranteed loan of RMB30,000,000 at an annualized interest rate of 3.95% from the third party, secured by intellectual property rights and guaranteed by Mr. Pan Zhengyi.

As at 31 December 2024, the Company borrowed one short-term secured and guaranteed loan of RMB25,000,000 at an annualized interest rate of 1.00% from the third party, secured by intellectual property rights and guaranteed by Mr. Pan Zhengyi.

As at 30 June 2025, the Company borrowed one short-term secured and guaranteed loan of RMB10,000,000 at an annualized interest rate of 1.00% from the third party, secured by intellectual property rights and guaranteed by Mr. Pan Zhengyi and the Company borrowed another long-term secured and guaranteed loan of RMB156,000,000 at an annualized interest rate of 2.80% from the third party, secured by deposits and guaranteed by Mr. Pan Zhengyi and Mr. Zhang Zhiqi.

31 REDEMPTION LIABILITIES

The Group and The Company

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
				(Unaudited)
Redemption liabilities	<u>210,645</u>	<u>230,495</u>	<u>313,271</u>	<u>—</u>

Since its incorporation in 2018, the Company has completed several rounds of financing including Series A, Series B, Jiangsu SVFactory sellers, Series C, The Company issued common shares to the investors, and the Company has entered into separate agreements with shareholders granting them redemption rights, anti-dilution rights, liquidation preferences, and other rights (collectively referred to as “Redeemable Rights”). The Company recognizes the obligations under such redemption rights as financial liabilities at amortized cost, and recognizes finance costs in the statement of comprehensive loss using the effective simple interest method.

APPENDIX I

ACCOUNTANT’S REPORT

Series	Subscription Year <i>RMB'000</i>	Subscribed Registered Capital <i>RMB'000</i>	Consideration per Unit of Registered Capital <i>RMB</i>	Total Consideration <i>RMB'000</i>
Series A	2019	1,285	8.26	10,619
Series B	2019	1,793	16.73	30,000
Series A — Qingfeng Yungang and Zhonglou Investment	2022	1,805	39.89	72,000
Jiangsu SVFactory sellers	2022	3,752	21.11	79,200
Series C	2024	1,507	39.83	60,000
Series C	2025	15,232	39.83	606,613

(i) Key terms of Redeemable Rights granted.

Redemption right

The Series A, Series B, Jiangsu SVFactory sellers, Series C have rights to require the Company to redeem their investments if:

- (a) The Company fails to achieve a Qualified [REDACTED] before 31 December 2028.
- (b) The Group, the founders, Mr. Zhang Zhiqi and shareholding platforms breaches or fails to fulfill the relevant commitments under the transaction documents corresponding to investment agreements, or cause the Company to be unable to list or significant negative impact on the Company’s operation;
- (c) The Company loses or is unable to renew essential approvals for its main business, or its main business is prohibited or significantly restricted by laws and regulations.
- (d) Any other shareholder requests a repurchase in compliance with legal requirements.

For Series A investors and Series C investors, the redemption amount is the highest of the: (i) redemption amount equivalent to the original investment amount plus annual simple interest rate of 12%/8% (12% for Series A investors, 8% for Series C investors), as well as any dividends or bonuses that the Board of Directors has declared but not yet paid; (ii) on the date when the investor requests the repurchase of equity, the proportion of the equity that the investor requests to be repurchased to the total equity of the Company at that time, multiplied by the net assets confirmed in the consolidated financial statements of the Group audited by an accounting firm recognized by the investor.

For Jiangsu SVFactory sellers, the redemption amount is the sum of the redemption amount equivalent to the original investment amount plus annual simple interest rate of 8%, as well as any dividends or bonuses that the Board of Directors has declared but not yet paid. The redemption rights of Jiangsu SVFactory sellers can not be exercised until the completion of redemption rights for Series A and Series C investors.

APPENDIX I

ACCOUNTANT’S REPORT

Liquidation preferences

If the Deemed Liquidation Event occurs, Series A and Series C investors shall be entitled to receive the liquidation preference amount, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the other holders of ordinary shares of the Company.

The following events shall be treated as a “Deemed Liquidation Event”: (a) The Company is subject to merger, acquisition, whole business sale, or other similar transaction that result in a change of control of the Company, causing the shareholders of the Company prior to such events to hold less than 50% of the shares or voting rights after such events; (b) All or substantially all of the Company’s assets are sold, and all or substantially all of the intellectual property are exclusively licensed or sold to a third party; (c) Any equity transfer, equity sale, or other transaction that results in the transfer of more than 50% of the Company’s voting rights to a third party.

For Series A investors and Series C investors, the liquidation preference amount is the highest of the: (i) redemption amount equivalent to the original investment amount plus annual simple interest rate of 12%/8% (12% for Series A investors, 8% for Series C investors), as well as any dividends or bonuses that the Board of Directors has declared but not yet paid; (ii) on the date when the investor requests the repurchase of equity, the proportion of the equity that the investor requests to be repurchased to the total equity of the Company at that time, multiplied by the net assets confirmed in the consolidated financial statements of the Group audited by an accounting firm recognized by the investor.

For Series B investors and Jiangsu SVFactory sellers, the liquidation preference amount is equal to the original investment amount plus annual simple interest rate of 12%/8% (12% for Series B investors, 8% for Jiangsu SVFactory sellers), as well as any dividends or bonuses that the Board of Directors has declared but not yet paid. The liquidation preference rights of Jiangsu SVFactory sellers can not be exercised until the full payment for liquidation preference rights of Series A and Series C investors.

Anti-dilution right

If the Company issues new shares at a lower price than the price paid by the Series A, Jiangsu SVFactory sellers and Series C investors, those investors have the right to request: (i) the Company to issue compensation equity to the investor at zero RMB or the minimum consideration allowed by laws and regulations, or (ii) the founding shareholders (among which Series C investors also have the right to request Mr. Zhang Zhiqi) to transfer compensation equity to the investor at zero RMB or the minimum consideration allowed by laws and regulations, or (iii) other methods negotiated by the relevant parties.

The directors of the Company considered that the fair value of the anti-dilution right was immaterial and therefore no derivative financial liability was recognized by the Company.

APPENDIX I

ACCOUNTANT’S REPORT

(ii) Presentation and classification

The Redeemable rights granted to the investors constitute as the Company’s obligations to repurchase its own equity instruments. These obligations were recognized as redemption liabilities to financial investors which are initially measured at fair value (representing the present value of the expected cash flows for settling the related obligations if these rights are exercised by the Investors) and subsequently measured at amortized.

	Series A Financing RMB’000	Series B Financing RMB’000	Jiangsu SVFactory sellers Financing RMB’000	Series C Financing RMB’000	Total RMB’000
As at 1 January 2022	31,830	37,338	—	—	69,168
Recognition of					
redemption liabilities	52,526	—	79,200	—	131,726
Charged to finance costs	<u>5,995</u>	<u>3,600</u>	<u>156</u>	<u>—</u>	<u>9,751</u>
As at 31 December 2022	<u>90,351</u>	<u>40,938</u>	<u>79,356</u>	<u>—</u>	<u>210,645</u>
As at 1 January 2023	90,351	40,938	79,356	—	210,645
Charged to finance costs	<u>9,914</u>	<u>3,600</u>	<u>6,336</u>	<u>—</u>	<u>19,850</u>
As at 31 December 2023	<u>100,265</u>	<u>44,538</u>	<u>85,692</u>	<u>—</u>	<u>230,495</u>
As at 1 January 2024	100,265	44,538	85,692	—	230,495
Recognition of					
redemption liabilities	—	—	—	60,000	60,000
Charged to finance costs	<u>9,914</u>	<u>3,600</u>	<u>6,336</u>	<u>2,926</u>	<u>22,776</u>
As at 31 December 2024	<u>110,179</u>	<u>48,138</u>	<u>92,028</u>	<u>62,926</u>	<u>313,271</u>
As at 1 January 2025	110,179	48,138	92,028	62,926	313,271
Recognition of					
redemption liabilities	—	—	—	606,613	606,613
Charged to finance costs	5,081	1,800	3,168	13,370	23,419
Derecognition of					
redemption liabilities	<u>(115,260)</u>	<u>(49,938)</u>	<u>(95,196)</u>	<u>(682,909)</u>	<u>(943,303)</u>
As at 30 June 2025 (unaudited)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

(iii) Termination of Preferred Rights

On 30 June 2025, pursuant to the new shareholder agreement entered into between the Company and all investors, all the Redeemable Rights, including, among others, the redemption rights, liquidation rights and anti-dilution rights were irrevocably terminated. Therefore, the redemption liabilities of approximately RMB943,303,000 and the other reserve of approximately RMB881,610,000 were derecognized accordingly. The difference of approximately RMB61,693,000 was credited to capital reserves.

APPENDIX I

ACCOUNTANT’S REPORT

32 TRADE AND NOTES PAYABLES, OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				(Unaudited)
Trade payables				
— Third parties	110,613	208,099	212,772	95,943
Notes payables	—	—	—	—
	<u>110,613</u>	<u>208,099</u>	<u>212,772</u>	<u>95,943</u>
Other payables and accruals				
Other taxes payables	14,535	30,251	74,104	84,175
Employee benefits payables	13,936	16,282	10,115	11,260
Warranty provision	2,176	107	4,580	7,720
Accrual expenses	574	1,007	995	1,002
Current portion of long-term payables	3,810	4,061	1,347	—
Others	176	1,699	4,573	769
Amount due to related parties	—	—	393	393
Total other payables and accruals	<u>35,207</u>	<u>53,407</u>	<u>96,107</u>	<u>105,319</u>

The ageing analysis of trade payables as at 31 December 2022, 2023 and 2024 and 30 June 2025 based on purchase date was as follows:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				(Unaudited)
Within 1 year	82,457	199,067	177,592	82,448
1–2 years	28,129	7,270	28,785	3,294
2–3 years	27	1,735	4,647	3,987
Over 3 years	—	27	1,748	6,214
	<u>110,613</u>	<u>208,099</u>	<u>212,772</u>	<u>95,943</u>

APPENDIX I

ACCOUNTANT’S REPORT

The Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Trade payables				
— Third parties	93,024	194,752	201,125	86,650
Notes payables	—	—	—	—
	<u>93,024</u>	<u>194,752</u>	<u>201,125</u>	<u>86,650</u>
Other payables and accruals				
Amount due to subsidiaries	7,671	58,496	55,159	85,460
Other taxes payables	13,464	28,540	70,500	84,050
Current portion of long-term payables	3,810	4,061	1,347	—
Warranty provision	2,176	107	4,580	7,720
Employee benefits payables	5,483	8,736	5,726	6,298
Accrual expenses	293	726	705	957
Others	<u>68</u>	<u>1,083</u>	<u>703</u>	<u>240</u>
Total other payables and accruals	<u>32,965</u>	<u>101,749</u>	<u>138,720</u>	<u>184,725</u>

The ageing analysis of trade payables as at 31 December 2022, 2023 and 2024 and 30 June 2025 based on purchase date was as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Within 1 year	64,894	189,923	175,159	81,964
1–2 years	28,129	3,168	23,763	2,308
2–3 years	1	1,660	556	327
Over 3 years	<u>—</u>	<u>1</u>	<u>1,647</u>	<u>2,051</u>
	<u>93,024</u>	<u>194,752</u>	<u>201,125</u>	<u>86,650</u>

APPENDIX I

ACCOUNTANT’S REPORT

33 LONG-TERM PAYABLES

The Group and the Company

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Long-term payables				
Current	3,810	4,061	1,347	—
Non-current	<u>5,481</u>	<u>1,384</u>	<u>—</u>	<u>—</u>
	<u>9,291</u>	<u>5,445</u>	<u>1,347</u>	<u>—</u>

34 OTHER NON-CURRENT LIABILITIES

The Group

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Provision	<u>17,158</u>	<u>17,893</u>	<u>18,628</u>	<u>18,996</u>

The claim arises from a supplier claiming that related expenses were incurred due to the termination of the originally agreed purchase orders and the potential amount of all future payments that the Group may need to pay is estimated to be RMB17,158,000, RMB17,893,000, RMB18,628,000 and RMB18,996,000 as of 31 December 2022, 2023, 2024, and 30 June 2025, respectively.

APPENDIX I

ACCOUNTANT’S REPORT

35 DEFERRED INCOME TAX

The Group

The analysis of deferred tax assets & liabilities is as follows:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				(Unaudited)
Total deferred tax assets:	22,394	31,271	26,065	20,343
Set-off of deferred tax liabilities pursuant to set-off provisions (a)	(2,852)	(2,376)	(1,527)	(1,178)
Net deferred tax assets	<u>19,542</u>	<u>28,895</u>	<u>24,538</u>	<u>19,165</u>
Deferred tax assets				
— to be recovered within 12 months	3,314	11,201	9,243	7,293
— to be recovered more than 12 months	<u>19,080</u>	<u>20,070</u>	<u>16,822</u>	<u>13,050</u>
	<u>22,394</u>	<u>31,271</u>	<u>26,065</u>	<u>20,343</u>
Total deferred tax liabilities:	(9,632)	(8,478)	(6,951)	(6,263)
Set-off of deferred tax assets pursuant to set-off provisions (a)	<u>2,852</u>	<u>2,376</u>	<u>1,527</u>	<u>1,178</u>
Net deferred tax assets	<u>(6,780)</u>	<u>(6,102)</u>	<u>(5,424)</u>	<u>(5,085)</u>
Deferred tax liabilities				
— to be settled within 12 months	(1,425)	(1,444)	(1,365)	(637)
— to be settled more than 12 months	<u>(8,207)</u>	<u>(7,034)</u>	<u>(5,586)</u>	<u>(5,626)</u>
	<u>(9,632)</u>	<u>(8,478)</u>	<u>(6,951)</u>	<u>(6,263)</u>

- (a) The Group only offset deferred tax assets and deferred tax liabilities for presentation purposes only if the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same tax authority on same tax payee.

The gross movement on the deferred tax assets is as follows:

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				(Unaudited)
At the beginning of the year	644	22,394	31,271	26,065
Acquisitions of subsidiaries	8,499	—	—	—
Credited/(charged) to profit or loss	<u>13,251</u>	<u>8,877</u>	<u>(5,206)</u>	<u>(5,722)</u>
At the end of the year	<u>22,394</u>	<u>31,271</u>	<u>26,065</u>	<u>20,343</u>

APPENDIX I

ACCOUNTANT’S REPORT

The gross movement on the deferred tax liabilities is as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
At the beginning of the year	—	(9,632)	(8,478)	(6,951)
Acquisitions of subsidiaries	(8,433)	—	—	—
(Charged)/credited to profit or loss	(1,199)	1,154	1,527	688
At the end of the year	<u>(9,632)</u>	<u>(8,478)</u>	<u>(6,951)</u>	<u>(6,263)</u>

The detailed movements in deferred tax assets and liabilities during the year/period are as follows:

(1) Deferred tax assets:

	Impairment of trade and other receivables, inventories and contract assets	Tax losses	Contingent liabilities	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2022	613	31	—	—	644
Credited to profit or loss	595	11,130	327	1,199	13,251
Acquisitions of a subsidiary	<u>706</u>	<u>4,104</u>	<u>2,043</u>	<u>1,646</u>	<u>8,499</u>
At 31 December 2022 and 1 January 2023	<u>1,914</u>	<u>15,265</u>	<u>2,370</u>	<u>2,845</u>	<u>22,394</u>
As at 1 January 2023	1,914	15,265	2,370	2,845	22,394
Credited/(charged) to profit or loss	<u>1,540</u>	<u>8,053</u>	<u>(247)</u>	<u>(469)</u>	<u>8,877</u>
At 31 December 2023 and 1 January 2024	<u>3,454</u>	<u>23,318</u>	<u>2,123</u>	<u>2,376</u>	<u>31,271</u>
As at 1 January 2024	3,454	23,318	2,123	2,376	31,271
Credited/(charged) to profit or loss	<u>1,912</u>	<u>(7,014)</u>	<u>734</u>	<u>(838)</u>	<u>(5,206)</u>
At 31 December 2024	<u>5,366</u>	<u>16,304</u>	<u>2,857</u>	<u>1,538</u>	<u>26,065</u>
As at 1 January 2025	5,366	16,304	2,857	1,538	26,065
(Charged)/credited to profit or loss	<u>(963)</u>	<u>(4,914)</u>	<u>502</u>	<u>(347)</u>	<u>(5,722)</u>
At 30 June 2025 (unaudited)	<u>4,403</u>	<u>11,390</u>	<u>3,359</u>	<u>1,191</u>	<u>20,343</u>

APPENDIX I

ACCOUNTANT’S REPORT

(2) Deferred tax liabilities:

	Fair value adjustment on assets upon acquisition <i>RMB'000</i>	Right of use assets <i>RMB'000</i>	Total <i>RMB'000</i>
At 1 January 2022	—	—	—
Charged to profit or loss	—	(1,199)	(1,199)
Acquisitions of a subsidiary	(6,780)	(1,653)	(8,433)
At 31 December 2022	(6,780)	(2,852)	(9,632)
As at 1 January 2023	(6,780)	(2,852)	(9,632)
Credited to profit or loss	678	476	1,154
At 31 December 2023	(6,102)	(2,376)	(8,478)
As at 1 January 2024	(6,102)	(2,376)	(8,478)
Credited to profit or loss	678	849	1,527
At 31 December 2024	(5,424)	(1,527)	(6,951)
As at 1 January 2025	(5,424)	(1,527)	(6,951)
Credited to profit or loss	339	349	688
At 30 June 2025 (unaudited)	(5,085)	(1,178)	(6,263)

The Company

The analysis of deferred tax assets & liabilities is as follows:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(Unaudited)
Total deferred tax assets:	12,633	21,685	17,289	15,905
Set-off of deferred tax liabilities pursuant to set-off provisions	—	—	—	—
Net deferred tax assets	12,633	21,685	17,289	15,905
Deferred tax assets				
— to be recovered within 12 months	1,471	9,117	4,721	5,590
— to be recovered more than 12 months	11,162	12,568	12,568	10,315
	12,633	21,685	17,289	15,905

APPENDIX I

ACCOUNTANT’S REPORT

The gross movement on the deferred tax assets is as follows:

	Year ended 31 December			Six months ended 30 June 2025 (Unaudited)
	2022 RMB'000	2023 RMB'000	2024 RMB'000	RMB'000
At the beginning of the year	709	12,633	21,685	17,289
Credited to profit or loss	<u>11,924</u>	<u>9,052</u>	<u>(4,396)</u>	<u>(1,384)</u>
At the end of the year	<u>12,633</u>	<u>21,685</u>	<u>17,289</u>	<u>15,905</u>

The detailed movements in deferred tax assets during the year/period are as follows:

(1) Deferred tax assets:

	Impairment of trade and other receivables, inventories and contract assets RMB'000	Tax losses RMB'000	Estimate liabilities RMB'000	Impairment of Investments in associates RMB'000	Total RMB'000
At 1 January 2022	709	—	—	—	709
Credited to profit or loss	<u>436</u>	<u>11,162</u>	<u>326</u>	<u>—</u>	<u>11,924</u>
At 31 December 2022 and 1 January 2023	<u>1,145</u>	<u>11,162</u>	<u>326</u>	<u>—</u>	<u>12,633</u>
As at 1 January 2023	1,145	11,162	326	—	12,633
Credited/(charged) to profit or loss	<u>1,027</u>	<u>8,335</u>	<u>(310)</u>	<u>—</u>	<u>9,052</u>
At 31 December 2023 and 1 January 2024	<u>2,172</u>	<u>19,497</u>	<u>16</u>	<u>—</u>	<u>21,685</u>
As at 1 January 2024	2,172	19,497	16	—	21,685
Credited/(charged) to profit or loss	<u>875</u>	<u>(6,929)</u>	<u>671</u>	<u>987</u>	<u>(4,396)</u>
At 31 December 2024	<u>3,047</u>	<u>12,568</u>	<u>687</u>	<u>987</u>	<u>17,289</u>
As at 1 January 2025	3,047	12,568	687	987	17,289
Credited/(charged) to profit or loss	<u>398</u>	<u>(2,253)</u>	<u>471</u>	<u>—</u>	<u>(1,384)</u>
At 30 June 2025 (unaudited)	<u>3,445</u>	<u>10,315</u>	<u>1,158</u>	<u>987</u>	<u>15,905</u>

APPENDIX I

ACCOUNTANT’S REPORT

36 CASH FLOW INFORMATION

(a) Reconciliation of profit before income tax to cash generated from operations

	Year ended 31 December			Six months ended 30 June	
	2022 RMB'000	2023 RMB'000	2024 RMB'000	2024 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
(Loss)/profit before income tax	(102,510)	(123,830)	19,893	(65,702)	11,718
Adjustments for:					
Depreciation of property, plant and equipment (<i>Note 17</i>)	5,431	10,018	9,676	4,926	7,333
Amortisation of intangible assets (<i>Note 19</i>)	85	5,033	4,975	2,486	2,516
Depreciation of right-of-use asset (<i>Note 18</i>)	1,200	4,257	3,767	1,960	1,746
Credit loss allowances/ (impairment reversal) on financial assets	3,241	10,312	10,821	3,438	(5,185)
Provision of impairment on inventory	1,236	881	973	202	16
Losses/(gains) of disposal of long-term assets (<i>Note 8</i>)	30	24	(28)	(32)	—
Finance cost — net (<i>Note 12</i>)	11,203	28,638	34,072	15,914	29,776
Share-based payment (<i>Note 20</i>)	53,294	65,842	5,631	5,337	290
Net foreign exchange (gains)/losses (<i>Note 8</i>)	(1,053)	679	(170)	(52)	130
Share of loss of an associate (<i>Note 16</i>)	—	188	2,424	1,265	1,906
Operating gain/(loss) before changes in working capital	(27,843)	2,042	92,034	(30,258)	50,246

APPENDIX I

ACCOUNTANT’S REPORT

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Changes in working capital (excluding the effects of acquisition and currency translation differences on consolidation):					
Restricted cash	(22,826)	22,826	(744)	(52)	(55,290)
Inventories	(6,938)	(33,477)	(34,897)	(39,371)	40,183
Trade and notes receivables, other receivables and prepayments	(194,144)	(227,728)	(253,887)	(971)	37,165
Contract liabilities	(55,469)	9,140	(3,613)	(2,343)	14,446
Trade and notes payables, other payables and accruals	148,928	121,687	47,132	(5,572)	(102,212)
Cash used in operations activities	(158,292)	(105,510)	(153,975)	(78,567)	(15,462)

(b) Reconciliation of liabilities from financing activities

	Borrowings	Lease liabilities	Other borrowings	Redemption liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022	—	—	—	69,168	69,168
Cash flows	174,534	(4,076)	9,200	—	179,658
Addition of new lease	—	18,750	—	—	18,750
Acquisitions of subsidiaries	—	—	—	79,200	79,200
Share base payment to shareholders	—	—	—	52,526	52,526
Accrued interest expenses	1,165	261	91	9,751	11,268
As at 31 December 2022	175,699	14,935	9,291	210,645	410,570
As at 1 January 2023	175,699	14,935	9,291	210,645	410,570
Cash flows	70,540	(4,755)	(4,362)	—	61,423
Addition of new lease	—	1,652	—	—	1,652
Accrued interest expenses	7,801	649	516	19,850	28,816
As at 31 December 2023	254,040	12,481	5,445	230,495	502,461

APPENDIX I

ACCOUNTANT’S REPORT

	Borrowings <i>RMB'000</i>	Lease liabilities <i>RMB'000</i>	Other borrowings <i>RMB'000</i>	Redemption liabilities <i>RMB'000</i>	Total <i>RMB'000</i>
As at 1 January 2024	254,040	12,481	5,445	230,495	502,461
Cash flows	98,235	(3,993)	(709)	60,000	153,533
Termination of leases	—	(594)	—	—	(594)
Accrued interest expenses	<u>10,532</u>	<u>485</u>	<u>301</u>	<u>22,776</u>	<u>34,094</u>
As at 31 December 2024	<u>362,807</u>	<u>8,379</u>	<u>5,037</u>	<u>313,271</u>	<u>689,494</u>
As at 1 January 2024	254,040	12,481	5,445	230,495	502,461
Cash flows	21,732	(2,051)	(2,181)	60,000	77,500
Termination of leases	—	(594)	—	—	(594)
Accrued interest expenses	<u>5,068</u>	<u>266</u>	<u>163</u>	<u>10,431</u>	<u>15,928</u>
As at 30 June 2024	<u>280,840</u>	<u>10,102</u>	<u>3,427</u>	<u>300,926</u>	<u>595,295</u>
As at 1 January 2025	362,807	8,379	5,037	313,271	689,494
Cash flows	172,824	(2,046)	(5,763)	606,613	771,628
Accrued interest expenses	5,804	177	726	23,419	30,126
Derecognition of redemption liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>(943,303)</u>	<u>(943,303)</u>
As at 30 June 2025	<u>541,435</u>	<u>6,510</u>	<u>—</u>	<u>—</u>	<u>547,945</u>

(c) Non-cash investing and financing activities

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(Unaudited)	(Unaudited)
Redemption liabilities recognition (Note 31)	131,726	—	—	—	—
Redemption liabilities derecognition (Note 31)	—	—	—	—	943,303
Increase in right-of-use assets in the current year/period	17,055	1,652	—	—	—
Consideration of Jiangsu SVFactory acquisition (Note 37)	<u>219,002</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>367,783</u>	<u>1,652</u>	<u>—</u>	<u>—</u>	<u>943,303</u>

Save as disclosed in the table above, there is no other material non-cash transaction.

APPENDIX I

ACCOUNTANT’S REPORT

37 BUSINESS COMBINATIONS

Summary of acquisition

On 23 December 2022, the Company acquired an aggregate of 100% equity interest in each of Jiangsu SVFactory Co., Ltd. from its respective shareholders (“Jiangsu SVFactory sellers”) for a total consideration of RMB228.83 million. The consideration was settled by cash and a share swap arrangement pursuant to which the Company issued shares to the Jiangsu SVFactory Sellers in the aggregate amount of approximately RMB14.1 million, and adjusted according to the replacement of restricted share scheme which relates to the pre-combination.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	<i>RMB’000</i>
Purchase consideration:	
Ordinary shares issued	125,090
Preferred shares issued (<i>Note 31</i>)	79,200
Cash settlement	9,823
Restricted share scheme replacement related to pre-combination	<u>14,712</u>
	<u>228,825</u>

The consideration to the shareholders of Jiangsu SVFactory Co., Ltd. is based on the fair value of the new issued share in the Company as at 23 December 2022.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value <i>RMB’000</i>
Property, plant and equipment	11,506
Right-of-use assets	8,467
Intangible assets	49,300
Cash and cash equivalents	41,651
Trade and notes receivables	35,838
Prepayments and other receivables	11,711
Deferred tax assets — net	20
Inventories	3,360
Contract assets	1,094
Restricted cash	165
Other payables and accruals	(55,512)
Borrowings	(20,800)
Other non-current liabilities	(17,158)
Lease liabilities	(6,209)
Trade and notes payables	(8,718)
Lease liabilities	(2,600)
Contract liabilities	(1,376)
Current income tax liabilities	<u>(25)</u>
Net identifiable assets acquired	50,714
Add: goodwill	<u>178,111</u>
Consideration	<u>228,825</u>

APPENDIX I

ACCOUNTANT’S REPORT

38 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family members of the Group are also considered as related parties.

(a) Related parties of the Group during the Track Record Period

Name of related parties	Relationship
Mr. Zhang Zhiqi	Ultimate controlling shareholder, chairman of the Board, director and chief executive officer
Mr. Pan Zhengyi	Ultimate controlling shareholder, director, chief operation office and general manager
Mr. Hou Dawei	Executive Director
Mr. Li Keping	Director
Hintonbot Intelligence Technology Co., Ltd.	Associate with significant influence

The following is a summary of the significant transactions carried out between the Group and its related parties during the Track Record Period, and balances with related parties as at the respective balance sheet dates.

(b) Transactions with related parties

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Loans to					
Hintonbot Intelligence Technology Co., Ltd.	—	—	2,430	—	6,700
Loans due from					
Mr. Pan Zhengyi	—	—	950	—	—
Mr. Zhang Zhiqi	—	—	2,893	—	—
Mr. Hou Dawei	—	—	400	—	—
Mr. Li Keping	—	—	180	—	—
	<u>—</u>	<u>—</u>	<u>6,853</u>	<u>—</u>	<u>6,700</u>

APPENDIX I

ACCOUNTANT’S REPORT

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Advance to					
Mr. Pan Zhengyi	30	—	29	—	—
Mr. Zhang Zhiqi	—	200	100	—	—
Mr. Hou Dawei	50	—	—	—	322
	<u>80</u>	<u>200</u>	<u>129</u>	<u>—</u>	<u>322</u>

	Year ended 31 December			Six months ended 30 June	
	2022	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Guarantees					
Guarantees provided by Mr. Pan Zhengyi for the Group’s bank borrowings	127,613	186,050	308,017	151,520	381,628
Guarantees provided by Mr. Zhang Zhiqi for the Group’s bank borrowings	<u>20,800</u>	<u>19,800</u>	<u>97,800</u>	<u>41,800</u>	<u>290,777</u>

(c) **Balances with related parties**

	As at 31 December			As at
	2022	2023	2024	30 June
	RMB'000	RMB'000	RMB'000	2025
				RMB'000
				(Unaudited)
Amounts due from related party				
Hintonbot Intelligence Technology Co., Ltd.	—	—	1,980	—
Mr. Pan Zhengyi	—	—	18	—
Mr. Zhang Zhiqi	—	200	—	—
Mr. Hou Dawei	<u>—</u>	<u>—</u>	<u>—</u>	<u>322</u>
	<u>—</u>	<u>200</u>	<u>1,998</u>	<u>322</u>
Amounts due to related parties				
Mr. Zhang Zhiqi	<u>—</u>	<u>—</u>	<u>393</u>	<u>393</u>

APPENDIX I

ACCOUNTANT’S REPORT

(d) Key management personnel compensation

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Wages, salaries and bonus	3,568	6,130	4,702	2,507
Pension costs — defined contribution plans	397	421	431	210
Other employee benefits	475	523	531	257
Share-based payment expenses	107	20,075	2,672	290
	<u>4,547</u>	<u>27,149</u>	<u>8,336</u>	<u>3,264</u>

39 COMMITMENTS

(a) Capital commitments

The following table sets forth a summary of our capital commitments as of the dates indicated:

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Contracted but not provided for equity investment	<u>—</u>	<u>14,000</u>	<u>12,000</u>	<u>9,000</u>

Pursuant to the Framework Agreement, the Company shall enter into a definitive agreement with the Agilebot Sellers for the second batch of the remaining 79.71% equity, which consideration shall be settled by cash and the issuance of consideration shares.

(b) Non-cancellable short-term operating leases

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)
Less than 1 year	<u>210</u>	<u>16</u>	<u>27</u>	<u>—</u>

APPENDIX I

ACCOUNTANT’S REPORT

40 BENEFITS AND INTERESTS OF DIRECTORS AND SUPERVISORS

(a) Directors’ and supervisors’ emoluments

The remuneration of every director and supervisor for the years ended 31 December 2022, 2023 and 2024 and the period ended 30 June 2025 were set out below:

Name of Directors and supervisors	Fees <i>RMB’000</i>	Wages, salaries and bonuses <i>RMB’000</i>	Contributions to pension plans <i>RMB’000</i>	Other social security costs, housing benefits and other employee benefits <i>RMB’000</i>	Share-based payments <i>RMB’000</i>	Total <i>RMB’000</i>
For the year ended 31 December 2022						
Directors:						
Mr. Pan Zhengyi	—	480	63	76	—	619
Mr. Hou Dawei	—	420	63	76	—	559
Mr. Wang Gang	—	532	62	70	21	685
Ms. Chen Cuihong	—	471	42	53	21	587
Mr. Ma Yuanwei	—	385	38	46	21	490
Mr. Li Shuo	—	—	—	—	—	—
Supervisor:						
Mr. Yuan Zhen	—	480	29	36	21	566
	—	2,768	297	357	84	3,506

APPENDIX I

ACCOUNTANT’S REPORT

Name of Directors and supervisors	Fees RMB'000	Wages, salaries and bonuses RMB'000	Contributions to pension plans RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Share-based payments RMB'000	Total RMB'000
For the year ended 31 December 2023						
Directors:						
Mr. Zhang Zhiqi	—	952	46	62	—	1,060
Mr. Pan Zhengyi	—	480	68	81	—	629
Mr. Hou Dawei	—	420	66	80	—	566
Mr. Zhao He	—	1,200	46	62	1,216	2,524
Ms. Chen Cuihong	—	846	42	52	11,202	12,142
Mr. Li Kepin	—	600	46	62	2,106	2,814
Mr. Jiang Shaoqing	—	—	—	—	—	—
Supervisor:						
Mr. Yuan Zhen	—	695	29	35	2,885	3,644
	—	5,193	343	434	17,409	23,379
For the year ended 31 December 2024						
Directors:						
Mr. Zhang Zhiqi	—	816	47	68	—	931
Mr. Pan Zhengyi	—	480	71	81	—	632
Mr. Hou Dawei	—	420	67	77	—	564
Mr. Zhao He	—	1,130	47	68	855	2,100
Ms. Chen Cuihong	—	481	47	60	—	588
Ms. Tong Zhuqing	—	35	4	4	21	64
Mr. Li Kepin	—	213	12	17	1,210	1,452
Mr. Jiang Shaoqing	—	—	—	—	—	—
Mr. Zhao Junwei	—	—	—	—	—	—
Mr. Liu Jieyin	—	—	—	—	—	—
Supervisor:						
Mr. Yuan Zhen	—	480	29	36	—	545
	—	4,055	324	411	2,086	6,876

APPENDIX I

ACCOUNTANT’S REPORT

Name of Directors and supervisors	Fees RMB'000	Wages, salaries and bonuses RMB'000	Contributions to pension plans RMB'000	Other social security costs, housing benefits and other employee benefits RMB'000	Share-based payments RMB'000	Total RMB'000
(Unaudited)						
For the six months ended 30 June 2025						
Directors:						
Mr. Zhang Zhiqi	—	408	23	34	—	465
Mr. Pan Zhengyi	—	318	35	40	—	393
Mr. Hou Dawei	—	210	34	38	—	282
Mr. Zhao He	—	450	23	34	—	507
Ms. Chen Cuihong	—	240	23	30	—	293
Ms. Tong Zhuqing	—	221	21	22	—	264
Mr. Jiang Shaoqing	—	—	—	—	—	—
Mr. Zhao Junwei	—	—	—	—	—	—
Mr. Liu Jieyin	—	—	—	—	—	—
Supervisor:						
Ms. Yuan Zhen	—	240	14	18	—	272
	<u>—</u>	<u>2,087</u>	<u>173</u>	<u>216</u>	<u>—</u>	<u>2,476</u>

- (i) Mr. Pan Zhengyi was appointed as the chairman of the board with effect from October 2019 to January 2024 and re-designated as a director of the Company with effect from January 2024.

Mr. Zhang Zhiqi was appointed as a director of the Company with effect from January 2023 to January 2024 and re-designated as the chairman of the board with effect from January 2024.

- (ii) Mr. Hou Dawei was appointed as a director of the Company with effect from October 2019.

Mr. Wang Gang was appointed as a director of the Company with effect from December 2021 to January 2023.

Ms. Chen Cuihong was appointed as a director of the Company with effect from August 2021.

Mr. Ma Yuanwei was appointed as a director of the Company with effect from June 2022 to January 2023.

APPENDIX I

ACCOUNTANT’S REPORT

Mr. Li Shuo was appointed as a director of the Company with effect from November 2019 to July 2022.

Mr. Yuan Zhen was appointed as a supervisor of the Company with effect from December 2021 to September 2025.

Mr. Zhao He was appointed as a director of the Company with effect from January 2023.

Mr. Li Keping was appointed as a director of the Company with effect from January 2023 to December 2024.

Mr. Jiang Shaoqing was appointed as a director of the Company with effect from January 2023 to September 2025.

Ms. Tong Zhuqing was appointed as a director of the Company with effect from December 2024 to September 2025.

Mr. Zhao Junwei was appointed as a director of the Company with effect from December 2024.

Mr. Liu Jieyin was appointed as a director of the Company with effect from December 2024.

Mr. He Yan was appointed as a director of the Company with effect from September 2025.

Ms. Xiao Jieyun was appointed as a director of the Company with effect from September 2025.

Mr. Wang Wenxue was appointed as a director of the Company with effect from September 2025.

Mr. Xiang Zhe was appointed as a director of the Company with effect from September 2025.

Mr. Zhao Chaohui was appointed as a director of the Company with effect from September 2025.

All of these directors have not received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for the loss of office during the Track Record Period.

No emoluments have been paid by the Group to the directors or supervisors as an inducement to join or upon joining the Group or as compensation for loss of office or no directors or supervisors waived or agreed to waive any emoluments during the Track Record Period.

(b) Directors’ and supervisors’ retirement and termination benefits

There were no retirement and termination benefits paid to any director or supervisor during the Track Record Period.

(c) Consideration provided to third parties for making available directors’ and supervisors’ services

During the Track Record Period, no consideration to third parties for making available director’s or supervisors’ services.

APPENDIX I

ACCOUNTANT’S REPORT

(d) Information about loans, quasi-loans and other dealings in favour of directors

Save as disclosed in Note 38, there were no loans, quasi-loans and other dealings entered into between the Group and the directors or supervisors and in favour of the directors or supervisors during the Track Record Period.

(e) Directors’ and supervisors’ material interests in transactions, arrangements or contracts

Save as disclosed in Note 38, no significant transactions, arrangements and contracts in relation to the Group’s business to which the Company was a party and in which a director or supervisor of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or during the Track Record Period.

41 CONTINGENCIES

Other than the termination of the originally agreed purchase orders case as disclosed in Note 34, the Group has no other material contingent liabilities outstanding as at 31 December 2022, 2023 and 2024 and 30 June 2025.

42 EVENTS AFTER THE BALANCE SHEET DATE

In August 2025, the Group granted 588,921 restricted share units (“RSU”) to management team employees with certain service period.

Save as disclosed above and in Note 15, there is no other material subsequent event undertaken by the Company or by the Group after 30 June 2025.

43 SUMMARY OF OTHER ACCOUNTING POLICIES

43.1 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker of the Company assesses the financial performance and position of the Group, and makes strategic decisions. The chief operating decision maker of the Group consists of the executive directors.

43.2 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). As the major operations of the Group are within the mainland China, the Group determined to present the Historical Financial Information in RMB, which is the Company’s functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

APPENDIX I

ACCOUNTANT’S REPORT

All other foreign exchange gains and losses are presented in the consolidated statements of comprehensive income on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

43.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee’s net assets including goodwill.

43.4 Intangible assets

(i) Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring the specific software into usage. These costs are amortised using the straight-line method over their estimated useful lives.

(ii) Technology

Technology is initially recognized and measured at fair value of intangible assets acquired through business combination, which is amortised using the straight-line method over their estimated useful lives.

APPENDIX I

ACCOUNTANT’S REPORT

(iii) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

(iv) Amortisation methods and periods

Software	2–10 years
Technology	10 years

(v) Research and development expenditures

Research expenditures are recognized as an expense incurred. Development cost is capitalized only if all of the following conditions are satisfied:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred.

43.5 Cash and cash equivalents and restricted cash

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash that is restricted from withdrawal, from use or from being pledged as security is reported separately on the face of the consolidated balance sheet, and is not included in the total cash and cash equivalents in the consolidated statement of cash flows.

43.6 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the Track Record Period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

APPENDIX I

ACCOUNTANT’S REPORT

43.7 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the Track Record Period.

43.8 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

43.9 Current and deferred income tax

The income tax expense for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the Track Record Period in the regions where the Company’s subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statement. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the Track Record Period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

APPENDIX I

ACCOUNTANT’S REPORT

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

43.10 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees’ services up to the end of the Track Record Period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

(ii) Pension obligations and other social welfare benefits

Full-time employees of the Group in mainland China are entitled to staff welfare benefits including pension, work-related injury benefits, maternity insurances, medical insurances, unemployment benefits and housing fund plans through a PRC government-mandated defined contribution plan. Chinese labour regulation requires that the Group make contributions to the government for these benefits based on certain percentage of the employees’ salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the required contributions. There is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

43.11 Interest income

Interest income from financial assets at fair value through profit or loss is included in the net fair value gains/(losses) on these assets.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

43.12 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

APPENDIX I

ACCOUNTANT’S REPORT

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group’s incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise equipment and small items of office furniture.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

43.13 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the Track Record Period but not distributed at the end of the Track Record Period.

43.14 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected useful lives of the related assets.

APPENDIX I

ACCOUNTANT’S REPORT

43.15 Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year/period, adjusted for bonus elements in ordinary shares issued during the year/period and excluding treasury shares.

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared for the Company or any of its subsidiaries now comprising the Group in respect of any period subsequent to 31 December 2024 and up to the date of this report.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

The information set out in this Appendix does not form part of the Accountant’s Report from [PricewaterhouseCoopers], Certified Public Accountants, Hong Kong, the reporting accountant of the Company, as set out in Appendix I in this document, and is included herein for illustrative purposes only. The unaudited [REDACTED] financial information should be read in conjunction with the section headed “Financial Information” in this document and the Accountant’s Report set out in Appendix I to this document.

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX III

[REDACTED]

[REDACTED]

APPENDIX IV

SUMMARY OF THE ARTICLES OF ASSOCIATION

ISSUE OF SHARES

The shares of the Company shall be in the form of registered shares. The issue of the Company’s shares shall adhere to the principles of openness, fairness and justice, and each share of the same class shall carry the same rights. Shares of the same class issued at the same time shall be issued on the same terms and at the same price; Subscribers shall pay the same price for each share subscribed for.

All shares issued by the Company are par value shares, with their par value denominated in Renminbi, each having a par value of RMB1.00.

The shares issued by the Company and [REDACTED] on the HKEX are referred to as H Shares. The shares issued by the Company other than H Shares are referred to as non-H Shares.

INCREASE OR DECREASE AND REPURCHASE OF SHARES

Increase and Decrease of Shares

The Company may, in light of its operational and development needs and in accordance with the provisions of laws and regulations, increase its capital in the following ways, upon resolutions passed at a general meeting respectively:

- (i) issuing shares to non-specified parties;
- (ii) issuing shares to specified parties;
- (iii) distributing bonus shares to existing shareholders;
- (iv) capitalising reserves into share capital;
- (v) other methods as stipulated by laws and administrative regulations and approved by the CSRC.

The Company may reduce its registered capital. To reduce its registered capital, the Company shall follow the procedures stipulated in the Company Law of the People’s Republic of China (《中華人民共和國公司法》) (the “**PRC Company Law**”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”), other relevant regulations and the Articles of Association.

Share Repurchase

Without contravening the PRC Company Law, other laws and regulations, the Listing Rules and these Articles of Association, the Company may acquire its own shares in accordance with laws, administrative regulations, departmental rules and these Articles of Association under the following circumstances:

- (i) to reduce the Company’s registered capital;
- (ii) to merge with another company that holds shares in the Company;

APPENDIX IV**SUMMARY OF THE ARTICLES OF ASSOCIATION**

- (iii) to use the shares for employee share ownership schemes or equity incentive schemes;
- (iv) where a shareholder objects to a resolution of the general meeting on the merger or division of the Company and requests that the Company acquire his/her/its shares;
- (v) to use the shares for the conversion of corporate bonds issued by the Company that are convertible into shares;
- (vi) where it is necessary for the Company to safeguard its value and the rights and interests of its shareholders.

Except under the aforementioned circumstances, the Company shall not engage in activities of buying or selling its own shares.

The Company may acquire its own shares through public centralized trading, or by other means stipulated in laws, administrative regulations, and the Listing Rules and approved by the CSRC and the HKEX. Where the Company acquires its own shares under the circumstances stipulated in items (iii), (v) and (vi) of the first paragraph above, such acquisition shall be conducted through public centralized trading.

Where the Company acquires its own shares for the reasons set out in items (i) and (ii) above, such acquisition shall be approved by a resolution of the general meeting. Where the Company acquires its own shares under the circumstances stipulated in items (iii), (v) and (vi) above, the acquisition may be implemented in accordance with the provisions of the Articles of Association or as authorized by the general meeting, upon approval by a resolution passed at a Board meeting attended by more than two-thirds of the directors.

After the Company acquires its own shares in accordance with the provisions above, if the acquisition falls under item (i), the shares shall be cancelled within 10 days from the date of acquisition; if it falls under items (ii) and (iv), the shares shall be transferred or cancelled within 6 months; if it falls under items (iii), (v) and (vi), the total number of the Company’s shares held by the Company shall not exceed 10% of the total number of issued shares of the Company, and such shares shall be transferred or cancelled within 3 years.

Where the Company acquires its H Shares in accordance with the provisions of the Articles of Association, such shares may, at the Company’s option, be cancelled immediately or be held as treasury shares in accordance with the Listing Rules. With respect to treasury shares, the Company shall deposit such shares into a separate account in the Central Clearing and Settlement System that is clearly identified as an account for treasury shares. The Company shall not exercise any rights in respect of the treasury shares, and no dividends shall be declared or paid on such shares.

After acquiring its own shares, the Company shall fulfill its information disclosure obligations in accordance with the Listing Rules, other applicable laws and regulations, and the regulatory requirements of the place(s) where its shares are listed.

APPENDIX IV**SUMMARY OF THE ARTICLES OF ASSOCIATION**

TRANSFER OF SHARES

The Company’s shares shall be transferable in accordance with the law. All transfers of H Shares shall be effected by an instrument of transfer in writing in the usual or common form or any other form which the Board of Directors may accept (including the standard transfer form or transfer sheet as prescribed by the HKEX from time to time); and such instrument of transfer shall be executed under hand or, if the transferor or transferee is a company, affixed with its valid company chop. Where the transferor or transferee is a recognized clearing house (or its nominee) as defined in the relevant Ordinances from time to time in force in Hong Kong, the instrument of transfer may be signed by hand or by machine-imprinted signature. All instruments of transfer shall be lodged for registration at the registered office of the Company or at such other place as the Board of Directors may from time to time designate.

The Company shall not accept its own shares as the subject of any pledge.

Shares issued by the Company before its public offering shall not be transferred within one year from the date on which the Company’s shares are listed and traded on a stock exchange. Where laws, administrative regulations, or the securities regulatory authorities of the State Council or Hong Kong provide otherwise for the transfer of the Company’s shares held by its shareholders and de facto controllers, such provisions shall prevail.

Directors and senior management of the Company shall declare to the Company the shares they hold in the Company and any changes thereto. During their term of office, the number of shares transferred by them annually shall not exceed 25% of the total number of shares they hold in the Company. Within six months after their departure, the aforementioned persons shall not transfer the shares they hold in the Company. Where the Hong Kong securities regulatory authorities provide otherwise for restrictions on share transfers, such provisions shall prevail.

Where a director, senior management member, or a shareholder holding more than 5% of the Company’s shares sells the Company’s stock or other equity-like securities held by them within 6 months of purchase, or repurchases them within 6 months of selling, the proceeds therefrom shall belong to the Company, and the Company’s Board of Directors shall recover such proceeds. This shall not apply, however, to circumstances where a securities company holds more than five percent of the shares as a result of purchasing the unsold shares from a share offering it underwrites, or to other circumstances stipulated by relevant laws and regulations, the CSRC, or the securities regulatory authorities of the place where the shares are listed.

The stocks or other equity-like securities held by the directors, senior management, and natural person shareholders holding more than 5% of the Company’s shares referred to in the preceding paragraph include stocks or other equity-like securities held by their spouses, parents, and children, and those held through others’ accounts.

APPENDIX IV

SUMMARY OF THE ARTICLES OF ASSOCIATION

If the Company’s Board of Directors fails to act in accordance with the aforementioned provisions, shareholders have the right to demand that the Board of Directors do so within 30 days. If the Company’s Board of Directors fails to act within the aforementioned period, shareholders have the right to file a lawsuit directly with a people’s court in their own name for the benefit of the Company. If the Company’s Board of Directors fails to act in accordance with the provisions of the first paragraph of this article, the responsible directors shall bear joint and several liability in accordance with the law.

If the transfer restrictions involve H Shares, the relevant provisions of the Hong Kong securities regulatory authorities shall be complied with.

SHAREHOLDERS AND GENERAL MEETINGS

Shareholders

The Company shall establish a register of shareholders based on the credentials provided by the securities registration and clearing institution, and the register of shareholders shall be sufficient evidence of the shareholders’ holdings of the Company’s shares. The original of the register of shareholders of H Shares shall be kept in Hong Kong; The entrusted overseas agent shall at all times ensure the consistency between the original and the duplicate copy of the register of shareholders of overseas listed shares. The Hong Kong branch of the register of shareholders shall be available for inspection by shareholders, but the Company may close the register of shareholders in accordance with applicable laws and regulations and the securities regulatory rules of the place where its shares are listed. Shareholders shall enjoy rights and assume obligations according to the class of shares they hold; Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

Where a shareholder of H Shares loses his/her/its share certificate and applies for a replacement, the matter may be handled in accordance with the laws, the rules of the securities exchange or other relevant provisions of the place where the original register of shareholders of overseas listed shares is kept.

Shareholders of the Company shall enjoy the following rights:

- (i) to receive dividends and other forms of profit distribution in proportion to their shareholdings;
- (ii) to request, convene, preside over, attend or appoint a proxy to attend general meetings in accordance with the law, and to speak and exercise the corresponding voting rights thereat (except for circumstances where they are required to abstain from voting on particular matters under the securities regulatory rules of the place where the Company’s shares are listed);
- (iii) to supervise the Company’s operations and to make suggestions or inquiries;
- (iv) to transfer, gift or pledge the shares they hold in accordance with the provisions of laws, administrative regulations and the Articles of Association;

APPENDIX IV**SUMMARY OF THE ARTICLES OF ASSOCIATION**

- (v) to inspect and copy the Company’s Articles of Association, the register of shareholders, minutes of general meetings, resolutions of Board meetings, and financial and accounting reports, and shareholders who meet the prescribed conditions may inspect the Company’s accounting books and vouchers;
- (vi) upon the termination or liquidation of the Company, to participate in the distribution of the Company’s remaining assets in proportion to their shareholdings;
- (vii) a shareholder who objects to a resolution of the general meeting on the merger or division of the Company may demand that the Company acquire his/her/its shares;
- (viii) other rights stipulated by laws, administrative regulations, departmental rules, normative documents, the listing regulatory rules of the place where the Company’s shares are listed, or the Articles of Association.

comply with the provisions of the Company Law of the People’s Republic of China (《中華人民共和國公司法》), the Securities Law of the People’s Republic of China (《中華人民共和國證券法》), the securities regulatory rules of the place where the Company’s shares are listed, and other applicable laws and administrative regulations. Shareholders who request to inspect the relevant information or obtain the materials mentioned in the preceding article shall provide the Company with written documents verifying the class and number of shares they hold. The Company shall provide such information or materials upon request after verifying the shareholder’s identity.

If the content of a resolution of the Company’s general meeting or Board of Directors violates laws or administrative regulations, shareholders have the right to request a people’s court to declare it invalid.

If the convening procedures or voting methods of a general meeting or Board meeting violate laws, administrative regulations or the Articles of Association, or if the content of a resolution violates the Articles of Association, shareholders have the right, within 60 days from the date the resolution is made, to request a people’s court to nullify it. However, this does not apply if the convening procedures or voting methods of the general meeting or Board meeting have only minor flaws that do not have a substantial impact on the resolution.

Where a director or a senior management member, in the course of performing his/her duties for the Company, violates the provisions of any law, administrative regulation or the Articles of Association and thereby causes losses to the Company, any shareholder who has, individually or jointly, held 1% or more of the Company’s shares for 180 consecutive days or more shall have the right to request in writing that the Audit Committee file a lawsuit with a People’s Court; if members of the Audit Committee, in performing their duties for the Company, violate the provisions of laws, administrative regulations, or the Articles of Association, causing losses to the Company, the aforesaid shareholders may request in writing that the Board of Directors file a lawsuit with a People’s Court.

APPENDIX IV

SUMMARY OF THE ARTICLES OF ASSOCIATION

Where a director, supervisor or senior management member of a wholly-owned subsidiary of the Company, in the performance of his/her duties, violates any law, administrative regulation or the Company’s articles of association and thereby causes losses to the Company, or where a third party infringes upon the lawful rights and interests of a wholly-owned subsidiary of the Company and thereby causes it losses, any shareholder who has, individually or jointly, held 1% or more of the Company’s shares for 180 consecutive days or more may, in accordance with the relevant provisions of the PRC Company Law, request in writing that the board of supervisors or the board of directors of the wholly-owned subsidiary file a lawsuit with a people’s court, or file a lawsuit directly with a people’s court in his/her/its own name. If a wholly-owned subsidiary of the Company does not have a board of supervisors or supervisors but has established an audit committee, the provisions of the first and second paragraphs of this article shall apply.

If a director or senior management member violates the provisions of laws, administrative regulations, or the Articles of Association, thereby harming the interests of shareholders, the shareholders may file a lawsuit with a People’s Court.

Shareholders of the Company shall undertake the following obligations:

- (i) to abide by laws, administrative regulations and the Articles of Association;
- (ii) to pay for the shares subscribed for in accordance with the subscription and contribution method;
- (iii) not to withdraw their share capital, except in circumstances stipulated by laws and regulations;
- (iv) not to abuse their shareholder rights to the detriment of the interests of the Company or other shareholders; not to abuse the Company’s independent legal personality and the limited liability of shareholders to the detriment of the interests of the Company’s creditors;
- (v) other obligations to be undertaken as stipulated by laws, administrative regulations, departmental rules, normative documents, the listing rules of the stock exchange where the Company’s shares are listed, and the Articles of Association.

If a Company shareholder abuses their shareholder rights and causes losses to the Company or other shareholders, they shall be liable for compensation in accordance with the law. If a Company shareholder abuses the Company’s independent legal personality and the limited liability of shareholders to evade debts and seriously harms the interests of the Company’s creditors, they shall bear joint and several liability for the Company’s debts.

APPENDIX IV**SUMMARY OF THE ARTICLES OF ASSOCIATION**

The Company shall not provide funds, goods, services or other assets to its shareholders or de facto controllers free of charge; not to provide funds, goods, services or other assets to its shareholders or de facto controllers on terms that are obviously unfair; not to provide funds, goods, services or other assets to shareholders or de facto controllers who are obviously insolvent; not to provide guarantees for shareholders or de facto controllers who are obviously insolvent, or to provide guarantees for shareholders or de facto controllers without a proper reason; not to waive claims against shareholders or de facto controllers or assume the debts of shareholders or de facto controllers without a proper reason. Transactions for the provision of funds, goods, services or other assets between the Company and its shareholders or de facto controllers shall strictly adhere to the review procedures of the Board and the general meeting in accordance with the decision-making system for related party (connected) transactions, and any related party (connected) directors and shareholders shall abstain from voting.

The Company’s controlling shareholders and de facto controllers shall not use their connected relationships to harm the Company’s interests. Any person who violates such provision and thereby causes losses to the Company shall be liable for compensation.

General Provisions for General Meetings

The general meeting is the organ of authority of the Company and shall exercise the following powers in accordance with the law:

- (i) to elect and replace directors and to decide on matters concerning their remuneration;
- (ii) to consider and approve the reports of the Board of Directors;
- (iii) to consider and approve the Company’s profit distribution plans and loss recovery plans;
- (iv) to pass resolutions on the increase or reduction of the Company’s registered capital and on the issuance of any class of shares, warrants and other similar securities;
- (v) to pass resolutions on the issue of corporate bonds;
- (vi) to pass resolutions on the merger, division, dissolution, liquidation or change of the Company’s form;
- (vii) to amend the Articles of Association;
- (viii) to pass resolutions on the appointment or dismissal of the accounting firm that undertakes the Company’s audit business;
- (ix) to consider and approve guarantee matters stipulated in the Articles of Association;

APPENDIX IV**SUMMARY OF THE ARTICLES OF ASSOCIATION**

- (x) to consider matters relating to the purchase or sale of material assets, or the provision of guarantees, by the Company within any one year where the relevant amount exceeds 30% of the Company’s latest audited total assets;
- (xi) to consider and approve connected transactions which are required by the Listing Rules to be considered by the general meeting;
- (xii) to consider employee share ownership schemes and equity incentive schemes;
- (xiii) to consider and approve matters concerning changes in the use of proceeds;
- (xiv) to consider other matters that are required to be decided by the general meeting under laws, administrative regulations, departmental rules, normative documents, the Articles of Association or the Listing Rules.

In the event of any inconsistency between the matters to be resolved by the general meeting as stipulated above and the provisions of the listing rules of the stock exchange where the Company’s shares are listed, the latter shall prevail.

General meetings are divided into annual general meetings and extraordinary general meetings. An annual general meeting shall be held once a year and within six months after the end of the previous financial year.

The Company shall convene an extraordinary general meeting within 2 months from the date of the occurrence of any of the following circumstances:

- (i) when the number of directors is less than the number required by the PRC Company Law or two-thirds of the number specified in the Articles of Association;
- (ii) when the Company’s accumulated unrecovered losses reach one-third of the total paid-in share capital;
- (iii) upon the request of a shareholder or shareholders holding, individually or jointly, 10% or more of the total number of the Company’s issued shares (excluding treasury shares);
- (iv) when the Board of Directors deems it necessary;
- (v) when the Audit Committee proposes to convene a meeting;
- (vi) other circumstances stipulated by laws, administrative regulations, departmental rules, the Listing Rules or the Articles of Association.

If an extraordinary general meeting is convened in accordance with the requirements of the securities regulatory rules of the place where the Company’s shares are listed, the actual date of the meeting may be adjusted based on the approval progress of the relevant stock exchange (if applicable).

APPENDIX IV**SUMMARY OF THE ARTICLES OF ASSOCIATION**

Convening of General Meetings

Unless otherwise provided for in the Articles of Association, the general meeting shall be convened by the Board of Directors. With the consent of more than half of their number, the independent non-executive directors have the right to propose to the Board of Directors that an extraordinary general meeting be convened. In response to a proposal from independent non-executive directors to convene an extraordinary general meeting, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written response agreeing or disagreeing to convene the extraordinary general meeting within 10 days of receiving the proposal.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days of the Board’s resolution; if the Board of Directors disagrees to convene an extraordinary general meeting, it shall explain the reasons and make an announcement. Where the Hong Kong securities regulatory authorities provide otherwise, such provisions shall prevail.

The Audit Committee has the right to propose to the Board of Directors to convene an extraordinary general meeting, and shall submit such proposal to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written response agreeing or disagreeing to convene an extraordinary general meeting within 10 days of receiving the proposal.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days of the Board’s resolution, and any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee. If the Board of Directors disagrees to convene an extraordinary general meeting, or fails to respond within 10 days of receiving the proposal, the Board of Directors shall be deemed unable or failing to perform its duty to convene the general meeting, and the Audit Committee may convene and preside over the meeting on its own.

A shareholder or shareholders holding, individually or jointly, 10% or more of the total number of the Company’s issued shares (excluding treasury shares) have the right to request the Board of Directors to convene an extraordinary general meeting, and shall submit such request to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide a written response agreeing or disagreeing to convene an extraordinary general meeting within 10 days of receiving the request.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days of the Board’s resolution, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. If the Board of Directors disagrees to convene an extraordinary general meeting, or fails to respond within 10 days of receiving the request, a shareholder or shareholders holding, individually or jointly, 10% or more of the total number of the

APPENDIX IV**SUMMARY OF THE ARTICLES OF ASSOCIATION**

Company’s issued shares (excluding treasury shares) have the right to propose to the Audit Committee that an extraordinary general meeting be convened, and shall submit the request to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice of the general meeting within 5 days of receiving the request, and any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders. If the Audit Committee fails to issue a notice of the general meeting within the prescribed period, it shall be deemed that it will not convene and preside over the general meeting, and a shareholder or shareholders holding, individually or jointly, 10% or more of the total number of the Company’s issued shares (excluding treasury shares) for 90 consecutive days or more may convene and preside over the meeting on their own.

If the Audit Committee or shareholders decide to convene a general meeting on their own, they shall simultaneously take corresponding actions in accordance with the requirements and provisions of the Hong Kong listing regulatory rules. Before the announcement of the resolution of the general meeting, the shareholding percentage of the convening shareholders shall not be less than 10%. The Audit Committee or the convening shareholders shall, upon issuing the notice of the general meeting and the announcement of the resolutions of the general meeting, take corresponding actions in accordance with the requirements and provisions of the Hong Kong listing regulations.

Proposals and Notices of General Meetings

The content of a proposal shall fall within the scope of powers of the general meeting, have a clear topic and specific matters for resolution, and comply with the relevant provisions of laws, administrative regulations, the Listing Rules and the Articles of Association.

When the Company convenes a general meeting, the Board of Directors, the Audit Committee, and shareholders holding, individually or jointly, 1% or more of the Company’s shares have the right to submit proposals to the Company.

A shareholder or shareholders holding, individually or jointly, 1% or more of the Company’s shares may, within the period stipulated by the Listing Rules prior to a general meeting, submit an extraordinary proposal in writing to the convener. The convener shall, in accordance with the provisions of the Listing Rules, issue a supplementary notice of the general meeting after receiving the proposal, setting out the content of the extraordinary proposal and submitting it to the general meeting for consideration. This shall not apply if the extraordinary proposal is in violation of laws, administrative regulations, the Listing Rules, other securities regulatory rules of the place(s) where the Company’s shares are listed or the Articles of Association, or if the subject matter of the proposal does not fall within the scope of powers of the general meeting.

The convener shall give all shareholders twenty-one days’ written notice (including by way of announcement) for an annual general meeting and fifteen days’ written notice (including by way of announcement) for an extraordinary general meeting.

APPENDIX IV**SUMMARY OF THE ARTICLES OF ASSOCIATION**

Convening of the General Meeting

All shareholders registered on the share registration date or their proxies are entitled to attend the general meeting and exercise voting rights in accordance with relevant laws, regulations and the Articles of Association.

A shareholder may attend the general meeting in person or entrust a proxy to attend and vote on their behalf.

The general meeting shall be presided over by the chairman of the Board. If the chairman is unable or fails to perform his/her duties, the meeting shall be presided over by a director jointly elected by more than half of the directors.

A general meeting convened by the Audit Committee on its own initiative shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform his/her duties, the meeting shall be presided over by a member of the Audit Committee jointly elected by more than half of the members of the Audit Committee.

A general meeting convened by shareholders on their own initiative shall be presided over by a representative elected by the convener.

When a general meeting is held, if the chairman of the meeting violates the rules of procedure, making it impossible for the general meeting to continue, the general meeting may, with the consent of shareholders present holding a majority of the voting rights, elect a person to act as the chairman of the meeting and continue the meeting.

Voting and Resolutions of the General Meeting

Resolutions of the general meeting are classified into ordinary resolutions and special resolutions. An ordinary resolution of the general meeting shall be passed by more than half of the voting rights held by the shareholders (including their proxies) present at the general meeting. A special resolution of the general meeting shall be passed by not less than two-thirds of the voting rights held by the shareholders (including their proxies) present and entitled to vote at the meeting.

The following matters shall be passed by a special resolution at a general meeting:

- (i) increase or reduction of the Company’s registered capital and issuance of any class of shares, warrants and other similar securities;
- (ii) issuance of corporate bonds;
- (iii) spin-off, merger, division, dissolution and liquidation of the Company;
- (iv) to amend the Articles of Association;

APPENDIX IV

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (v) any purchase or sale of material assets or any guarantee by the Company within one year where the amount exceeds 30% of the Company’s latest audited total assets;
- (vi) any guarantee provided where the total amount of the Company’s external guarantees would, as a result of such guarantee, reach or exceed 30% of its latest audited total assets;
- (vii) equity incentive plans;
- (viii) change of the Company’s form;
- (ix) other matters that are required to be passed by a special resolution as stipulated by laws, administrative regulations, departmental rules, the Listing Rules, other securities regulatory rules of the place where the Company’s shares are listed, or the Articles of Association, as well as those matters considered by an ordinary resolution of the general meeting to have a material impact on the Company.

The following matters shall be passed by an ordinary resolution at a general meeting:

- (i) the work report of the Board of Directors;
- (ii) the profit distribution plans and loss recovery plans proposed by the Board of Directors;
- (iii) to elect and replace directors and to decide on matters concerning their remuneration;
- (iv) the Company’s annual report;
- (v) the engagement of, remuneration for, or the method of determining the remuneration for, the accounting firm;
- (vi) any other matters except for those required to be passed by a special resolution under laws, administrative regulations, the Listing Rules, other securities regulatory rules of the place where the Company’s shares are listed, or the Articles of Association.

Shareholders (including their proxies) shall exercise their voting rights in proportion to the number of voting shares they represent, and each share shall carry one vote. At the time of voting, a shareholder (including a proxy) who is entitled to two or more votes is not required to cast all of his/her/its votes in favour of or against a resolution.

The shares of the Company held by the Company itself shall have no voting rights and such shares shall not be included in the total number of voting shares represented at a general meeting.

APPENDIX IV**SUMMARY OF THE ARTICLES OF ASSOCIATION**

Where any shareholder is required under the Listing Rules to abstain from voting on a particular matter, or is restricted to voting only for or against a particular matter, such shareholder shall abstain or vote in accordance with such requirement; Any vote cast by or on behalf of a shareholder in breach of such requirements or restrictions shall not be counted towards the voting results.

When the general meeting considers material matters affecting the interests of small and medium investors, the voting results of such investors shall be publicly disclosed in a timely manner in accordance with the requirements of relevant laws and regulations and the Listing Rules.

Where a shareholder’s purchase of the Company’s voting shares violates the provisions of Article 63, paragraphs 1 and 2 of the Securities Law, the shares held in excess of the specified proportion shall not carry any voting rights for a period of thirty-six months from the date of purchase and shall not be counted towards the total number of voting shares represented at a general meeting.

The Board of Directors, independent non-executive directors, and shareholders holding 1% or more of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit shareholders’ voting rights. The solicitation of shareholders’ voting rights shall fully disclose information such as the specific voting intention to the persons being solicited. It is prohibited to solicit shareholders’ rights publicly for consideration or in a disguised form for consideration. Except under statutory conditions, the Company shall not impose a minimum shareholding requirement for the solicitation of voting rights.

When a general meeting considers matters concerning connected transactions, the connected shareholders and their close associates (as defined in the Listing Rules) shall not participate in the voting, and the number of voting shares they represent shall not be included in the total number of valid votes; The resolution of the general meeting shall state the voting results of the non-connected shareholders.

BOARD OF DIRECTORS**Directors**

The Company’s directors may include executive directors, non-executive directors and independent non-executive directors. A non-executive Director refers to a Director who does not hold an operational and management position in the Company, while an independent non-executive Director refers to a person who meets the requirements stipulated in the Articles of Association. Directors of the Company shall be natural persons. No one shall serve as a director of the Company if any of the following circumstances exists:

- (i) a person with no or limited capacity for civil conduct;

APPENDIX IV

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (ii) a person who, for corruption, bribery, embezzlement, misappropriation of property or for disrupting the socialist market economic order, has been sentenced to criminal penalties and not more than 5 years have elapsed since the expiry of the enforcement period; or who has been deprived of political rights for a crime and not more than 5 years have elapsed since the expiry of the enforcement period; or who has been given a suspended sentence and not more than 2 years have elapsed since the expiry of the probation period;
- (iii) a person who served as a director, factory manager or general manager of a company or enterprise which is under bankruptcy liquidation and was personally liable for the bankruptcy of such company or enterprise, where not more than 3 years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;
- (iv) a person who served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close down for violation of law, and was personally liable therefor, where not more than 3 years have elapsed since the date of such revocation or closing down;
- (v) a person who has an overdue and outstanding personal debt of a substantial amount and has been listed as a person subject to enforcement for breach of trust by a People’s Court;
- (vi) having been subject to a securities market entry ban imposed by the CSRC, where the term of the ban has not yet expired;
- (vii) having been subject to administrative penalties by the CSRC within the last three years;
- (viii) having been publicly censured or criticized by public notice three or more times by a stock exchange within the last three years;
- (ix) having been publicly identified by a stock exchange as unsuitable to serve as a director of the Company;
- (x) being unable to ensure sufficient time and energy can be devoted to the Company’s affairs during his/her term of office to effectively perform the various duties required of a director;
- (xi) other contents stipulated by laws, administrative regulations, departmental rules or the securities regulatory rules of the place where the Company’s shares are listed.

If a director is elected or appointed in violation of the aforementioned provisions, such election, appointment or engagement shall be invalid. If any of the circumstances described in this article arises during a director’s term of office, the Company shall remove such director from his/her duties.

APPENDIX IV**SUMMARY OF THE ARTICLES OF ASSOCIATION**

Directors shall be elected or replaced by the general meeting and may be removed from office by an ordinary resolution of the general meeting before the expiration of their term of office (including any executive director), provided that such removal is without prejudice to any claim for damages such director may have under any contract. The term of office of a Director shall be three years. Upon the expiration of his/her term of office, a Director shall be eligible for re-election in accordance with the securities regulatory rules of the place where the Company’s shares are listed. However, the term of an independent non-executive Director shall not exceed nine years. The general meeting shall not remove any director from office before the expiration of his/her term of office without cause.

A director’s term of office shall commence on the date of his/her assumption of office and expire upon the end of the term of the then current session of the Board of Directors. If a successor to a Director is not elected in a timely manner upon the expiration of his/her term of office, the original director shall continue to perform his/her duties as a Director in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association until the newly elected Director takes office.

Any Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Directors may concurrently hold the position of general manager or other senior management personnel, provided that the aggregate number of Directors who also serve as general manager or other senior management personnel shall not exceed one-half of the total number of directors of the Company.

If the Company has three hundred or more employees, the members of the Board of Directors shall include an employee representative of the Company.

Independent non-executive Directors shall represent at least one-third of the members of the Board of Directors. At least one of the independent non-executive Directors shall have appropriate professional qualifications in accounting or related financial management expertise. Independent non-executive Directors must be independent and shall not have any relationship with the Company or any of its substantial shareholders that may interfere with the exercise of their independent and objective judgment. Independent non-executive Directors shall possess sufficient commercial or professional experience to fulfill their responsibilities, and shall faithfully perform their duties and safeguard the interests of the Company. They shall pay particular attention to protecting the lawful rights and interests of public shareholders and ensure that the interests of all shareholders are fully represented. At least one independent non-executive Director shall be ordinarily resident in Hong Kong. Matters concerning the qualifications for office, nomination and election procedures, term of office, resignation and powers of independent non-executive Directors shall be governed by the relevant provisions of laws, administrative regulations, departmental rules, the Listing Rules, and other securities regulatory rules of the place where the Company’s shares are listed. Unless otherwise provided for in the Articles of Association, the provisions of the Articles of Association regarding the qualifications and obligations of Directors shall apply to independent non-executive Directors. Matters relating to independent non-executive

APPENDIX IV**SUMMARY OF THE ARTICLES OF ASSOCIATION**

Directors shall be governed by the relevant provisions of laws, administrative regulations, relevant regulatory authorities and stock exchanges, and shall be specified in the Company’s working system for independent non-executive Directors.

Board of Directors

The Company shall establish a Board of Directors, which shall be responsible to the general meeting. The Board of Directors shall consist of 12 Directors, including one Chairman and 4 independent non-executive Directors. The composition and size of the Board of Directors shall comply with the provisions of the securities regulatory rules of the place where the Company’s shares are listed.

The Board of Directors shall exercise the following powers and functions:

- (i) to convene general meetings and to report on its work to the general meetings;
- (ii) to implement the resolutions of the general meetings;
- (iii) to decide on the Company’s business plans and investment proposals;
- (iv) to decide on the Company’s annual financial budget plans and final accounts plans;
- (v) to formulate the Company’s profit distribution plans and loss recovery plans;
- (vi) to formulate proposals for the increase or reduction of the Company’s registered capital and the issue of bonds or other securities and for the listing of its securities;
- (vii) to formulate proposals for major acquisitions, repurchase of the Company’s shares, or merger, division, dissolution and change of corporate form of the Company;
- (viii) to decide, as required under the Listing Rules and other applicable securities regulatory rules of the place(s) where the Company’s shares are listed, or within the scope of authorization from the general meeting, on matters such as the Company’s external investments, acquisition or disposal of assets, mortgage of assets, external guarantees, entrusted wealth management, related party (connected) transactions, and external donations;
- (ix) to decide on the establishment of the Company’s internal management structure;
- (x) to appoint or dismiss the Company’s general manager and to decide on matters concerning his/her remuneration, rewards and penalties; based on the nomination of the general manager, to appoint or dismiss other senior management personnel of the Company and to decide on matters concerning their remuneration, rewards and penalties;
- (xi) to formulate the basic management system of the Company;

APPENDIX IV

SUMMARY OF THE ARTICLES OF ASSOCIATION

- (xii) to formulate proposals for amendments to the Company’s Articles of Association;
- (xiii) to manage the Company’s information disclosure matters;
- (xiv) to propose to the general meeting the appointment or replacement of the accounting firm for the Company’s audit;
- (xv) to hear the work reports of the Company’s general manager and to inspect the general manager’s work;
- (xvi) to formulate and review the Company’s corporate governance policies and practices, and to make recommendations to the Board;
- (xvii) to review and monitor the training and continuous professional development of Directors and senior management;
- (xviii) to review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements;
- (xix) to develop, review and monitor the code of conduct and compliance manual (if any) for employees and Directors;
- (xx) to review the Company’s compliance with the Corporate Governance Code and the disclosures in the Corporate Governance Report; and
- (xxi) other powers granted by laws, administrative regulations, departmental rules, the Listing Rules or the Articles of Association.

Matters exceeding the scope of authorization granted by the general meeting shall be submitted to the general meeting for deliberation.

The chairman of the Board shall be elected by the affirmative vote of more than half of all Directors.

The chairman of the Board shall exercise the following powers and functions:

- (i) to preside over general meetings and to convene and preside over meetings of the Board of Directors;
- (ii) to supervise and inspect the implementation of resolutions of the Board of Directors;
- (iii) other powers granted by laws, administrative regulations, departmental rules, the Listing Rules, the Articles of Association or the Board of Directors.

If the chairman is unable or fails to perform his/her duties, a director jointly elected by more than half of the directors shall perform such duties.

APPENDIX IV**SUMMARY OF THE ARTICLES OF ASSOCIATION**

The Board of Directors shall hold at least four meetings each year, to be convened by the chairman, with written notice given to all directors 10 days before the meeting.

Shareholders representing one-tenth or more of the voting rights, one-third or more of the Directors, or the Audit Committee may propose to convene an extraordinary Board meeting. The chairman of the Board shall convene and preside over a Board meeting within 10 days of receiving the proposal.

A meeting of the Board of Directors may be held only if more than half of the Directors are present. Voting on resolutions of the Board of Directors shall be conducted on the basis of one vote per person. A resolution of the Board of Directors must be passed by more than half of all directors. In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.

Resolutions of the Board of Directors shall be passed by a vote conducted in writing or by a show of hands.

Meetings of the Board of Directors shall be attended by the directors in person; If a Director is unable to attend a meeting for any reason, he/she shall prudently select and appoint another Director in writing to attend on his/her behalf. An independent non-executive Director shall not appoint a non-independent non-executive Director as his/her proxy. The instrument of proxy shall specify the name of the proxy, the matters to be proxied, the scope of authority and the period of validity, and shall be signed or sealed by the appointor; With respect to matters to be voted on, the appointor shall expressly indicate in the instrument of proxy his/her voting instructions to approve, oppose or abstain on each matter. A Director shall not grant or accept a proxy without voting instructions, a discretionary proxy, or a proxy with an unclear scope of authority. A Director shall not be absolved of his/her responsibilities for matters to be voted on by appointing another Director as his/her proxy. A director attending a meeting on behalf of another shall exercise the rights of a director within the scope of the authorization. A director who neither attends a Board meeting nor appoints a representative to attend shall be deemed to have waived his/her voting right at that meeting.

A Director shall not accept proxies from more than two Directors to attend any one Board meeting. When considering a connected transaction, a non-connected Director shall not appoint a connected Director as his/her proxy.

Specialised Committees of the Board of Directors

The Board of Directors shall establish an Audit Committee, a Nomination Committee, and a Remuneration and Appraisal Committee, and may establish other relevant specialised committees such as a strategy committee as needed. Specialised committees shall be accountable to the Board of Directors, perform their duties in accordance with the Articles of Association and as authorized by the Board, and their proposals shall be submitted to the Board for deliberation and approval. The Audit Committee shall exercise the powers of the board of supervisors as stipulated in the PRC Company Law.

APPENDIX IV**SUMMARY OF THE ARTICLES OF ASSOCIATION**

All members of a specialised committee shall be Directors, and the number of members of each committee shall be an odd number of not less than three. Among them, the Audit Committee shall comprise at least three members, all of whom shall be non-executive Directors. A majority of the members shall not hold any position in the Company other than as a Director and shall not have any relationship with the Company that could affect their independent and objective judgment. At least one member shall be an independent non-executive Director with appropriate professional qualifications as required by the Listing Rules or with appropriate accounting or related financial management expertise, and such independent non-executive Director shall be the chairman. The chairman of each specialised committee shall be appointed and removed by the Board of Directors. Independent non-executive Directors shall constitute a majority of the members of the Nomination Committee and the Remuneration Committee. Each committee shall have one convener, being the chairman, who must be an independent non-executive Director.

The Board of Directors shall be responsible for formulating the rules of procedure for each specialised committee, stipulating matters such as their composition, powers and procedures, thereby regulating their operations.

GENERAL MANAGER AND OTHER SENIOR MANAGEMENT

The Company shall have one general manager.

The Company’s senior management personnel shall comprise the general manager, chief operating officer, chief technology officer, chief marketing officer and chief sales officer, chief financial officer, and secretary to the Board of Directors. The chief financial officer is the person responsible for the Company’s financial matters.

The Company’s senior management personnel shall be appointed or dismissed by the Board of Directors.

The provisions of the Articles of Association regarding circumstances disqualifying a person from serving as a director shall also apply to senior management. The provisions of the Articles of Association regarding the duties of loyalty and diligence of directors shall also apply to senior management.

Persons holding positions other than director in the entity of the Company’s controlling shareholder or de facto controller shall not serve as senior management of the Company.

Each term of office for the Company’s senior management personnel shall be three years, and they are eligible for re-appointment to serve consecutive terms.

The general manager shall be responsible to the Board of Directors and exercise the following powers and functions:

- (i) to preside over the production, operation and management of the Company, to organise and implement the resolutions of the Board of Directors, and to report to the Board of Directors on their work;

APPENDIX IV**SUMMARY OF THE ARTICLES OF ASSOCIATION**

- (ii) to organise and implement the Company’s annual business plans and investment proposals;
- (iii) to formulate proposals for the setup of the Company’s internal management structure and branch offices;
- (iv) to formulate the Company’s basic management system;
- (v) to formulate and implement the Company’s specific rules and regulations;
- (vi) to propose to the Board of Directors the appointment or dismissal of other senior management personnel of the Company;
- (vii) to decide on the appointment or dismissal of management personnel other than those who should be appointed or dismissed by the Board of Directors;
- (viii) to decide on the appointment and dismissal of the Company’s employees;
- (ix) to exercise other powers granted by the Articles of Association and the Board of Directors.

The general manager shall attend meetings of the Board of Directors as a non-voting member.

The Company shall have a secretary to the Board of Directors, who is responsible for the preparation of general meetings and Board meetings, the custody of documents, the management of the Company’s shareholder information, and handling information disclosure and other matters. The secretary to the Board of Directors shall comply with the relevant provisions of laws, administrative regulations, departmental rules and the Articles of Association.

Where a senior management member, in performing their duties for the Company, violates the provisions of laws, administrative regulations, departmental rules, the Listing Rules or the Articles of Association and thereby causes losses to the Company, they shall be liable for compensation. The senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all its shareholders. If the senior management of the Company, due to failure to faithfully perform their duties or a breach of the duty of good faith, cause damage to the interests of the Company and its public shareholders, they shall be liable for compensation in accordance with the law.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT**Financial and Accounting System**

The Company shall formulate its financial and accounting system in accordance with laws, administrative regulations and the provisions of relevant state departments. Where the Listing Rules or the securities regulatory authorities of the place where the Company’s shares are listed provide otherwise, such provisions shall prevail.

APPENDIX IV**SUMMARY OF THE ARTICLES OF ASSOCIATION**

The Company shall, at the end of each fiscal year, prepare a financial and accounting report, which shall be audited by an accounting firm in accordance with the law. Financial and accounting reports shall be prepared in accordance with the provisions of relevant laws, administrative regulations, departmental rules and the Listing Rules.

The Company shall, in accordance with the provisions of laws, administrative regulations, the rules of the CSRC, the Listing Rules and the securities regulatory rules of the place where the Company’s shares are listed, submit, disclose and/or present to shareholders documents such as annual reports, interim reports, and preliminary results announcements.

The Company shall not establish any accounting books other than the statutory accounting books. The assets of the Company shall not be deposited in an account opened in the name of any individual.

Profit Distribution

When distributing its after-tax profits for the current year, the Company shall set aside 10% of its profits for the Company’s statutory common reserve fund. If the accumulated amount of the Company’s statutory common reserve fund exceeds 50% of the Company’s registered capital, no further appropriation is required. If the company’s statutory common reserve fund is not sufficient to make up for the losses of previous years, the profits of the current year shall first be used to make up for the losses before the statutory common reserve fund is appropriated in accordance with the preceding paragraph. After appropriating the statutory common reserve fund from its after-tax profits, the Company may, upon a resolution of the general meeting, also appropriate a discretionary common reserve fund from its after-tax profits.

The after-tax profit of the Company remaining after making up for losses and making appropriations to the common reserve fund shall be distributed to shareholders in proportion to their respective shareholdings, save as otherwise provided for in the Articles of Association.

If the general meeting, in violation of the preceding paragraph, distributes profits to shareholders before the Company makes up for its losses and makes appropriations to the statutory common reserve fund, shareholders must return to the Company the profits distributed in violation of the provisions; if losses are caused to the Company, the shareholders and the responsible directors and senior management shall be liable for compensation.

The basic principles of the Company’s profit distribution policy are as follows: the Company’s profit distribution shall place emphasis on reasonable investment returns for investors; the profit distribution policy shall maintain continuity and stability, while also taking into account the Company’s long-term interests, the overall interests of all shareholders, and the Company’s sustainable development.

APPENDIX IV**SUMMARY OF THE ARTICLES OF ASSOCIATION**

The Company’s profit distribution policy is to distribute dividends in cash or in the form of shares. When the Company has distributable profits, the Board of Directors may, based on the Company’s operating performance and financial condition, propose a plan for distributing dividends in cash and/or shares.

Dividends and other payments by the Company to shareholders of shares other than H Shares shall be denominated and declared in Renminbi and paid in Renminbi; Dividends and other payments by the Company to shareholders of H Shares shall be denominated and declared in Renminbi and paid in Hong Kong dollars. Payment of dividends and other sums by the Company to shareholders of H Shares shall be handled in accordance with the relevant state regulations on foreign exchange administration.

Internal Audit System

The Company shall implement an internal audit system and appoint full-time audit personnel to conduct internal audit and supervision of the Company’s financial income and expenditure and other economic activities.

The Company’s internal audit system and the duties of the audit personnel shall be implemented upon approval by the Board of Directors. The head of audit shall be responsible to and report on their work to the Board of Directors.

Appointment of Accounting Firm

The Company shall engage an accounting firm qualified under applicable laws, regulations and the Listing Rules to conduct business such as auditing financial statements, verifying net assets, and providing other related consulting services, for a term of one year, which is renewable.

The appointment and dismissal of the accounting firm that undertakes the Company’s audit business shall be decided by the general meeting.

The Company guarantees to provide the engaged accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information, and shall not refuse, conceal or misrepresent them.

The audit fees of the accounting firm shall be determined by the general meeting.

When the Company dismisses or does not re-engage an accounting firm, it shall notify the accounting firm 30 days in advance. When the Company’s general meeting votes on the dismissal of the accounting firm, the accounting firm shall be allowed to state its opinion.

APPENDIX IV

SUMMARY OF THE ARTICLES OF ASSOCIATION

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION**Merger, Division, Capital Increase and Capital Reduction**

A merger of the Company may take the form of a merger by absorption or a merger by new establishment. A merger in which one company absorbs another is a merger by absorption, and the absorbed company is dissolved. A merger in which two or more companies merge to form a new company is a merger by new establishment, and the merging parties are dissolved.

For a merger of the Company, a merger agreement shall be signed by the merging parties, and a balance sheet and a list of assets shall be prepared. The Company shall, within 10 days from the date on which the merger resolution is made, notify its creditors, and shall, within 30 days, make a public announcement in a publicly circulated newspaper or on the National Enterprise Credit Information Publicity System. Creditors may, within 30 days from the date of receiving the notice, or for those who have not received the notice, within 45 days from the date of the public announcement, request the Company to repay its debts or provide a corresponding guarantee. In the event of a merger of the Company, the claims and debts of the merging parties shall be succeeded by the surviving company after the merger or the newly established company.

In the event of a division of the Company, its assets shall be divided accordingly. For a division of the Company, a balance sheet and a list of assets shall be prepared. The Company shall, within 10 days from the date on which the division resolution is made, notify its creditors, and shall, within 30 days, make a public announcement in a publicly circulated newspaper or on the National Enterprise Credit Information Publicity System.

When the Company needs to reduce its registered capital, it must prepare a balance sheet and a list of assets.

The Company shall, within 10 days from the date on which the resolution for registered capital reduction is made by the general meeting, notify its creditors, and shall, within 30 days, make a public announcement in a publicly circulated newspaper or on the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days from the date of receiving the notice, or for those who have not received the notice, within 45 days from the date of the public announcement, have the right to demand the Company to repay its debts or provide a corresponding guarantee. When reducing its registered capital, the Company shall reduce shares correspondingly in proportion to the shares held by shareholders, unless otherwise provided by law or the Articles of Association. The Company’s registered capital after a capital reduction shall not be less than the statutory minimum amount.

APPENDIX IV**SUMMARY OF THE ARTICLES OF ASSOCIATION**

In the event of a merger or division of the Company, if there is a change in the registered matters, an application for registration of such change shall be made to the company registration authority in accordance with the law; If the Company is dissolved, an application for cancellation of the Company’s registration shall be made in accordance with the law; If a new company is established, an application for registration of the establishment of the company shall be made in accordance with the law.

If the Company increases or reduces its registered capital, an application for registration of such change shall be made to the company registration authority in accordance with the law.

Dissolution And Liquidation

The Company shall be dissolved for the following reasons:

- (i) other grounds for dissolution stipulated in the Articles of Association arise;
- (ii) a resolution for dissolution is passed by the general meeting;
- (iii) dissolution is required due to a merger or division of the Company;
- (iv) its business license is revoked, it is ordered to close down or it is cancelled in accordance with the law;
- (v) if the Company encounters serious difficulties in its operation and management, and its continued existence would cause substantial losses to the shareholders’ interests, which cannot be resolved through other means, shareholders holding 10% or more of all the voting rights of the Company may request a People’s Court to dissolve the Company.

Where the grounds for dissolution stipulated in the preceding paragraph arise for the company, it shall, within ten days, publicise the grounds for dissolution through the National Enterprise Credit Information Publicity System.

If the Company falls under the circumstance described in item (i) of the preceding article, it may continue its existence by amending the Articles of Association. Amendment of the Articles of Association in accordance with the preceding provision shall require approval by more than two-thirds of the voting rights held by the shareholders present at the general meeting.

Where the Company is dissolved in accordance with items (i), (ii), (iv) and (v) of Article 159, it shall, within 15 days from the date on which the ground for dissolution arises, establish a liquidation panel to conduct liquidation.

The liquidation panel shall be composed of Directors. Except where the Articles of Association provide otherwise or the general meeting resolves to elect other persons. If the persons responsible for liquidation fail to perform their obligations in a timely manner, causing losses to the Company or its creditors, they shall be liable for compensation.

APPENDIX IV**SUMMARY OF THE ARTICLES OF ASSOCIATION**

The liquidation panel shall exercise the following powers during the liquidation period:

- (i) to clear up the Company’s assets and prepare a balance sheet and a list of assets respectively;
- (ii) to notify and make public announcements to creditors;
- (iii) to deal with the unfinished business of the Company related to the liquidation;
- (iv) to pay off the taxes owed and the taxes incurred during the liquidation process;
- (v) to clear up claims and debts;
- (vi) to dispose of the Company’s remaining assets after settling its debts;
- (vii) to represent the Company in civil litigation activities.

The liquidation panel shall, within 10 days from the date of its establishment, notify the creditors, and shall, within 60 days, make a public announcement in a publicly circulated newspaper or on the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days from the date of receiving the written notice, or for those who have not received the written notice, within 45 days from the date of the public announcement, declare their claims to the liquidation panel.

When declaring their claims, creditors shall explain the relevant matters of the claims and provide supporting materials. The liquidation panel shall register the claims. During the period for declaration of claims, the liquidation panel shall not make repayments to creditors.

After the liquidation panel has cleared up the Company’s assets and prepared the balance sheet and the list of assets, it shall formulate a liquidation plan and submit it to the general meeting or the people’s court for confirmation.

The remaining assets of the Company, after paying, in sequence, the liquidation expenses, employees’ wages, social insurance premiums and statutory compensation, the taxes owed, and repaying the Company’s debts, shall be distributed by the Company to the shareholders in proportion to their respective shareholdings.

During the liquidation period, the company shall continue to exist, but it shall not carry out operating activities unrelated to the liquidation. The Company’s assets shall not be distributed to the shareholders before being used for repayment in accordance with the preceding paragraph.

After the liquidation panel has cleared up the Company’s assets and prepared the balance sheet and the list of assets, if it discovers that the Company’s assets are insufficient to repay its debts, it shall apply to the people’s court for bankruptcy liquidation in accordance with the law. After the people’s court has accepted the bankruptcy application, the liquidation panel shall hand over the liquidation affairs to the bankruptcy administrator designated by the people’s court.

APPENDIX IV

SUMMARY OF THE ARTICLES OF ASSOCIATION

Upon completion of the Company’s liquidation, the liquidation panel shall prepare a liquidation report, submit it to the general meeting or the People’s Court for confirmation, and file it with the company registration authority to apply for the cancellation of the company’s registration and publish an announcement of the Company’s dissolution.

If the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

AMENDMENT OF ARTICLES OF ASSOCIATION

The Company shall amend its Articles of Association under any of the following circumstances:

- (i) after the Company Law, the Listing Rules or relevant laws and administrative regulations are amended, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws and administrative regulations;
- (ii) the circumstances of the Company have changed, such that they are inconsistent with the matters recorded in the Articles of Association;
- (iii) the general meeting resolves to amend the Articles of Association.

Any amendment to the Articles of Association approved by a resolution of the general meeting that is subject to examination and approval by the competent authorities shall be submitted to the competent authorities for approval; if it involves matters subject to registration by the Company, the change of registration shall be effected in accordance with the law.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the general meeting to amend the Articles of Association and the approval opinions of the relevant competent authorities.

After the Articles of Association are amended, the Board of Directors shall promptly arrange for the filing of the same with the company registration authority for its record.

If the amendment to the Articles of Association involves information required to be disclosed by laws and regulations, it shall be announced as required.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR COMPANY**1. Incorporation of our Company**

Our Company’s predecessor Changzhou Microintelligence Co., Ltd. (常州微億智造科技有限公司) was established in the PRC on August 16, 2018, with an initial registered capital of RMB20,000,000, and being held as to 40%, 30%, 25% and 5% by Mr. Wang Mingxi (王明喜), Changzhou ASFS, Ms. Huang Yichao (黃逸超) and Mr. Wu Junwen (鄔均文), respectively. On September 22, 2025, pursuant to the promoter’s agreement among the then Shareholders, our predecessor company was converted into a joint stock limited company with limited liability under the laws of the PRC under the name of Changzhou Microintelligence Co., Ltd (常州微億智造科技股份有限公司), namely our Company. For details, see “History, Development and Corporate Structure — Major Shareholding Changes of Our Company” in this document.

The registered office and headquarters of our Company in the PRC is Floor 2, Building 4 Changzhou Big Data Industrial Park, No. 280 Yulong South Road, Zhonglou Economic Development Zone, Changzhou, Jiangsu Province, PRC. We have applied for registration as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on September 23, and our principal place of business in Hong Kong is at 40/F, Dah Sing Financial Centre, 248 Queen’s Road East, Wanchai, Hong Kong. Ms. Tsang Wing Man (曾穎雯) has been appointed as the authorised representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As our Company was established in PRC, its operations are subject to the relevant laws and regulations of mainland China. A summary of the relevant aspects of laws and regulations of mainland China and the Articles of Association is set out in this document.

2. Changes in the share capital of our Company

The initial registered capital of our predecessor company was RMB20,000,000 as of the date of its incorporation. On September 22, 2025, our Company was converted to a joint stock company with limited liability. Our total issued share capital was RMB300,000,000 divided into 300,000,000 Shares with a nominal value of RMB1.00 each.

The following alterations in the total issued share capital of our Company have taken place within the two years immediately preceding the date of this document:

On May 23, 2025, our registered capital was increased to RMB45,699,700.13.

On July 21, 2025, our registered capital was increased to RMB54,488,104.01.

On August 12, 2025, our registered capital was increased to RMB60,931,581.68.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

Save as disclosed above, there has been no alteration in the share capital of our Company within two years immediately preceding the date of this document. For details of changes in share capital of our Company and our predecessor company, see “History, Development and Corporate Structure” of this document.

3. Resolutions Passed by Our Shareholders’ General Meeting in Relation to the [REDACTED]

At the general meeting of the Shareholders held on September 22, 2025, the following resolutions, among other things, were duly passed

- (i) the [REDACTED] by the Company of H Shares with a nominal value of RMB1.00 each and such H Shares be [REDACTED] on the Stock Exchange;
- (ii) the number of H Shares to be [REDACTED] shall be no more than [REDACTED]% of the total issued share capital of our Company as enlarged by the [REDACTED], and the grant of the [REDACTED] in respect of no more than [REDACTED]% of the number of H Shares issued pursuant to the [REDACTED];
- (iii) authorization of the Board or its authorized individuals to handle all matters relating to, among other things, the [REDACTED], the [REDACTED] and [REDACTED] of H Shares on the Stock Exchange; and
- (iv) subject to the completion of the [REDACTED], the conditional adoption of the revised Articles of Association, which shall become effective on the [REDACTED], and the authorization to the Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules.

4. Changes in Share Capital of Our Subsidiaries

Our subsidiaries are set out in the Accountant’s Report, see “Appendix I — Accountants’ Report”. Save for the subsidiaries mentioned in “Appendix I — Accountants’ Report”, our Company has no other subsidiaries.

Save as disclosed above and in “History, Development and Corporate Structure”, there are no other alteration in registered capital of our subsidiaries within the two years immediately preceding the date of this document.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The Group has entered into the following contracts (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 capital increase agreement dated April 19, 2024 entered into between our predecessor company, Mr. Pan, Changzhou ASFS and Mr. Zhang and Jiangsu Jiandao, with Jiansu Jiandao subscribing for the increased registered capital of our predecessor company in the amount of RMB753,291.76 at a consideration of RMB30 million;
- (b) the capital increase agreement dated May 15, 2024 entered into between our predecessor company, Mr. Pan, Changzhou ASFS and Mr. Zhang and Changzhou Songhe, with Changzhou Songhe subscribing for the increased registered capital of our predecessor company in the amount of RMB251,097.25 at a consideration of RMB10 million;
- (c) the capital increase agreement dated May 25, 2024 entered into between our predecessor company, Mr. Pan, Changzhou ASFS and Mr. Zhang and Changzhou Investment, with Changzhou Investment subscribing for the increased registered capital of our predecessor company in the amount of RMB502,194.51 at a consideration of RMB20 million;
- (d) the capital increase agreement dated December 25, 2024 entered into between our predecessor company, Mr. Pan, Changzhou ASFS, Mr. Zhang, Shanghai Zhice, Shanghai Weiyong and Industrial Machinery Fund, with Industrial Machinery Fund subscribing for the increased registered capital of our predecessor company in the amount of RMB6,277,431.34 at a consideration of RMB250 million;
- (e) the capital increase agreement dated January 30, 2025 entered into between our predecessor company, Mr. Pan, Changzhou ASFS, Mr. Zhang, Shanghai Zhice, Shanghai Weiyong, Shenzhen Capital and Shenzhen Venture Capital SME, with (i) Shenzhen Capital subscribing for the increased registered capital of our predecessor company in the amount of RMB502,194.51 at a consideration of RMB20 million, and (ii) Shenzhen Venture Capital SME subscribing for the increased registered capital of our predecessor company in the amount of RMB20,087,780.3 at a consideration of RMB80 million;
- (f) the capital increase agreement dated April 18, 2025 entered into between our predecessor company, Mr. Pan, Changzhou ASFS, Mr. Zhang, Shanghai Zhice, Shanghai Weiyong and Xuzhou Investment, with Xuzhou Investment subscribing for the increased registered capital of our predecessor company in the amount of RMB502,194.51 at a consideration of RMB20 million;

APPENDIX V

STATUTORY AND GENERAL INFORMATION

- (g) the capital increase agreement dated April 30, 2025 entered into between our predecessor company, Mr. Pan, Changzhou ASFS, Mr. Zhang, Shanghai Zhice, Shanghai Weiyong and Linghang Xinjie, with Linghang Xinjie subscribing for the increased registered capital of our predecessor company in the amount of RMB909,776.37 at a consideration of RMB36,232,032;
- (h) the capital increase agreement dated April 30, 2025 entered into between our predecessor company, Mr. Pan, Changzhou ASFS, Mr. Zhang, Shanghai Zhice, Shanghai Weiyong and Linghang Xinghan, with Linghang Xinghan subscribing for the increased registered capital of our predecessor company in the amount of RMB7,050.76 at a consideration of RMB280,798;
- (i) the capital increase agreement dated May 9, 2025 entered into between our predecessor company, Mr. Pan, Changzhou ASFS, Mr. Zhang, Shanghai Zhice, Shanghai Weiyong and Puhua Capital, with Puhua Capital subscribing for the increased registered capital of our predecessor company in the amount of RMB1,506,583.52 at a consideration of RMB60 million;
- (j) the capital increase agreement dated May 9, 2025 entered into between our predecessor company, Mr. Pan, Changzhou ASFS, Mr. Zhang, Shanghai Zhice, Shanghai Weiyong, Wuxi Hongtai and Gongqingcheng Boying, with (i) Wuxi Hongtai subscribing for the increased registered capital of our predecessor company in the amount of RMB3,013,167.04 at a consideration of RMB120 million, and (ii) Gongqingcheng Boying subscribing for the increased registered capital of our predecessor company in the amount of RMB2,510.97 at a consideration of RMB100,000;
- (k) the capital increase agreement dated May 21, 2025 entered into between our predecessor company, Mr. Pan, Changzhou ASFS, Mr. Zhang, Shanghai Zhice, Shanghai Weiyong, Changzhou Songhe and Songhe Angel, with (i) Changzhou Songhe subscribing for the increased registered capital of our predecessor company in the amount of RMB251,097.25 at a consideration of RMB10 million, and (ii) Songhe Angel subscribing for the increased registered capital of our predecessor company in the amount of RMB251,097.25 at a consideration of RMB10 million;
- (l) the Framework Agreement dated June 11, 2025, entered into between our Company and the Agilebot Sellers for the acquisition of 100% interest in Agilebot;
- (m) the sale and purchase agreement dated June 11, 2025 entered into between our Company and the Agilebot Sellers for the acquisition of 20.29% interest in Agilebot; and
- (n) the [REDACTED].

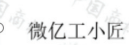
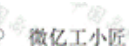
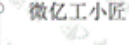
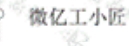
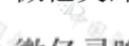
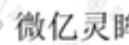
Intellectual property rights of our Group

As of the Latest Practicable Date, our Group has registered, or has applied for the registration of the following intellectual property rights which, in the opinion of our Directors, are material to our business.

(a) Trademarks

As of the Latest Practicable Date, below are trademarks which in the opinion of our Directors are material to our business.

APPENDIX V STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
1.		41	our Company	PRC	80305774	February 20, 2035
2.		35	our Company	PRC	72381118	December 27, 2033
3.		9	our Company	PRC	72370729	January 6, 2034
4.		42	our Company	PRC	72364492	December 27, 2033
5.		7	our Company	PRC	72362384	January 6, 2034
6.		9	our Company	PRC	68359019	May 27, 2033
7.		7	our Company	PRC	68352779	May 20, 2033
8.		35	our Company	PRC	68349825	May 20, 2033
9.		42	our Company	PRC	68343250	May 20, 2033
10.		41	our Company	PRC	67972191	July 6, 2034
11.		40	our Company	PRC	62873161	July 13, 2033
12.		37	our Company	PRC	62850108	July 13, 2033
13.		38	our Company	PRC	62848807	July 13, 2033
14.		16	our Company	PRC	62844384	July 13, 2033
15.		9	our Company	PRC	58993623	July 27, 2032
16.		40	our Company	PRC	50412198	September 13, 2031
17.		16	our Company	PRC	50401019	July 27, 2031
18.		42	our Company	PRC	48294334	June 6, 2032
19.		42	our Company	PRC	48287842	February 6, 2032
20.		9	our Company	PRC	47423782	February 6, 2032
21.		9	our Company	PRC	47286934	April 6, 2031
22.		9	our Company	PRC	47286934A	April 6, 2031

APPENDIX V STATUTORY AND GENERAL INFORMATION

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
23.		16	our Company	PRC	40083212	April 13, 2032
24.		38	our Company	PRC	40082804	March 20, 2030
25.		40	our Company	PRC	40076396	February 13, 2031
26.		37	our Company	PRC	40076362	February 13, 2031
27.		37	our Company	PRC	40072365	March 20, 2030
28.		40	our Company	PRC	40071626	March 20, 2030
29.		42	our Company	PRC	40063979	October 6, 2032
30.		42	our Company	PRC	40061796	April 13, 2032
31.	智云天工小智	9	Jiangsu SVFactory	PRC	67645992	May 6, 2033
32.	智云天工小智	42	Jiangsu SVFactory	PRC	67641141	May 6, 2033
33.	智云工小智	35	Jiangsu SVFactory	PRC	67640182	May 6, 2033
34.	智云工小智	9	Jiangsu SVFactory	PRC	67640009	May 6, 2033
35.	智云天工小智	35	Jiangsu SVFactory	PRC	67633589	May 6, 2033
36.	智云工小智	42	Jiangsu SVFactory	PRC	67626343	May 6, 2033
37.	智云天工	5	Jiangsu SVFactory	PRC	66367131	January 27, 2033
38.		21、11、9、7、	Jiangsu SVFactory	PRC	60725496A	June 20, 2032
39.	SVFACTORY	41、42、16、	Jiangsu SVFactory	PRC	56506832	March 20, 2032
40.	智云天工	41、25、36、16、42	Jiangsu SVFactory	PRC	56488609	April 6, 2032
41.		35	Shanghai Weiye	PRC	60746857	July 20, 2033
42.		35	Shanghai Weiye	PRC	40045145	March 27, 2031

APPENDIX V

STATUTORY AND GENERAL INFORMATION

(b) Patent

As of the Latest Practicable Date, our Group has registered the following patents in the PRC:

No.	Patent Name	Type	Patent Holder	Jurisdiction of registration	Patent Number	Date of Registration
1.	Image Acquisition Method, Apparatus, and Electronic Device (一種圖像採集方法、裝置及電子設備)	Invention Patent	our Company	PRC	ZL202410852293.X	June 28, 2024
2.	Imaging Method, Apparatus, Medium, and Device (一種成像方法、裝置、介質及設備)	Invention Patent	our Company	PRC	ZL202410073254.X	January 18, 2024
3.	Collision Detection Method and Apparatus for Path Planning (一種用於路徑規劃的碰撞檢測方法及裝置)	Invention Patent	our Company	PRC	ZL202311789547.X	December 25, 2023
4.	Large-Depth Spectrometer for Frequency-Domain Optical Coherence Tomography System and Its Application (用於頻域光學相干層析成像系統的大深度光譜儀及其應用)	Invention Patent	our Company	PRC	ZL202311660126.7	December 6, 2023
5.	Flying Snapshot Control Method and System Based on Flying Snapshot Robot (基於飛拍機器人的飛拍控制方法和系統)	Invention Patent	our Company	PRC	ZL202311308646.1	October 11, 2023
6.	Integrated Array Camera and Its Imaging Control Method (一體化陣列相機及其成像控制方法)	Invention Patent	our Company	PRC	ZL202310341953.3	April 3, 2023
7.	Spectral-Domain Optical Coherence Tomography Detection Method and System for Industrial Inspection (用於工業檢測的譜域光學相干層析成像檢測方法及系統)	Invention Patent	our Company	PRC	ZL202310248715.8	March 15, 2023
8.	Image Cropping Method and Apparatus for Industrial Quality Inspection (應用於工業質檢的切圖方法及裝置)	Invention Patent	our Company	PRC	ZL202310238834.5	March 14, 2023
9.	Flying Snapshot Control Method and System (飛拍控制方法和系統)	Invention Patent	our Company	PRC	ZL202310187680.1	March 2, 2023
10.	Sample Generation Method and Sample Generation Apparatus in Industrial Inspection (工業檢測中的樣本生成方法、樣本生成裝置)	Invention Patent	our Company	PRC	ZL202310166825.X	February 27, 2023
11.	Defect Detection Method and System Based on Optical Coherence Tomography (基於光學相干層析的缺陷檢測方法及系統)	Invention Patent	our Company, Shenzhen Microintelligence	PRC	ZL202211512963.0	November 30, 2022

APPENDIX V STATUTORY AND GENERAL INFORMATION

No.	Patent Name	Type	Patent Holder	Jurisdiction of registration	Patent Number	Date of Registration
12.	Adaptive Photographing Path Planning Method and Apparatus for Appearance Inspection (一種用於外觀檢測的拍照路徑自適應規劃方法及裝置)	Invention Patent	Shanghai Microintelligence	PRC	ZL202310734823.6	June 20, 2023
13.	Product Defect Detection Method Based on Machine Learning Model in Industrial Quality Inspection Field (基於工業質檢領域機器學習模型的產品缺陷檢測方法)	Invention Patent	Jiangsu SVFactory	PRC	ZL202211388209.0	November 8, 2022
14.	Iterative Product Quality Detection Method and System Based on Database Synchronization of Quality Spection Machines (基於質檢機數據庫同步的迭代產品質量檢測方法及系統)	Invention Patent	Jiangsu SVFactory	PRC	ZL202211365386.7	November 3, 2022
15.	Container-Based Distributed Training System and Its Construction Method (基於容器化實現分散式訓練系統及其構建方法)	Invention Patent	Jiangsu SVFactory	PRC	ZL202211269955.8	October 18, 2022
16.	Abnormal Image Detection Method and Apparatus in Industrial Quality Inspection (工業質檢中異常圖片的檢測方法及裝置)	Invention Patent	Jiangsu SVFactory	PRC	ZL202210407607.6	April 19, 2022
17.	Defect Sample Data Generation Method and Apparatus (缺陷樣本數據生成方法和裝置)	Invention Patent	our Company	PRC	ZL202111279404.5	November 1, 2021
18.	Detection Method for Identifying Special Point-like Defects (識別特殊點狀類缺陷的檢測方法)	Invention Patent	our Company	PRC	ZL202111252331.0	October 27, 2021
19.	Film-Covered Product Inspection System and Method Based on Optical Coherence Tomography (基於光學相干斷層掃描的覆膜產品檢測系統及檢測方法)	Invention Patent	our Company	PRC	ZL202111179308.3	October 11, 2021
20.	Optical Coherence Tomography Inspection System and Method for Transparent or Semi-Transparent Items (透明或半透明物品的光學相干斷層掃描檢測系統和方法)	Invention Patent	our Company	PRC	ZL202111179313.4	October 11, 2021
21.	A Lightweight Vision-Based Production Capacity Management Method For Industrial Internet of Things (一種工業物聯網下基於視覺的輕量級產能管控方法)	Invention Patent	our Company	PRC	ZL202111001174.6	August 30, 2021

APPENDIX V STATUTORY AND GENERAL INFORMATION

No.	Patent Name	Type	Patent Holder	Jurisdiction of registration	Patent Number	Date of Registration
22.	Flying Snapshot Visual Imaging Detection System and Method for Large-Size Object Detection (用於檢測大尺寸物體的飛拍視覺成像檢測系統及方法)	Invention Patent	our Company	PRC	ZL202110967039.0	August 23, 2021
23.	Distributed-Supported Multi-Component Performance Testing Method and System (支持分散式的多組件性能測試方法和系統)	Invention Patent	our Company	PRC	ZL202110568675.6	May 25, 2021
24.	Industrial Data Transmission System (工業數據傳輸系統)	Invention Patent	our Company	PRC	ZL202110433437.4	April 22, 2021
25.	Industrial Data Transmission System Suitable for Concurrent High-Rate Data (適用高速併發數據的工業數據傳輸系統)	Invention Patent	our Company	PRC	ZL202110433577.1	April 22, 2021
26.	Workpiece Contour Curve Fitting Method, Apparatus, and Medium for Workpiece Quality Inspection (適用於工件質檢的工件輪廓曲線擬合方法、裝置及介質)	Invention Patent	our Company	PRC	ZL202110417251.X	April 19, 2021
27.	Flying Snapshot Trigger Timing Determination Method and Apparatus (飛拍拍攝觸發點的確定方法和裝置)	Invention Patent	our Company	PRC	ZL202110337162.4	March 30, 2021
28.	A Machine Learning-Based Flying Snapshot Image Error Prediction Method (一種基於機器學習的飛拍圖像誤差預測方法)	Invention Patent	our Company	PRC	ZL202110254346.4	March 9, 2021
29.	A Method for Robust Multi-Target Template Acquisition for Industrial Component Vision (一種工業部件視覺多目標魯棒模板獲取的方法)	Invention Patent	our Company	PRC	ZL202110238757.4	March 4, 2021
30.	Flying Snapshot Trigger Point Determination Method and Apparatus (飛拍拍攝觸發點的確定方法和裝置)	Invention Patent	our Company	PRC	ZL202110236554.1	March 3, 2021
31.	Flying Snapshot Trigger Point Determination Method and Apparatus (飛拍拍攝觸發點的確定方法和裝置)	Invention Patent	our Company	PRC	ZL202110202550.1	February 24, 2021
32.	Positioning Method and Apparatus for Flying Snapshot Waypoints (用於飛拍拍攝點的定位方法和裝置)	Invention Patent	our Company	PRC	ZL202110179128.9	February 8, 2021
33.	Flying Snapshot Control Method and Apparatus (飛拍控制方法和裝置)	Invention Patent	our Company	PRC	ZL202110170039.8	February 8, 2021

APPENDIX V STATUTORY AND GENERAL INFORMATION

No.	Patent Name	Type	Patent Holder	Jurisdiction of registration	Patent Number	Date of Registration
34.	Annotation Conversion Method and Apparatus (標註轉換方法和裝置)	Invention Patent	our Company	PRC	ZL202110150601.0	February 4, 2021
35.	Searching Method and System for Shooting Waypoints During Flying Snapshot (用於飛拍過程中拍攝位點搜尋的方法和系統)	Invention Patent	Shanghai Microintelligence	PRC	ZL202110099733.5	January 25, 2021
36.	Method and System for Image Filtering During Flying Snapshot (用於飛拍過程中圖像篩選的方法和系統)	Invention Patent	Shanghai Microintelligence	PRC	ZL202110099734.X	January 25, 2021
37.	Method, System, and Medium of Sample Construction for Semantic Segmentation Network Training (一種製作語義分割網訓練樣本的方法、系統及介質)	Invention Patent	Shanghai Microintelligence, our Company	PRC	ZL202011639418.9	December 31, 2020
38.	Method and Apparatus for Implementing Worker Services for Industrial IoT Data Transmission (工業物聯網數據傳輸Worker服務實現方法及裝置)	Invention Patent	our Company	PRC	ZL202011517436.X	December 21, 2020
39.	Industrial Scene 3D Model Rendering Method and Apparatus (工業場景3D模型渲染方法和裝置)	Invention Patent	our Company	PRC	ZL202011515377.2	December 21, 2020
40.	Container-Based Model Training, Testing, Tuning, and Deployment Method and Apparatus (基於容器的模型訓練測試調優和部署方法和裝置)	Invention Patent	Zhongke Zhengfang	PRC	ZL202011371610.4	November 30, 2020
41.	Workpiece Defect Detection Method and Apparatus (工件缺陷檢測方法及裝置)	Invention Patent	our Company	PRC	ZL202011351215.X	November 26, 2020
42.	Real-Time Industrial Data Acquisition System and Method (工業數據的實時採集系統和方法)	Invention Patent	our Company	PRC	ZL202011339299.5	November 25, 2020
43.	Optical Replication Method and Apparatus for Quality Inspection, and Quality Inspection Equipment (質檢用光學複製方法、裝置及質檢設備)	Invention Patent	our Company	PRC	ZL202011317631.8	November 23, 2020
44.	Data Warehouse System Based on Industrial Cloud-Edge Services (基於工業雲邊服務的數倉系統)	Invention Patent	our Company	PRC	ZL202011279546.7	November 16, 2020
45.	Quality Feature Processing Method Applicable to Deep Learning for Metal Injection Molding Sintered Products (適用於深度學習金屬注射成型燒結產品質量特徵處理方法)	Invention Patent	our Company	PRC	ZL202011200371.6	November 2, 2020

APPENDIX V

STATUTORY AND GENERAL INFORMATION

No.	Patent Name	Type	Patent Holder	Jurisdiction of registration	Patent Number	Date of Registration
46.	Real-Time Industrial Production Data Processing Method and System Based on Flink SQL Engine (基於Flink SQL引擎的工業生產數據實時處理方法、系統)	Invention Patent	our Company	PRC	ZL202011196994.0	October 30, 2020
47.	Annotation Accuracy Identification Method and Apparatus for Image Defect Annotation Models (圖像缺陷標註模型的標註準確率識別方法、識別裝置)	Invention Patent	our Company	PRC	ZL202011192510.5	October 30, 2020
48.	A Data Transformation Framework System and Method for Network Transmission Under Industrial IoT (一種工業物聯網下網絡傳輸數據轉化框架系統及其方法)	Invention Patent	our Company	PRC	ZL202011171127.1	October 28, 2020
49.	Image Dataset Defect Heatmap Visualization Method and Apparatus (圖像數據集缺陷熱點分佈顯示方法和裝置)	Invention Patent	our Company	PRC	ZL202011144671.7	October 23, 2020
50.	Model Detection Method (模型檢測方法)	Invention Patent	Shanghai Microintelligence, our Company	PRC	ZL202010733677.1	July 27, 2020

(c) Copyright

As of the Latest Practicable Date, our Group has registered the following software copyrights in the PRC:

No.	Software Name	Registrant	Registration Number	Date of Initial Publication
1.	Microintelligence MEB Knowledge Graph System [Abbreviation: Knowledge Graph] V1.0 (微億MEB知識圖庫系統[簡稱：知識圖庫]V1.0)	our Company	2021SR1873811	July 18, 2021
2.	Microintelligence MEB Annotation Tool Management System V1.0 (微億MEB標註工具管理系統V1.0)	our Company	2021SR1822442	February 20, 2021
3.	Microintelligence MEB Basic Data Analysis, Collection and Management System V1.0 (微億MEB基礎數據分析採集管理系統V1.0)	our Company	2021SR1745309	April 12, 2021

APPENDIX V

STATUTORY AND GENERAL INFORMATION

No.	Software Name	Registrant	Registration Number	Date of Initial Publication
4.	Microintelligence MEB Model Rendering Design and Training System V1.0 (微億MEB模型渲染設計訓練系統V1.0)	our Company	2021SR1745202	April 12, 2021
5.	Microintelligence MEB Development Management Platform V1.0 (微億MEB開發管理平台V1.0)	our Company	2021SR1745234	May 16, 2021
6.	Microintelligence MEB System Operation and Maintenance Management Platform V1.0 (微億MEB系統運行維護管理平台V1.0)	our Company	2021SR1745281	June 15, 2021
7.	Microintelligence MEB Sample Collection, Screening and Comparative Analysis System V1.0 (微億MEB樣本採集篩選對比分析系統V1.0)	our Company	2021SR1743968	July 12, 2021
8.	Microintelligence Mold Lamp Algorithm Command Resolution System V1.0 (微億模燈算法指令解算系統V1.0)	our Company	2021SR1735405	June 10, 2021
9.	Microintelligence Engineering Project Delivery Management System V1.0 (微億工程項目交付管理系統V1.0)	our Company	2021SR1690469	June 18, 2021
10.	Microintelligence MEB External Model Testing Operating System [Abbreviation: MEB External Model Testing System] V1.0 (微億MEB外部模型測試操作系統[簡稱：MEB外部模型測試系統]V1.0)	our Company	2021SR1142647	December 18, 2020
11.	Microintelligence MEB Model Training System [Abbreviation: MEB Model Training] V1.0 (微億MEB模型訓練系統[簡稱：MEB模型訓練]V1.0)	our Company	2021SR0983634	November 11, 2020

APPENDIX V **STATUTORY AND GENERAL INFORMATION**

No.	Software Name	Registrant	Registration Number	Date of Initial Publication
12.	Microintelligence MEB Sample Collection System [Abbreviation: MEB Sample Collection] V1.0 (微億MEB樣本採集系統[簡稱：MEB樣採]V1.0)	our Company	2021SR0983631	October 20, 2020
13.	Microintelligence MEB Data Model Development Platform [Abbreviation: MEB Data Model Platform] V1.0 (微億MEB數據模型開發平台[簡稱：MEB數模平台]V1.0)	our Company	2021SR0983629	October 18, 2020
14.	Microintelligence MEB Sample Review and Screening System [Abbreviation: MEB Sample Screening] V1.0 (微億MEB樣本審核篩選系統[簡稱：MEB樣本篩選]V1.0)	our Company	2021SR0983633	December 18, 2020
15.	Microintelligence MEB System Operation and Maintenance Integrated Platform [Abbreviation: MEB Operation Management] V1.0 (微億MEB系統運維一體化平台[簡稱：MEB運管]V1.0)	our Company	2021SR0983630	September 18, 2020
16.	Microintelligence MEB Dataset System [Abbreviation: MEB Dataset] V1.0 (微億MEB數據集系統[簡稱：MEB數據集]V1.0)	our Company	2021SR0983632	December 18, 2020
17.	Microintelligence Mold Lamp Algorithm Interactive Interface Platform Software [Abbreviation: MLP] V1.0 (微億模燈算法交互界面平台軟件[簡稱：MLP]V1.0)	our Company	2020SR1666569	July 17, 2020
18.	Microintelligence Algorithm Model Interactive Interface Platform Software [Abbreviation: AIP] V1.0 (微億算法模型交互界面平台軟件[簡稱：AIP]V1.0)	our Company	2020SR1663199	July 17, 2020

APPENDIX V

STATUTORY AND GENERAL INFORMATION

No.	Software Name	Registrant	Registration Number	Date of Initial Publication
19.	Microintelligence IDMAIC Plan Brain Operating System [Abbreviation: IDMAIC Plan Brain] V1.0 (微億IDMAIC計劃大腦操作系統[簡稱：IDMAIC計劃大腦]V1.0)	our Company	2020SR1663184	May 18, 2020
20.	Microintelligence IDMAIC Data Management Operating System [Abbreviation: IDMAIC Data Management] V1.0 (微億IDMAIC數據管理操作系統[簡稱:IDMAIC數據管理]V1.0)	our Company	2020SR1666571	May 18, 2020
21.	Microintelligence Model Competition Management System Application Software [Abbreviation: MCS] V1.0 (微億模型賽事管理系統應用軟件[簡稱：MCS]V1.0)	our Company	2020SR1666559	July 17, 2020
22.	Microintelligence Matrix Visual Inspection Machine Human-Machine Interaction Interface Platform Software [Abbreviation: Matrix HMI] V1.0 (微億Matrix視覺檢測機人機交互界面平台軟件[簡稱：Matrix HMI]V1.0)	our Company	2019SR1454370	March 1, 2019
23.	Microintelligence Enterprise Application Development Cloud Platform Software [Abbreviation: Microintelligence Enterprise Application Development Cloud Platform] V1.0 (微億企業應用開發雲平台軟件[簡稱：微億企業應用開發雲平台]V1.0)	our Company	2019SR0600014	Unpublished

APPENDIX V

STATUTORY AND GENERAL INFORMATION

No.	Software Name	Registrant	Registration Number	Date of Initial Publication
24.	Microintelligence MEB Annotation Tool System [Abbreviation: MEB Annotation Tool] V1.0 (微億MEB標註工具系統[簡稱：MEB標註工具] V1.0)	our Company	2021SR0611211	December 11, 2020
25.	Microintelligence MEB Basic Data Management System [Abbreviation: MEB Basic Data Management] V1.0 (微億MEB基礎數據管理系統[簡稱：MEB基礎數據管理]V1.0)	our Company	2021SR0611212	December 18, 2020
26.	Microintelligence MEB Data Engineering Delivery Platform [Abbreviation: MEB Delivery Platform] V1.0 (微億MEB數據工程交付平台[簡稱：MEB交付平台]V1.0)	our Company	2021SR0611213	December 18, 2020
27.	Microintelligence Robot Trajectory Tracking Control Management System V1.0 (微億智造機器人軌跡跟蹤控制管理系統V1.0)	Shanghai Microintelligence	2024SR0545906	Unpublished
28.	Microintelligence Robot Route Intelligent Planning Management System V1.0 (微億智造機器人路線智能規劃管理系統V1.0)	Shanghai Microintelligence	2024SR0554184	Unpublished
29.	Microintelligence Gong Xiaojiang • Digital Quality Inspector System V2.0 (微億智造工小匠•數字質檢員系統2.0)	our Company	2025SR0650429	Unpublished

APPENDIX V

STATUTORY AND GENERAL INFORMATION

(d) Domain names

As of the Latest Practicable Date, our Group has registered the following domain names in the PRC:

No.	Domain Name	Registered Owner	Expiry Date
1.	microintelligence.com.cn	our Company	November 20, 2025
2.	micro-i.com.cn	our Company	February 27, 2026
3.	svfactory.com	our Company	September 10, 2026
4.	svfactory.com.cn	our Company	March 25, 2026

C. FURTHER INFORMATION ABOUT DIRECTORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDERS

1. Directors

(a) Disclosure of Interests of Directors and Chief Executive of the Company

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the interests and/or short positions (as applicable) of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any interests and/or short positions (as applicable) in shares, underlying Shares or debentures of any of the Company’s associated corporations (within the meaning of Part XV of the SFO) which (i) will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO), (ii) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) will be required, pursuant to the Model Code for Securities Transactions by Directors of

APPENDIX V

STATUTORY AND GENERAL INFORMATION

Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange, in each case once the H Shares are [REDACTED] on the Stock Exchange, will be as follows:

(i) *Interest in our Company*

Name of Director	Position in our Company	Nature of Interest	Number and Class of Shares	Approximate percentage of interest in Shares of our Company immediately after the [REDACTED] ¹
Mr. Zhang Zhiqi (張志琦)	Chairman of the Board, executive Director and chief executive officer	Interest held jointly with other persons ²	[REDACTED] H Shares	[REDACTED]%
		Interest in controlled corporations ³	[REDACTED] H Shares	[REDACTED]%
		Beneficial owner	[REDACTED] H Shares	[REDACTED]%
Mr. Pan Zhengyi (潘正頤)	Executive Director, chief operation office and general manager	Interest held jointly with other persons ²	[REDACTED] H Shares	[REDACTED]%
		Interest in controlled corporations ⁴	[REDACTED] H Shares	[REDACTED]%

Notes:

- (1) The calculation is based on the total number of [REDACTED] Unlisted Shares in issue and [REDACTED] H Shares in issue immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and the Conversion of Unlisted Shares into H Shares. Unlisted Shares and H Shares are both ordinary Shares in the share capital of our Company, and are considered as one class of Shares.
- (2) Mr. Zhang, Mr. Pan and Changzhou ASFS are parties acting in concert in respect of their shareholding interests in the Company pursuant to the Concert Party Agreement. Therefore, each of Mr. Zhang Zhiqi, Mr. Pan Zhengyi and Changzhou ASFS is deemed to be interested in the interest of each other under the SFO.
- (3) As of the Latest Practicable Date, Shanghai Zhice and Shanghai Weiyong were owned as to 36.54% and 75.76% by Mr. Zhang, respectively. Therefore, Mr. Zhang is deemed to be interested in such Shares held by Shanghai Zhice and Shanghai Weiyong under the SFO.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

- (4) As of the Latest Practicable Date, Changzhou ASFS was owned as to 30.46%, 19.22%, 0.50%, 4.39% and 28.05% by Mr. Pan, Changzhou Litian, Shanghai Weiba, Shanghai Weijiu and Changzhou Weishi, respectively. Mr. Pan is deemed to control Changzhou ASFS by virtue of his direct shareholding and his capacity as the general partner of each of Changzhou Litian, Shanghai Weiba, Shanghai Weijiu and Changzhou Weishi. Therefore, Mr. Pan is deemed to be interested in such Shares held by Changzhou ASFS under the SFO.
- (5) For details, see “Relationship with Our Controlling Shareholders” and “Substantial Shareholders” in this document.
- (6) All interests stated are long positions.

(b) Particulars of service contracts and letters of appointment

Each of our Directors has entered into a service contract or appointment letter with our Company. The principal particulars of these service contracts and appointment letters comprise (a) the term of the service; (b) subject to termination in accordance with their respective term; and (c) a dispute resolution provision. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of the Directors has or is proposed to have 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)).

(c) Remuneration of Directors

For details of the remuneration of Directors, see “Directors and Senior Management — Remuneration of the Directors and Senior Management” and Note 40 to “Appendix I — Accountants’ Report” of this Document.

2. Substantial Shareholders

Save as disclosed in “Substantial Shareholders” in this document, so far as our Directors are aware, immediately following the completion of the [REDACTED] (assuming the [REDACTED] are not exercised), and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED], have an interest or short position in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

3. Agency Fees or Commissions Received

Save as disclosed in “Financial Information” and “[REDACTED]” in this document, no commissions, discounts, brokerages or other special terms were granted in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this document.

4. Disclaimers

Save as disclosed in this document, and as of the Latest Practicable Date:

- (a) none of our Directors or chief executives of our Company has any interest or short position in the shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV 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 to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are listed;
- (b) none of our Directors or any of the experts referred to in “— D. Other Information — 8. Qualification of Experts” in this Appendix 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;
- (c) 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;
- (d) 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;
- (e) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));
- (f) without taking into account of Shares which may be taken up under the [REDACTED], so far as known to our directors, no person (not being a Director or chief executive of our Company) will, immediately following completion of the [REDACTED], have an interest or short position in our Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO

APPENDIX V

STATUTORY AND GENERAL INFORMATION

or be interested, directly or indirectly, 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 any member of our Group; and;

- (g) none of our Directors or their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest customers of our Group in each year during the Track Record Period or the five largest suppliers of our Group in each year during the Track Record Period.

D. OTHER INFORMATION

1. [REDACTED] Restricted Share Scheme

The following is a summary of the principal terms of the [REDACTED] Restricted Share Scheme approved and adopted by our Company on August 22, 2025. The [REDACTED] Restricted Share Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the grant of restricted shares (“**Restricted Shares**”) by our Company after the [REDACTED].

(a) Purposes

The purpose of the Scheme is to:

- (i) establish and refine a mechanism for benefit sharing between employees and Shareholders, aligning the interests of our Group, our Shareholders, employees, and outstanding individuals who contribute to our Group’s development and performance, thereby securing our Group’s long-term sustainable development;
- (ii) further improve our Group’s governance structure and enhance its long-term, effective incentive and restraint mechanisms to ensure our Group’s long-term, stable development, thereby delivering more efficient and lasting returns to our Shareholders; and
- (iii) reinforce our Company’s incentive system to fully mobilize employee initiative and creativity, attract and retain outstanding management talent, core technical personnel, and key operational staff, thereby enhancing employee cohesion and our Group’s competitiveness.

(b) Eligible Participants

Persons eligible to participate in the Scheme (the “**Eligible Participants**”) and receive award(s) (“**Awards**”) in the form of Restricted Shares thereunder are directors, senior management, core management personnel, core technical personnel, key business personnel, other core employees or important external consultants of our Group as selected by our Board, in its sole discretion.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

Each of the Eligible Participants so selected (the “**Selected Participant(s)**”) has entered into a restricted share subscription agreement (the “**Restricted Share Agreement(s)**”) with our Company for issue and subscription of the Restricted Shares under the Scheme.

(c) Administration

The Scheme shall be subject to the administration of the Board in accordance with the terms and conditions as set forth in the rules constituting the 2025 Share Incentive Scheme (the “**Scheme Rules**”). Any decision, determination, or interpretation made by the Board or any person authorized by it under the Scheme shall be final, conclusive, and binding on all parties affected thereby. The Board may, in its sole discretion, delegate the authority to administer the Scheme to any person(s) as it deems appropriate.

Without prejudice to the Board’s general power of administration, the Board may from time to time appoint one or more administrators (the “**Scheme Administrator(s)**”), to assist in the administration of the Scheme. The Board may, at its sole discretion, delegate to the Scheme Administrator such functions as it deems appropriate and relevant to the administration of the Scheme. The term of office, scope of authority, and remuneration (if any) of such Scheme Administrator shall be determined from time to time by the Board at its sole discretion. In the case where no such Scheme Administrator is appointed, the reference to “Scheme Administrator” shall be taken to mean the Board.

The Scheme Administrator shall have the right, including but not limited to: (i) to interpret, amend, modify, or revoke the terms and implementation of this Scheme; (ii) to identify individuals who have made significant contributions to the Group’s development as Eligible Participants in the Scheme; and (iii) to determine the allocation, grant, unlocking, vesting, or termination of any Restricted Shares and their terms and conditions.

The Board’s decision or determination under the Scheme need not be uniform and may be made by it selectively with respect to persons who are granted, or are eligible to be granted Awards thereunder. If a director is an Eligible Participant he may, notwithstanding his own interest and subject to the Articles, vote on any Board resolution concerning the Scheme (other than in respect of his/her own participation in it), and may retain Awards under it. Each Eligible Participant waives any right to contest, amongst other things, the value and number of Awards or Shares or equivalent fair value of cash underlying the Awards (where applicable) and the Board’s administration of the Scheme.

(d) Purchase Price

The purchase price for which Restricted Shares are subscribed for by the Selected Participants shall be determined by the Board and as set forth in the Restricted Share Agreements.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

(e) Non-transferability of the Award(s)

Unless otherwise specified by the Scheme Administrator, Selected Participants shall not transfer the Awards granted thereto. Except with prior written consent by the Scheme Administrator, no Selected Participant shall in any way sell, transfer, charge, mortgage, pledge, gift or otherwise dispose of the Award granted under the Scheme (whether vested or not).

(f) Unlocking Schedule

25% of the aggregate number of Restricted Shares shall be unlocked upon each anniversary of the date on which the Restricted Share is subscribed for by a Selected Participant, as set forth in the relevant Restricted Share Agreement (“**Commencement Date**”), such that the subscribed Award shall unlock in its entirety over a period of four years since the Commencement Date (the “**Unlocking Schedule**”). Notwithstanding the Unlocking Schedule, any unlocked Awards shall only become vested upon the [REDACTED].

(g) Lapse of Awards

Upon the occurrence of the circumstances as set forth below (the “**Specified Circumstances**”), the Scheme Administrator shall have the right (but not an obligation) to purchase, either on its own account or by a designated third-party Eligible Participant, the relevant Selected Participant’s share in the ESOP Holding Entities under the terms of the Scheme:

- (i) where the Selected Participant loses his/her ability to work due to an injury sustained in the course of his/her duties, and the company terminates his/her employment or contractual relationship;
- (ii) where the Selected Participant retires and has not been re-appointed;
- (iii) where the Selected Participant is assigned by our Company to work or hold a position at an affiliated company of our Company other than its subsidiary;
- (iv) where the Selected Participant suffers from illness or non-work-related injury and, after the prescribed medical leave period expires, is unable to perform their original duties or any alternative duties assigned by our Company;
- (v) where the Selected Participant leaves the employ of our Group during the term of his/her employment (including external consultants (if any) requesting termination of their consultancy agreement);
- (vi) where the employment contract or external consultant agreement entered into between our Company and the Selected Participant expires, and our Company decides not to renew the same;

APPENDIX V

STATUTORY AND GENERAL INFORMATION

- (vii) where the Selected Participant is made redundant due to downsizing;
- (viii) where the Selected Participant is dismissed by our Company for reasons pertaining to his/her inability to perform his/her duties, notwithstanding the provision of training or reassignment of tasks; and
- (ix) other circumstances that fall within the Specified Circumstances.

(h) Rights attached to the Restricted Shares

The Selected Participants own the Restricted Shares through the ESOP Holding Entities and are entitled to the economic interests of the Restricted Shares, including the rights to receive dividends and other economic benefits. Voting rights of the Restricted Shares held by the ESOP Holding Entities can only be exercised by the relevant general partner of each of the ESOP Holding Entities.

(i) Adjustments

In the event of any merger, reorganization, consolidation, recapitalization, stock dividend or other change in corporate structure affecting the share capital of our Company, subject to provisions of the Articles, an equitable substitution or proportionate adjustment shall be made in the class, number and purchase price of Shares subject to outstanding Restricted Shares issuable under the Scheme, in each case as may be determined by the Board. Such other substitutions or adjustments shall be made as may be determined by the Board, in its sole discretion, subject to the provisions of the Articles.

(j) Tax

Each Selected Participant shall, no later than the date as of which the value of the Restricted Share first becomes includible in the gross income of the Selected Participant for income tax purposes, pay to our Company, or make arrangements satisfactory to the Board regarding payment of, any taxes of any kind required by law to be withheld with respect to such Award. The obligations of our Company under the Scheme shall be conditional on the making of such payments or arrangements, and our Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Selected Participant.

(k) Adjustment and termination

Subject to provisions of the Articles, the Board may amend, alter or discontinue the Scheme, but no amendment, alteration, or discontinuation shall be made that would impair the rights of a Selected Participant under any Award purchased without such Selected Participant's consent.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

(1) Details of the Awards granted

As of the Latest Practicable Date, (i) our Company granted to Selected Participants an aggregate of 2,899,582 Restricted Shares under the Scheme, representing approximately 0.97% of the total issued share capital of our Company. Details of the Awards granted under the Scheme are set out as below.

Name of the Selected Participant ²	Position held in our Group	Number of Restricted Shares	Approximate percentage of shareholding ¹ immediately following completion of the [REDACTED]	
			Assuming the [REDACTED] is not exercised	Assuming the [REDACTED] is exercised in full
<i>Senior Management of our Company</i>				
Ms. Kang Yuhui (康宇暉)	Chief financial officer	227,761	[REDACTED]	[REDACTED]
<i>17 Other Selected Participants</i>		<u>2,671,821</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
Total:		<u>2,899,582</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>

Note:

- (1) The percentage is for illustrative purpose only and is calculated based on the number of Shares in issue immediately following completion of the [REDACTED].
- (2) The Restricted Shares granted to the Selected Participants were held by the ESOP Holding Entities, the limited partners of which shall include all the Selected Participants of the [REDACTED] Restricted Share Scheme.

2. Litigation

Save as disclosed in this document, as of the Latest Practicable Date, we are not aware of any other litigation or arbitration proceedings or claims of material importance pending or threatened against any member of our Group or our Directors that could have a material adverse effect on our financial condition or results of operations.

3. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee for the [REDACTED] of, and permission to deal in, the H Shares to be issued as mentioned in this document. All necessary arrangements have been made enabling the H Shares to be admitted into [REDACTED].

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

Pursuant to the engagement letter entered into between our Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor a fee of [REDACTED] to act as a sponsor of our Company in connection with the proposed [REDACTED] on the Stock Exchange.

4. Promoters

Set forth below are the promoters of our Company, being the then shareholders of our Company as of September 22, 2025 immediately before our conversion into a joint stock company with limited liability.

No. Name of promoter

1. Changzhou ASFS (常州阿思菲思企業管理諮詢有限公司)
2. Jin Wenying (金文英)
3. Wang Yiran (王逸然)
4. Huang Yichao (黃逸超)
5. Wu Junwen (鄔均文)
6. Jiangsu Tuobang (江蘇拓邦投資有限公司)
7. Qingfeng Yungang (常州青楓雲港投資中心(有限合夥))
8. Jiangsu Nuocheng (江蘇諾誠創業投資有限公司)
9. Zhonglou Investment (常州鐘樓上市後備產業投資合夥企業(有限合夥))
10. Zhongding Tiansheng (常州中鼎天盛創業投資合夥企業(有限合夥))
11. Qian Wenjun (錢文俊)
12. Wang Guowei (王國偉)
13. Changzhou Ruitai (常州睿泰十二號創業投資中心(有限合夥))
14. Modern Service (常州市現代服務業產業基金(有限合夥))
15. Gu Haibo (顧海波)
16. Shanghai Zhice (上海志策企業管理中心(有限合夥))
17. Zhang Zhiqi (張志琦)
18. Chengwei Investment (南通成為常青股權投資合夥企業(有限合夥))
19. Shanghai Weiyong (上海微湧企業管理中心(有限合夥))
20. Changzhou Media (常州廣播影視傳媒集團有限公司)
21. Canxing Investment (常州燦星產業投資基金合夥企業(有限合夥))
22. Jiangsu Jiandao (江蘇建道創業投資有限公司)
23. Changzhou Songhe (常州市華大松禾創業投資合夥企業(有限合夥))
24. Industrial Machinery Fund (工業母機產業投資基金(有限合夥))
25. Shenzhen Capital (深圳市創新資本投資有限公司)
26. Shenzhen Venture Capital SME (深創投中小企業發展基金(新疆)有限合夥企業)
27. Wuxi Hongtai (無錫市梁溪科技城洪泰新智投資合夥企業(有限合夥))
28. Gongqingcheng Boying (共青城博盈投資合夥企業(有限合夥))
29. Songhe Angel (常州市松禾天使創業投資合夥企業(有限合夥))
30. Xuzhou Investment (徐州盛創投資基金合夥企業(有限合夥))
31. Puhua Capital (普華鳳起(寧波)創業投資基金合夥企業(有限合夥))
32. Chongqing Conversion (重慶科技成果轉化股權投資基金(有限合夥))
33. Linghang Xinghan (領航星瀚重慶企業管理中心(有限合夥))
34. Qian Hai (錢海)

APPENDIX V

STATUTORY AND GENERAL INFORMATION

Save as disclosed above, within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, [REDACTED] or given nor are any proposed to be paid, [REDACTED] or given to any promoters in connection with the [REDACTED] and the related transactions described in this document.

5. Preliminary expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

6. Compliance Adviser

Our Company has appointed Orient Capital (Hong Kong) Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules.

7. 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 are affected on the H Share register of members of our Company, including in circumstances where such transactions are effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer on each of the purchaser and the seller is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

8. Qualification of Experts

The following are the qualifications of the experts who have given their opinion or advice which are contained in, or referred to in this document:

Name	Qualifications
Orient Capital (Hong Kong) Limited	Licensed corporation under the SFO to conduct Type 6 (advising on corporate finance) regulated activities for the purpose of the SFO
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountant Ordinance (Cap. 50) Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Cap. 588)
Grandway Law Offices	PRC Legal Adviser
Grandway Law (Shanghai) Offices	PRC Data Compliance Adviser
China Insights Industry Consultancy Limited	Independent industry consultant
Commerce & Finance Law Offices LLP	Legal adviser as to international sanctions law

APPENDIX V

STATUTORY AND GENERAL INFORMATION

9. Consents of Experts

Each of the experts named in “— D. Other Information — 8. Qualification of Experts” in this Appendix has given and has not withdrawn its respective written consent to the issue of this document with the inclusion of its report and/or letter and/or opinion and/or summaries of opinions and/or the references to its name included herein in the form and context in which it is respectively included.

10. Interests of experts in our Company

None of the persons named in “— D. Other Information — 8. Qualification of Experts” in this Appendix is interested beneficially or otherwise in any shares in any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares or securities in any member of our Group.

11. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

12. Miscellaneous

- (a) Save as disclosed in this document, within the two years immediately preceding the date of this document:
 - (i) no share or loan capital of our Company or any of our subsidiaries 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 Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and
 - (iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;
- (b) save as disclosed in this document, no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries have been issued or agreed to be issued;

APPENDIX V

STATUTORY AND GENERAL INFORMATION

- (c) our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group in the 12 months preceding the date of this document;
- (d) 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;
- (e) none of the equity and debt securities of any member of our Group is presently listed on any stock exchange or traded on any trading system, nor is any [REDACTED] or permission to deal being or proposed to be sought; and;
- (f) our Company has no outstanding convertible debt securities or debentures;
- (g) there is no arrangement under which future dividends are waived or agreed to be waived; and
- (h) 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.

12. Bilingual Document

The English and Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption from Companies and Prospectuses from Compliance Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

APPENDIX VI

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this Document and delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in “Appendix V — Statutory and General Information — Further Information about our Business — Summary of Material Contract”; and
- (b) the written consents referred to in “Appendix V — Statutory and General Information — Other Information — Consents of Experts”.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the Stock Exchange’s website at www.hkexnews.hk and the Company’s website at www.microintelligence.com.cn during a period of 14 days from the date of this Document:

- (a) the Articles of Association;
- (b) the audited consolidated financial statements of our Group for the years ended December 31, 2022, 2023 and 2024 and the eleven months ended November 30, 2025;
- (c) the Accountant’s Report from PricewaterhouseCoopers, the text of which is set out in Appendix I;
- (d) the report from PricewaterhouseCoopers on the unaudited [REDACTED] financial information of our Group, the text of which is set out in Appendix II;
- (e) the material contracts referred to in “Appendix V — Statutory and General Information — Further Information about our Business — Summary of Material Contract”;
- (f) the written consents referred to in “Appendix V — Statutory and General Information — Other Information — Consents of Experts”;
- (g) the service contracts and letters of appointment referred to in “Appendix V — Statutory and General Information — Further Information about our Directors, Chief Executive and Substantial Shareholders — Particulars of Directors’ Service Contracts”;
- (h) the legal opinions issued by Grandway Law Offices, our PRC Legal Adviser, in respect of, among other things, the general corporate matters and property interests of our Group under the PRC law;

APPENDIX VI

**DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY**

- (i) the legal opinions issued by Grandway Law (Shanghai) Offices, our PRC Data Compliance Adviser, in respect of, among other things, data compliance matters under the PRC law;
- (j) the memorandum of advice issued by Commerce & Finance Law Offices LLP, our legal advisor as to international sanctions law;
- (k) the industry report issued by China Insights Industry Consultancy Limited referred to in “Industry Overview”; and
- (l) a copy of the following PRC laws, together with unofficial English translations:
 - (i) the PRC Company Law;
 - (ii) the PRC Securities Law; and
 - (iii) the Overseas Listing Trial Measures.