OVERVIEW

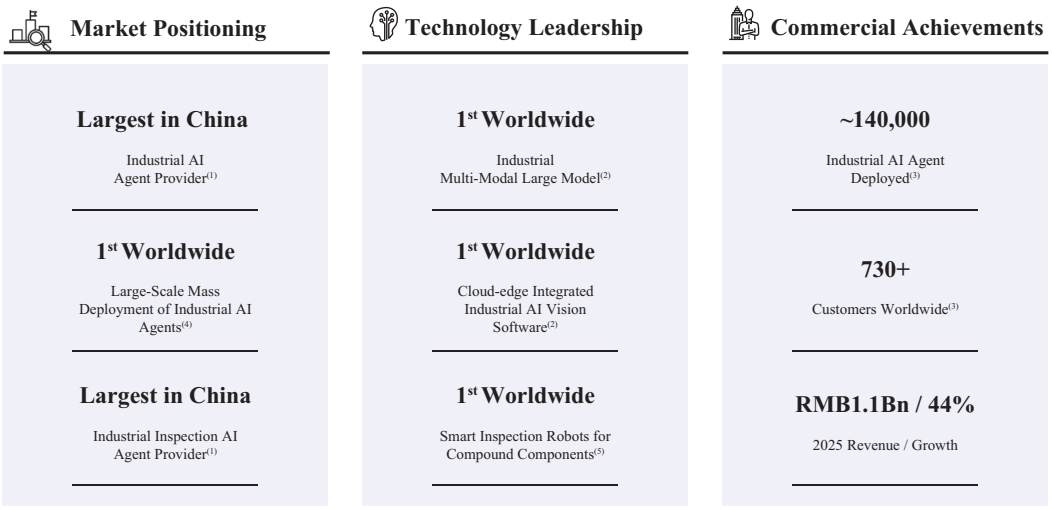
Who We Are

We are a world-leading AI company redefining how industrial automation operates in the AI era. We are the largest industrial AI agent provider in China in terms of revenue in 2025 and also the first to achieve large-scale, cross-region, and multi-scenario deployment of industrial AI agents, according to CIC. Our industrial AI agents product offerings consist of (i) robots, (ii) edge AI sensors, and (iii) agentic software systems. These agents are built on IndustryGPT, the world's first proprietary industrial multi-modal large model family, comprehensive industrial domain expertise, and a deeply integrated hardware-software ecosystem, enabling customers to develop and operate intelligent manufacturing systems and accelerate the transition from automation to autonomy. As an AI-native company, artificial intelligence is at the core of our business, embedded not only in our product offerings, but also across our functions, processes, and strategic decision-making.

We sell industrial AI agents to industrial customers, addressing the complexity of modern manufacturing, empowering machines, production lines, and entire factories to think, see, act, and continuously improve autonomously. First, our robots, which are purpose-built for inspection and operating, combine multi-degree-of-freedom platforms powered by our IndustryGPT to streamline and centrally coordinate complex workflows, enabling adaptable, efficient and scalable industrial production. Second, our edge AI sensors deliver real-time processing and high-precision perception, while maintaining consistent performance under demanding industrial conditions. Third, our agentic software systems empower high-complexity decision-making and enable continuous performance improvement and seamless integration across diverse production environments.

Leveraging industrial AI agents, we have achieved multiple industry-first breakthroughs. According to CIC, we introduced robots that were the first to achieve comprehensive visual inspection of highly reflective and complex curved surfaces, enabling 360-degree quality inspection and large-scale commercial deployment. We have also addressed core challenges with our edge AI sensors in the identification and traceability of a vast array of products, including invisible QR code recognition on precision optical lenses. We have launched ViMo, a first-of-its-kind cloud-edge integrated AI vision software enabling autonomous task execution in industrial settings. As of December 31, 2025, we have cumulatively delivered approximately 140,000 cutting-edge industrial AI agents. As of December 31, 2025, we have served over 730 customers worldwide, such as Tesla, Carl Zeiss, Luxshare, Goertek, BOE, CRRC, CALB, and Kedali, across a range of industry verticals, including consumer electronics (3C), new energy, precision manufacturing, rail transit manufacturing, and other sectors. Our industrial AI agents are deployed across customers' core products and production processes. Our robots have cumulatively inspected over 17 billion products or components as of December 31, 2025.

We envision the next era of intelligent manufacturing as one in which AI agents become indispensable across a wide range of production environments, from unmanned factories to industrial operations in extreme or remote environments. There is inexorable demand for levels of precision, efficiency, and autonomy that extend beyond what human labor or traditional automation can achieve. We are bringing this vision to life by transforming factories into AI-driven intelligent hubs that continuously optimize operations and move toward greater autonomy.

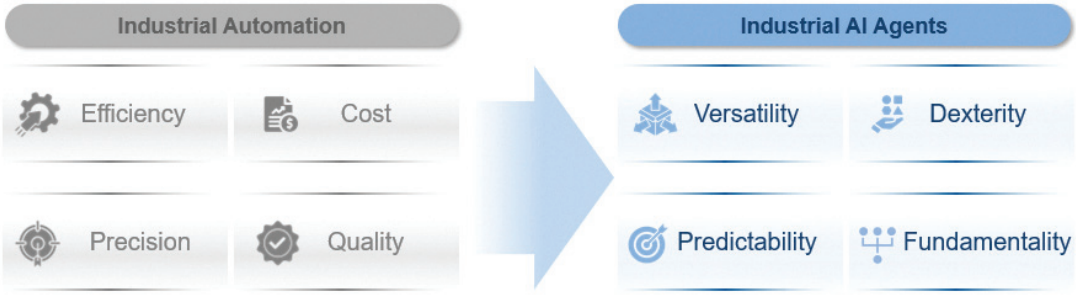


Notes:
1. In terms of revenue in 2025, according to CIC
2. According to CIC
3. As of December 31, 2025
4. First to achieve large-scale, cross-region, and multi-scenario deployment of industrial AI agents, according to CIC
5. First to achieve comprehensive visual inspection of highly reflective and complex curved surfaces, according to CIC

Market Opportunities

The industrial sector has long been a cornerstone of human progress. Each technological advancement in the industrial sector has reshaped production capabilities, driving sustained economic growth and rapidly improving global living standards. According to CIC, more than half of Fortune Global 500 companies in 2025 were primarily engaged in the industrial sector, and this sector contributed over US$28 trillion to global GDP, while the value of existing facilities and manual labor exceeded US$1.5 trillion, representing our total addressable market.

Today, artificial intelligence is fundamentally rewriting the rules of production. While conventional industrial automation has traditionally focused on improving efficiency, reducing costs, and enhancing precision and quality, such systems are increasingly constrained in meeting today's demands for faster product cycles and flexible production. The emergence of industrial AI agents is redefining the factory floor through their ability to perceive, learn, reason, and act, forging a new paradigm of adaptive and autonomous workflows, distinguished by:



Versatility: Traditional industrial machinery is typically designed as highly customized equipment tied to specific product models. A single industrial AI agent can support inspection across thousands of series of precision components, reducing the need for model-specific equipment and enabling more standardized and universally compatible machinery design.

Dexterity: Human hands exhibit exceptional dexterity, particularly in flexible operations, which explains why a substantial amount of manual work remains in factories today. Industrial AI agents enhance machine capability by enabling the dexterity required for highly flexible operating tasks across diverse industries.

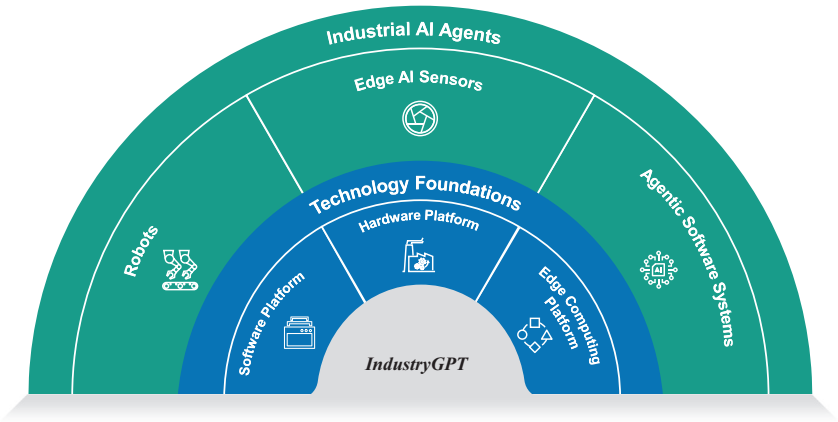
Predictability: In traditional industrial production, parameters for complex processes are often set manually based on accumulated human experience. Industrial AI agents can dynamically adjust these parameters based on real-time operating conditions, improving process predictability, reliability, and consistency.

Fundamentality: AI agents now serve as a foundational layer across industries. Built on large models and integrated with domain information, tools, and control systems, these agents provide a common backbone from which diverse applications can be composed, adapted, and scaled. This shifts industrial AI from siloed, scenario-specific solutions to agent-centric platforms that support rapid reuse and governed deployment across a wide range of industrial scenarios.

Over more than 200 years of industrial development, the focus of the sector has gradually shifted from incremental improvement in efficiency, cost reduction, precision and quality toward increasingly complex production requirements, such as nanometer and sub-nanometer manufacturing, as well as manufacturing in zero-gravity environments. In this context, the attributes of industrial AI agents, including versatility, dexterity, predictability, and fundamentality, are emerging as important dimensions in assessing how the industrial sector can achieve these future objectives.

According to CIC, the global industrial AI agents market size grew at a CAGR of 58.6% from 2023 to 2025, reaching RMB36.7 billion in 2025. We have emerged as a leading player, growing faster than the market since our inception. The global industrial AI agents market is expected to continue growing at a CAGR of 34.6% from 2025 to 2030, reaching RMB162.0 billion by 2030. China is expected to be a key driver of this growth, with its market projected to grow at a CAGR of 43.6% over the same period to reach RMB90.6 billion in 2030. We believe we, as a leading player, are poised to capture this massive opportunity and are well positioned to serve as an important pillar of the industrial sector moving forward.

The Technology Foundation of Our Industrial AI Agents



Our industrial AI agents leverage our IndustryGPT, which integrate language, reasoning, generation and operating capabilities to reliably support complex and mission-critical industrial workflows at scale.

Language capability：Our model is purpose-built to support long-context processing in industrial scenarios. Trained on extensive real-world industrial inputs, together with our proprietary synthetic datasets, it delivers advanced intelligence in industrial scenarios and strong generalization capabilities. Our model delivers best-in-class performance among leading general purpose models on standardized professional engineering examination benchmarks and the industry-focused subset of the open-source SuperGPQA benchmark.

Reasoning capability: Our model is architected to address workflows that have traditionally relied heavily on seasoned industry experts. Leveraging deep domain knowledge, the model can decompose complex tasks, perform multi-step reasoning, and orchestrate function calls and workflow.

Generation capability: Our model produces reliable, high-fidelity defect images for inspection and quality-control workflows. It mitigates deviation and hallucination risks commonly observed in general-purpose generative models operating in industrial environments, delivering significantly higher controllability and precision than alternatives.

Operating capability: Our model integrates multi-modal perception with adaptive control, enabling systems to handle diverse product configurations and operating scenarios with a high degree of dexterity.

Built upon the foundation of IndustryGPT, we have established a fully integrated industrial AI agent technology stack spanning software, hardware and edge computing to deliver high-performance, scalable industrial AI agents for complex industrial applications.

Software platform: Our software platform serves as the operational backbone for deployment and provides an intuitive interface designed for industry experts. The platform enables efficient utilization of computing resources, effective usage of IndustryGPT, and supports an integrated workflow covering solution design, training, deployment and factory system integration.

Hardware platform: Our hardware platform encompasses advanced optical perception systems tailored to challenging materials and tasks, together with precision robotic hardware mechanics and motion planning. These capabilities directly connect digital intelligence with real-world industrial operations.

Edge computing platform: Our edge computing platform, featuring co-designed hardware-software systems, inherits high-level intelligence from IndustryGPT and distills it into a compact architecture optimized for deployment on edge devices. This enables real-time learning, intelligent perception, and adaptive optimization at the edge, maximizing responsiveness, robustness, and operational efficiency.

Our Products

Powered by IndustryGPT and our fully integrated technology stack, our industrial AI agents are deployed across complex real-world use cases, delivering versatility, dexterity, predictability, and fundamentality.

Industrial AI Agents

Our industrial AI agents consist of three core offerings: (i) robots for inspection and operational tasks, (ii) edge AI sensors for real-time perception and high-precision processing, and (iii) agentic software systems that empower complex decision-making and seamless integration across production environments. Our industrial AI agents generated RMB852.7 million in revenues in 2025, representing a CAGR of 67.8% from RMB302.7 million in 2023.

Robots

Our robots are AI-native and designed to perceive their environment, reason, and make decisions, enabling adaptable and scalable inspection and operating applications. In quality inspection, we are the largest inspection AI agent provider in China in terms of 2025 revenue, according to CIC. We have extensive experience handling complex products and high-accuracy scenarios, such as true wireless stereo earphones. In certain scenarios, we were the first to achieve fully automated inspection with zero missed critical defects. Our smart inspection robots are capable of capturing images from virtually any angle based on customer requirements. Built on IndustryGPT and supported by techniques such as model optimization, these robots deliver rapid and accurate perception and reasoning, improve maintenance efficiency, enhance cross-product compatibility, and increase inspection throughput.

In operating applications, our robots support a broad range of high-precision operations through flexible and dexterous algorithms. By leveraging intelligent control and perception capabilities, our smart operating robots overcome limitations of traditional automation in flexible, high-accuracy industrial operation, while reducing reliance on costly 3D cameras and manual calibration. Using cost-efficient vision hardware, they achieve sub-millimeter precision and maintain consistent quality under variable lighting conditions and external interference, supporting the transition toward fully autonomous dexterous operations.

Our robots generated RMB435.6 million in revenues in 2025, representing a CAGR of 76.0% from RMB140.6 million in 2023. As of December 31, 2025, our smart inspection robots had cumulatively inspected more than 17 billion products or components.

Edge AI sensors

Our edge AI sensors integrate a condensed version of IndustryGPT to enhance perception and decision-making capabilities on edge devices with limited computing resources. They deliver millisecond-level processing and up to micrometer-level precision while maintaining consistent performance under challenging conditions including reflective surfaces, variable lighting, and high-speed production lines. AI capabilities are embedded across the entire workflow and we incorporate a modular hardware design, allowing our edge AI sensors to achieve improved cost efficiency, strong real-time performance, stability and deployment flexibility. Our advanced vision AI sensors support throughput of up to 6,000 cycles per minute and enable millisecond-level on-device inference on compute-constrained hardware, allowing customers to build functional models with minimal sample inputs and reducing reliance on cloud resources.

Our edge AI sensors generated RMB74.9 million in revenues in 2025, representing a CAGR of 136.6% from RMB13.4 million in 2023.

Agentic software systems

Our agentic software systems include ViMo and our industrial AI digitalization solutions. ViMo, our flagship software system, is the world's first AI-native industrial vision software with built-in AI agents - ViMo agents - designed for end-to-end task execution. Unlike systems that primarily add conversational interfaces, ViMo agents are designed to execute actions based on interactions. Powered by IndustryGPT, ViMo generates precisely controlled industrial images, reducing training input requirements by up to 50%, and provides intelligent annotation processes at speeds more than eight times faster than manual labeling. Our industrial AI digitization solutions empower manufacturing enterprises to achieve intelligent plannings, operations, diagnosis, and predictive maintenance across the full production lifecycle. Our agentic software systems support flexible deployment options, including encrypted license keys and private-cloud setups for enterprise clients, and achieves development efficiency of more than twice the industry average.

Our agentic software systems generated RMB342.3 million in revenues in 2025, representing a CAGR of 51.7% from RMB148.7 million in 2023.

AI Infrastructure Initiatives

Drawing on our experience working with industry leaders and deploying industrial AI agents at scale, we have developed a deep understanding of the evolving needs of our customers. As industrial enterprises progress toward more digitalized and increasingly autonomous operations, they require infrastructure that can support large-scale AI workloads, integrate across diverse application scenarios, and provide secure, efficient, and reliable resource management. To address these requirements, we introduced LrMo, our proprietary full-stack AI orchestration platform designed specifically for industrial environments. LrMo coordinates a broad range of computing resources, including mainstream and domestic accelerators, across hybrid deployment environments spanning edge devices for production lines and cloud infrastructure for entire factories. The platform supports flexible deployment models to meet industrial requirements, including scenarios where operational information must remain within factory environments while allowing remote management and coordination across multiple sites.

Our Business Model

During the Track Record Period, we generated revenue primarily from sales of industrial AI agents. Our revenue structure reflects a balanced mix across key product categories. In 2025, sales of robots represented the largest portion of our revenue, contributing 40.1%, while sales of agentic software systems accounted for 31.5%. Sales of edge AI sensors contributed 6.9% of revenue in 2025. Remaining revenue was predominantly derived from AI infrastructure initiatives, recognized on a project basis. Each product category demonstrated consistent growth throughout the Track Record Period, supported by strong market demand and our ability to deliver integrated industrial AI agents that enhance operational efficiency and create value for our customers. As of December 31, 2025, we had served over 730 customers, including more than 650 customers served by our industrial AI agents.

Financial Results

Our revenue amounted to RMB484.9 million, RMB755.8 million, and RMB1,086.3 million in 2023, 2024 and 2025, respectively, representing 55.9%, and 43.7% year-over-year growth for each respective period. Our overall gross margin was 30.5%, 32.3% and 37.3% in the same periods.

Looking ahead, we intend to continue investing in innovation by deploying next-generation AI techniques and enhancing capabilities across our AI-native product offerings. Our revenue growth is expected to be supported by continued demand from existing enterprise customers, particularly key accounts, as well as customer acquisition driven by the broader deployment of existing products and ongoing launch of differentiated products. Over time, we aim to harness economies of scale, expand cross-industry applications, and improve operational efficiency, laying the foundation for optimized margins and sustainable profitability.

STRENGTHS

Industry Leadership and First-Mover Advantage in a Large, Fast-Growing Market

China's industrial AI agent market presents a significant growth opportunity, driven by its large manufacturing base, rapid advances in industrial AI technologies and supportive government policies. As a result, China's industrial AI agent market is growing faster and achieving higher penetration than the global market. The market size reached RMB14.8 billion in 2025, and is projected to expand to RMB90.6 billion by 2030, representing a CAGR of 43.6% from 2025 to 2030. Industrial AI agents are also expected to account for an increasing share of the broader industrial AI solutions market, with their penetration in China projected to increase from 7.4% in 2025 to 12.9% in 2030.

According to CIC, we are the largest industrial AI agent provider in China in terms of revenue in 2025. Our market leadership is underpinned by first-of-its-kind capabilities and proven scale. We were the first to achieve

large-scale, cross-region, and multi-scenario deployment of industrial AI agents, which are built on our proprietary IndustryGPT. We have achieved multiple industry-first breakthroughs. As of December 31, 2025, we had delivered approximately 140,000 industrial AI agents, and our robots had cumulatively inspected over 17 billion products and components.

Our early mover advantage has created formidable barriers to entry. Our sustained technology leadership has enabled us to establish strong positions across multiple high-value sectors, including 3C, new energy, precision manufacturing, and rail transit manufacturing, each representing substantial market opportunities. Through long-term partnerships with leading customers in these sectors, we have built a track record of flagship projects that are replicated across productions lines and regions. This reinforces customer stickiness and raises hurdles for late entrants trying to gain meaningful traction.

Proprietary Frontier Industrial AI Models

We have developed IndustryGPT, the world's first proprietary industrial multi-modal large model family. IndustryGPT delivers superior performance across four core capability domains—language, reasoning, generation, and operating—which together enable our industrial AI agents to support complex, mission-critical workflows at scale. Unlike general-purpose AI models, IndustryGPT is purpose-built to address the complexity and precision requirements of industrial environments, delivering industry-leading performance in versatility, dexterity, predictability, and fundamentality. It also demonstrated state-of-the-art performance on standardized professional engineering examination benchmarks and achieved superior results among leading general purpose models on the industry-focused subset of the open-source SuperGPQA dataset.

In process documentation generation, IndustryGPT can automatically produce structured process documents by referencing historical documentation and incorporating the requirements of new projects. The generated documents include clear overall architecture and operational steps, improving engineering productivity by more than 15%. These documents can be used to guide the production of products with stringent safety requirements, such as high-speed rail equipment. In a production line management project involving more than 29,000 complex product models, where manufacturing parameters previously relied heavily on manual experience and exception handling lacked systematic support, IndustryGPT enabled a standardized closed-loop workflow in an offline environment. By transforming experience-based processes into a structured and reusable system, the solution resolves more than 90% of production anomalies and significantly improves operational efficiency.

Our technology leadership is underpinned by a world-class research foundation. We are backed by several of the most accomplished global AI scientists. We have been honored twice with the prestigious "Test of Time Award" at SIGGRAPH Asia, a leading international conference in computer graphics. In addition, we won the COCO Instance Segmentation Challenge, outperforming industry leaders such as Meta and Microsoft, and achieved 1st place in the ImageNet Large Scale Visual Recognition Challenge. This unparalleled expertise guarantees continuous innovation and positions us at the forefront of redefining industrial AI paradigms.

Integrated Full-Stack Technology Capabilities Driving Superior Performance

Delivering high-performance industrial AI agents requires full-stack integration across IndustryGPT, software, hardware, and edge computing. These components must operate together as a coordinated system to achieve best-in-class quality in mission-critical environments. We have developed full-fledged capabilities across the entire technology stack, enabling us to design integrated architectures that maximize performance, stability and deployment efficiency for industrial AI agents. This full-stack approach empowers us to optimize performance across diverse industrial scenarios while helping customers manage costs and maintain stable, reliable and sustainable operations as deployment scale increases. As of December 31, 2025, we held 686 patents globally (including registered patents and pending applications), an increase from 374 as of December 31, 2023, reflecting the continued expansion of our technology portfolio. We have been named as a National Intellectual Property Demonstration Enterprise by China National Intellectual Property Administration.

For our robots, we have developed smart inspection and operating robots built on architectures designed to support flexibility and reuse across products and production lines. In real-world application, for example at a global leading battery cover plate provider, our smart inspection robot supports over 40 types of components, achieves zero missed detection of critical defects and enables 100% automated intelligent inspection with integrated analytics.

All of our edge AI sensors share a common hardware-software platform, ensuring consistency across our product lineup. By leveraging the advantages of edge AI and a product design approach where AI and software define the hardware, we can rapidly develop and launch leading products. For instance, our flagship product, the VS800P, is the world's first ultra-compact industrial intelligent sensor with a liquid zoom lens. Paired with our proprietary "Cube-A" instant autofocus technology, it adapts quickly to various working distances and depth-of-field requirements, achieving millisecond-level focusing and nearly 100× faster sampling speed.

Through our cloud-edge agentic software systems, such as ViMo, we integrate defect generation, annotation, auto-ML model training and deployment into a unified system, enabling AI-native agent applications. The cloud platform features a modular design that scales easily for future growth, with built-in redundancy and automated recovery, ensuring high service availability. At the edge, we optimize performance across all major compute architecture (e.g. CPU, GPU, NPU) to maximize efficiency. Through intelligent algorithm scheduling and resource management, the platform speeds up processing, reducing costs while delivering stable performance in diverse industrial scenarios.

Universal Productization Capabilities Across Scenarios and Sectors

By combining advanced AI capabilities with full stack technology integration, we are able to deploy standardized industrial AI products at scale that perform reliably across multiple application scenarios and industry sectors. Our industrial AI agents can be continuously upgraded over time and reused across different production environments, enabling efficient replication and broader adoption across industries.

For robots, we have moved beyond the traditional "one machine, one task" model. Our robots are AI-native and designed for universal productization, allowing a single system to be deployed across different industries, customer profiles, product sizes, and production environments. Our smart inspection robots are capable of inspecting a wide range of products and components, including earphones, charging cases, camera modules, mobile phone components, and precision injection-molded parts. These products and components span diverse materials such as metal, plastic, and flexible printed circuits, and vary significantly in shape and size. As a result, our robots can be deployed across a broad range of components and production lines with minimal reconfiguration, supporting high versatility and reuse. In July 2025, our "Industrial AI Quality Inspection Based on IndustryGPT Multi-modal Industrial Large Model" was selected for inclusion in the AI for Good Innovate for Impact Report at the United Nations AI for Good Global Summit 2025. We were one of only 14 companies worldwide selected in the manufacturing category.

For our edge AI sensors and agentic software systems, we adopt a product-focused and scalable approach. Each of our edge AI sensors is designed to perform a broad set of machine vision and intelligent tasks, including recognition, positioning, inspection and measurement, with high precision and speed under complex operating conditions. Our agentic software systems are built on architectures that support deployment across cloud environments, local installations and other computing setups. Key features, such as IndustryGPT-powered agents and user-friendly interactive tools, significantly reduce the technical expertise required for deployment. This enables customers to achieve faster implementation, higher returns on investment and consistent results across a wide range of industrial applications. For example, ViMo leverages IndustryGPT's agent capabilities, including automated model training and code generation, to enable users without programming expertise to independently configure and deploy industrial models. This reduces customer adoption cycles from approximately two weeks to about three days and lowers implementation costs, supporting scalable deployment across a broader customer base.

Scalable Business Model Built for Global Success

Our unparalleled AI capabilities, innovative product features, and strong delivery and fulfillment outcomes foster trust, enabling steady growth in wallet share with our customers. As deployments scale, positive word-of-mouth and measurable return on investment drive adoption across multiple production lines, departments, and supply chain partners. This creates a compounding network effect, expanding usage across applications and regions. After validating our solutions with key accounts and flagship use cases, we replicate successful deployments across additional customers within the same industry. In addition, after solving one critical challenge, we quickly extend our solutions to adjacent scenarios. Because our products are universal and built on a standardized technology stack, we are able to extend into new industries and application scenarios with limited customization. We have replicated this approach across multiple customers and industries, showcasing the repeatability of our "land-and-expand" strategy.

Our industrial AI agents are designed to support global customers from the outset. We serve global MNCs with industry-leading market shares, continuous tech innovation, and stringent product standards. Our industrial AI agents play an increasingly important role in their day-to-day operations across multiple regions. We have supported industrial manufacturing deployments across Greater China, Japan, Southeast Asia and Korea, and are continuing to strengthen our overseas sales, deployment and support capabilities to deepen our global presence.

AI-Native Organization with Experienced Management and Talent Base

Founded in 2019 by globally recognized AI scientists, SmartMore has been AI-native from inception. Artificial intelligence is embedded across our technology development, organizational structure and daily workflows, enabling scalable execution and measurable value creation for customers. This AI-native foundation supports rapid decision-making, efficient collaboration and continuous performance improvement across the organization.

Our company is led by founder and chairman Dr. Jia, an IEEE Fellow and ACM Fellow, who serves as an Associate Editor-in-Chief (AEiC) of IEEE Transactions on Pattern Analysis and Machine Intelligence (TPAMI), the flagship journal in computer vision and machine intelligence published by the IEEE Computer Society. Our management team also consists of highly experienced AI professions, including researchers ranked among the world's top 2% most-cited scientists as recognized by Stanford University, Elsevier Highly Cited Chinese Researchers, recipients of test-of-time awards, and winners of prestigious academic competitions. We place significant emphasis on attracting, developing and retaining AI talent, supported by structured training programs and research collaborations with leading academic institutions, which together provide a sustainable pipeline of technical expertise.

Our AI-native operating model underpins efficient execution across the business. AI agents are deployed throughout standardized workflows to improve productivity and operating leverage. In 2025, our revenue per employee, calculated as total revenue divided by number of employees, reached approximately RMB2.1 million, around 30% higher than the industry average in China, according to CIC. Our business success is further supported by a high performing commercial and operations team highly capable of driving transformations. As a result, customer requirements and operational challenges are addressed promptly and at scale, allowing us to achieve sustained business success while growing together with our customers.

OUR GROWTH STRATEGIES

Further Enhancing Frontier Technology R&D Investment to Maintain Technology Leadership

We will continue to increase investment in frontier technology research and development, with a focus on the iterative enhancement of core technologies such as industrial large models and deeper adaptation to diverse industrial scenarios. Through this approach, we aim to build forward-looking, full-stack technological capabilities that reinforce our technology leadership and create durable competitive barriers.

Industrial AI models advancement: We plan to continuously advance the capabilities of our IndustryGPT by enhancing domain-specific understanding, improving reasoning performance in complex industrial environments and strengthening generalization across different processes, production lines and industries. These efforts are intended to provide a robust and versatile technological foundation that can be applied across a wide range of industrial use cases and address industry-specific challenges with greater precision.

Full-stack technology enhancement: We will further strengthen our full-stack technology capabilities spanning our algorithm, software, hardware, and edge computing platforms. By leveraging AI-driven hardware design and coordinated optimization across these technology layers, we seek to enhance overall system performance and integration. Building on our product strengths in versatility, dexterity, predictability and fundamentality, we aim to remain at the forefront of industrial intelligent technologies and support scalable deployment across diverse industrial environments. We also plan to enhance our industrial AI agents by strengthening their conversational, reasoning, and processing capabilities, advancing agent autonomy and multi-agent collaboration, and developing more compute-efficient agents that require fewer computational resources while maintaining high performance.

Expanding Commercial Success through Product Development and Customer Growth

We will drive commercial expansion through three pillars: product portfolio development, customer growth, and global expansion.

Product portfolio development: We will drive commercial expansion by continuously evolving our product portfolio to enhance customer stickiness. Centered on our industrial large-model capabilities, we aim to build an integrated product ecosystem. Our focus will be on building universal products that can perform across a wide range of application scenarios, enabling efficient replication and adoption across industries, environments, and customer profiles.

Customer growth: We will deepen engagement with core customers while expanding our customer base to increase penetration within existing industries and extend into new ones. We will focus on converting new products into mass production deployments and increasing our participation in customers' mass production processes, enabling us to expand from initial deployment on a single production line to multiple production lines, and from deployment in a single factory to multiple factories within the same customer organization globally. We aim to replicate this conversion and expansion model across our customer base, enabling scalable deployment across customers' production lines and global manufacturing footprints. In parallel, we will refine and transfer common capabilities derived from successful deployments to additional customers and sectors with similar pain points and strong value potential, supporting scalable cross-industry expansion and sustained customer growth.

Global expansion: We will advance our global expansion strategy to establish an international industrial AI service presence. As our core customers expand their manufacturing operations overseas, we plan to replicate our proven domestic deployment model—combining industrial products and services—in overseas markets. We will continue to build sales and service networks in manufacturing-intensive regions, including Southeast Asia, Europe and North America, supported by localized service teams and partners. Through this approach, we aim to adapt effectively to local industry standards, regulatory requirements and customer needs, and support the deployment of our products in international markets.

Cultivating Talent Reserves to Strengthen the Foundation for Growth

We will continue to invest resources in building a comprehensive talent base spanning multiple levels and functions to support our long-term growth. By strengthening our organizational capabilities and talent depth and strengthening ties with well-respected universities and research organizations, we aim to provide sustained momentum for business expansion and reinforce the foundations of our continued development.

We plan to build a diversified and multi-disciplinary talent pipeline that supports both technological innovation and commercial execution. Through close collaboration with leading academic and research institutions, we will continue to attract and develop top talent in artificial intelligence and industrial fields. This includes scientists and researchers driving frontier research, technical experts focused on productization and technology deployment, product and solution teams with deep industry insight, sales and marketing professionals with a global perspective, and management leaders with strong strategic vision and execution capabilities.

At the same time, we will further enhance our systematic talent development and incentive mechanisms to attract, develop and retain high-quality professionals over the long term. By fostering a robust and sustainable talent ecosystem, we aim to strengthen our organizational resilience, support continuous innovation and execution, and reinforce our competitive position as we scale the business.

OUR PRODUCT OFFERINGS

By deeply integrating large-scale models with full-stack technology, we create self-evolving industrial AI agents featuring a complete closed-loop of perception, reasoning, and execution. Anchored in a complete hardware-software ecosystem, we deliver advanced industrial AI agents, encompassing next-generation robots, edge AI sensors and agentic software systems. As of December 31, 2025, we have cumulatively delivered approximately 140,000 advanced industrial AI agents across multiple industry verticals. We also offer AI infrastructure initiatives to our enterprise customers. As of December 31, 2025, we have served over 730 enterprises worldwide, underscoring our leadership and trusted impact across the industry.

Industrial AI Agents

Leveraging our IndustryGPT, we deliver a comprehensive suite of industry-specific AI agents designed to transform manufacturing and inspection processes. Our ecosystem includes intelligent robots for high-precision inspection and operation, edge AI sensors for high-speed real-time perception, processing, and adaptive feedback, and robust agentic software systems empowering high-complexity decision-making. Together, these components enable seamless automation, enhanced accuracy, predictive insights, and agile responsiveness, empowering enterprises to achieve scalable smart manufacturing with higher efficiency and superior quality.

Robots

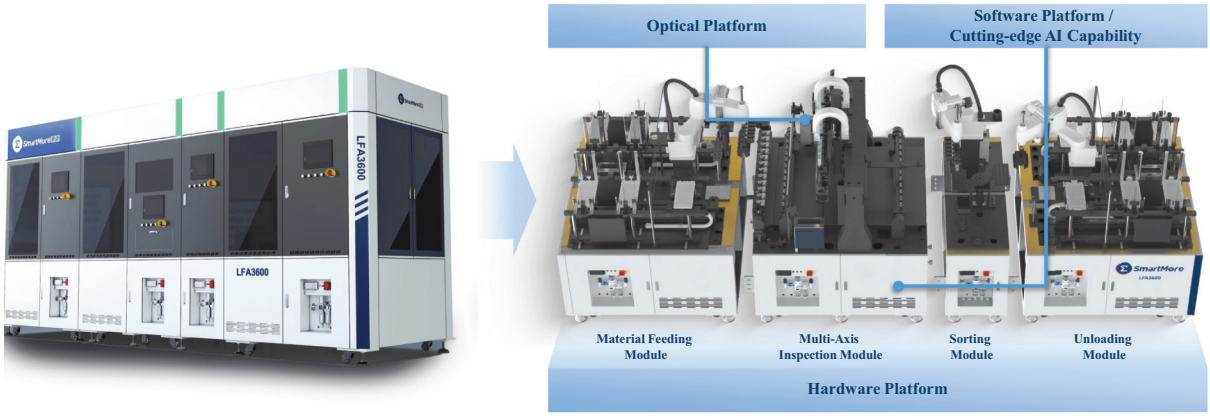
Our robots are AI-native and designed to perceive their environment, reason, and make decisions, achieving unmatched adaptability, efficiency, and scalability in inspection and operating applications. Delivered as an integrated hardware-software solution, it bridges the physical world of the production environment with the digital realm of AI algorithms. The system precisely perceives the physical environment through vision sensors, force sensors, and other hardware components. Built on IndustryGPT and supported by techniques such as model optimization, these robots deliver rapid and accurate perception and reasoning, and execute actions swiftly and precisely via the robotic body, enabling end-to-end completion of a wide range of industrial tasks.

Our robots product line mainly includes smart inspection robots and smart operating robots. Smart inspection robots can perform appearance inspections of various precision industrial components. Smart operating robots can carry out operating tasks in high-dexterity scenarios. Our robots break away from the traditional "one machine, one function" model by enabling multi-purpose use with superior performance, delivering higher ROI for customers and establishing a new paradigm of productized deployment.

Smart Inspection Robots

Leveraging our self-developed multi-axis mechanical platform, optical platform, and cutting-edge AI capability, we deliver high-performance smart inspection robots. Our solutions combine multi-axis robotic flexibility, AI-driven visual inspection, and adaptive optics to overcome longstanding challenges such as

inspecting high-reflectivity surfaces, complex geometries, and fragile materials. From 3C components and battery parts to curved glass and wafers, our systems enable fast, accurate, 360-degree inspection with strong universality, supporting varied materials, shapes, and sizes. Integrated quality data and closed-loop control ensure end-to-end oversight, while modular hardware and intelligent algorithms enable rapid changeovers and efficient response to multi-variety production, setting a new benchmark in flexible, future-ready precision inspection. Our smart inspection robots are designed for several application scenarios, mainly including precision components, metal housings, and precision glass.



Case Study - Breakthrough in Earphone Quality Inspection

- ***Pain Points***: The TWS earphone components are as small as millimeter-scale and feature complex curved surfaces and highly reflective materials. These reflective materials place extremely high demands on the algorithmic, optical, and mechanical capabilities of inspection equipment. Due to the high difficulty of quality inspection, the product suffered from unstable quality control, leading to persistent complaints from end customers and significant delays in product shipments.

- ***Our Solution***: We provide appearance quality inspection for all exterior surfaces (user-facing side) of both the TWS (True Wireless Stereo) earphones and the charging cases for a global leading high-tech electronics provider specializing in acoustic systems. Our product integrates a multi-axis mechanism, proprietary lighting technology, and a highly optimized algorithm based on a specialized toolchain. The multi-axis mechanism enables full-angle inspection of complex curved surfaces, ensuring complete coverage from every angle. Our custom-developed lighting system, combined with high-speed snapshot imaging, delivers rapid, high-quality image capture, effectively overcoming the unique challenges of imaging high-reflectivity complex surfaces. With optimized algorithm, our robots processes approximately 200 images per component, while achieving high-throughput inspection of one component within two seconds, delivering stable, pixel-level defect detection with exceptional precision.

- ***Value Creation***: Our products enable clients to streamline quality control operations, significantly reducing manpower requirements and generating substantial labor cost savings, while also eliminating key drivers of customer complaints and alleviating excess inventory buildup. In addition, our technology has earned formal technical endorsement from a major key account client, further validating its value and performance. These combined benefits have supported our ability to achieve consistent batch deliveries across multiple clients, strengthening both our market position and long-term customer relationships.

Case Study - Achieving 100% Automated Quality Inspection for EV Battery

- ***Pain Points***: EV batteries are highly sophisticated systems composed of multiple components, including the battery cell, battery membrane (separator), and cover plate. The sealing integrity and

safety performance of the battery membrane and cover plate are critical to ensuring the overall safety and reliability of the battery. As a vital safety component in EV batteries, the cover plate's appearance and functional performance directly affect overall battery safety, and therefore are subject to extremely stringent quality standards. A global leading battery cover plate provider faces a major challenge: producing a wide variety of components, each with unique material properties and surface characteristics that complicate traditional machine vision inspection. Even minor defects, especially abnormalities in hair-thin aluminum wires, can trigger serious safety incidents, such as short-circuit, leading to recalls, fines, and reputational harm. Achieving fast, accurate, and fully automated inspection across this wide range of processes and models, with zero defect escapes, has become a key obstacle to scaling production and ensuring consistent quality.

- ***Our Solution***: To overcome these challenges, we deployed a smart inspection robot system for the client that supports over 40 types of components. With flexible optical imaging and a powerful adaptive algorithm engine, the robot identifies different production processes and product models in real time, then applies the optimal inspection settings—adjusting lighting, camera, and algorithms automatically to ensure high-quality images in complex environments. This enables full compatibility across all cover plate types and manufacturing methods and meets the industry's highest standard of zero escapes for critical defects—delivering reliable, fully automated inspection.

- ***Value Creation***: The intelligent inspection robots bring multiple benefits to the client: (i) replaces manual rework with 100% automated inspection, reducing labor costs and human errors while ensuring consistent product quality and supporting ongoing cost-efficiency improvements; (ii) built-in analytics uncover defect patterns and process inefficiencies, enabling workflow refinements and tighter material controls that reduce defects at the source and minimize scrap losses; (iii) significantly lowers complaint rates, avoids penalty costs, and helps secure additional orders—reinforcing the client's leadership in precision structural components; and (iv) upholds world-class quality standards, enhances the client's reputation as a top global supplier, strengthens competitiveness in cover plate production, and supports its sustained market leadership and long-term partnerships.

Smart Operating Robots

To address the widespread industry challenge of precision flexible operating, we have developed dexterous smart operating robots. This solution overcomes the limitations of traditional automation solution, effectively resolving long-standing pain points in deployment, including cumbersome camera calibration, heavy dependence on expensive 3D cameras, weak anti-interference capability, and high migration and replication configuration costs. The system pushes beyond the limits of precision operations, achieving high-speed, high-accuracy and adaptable insertion of sub-millimeter components that require exceptional flexibility. Even in complex environments with drastic changes in lighting or manual interference, it consistently delivers stable, repeatable operating quality.

Through intelligent perception, the system flexibly adapts to a wide range of product forms and operating scenarios, which cannot be achieved by traditional industrial robots. Moreover, the solution relies on 2D cameras and eliminates the need for hand-eye calibration, significantly reducing both hardware and configuration costs, enabling rapid, large-scale deployment across multiple production lines.

Case Study – Unlocking Automation Potential in Home Appliances

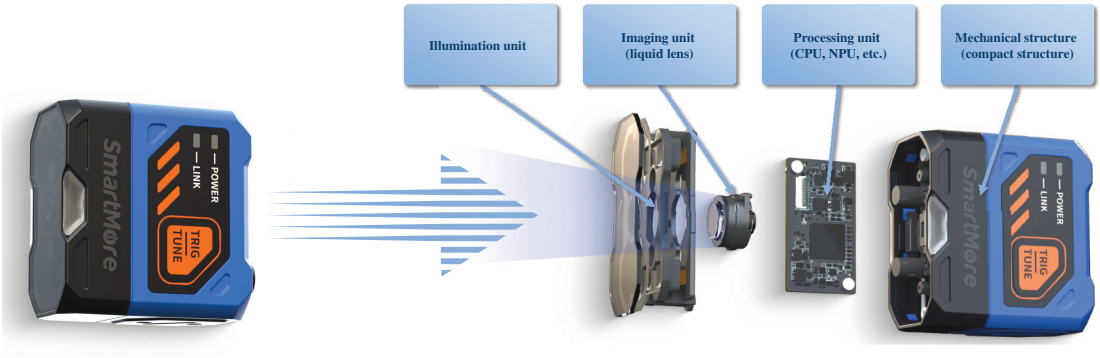
- ***Pain Points:*** In the home appliance industry, where product models evolve at a rapid pace, traditional automation solutions often struggle to adapt to frequent design changes and multiple variants. Consequently, many essential operating steps still depend heavily on manual labor, limiting both efficiency and effectiveness.

- ***Our Solution***: To address the dual challenges of poor compatibility and high expansion costs in traditional automation, we proposed a new approach that eliminates the need for cumbersome rule-based programming and hand-eye calibration processes, relying on an end-to-end architecture to drive operations through high-frequency hybrid force-position control and high-precision visual servoing. In addition, it supports ultra-fast capacity expansion, effectively overcoming the deployment barriers faced by conventional automation systems.

Edge AI Sensors

Built for positioning, recognition, detection, and measurement, our edge AI sensors integrate a condensed version of IndustryGPT to enhance both perception and decision-making capabilities. Our solutions, including smart vision sensors and smart ID readers, are deployed across key industries such as automotive, new energy, consumer electronics, semiconductor, logistics, food packaging, pharmaceutical, and consumer products.

Smart Vision Sensors



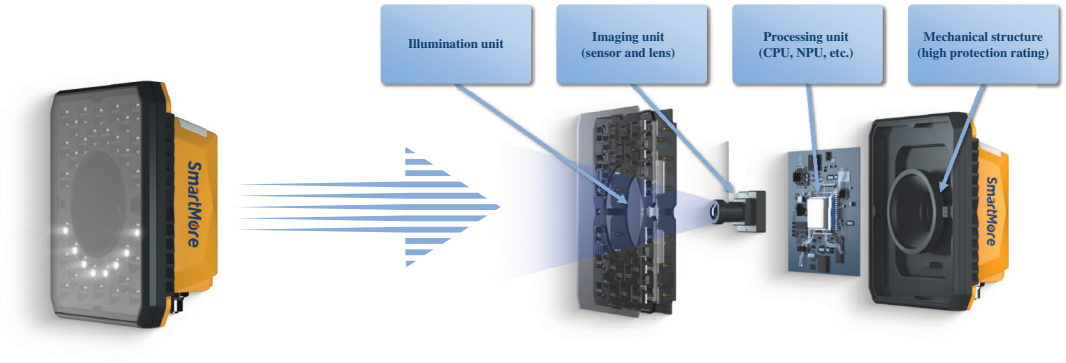
Our smart vision sensors are designed to provide flexible, easy-to-deploy AI-powered vision solutions across a wide range of industrial inspection and automation applications. The portfolio includes compact, high-speed, intelligent, and robot-guidance vision sensors equipped with high-resolution sensors, multi-focal lens options, and a broad selection of optical accessories. With embedded AI algorithms, stable high-speed processing, and minimal timing fluctuation, these products enable reliable visual recognition, detection, classification, and verification tasks, even with limited sample. Their user-friendly design, simplified software configuration, and automatic protocol adaptation support fast deployment, lower integration costs, and efficient operation across diverse production environments.

Our smart vision sensors feature an all-in-one design with straightforward software configuration, ensuring quick and hassle-free setup. They deliver minimal timing fluctuation (±1 ms), high algorithm stability, excellent usability, and outstanding cost-performance. In addition, they require only a small number of samples for stable operation, making deployment faster and more efficient. Moreover, our smart vision sensors possess full-stack AI technical capabilities, embodied in two AI technical dimensions: (i) few-shot learning, enabling stable performance with as few as 10 training samples and (ii) fully edge-based learning, allowing all training to occur directly on the device without reliance on a computer or cloud service.

The following table sets out our smart vision sensors.

	Smart Vision Sensors			
Series	VE Series	FST Series	VN Series	VAL Series
				
	Compact AI Vision Sensor	High-Speed AI Vision Sensor	AI Intelligent Vision	AI Robotic Arm Vision
Response time	– **Min 25** ms	– **Min 10** ms	– **Min 50** ms	– **Min 50** ms
Working distance	– **100** mm – **400** mm	– **40** mm – **200**mm	– **100** mm – **2,000** mm	– **100** mm – **1,000** mm
Resolution	– **1.4** MP	– **1.4** MP	– **1/2.3/5** MP	– **2.3/5** MP
Application scenarios	– Hardware parts feeding and processing error-proofing – Presence/absence, front/back and direction detection – Mixed-material identification	– High-speed vibratory bowl feeding of precision components – Metal processing – Parts assembly rotational positioning	– Assembly presence/absence and positional inspection – OCR recognition – Product category identification – Dimensional measurement	– Robotic arms and hybrid robots positioning guidance – Automated hand–eye calibration

Smart ID Readers



Our smart ID readers are designed to address a wide range of industrial code-reading applications and complex identification scenarios. Featuring integrated AI decoding technologies, flexible optical and lighting configurations, these products support stable, high-speed reading of IDs, including direct part marks and damaged or low-contrast codes. They are built for easy deployment and system integration, with automatic tuning capabilities that optimize focus, exposure, illumination, and decoding parameters, enabling reliable performance across diverse production environments and use cases.

Equipped with a one-button tune function, the device automatically optimizes critical settings, including focus, exposure, illumination, and decoding parameters for fast, consistent setup without manual intervention. Its ultra-compact design makes it ideal for space-constrained installations, while the integrated distance sensor enables reliable autofocus capabilities, ensuring sharp image capture across varying object distances. At the core of its performance is the built-in AI decoding, which significantly enhances recognition accuracy even with poor-quality or damaged IDs. Furthermore, the reader features full-process AI capabilities, optimized seamlessly from image acquisition through to final output, delivering faster, smarter, and more reliable ID reading in any application scenario. Moreover, with full-stack AI technical capabilities, our smart ID readers excel across the following four dimensions: (i) AI imaging (ISP), which leverages artificial intelligence to perceive scene characteristics and dynamically optimize imaging parameters for improved readability; (ii) AI coarse positioning, utilizing a lightweight AI network to rapidly detect the presence and approximate location of barcodes in complex environments; (iii) AI fine positioning, applying advanced AI algorithms to accurately adjust and correct barcode pose, angle, and geometry, even under challenging conditions; and (iv) AI decoding, which intelligently infers barcode structures and encoding rules to generate an AI-based binarized readable image, enhancing robustness in noisy or degraded scenarios.

The following table sets out our smart ID readers.

Smart ID Readers					
Series	VS500Max	ViScanner VS600	ViScanner VS800	ViScanner VS1000	ViScanner V2000
					
	Ultra-compact	Cost-effective compact	Standard compact	Mid-range; High-performance	Wide-FOV; All-in-one
Size	– 49 mm × 22.3 mm × 23.8 mm	– 49 mm × 25 mm × 42.5 mm	– 46 mm × 25 mm × 43 mm	– 58 mm × 53.5 mm × 69 mm	– 100.5 mm × 74.5 mm × 47.6 mm – 134.5 mm × 108.5 mm × 65.3 mm (High power) – 100.5 mm × 74.5 mm × 93.1 mm C-connector)
Working distance	– 65 mm – 480 mm	– 51 mm – 415 mm	– 6 mm – 300 mm	– 40 mm – 1,000 mm	– 100 mm – 2,000 mm
Resolution	– 1.4 MP	– 1 MP	– 1.4 MP	– 1/2.3/5 MP	– 5/20 MP
Applicable industries	3C electronics Semiconductors	Lithium batteries Logistics	Auto components Food processing	Pharmaceuticals Paper labels	Parts manufacturing DPM barcode reading	Packaging …

Agentic Software Systems

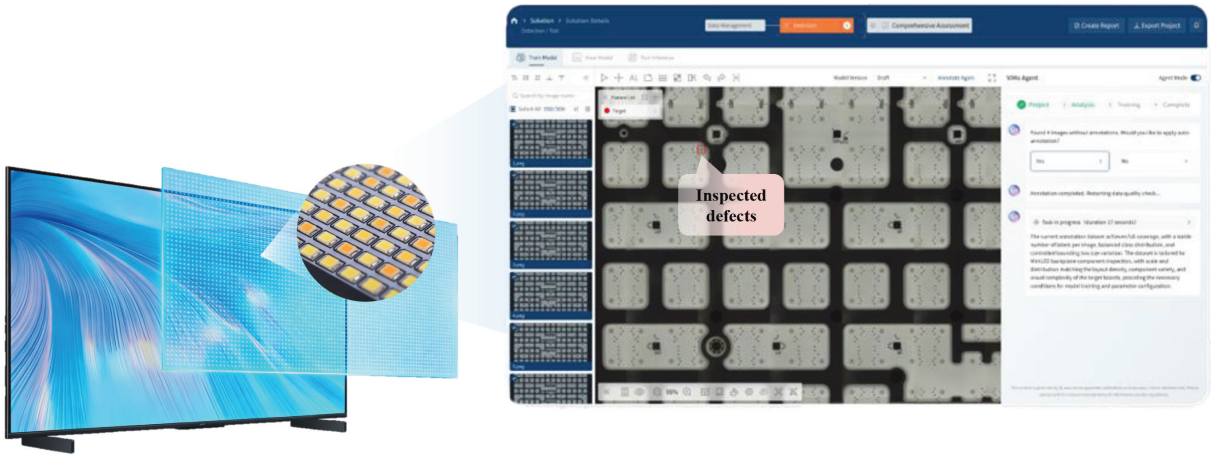
Leveraging IndustryGPT, our agentic software systems include industrial vision AI agent software-ViMo and industrial AI digitalization solutions. Our agentic software systems serve as the intelligence layer that orchestrates models and workflows across cloud, edge and device environments. They enable automated model training, intelligent process planning and equipment diagnostics.

ViMo

ViMo is a one-stop intelligent software designed for industrial vision and smart manufacturing scenarios. It supports over 100 complex inspection and analysis tasks, and is built on a cloud-edge integrated architecture and continuously advancing algorithmic capabilities.

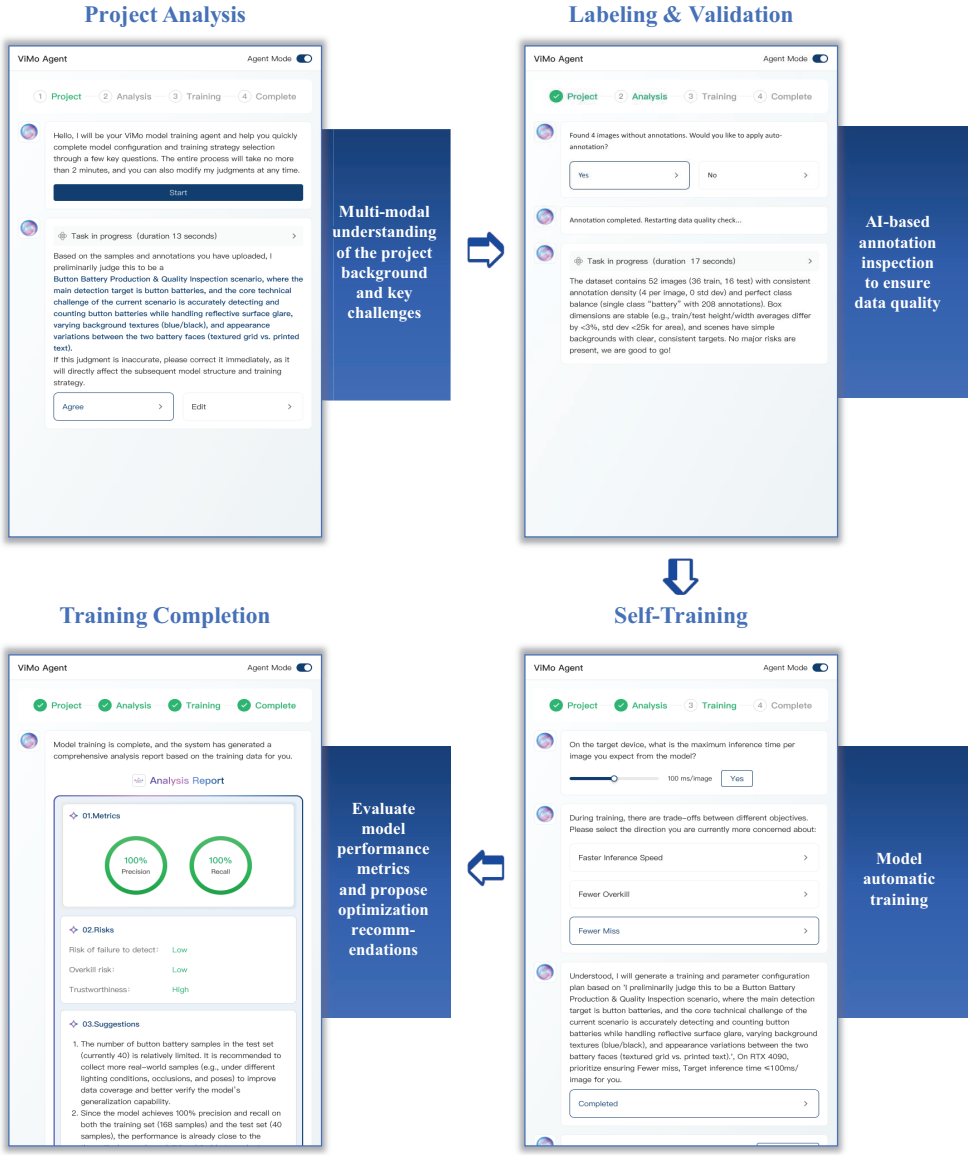
As an AI-native industrial vision platform, ViMo supports deployment across cloud, edge, and device environments, enabling large-scale and efficient deployment of high-precision algorithms across diverse industrial scenarios. Through this architecture, ViMo has become an important software infrastructure supporting customers' digital and intelligent transformation initiatives. ViMo adopts an integrated cloud-edge architecture that supports multiple deployment options, including private cloud environments for enterprise customers and offline licensing models. The platform is optimized for mainstream computing hardware architectures, including CPUs, GPUs, and NPUs, and incorporates algorithm scheduling and resource management capabilities designed to improve computing efficiency and system performance. This architecture enables enterprises to flexibly deploy industrial vision solutions across different production environments while maintaining scalability and operational stability.

Built on IndustryGPT, ViMo provides a range of advanced capabilities, including defect data generation, intelligent annotation, automated model training, and code generation. These features enable a seamless workflow from data processing to application deployment. By integrating defect knowledge derived from a vast number of industrial cases, ViMo generate highly realistic defect images, reducing the volume of samples required for pre-training in new scenarios. During the data labeling process, the platform performs automated quality verification and intelligent correction, significantly improving labeling efficiency compared with traditional manual processes. In addition, through automated parameter tuning, non-expert users can achieve model training results comparable to expert-level optimization. These capabilities significantly lower the barriers to adopting AI technologies in industrial environments and shorten customer deployment cycles across a wide range of industries, including 3C electronics, new energy, semiconductors, food and beverage, pharmaceuticals, and automotive.



Supported by IndustryGPT, ViMo Agent functions as the intelligent task orchestration engine within the ViMo platform. It enables users to interact with the system through natural language or simple instructions without requiring specialized programming or algorithm development expertise. Through this agent-based system, ViMo can automatically invoke underlying capabilities—including defect data generation, intelligent labeling quality management, automated model training, and code generation—to complete complex industrial vision workflows with minimal manual intervention.

This highly automated intelligent agent system reduces reliance on specialized personnel and lowers operational costs while improving the reliability and consistency of model training during large-scale deployments. By automating key stages of data preparation, model development, and application deployment, ViMo helps address longstanding industry challenges, including the difficulty of accumulating high-quality defect data and the high implementation costs associated with industrial AI applications.



ViMo Agent leverages IndustryGPT to automate the entire industrial vision modeling workflow—from project analysis, labeling & validation, model training & optimization to deployment—transforming a process previously reliant on manual engineering trial-and-error into a fully integrated, self-driven closed loop.

Industrial AI Digitalization Solutions

Our industrial AI digitalization solutions empower manufacturing enterprises to achieve intelligent plannings, operations, diagnostics, and predictive maintenance. By systematically restructuring and digitizing enterprise knowledge, we transform it into reusable, enterprise-level assets. This not only significantly improves production efficiency but also enables full-process data traceability across the entire production workflow.

Our product suite covers the full production lifecycle—from process engineering to equipment maintenance—anchored by three core systems:

- *Intelligent Process Planning System (IPP)*: Provides intelligent knowledge recommendations for process design, change management, and workflow execution, assisting in the generation of comprehensive process plans.

- *Equipment Diagnostics and Operation System (EDOS)*: Enables real-time intelligent interaction, delivering expert-level diagnosis and resolution guidance to frontline maintenance personnel—elevating equipment maintenance from periodic checks to condition-based and predictive maintenance.

- *Digital Twin Simulation System (DTS)*: Enables simulation analysis and real-time 3D monitoring of key manufacturing and logistics elements by linking physical and digital worlds. It anticipates potential capacity bottlenecks and ensures the early detection of failures, which further enables predictive maintenance and remote operations.

AI Infrastructure Initiatives

To meet growing client demand for infrastructure that can support large-scale AI workloads and end-to-end networking solution, which integrate seamlessly across different scenarios, and deliver secure, efficient, and reliable resource management, we introduced LrMo. LrMo is a leading foundational platform for the development and deployment of large-scale industrial models, and it also provides a comprehensive end-to-end networking solution tailored for large-scale AI distributed training.

Built upon core technologies such as cloud-edge-device collaboration architecture, distributed processing, and federated learning adaptation, LrMo integrates full lifecycle management capabilities for AI models. Designed to address key challenges in industrial scenarios, including complex data acquisition, high security requirements, heterogeneous hardware environments, difficulties in compute resource scheduling, and high engineering costs, LrMo supports both CPU, GPU, NPU, five types of domestic accelerator cards, and more than three homegrown AI frameworks.

In addition, by utilizing a high-performance cluster network architecture, LrMo solves the critical industry challenges of communication bottlenecks, inefficient layouts, and extended deployment cycles. This ensures rock-solid stability and rigorous validation, ultimately enabling the rapid provisioning of massive clusters while maximizing hardware utilization and minimizing operational risks.

OUR CORE TECHNOLOGIES

At the heart of our solutions is the IndustryGPT, which serves as the foundation for our technological capabilities. Built on top of this core model, we have developed and mastered three key platforms: the software platform, hardware platform, and edge computing platform. This integrated technology stack enables us to deliver high-performance, scalable, and efficient systems tailored to complex industrial and commercial needs.

IndustryGPT

Our IndustryGPT, the world's first proprietary industrial multi-modal large model family, excels in language, reasoning, generation, and operation capabilities to meet the complex demands of modern industry. Purpose-trained on extensive real-world industrial input and proprietary synthetic datasets, it delivers advanced intelligence in industrial data analytics along with strong generalization abilities. Our models demonstrated state-of-the-art performance on standardized professional engineering examination benchmarks and achieved superior results among leading general purpose models on the industry-focused subset of the open-source SuperGPQA dataset. Engineered to replicate the judgment of seasoned experts, IndustryGPT can deconstruct intricate workflows, perform multi-step reasoning, and seamlessly orchestrate function calls and workflow. For inspection and quality-control tasks, it generates reliable, high-fidelity defect imagery, markedly reducing the risk of hallucinations common in generic generative models and offering unmatched precision and controllability. Furthermore, by integrating multi-modal perception with adaptive control, IndustryGPT empowers robotic systems to handle diverse product types and operating configurations with exceptional dexterity and flexibility, ushering in a new standard of intelligence and autonomy for industrial automation.

By leveraging the core capabilities of IndustryGPT, including language understanding, logical reasoning, content generation, and operational plannings, we integrate a wealth of academically validated advancements to refine and optimize the IndustryGPT. This enables high-efficiency, high-precision capabilities such as perception, multi-modal reasoning, and operations, delivering exceptional accuracy and inference speed even under stringent industrial constraints. Building on these strengths, our progress in large language models and multi-modal intelligence has led to the development of industrial AI agents capable of few-shot learning in data-scarce environments. Furthermore, we have achieved significant breakthroughs in embodied intelligence, enabling high-dexterity operations—such as sub-millimeter soft wire operating—in highly dynamic and unpredictable settings.

Software Platform

Our software platform provides the operational backbone for deploying and managing our AI solutions, focusing on efficiency and ease of integration.

- ***XRack***: XRack is a high-performance deployment middleware featuring a finely-tuned operator library developed through years of deep optimization. It enables heterogeneous acceleration across CPUs, GPUs, and ARM architectures, and provides advanced fused operators optimized for industrial algorithm workflows. Through instruction-level performance optimization, XRack maximizes computational efficiency, delivering peak inference speed, accelerating algorithm execution, and reducing total deployment costs for clients.

- ***SmartMore Operating System (SMOSS)***: SMOSS is our proprietary software platform designed to streamline the development and deployment of our full-stack solutions. Featuring an intuitive drag-and-drop interface, it seamlessly integrates our internal algorithm, software middleware, and SDKs into a unified workflow. SMOSS supports the entire solution lifecycle, from design and model training to SDK deployment, UI configuration, and communication with factory Manufacturing Execution Systems (MES). This comprehensive integration dramatically enhances solution development and delivery efficiency, enabling faster time-to-market for our industrial clients.

Hardware Platform

Our hardware platform, comprised of sophisticated perception and actuation systems, forms the physical interface between our intelligent software and the industrial world.

- ***SmartMore Optical Orchestra (SMO2)***: SMO2 is our overarching term for advanced optical hardware. We develop highly optimized imaging solutions tailored to specific tasks and material characteristics.

For instance, to accurately image transparent micro-engraved QR codes on eyeglass lenses, we innovated a diamond optical film, enabling clear imaging for precise traceability and quality inspection. SMO2 is fundamental to our industrial intelligent perception capabilities.

- ***SmartMore ActuatorS (SMAS)***: SMAS encompasses our advanced robotic hardware mechanical platforms and sophisticated motion planning modules. Through a unified and innovative design, SMAS empowers robots to execute diverse tasks with high precision, high speed, and exceptional flexibility across various industrial scenarios and product types. SMAS serves as the crucial bridge connecting the digital intelligence of our platforms with real-world industrial operations.

Edge Computing Platform

Our edge computing platform is designed to bring computational power and intelligence closer to the data source, enhancing real-time decision-making and operational efficiency. Our edge computing platform inherits high-level intelligence from IndustryGPT and distills it into a compact architecture optimized for deployment on edge devices. This enables real-time learning, intelligent perception, and adaptive optimization at the edge, maximizing responsiveness, robustness, and operational efficiency.

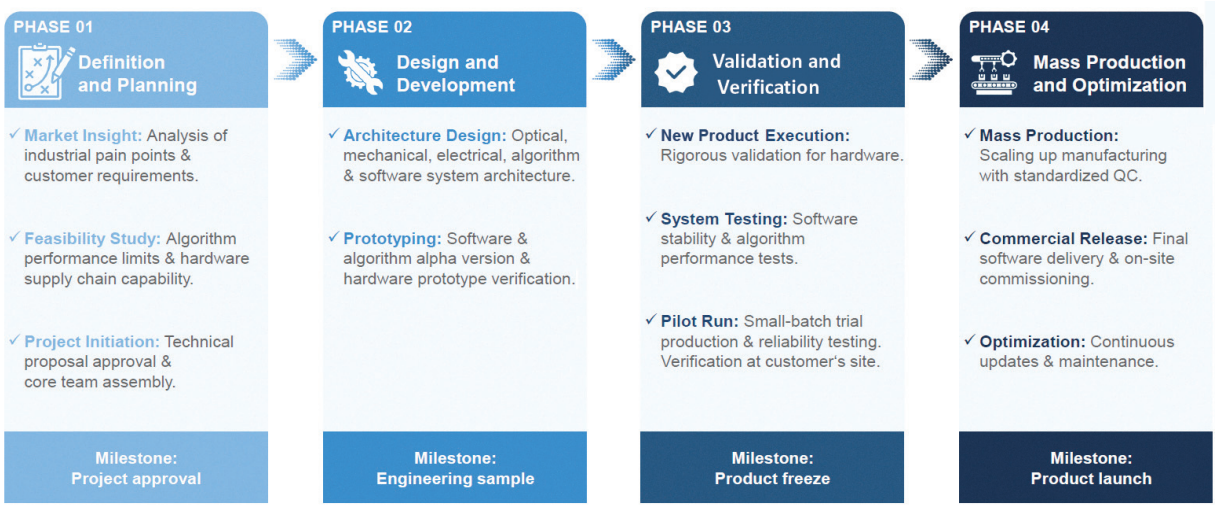
- **Enrich:** Enrich is a unified hardware-software architecture that serves as the common foundation for all our sensor and edge computing products. At the hardware level, it supports advanced capabilities such as liquid lens zoom and integrated NPU computing. On the algorithm side, Enrich enables edge learning and fast autofocus. This co-designed system uses hardware-informed neural architecture search to optimize networks for specific hardware configurations. It also employs AI attention maps to intelligently adjust lens focus and other key parameters, ensuring high performance and adaptability at the edge.

RESEARCH AND DEVELOPMENT

R&D is at the heart of our innovation. As of December 31, 2025, our R&D team comprised 259 personnel, representing 49.1% of our total employees. Our R&D team includes full-stack tech functions, comprising optics, mechanics, electronics, algorithms, and software, possessing strong academic background, as well as extensive industry know-how. By maintaining a solid focus on research and technological advancement, we continue to push the boundaries of industrial AI agents with solutions that meet a wide range of customers' needs. During the Track Record Period, we made substantial investments in R&D. In 2023, 2024 and 2025, our research and development expenses amounted to RMB283.4 million, RMB388.2 million and RMB394.1 million, respectively, representing 58.4%, 51.4% and 36.3% of our total revenue in the same years. This ongoing investment in R&D reflects our commitment to innovation and maintaining a competitive edge in product development.

Our R&D Process

Our R&D follows a systematic and rigorous process. We adhere to a standard product development process, beginning with the product definition and planning, moving through design and development, validation and verification, and culminating in mass production and optimization. Throughout each phase, we prioritize product quality and user experience. The following diagram illustrates our R&D process.



INTELLECTUAL PROPERTY

We believe our patents, know-how, proprietary technologies, trademarks, copyrights, domain names, and similar intellectual property as critical to its success. To protect these rights, we have implemented several key measures, including: (i) developing comprehensive internal policies to ensure effective IP management; (ii) establishing an intellectual property taskforce to guide, supervise, and monitor daily IP-related activities; (iii) regularly registering, filing, and applying for ownership of our intellectual properties; (iv) actively tracking registration and authorization statuses and promptly addressing potential conflicts; and (v) clearly outlining IP ownership and protection rights in our employment agreements.

As of Latest Practicable Date, we held 683 patents (including 365 registered patents and 318 pending applications), 141 software copyrights, 321 trademarks, and 5 domain names in China, and 20 patents (including 12 registered patents and eight pending applications) and 74 trademarks overseas. See "Statutory and General Information — B. Further Information About Our Business — 2. Intellectual Property Rights of Our Group" in Appendix IV to this Document for details of our material intellectual property rights.

For additional information on the risks relating to intellectual property, see the section titled "Risk Factors — Risks Related to Our Intellectual Property Rights."

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes or any other pending legal proceedings regarding intellectual property rights with third parties.

SALES AND MARKETING

During the Track Record Period, we generated most of our revenue from domestic markets. We are also actively expanding into overseas markets, having established subsidiaries in Japan and Southeast Asia and expanding our presence into other regions. In both domestic and overseas markets, we sell our products through direct sales. We sell our products directly to our customers primarily through our sales team. They closely follow up with customers to collect their feedback, improving our products to meet their evolving needs. For key account customers, we offer personalized support, gather insights on product performance, and stay ahead of market trends, aiming to incentivize repeat orders and enhance customer loyalty.

As a global leader in industrial AI agents, we are building a world-class brand powered by the dual engines of technology leadership and large-scale industrial implementation. By continuously extending our technological edge, we have established a highly effective brand marketing system that directly drives business growth.

We have long concentrated on the core ecosystems of AI and smart manufacturing, leveraging high-frequency expert engagement to build an unrivaled reputation as an industry authority. Our strategic presence at premier industry events and forums—including the World Artificial Intelligence Conference, the World Robot Conference, and ITAP Singapore—combined with immersive experience centers in key locations such as Hong Kong, Shenzhen, Beijing, and Jiaxing, has delivered intense professional exposure and tangible client interaction. Additionally, our active contributions to national and industry standards, white papers, top-tier international research publications, and prestigious awards—reinforced by mainstream media coverage, as well as leading technology and industry media—have cemented our position as a thought leader in industrial AI. This ongoing effort to instill the brand identity of "the preferred industrial AI solution for complex high-end manufacturing scenarios" has created a formidable competitive moat.

Complementing this, we have developed an integrated brand marketing framework spanning content creation, domestic and international social media, advertising, and digital campaigns—transforming brand investment into measurable growth. Through a centralized content repository covering product innovation, industry solutions, and customer success stories—and by orchestrating touchpoints across our website, social platforms, digital advertising, and earned media—we have built a seamless closed-loop funnel from awareness to lead generation and conversion. Marketing has evolved into a scalable, results-driven growth engine.

Moreover, we harness the power of ecosystem collaboration to generate compound endorsements. Collaboration with global technology leaders such as NVIDIA and Siemens, joint innovation with top-tier customers including CRRC and Foxconn, and deep integration across the supply chain and distribution networks have enabled us to construct a resilient, multi-layered ecosystem. This ecosystem-centric model not only mitigates customer decision risk but also forms a powerful composite barrier rooted in "technology + application scenarios + ecosystem". Ultimately, it strengthens long-term customer loyalty and enhances the enduring value of the SmartMore brand.

SEASONALITY

We typically recognize a substantial portion of our revenue in the second half of each fiscal year. In many cases, we complete delivery and fulfillment of finished products during the third and fourth quarter to align with our customers' procurement cycles and business practices, and recognize relevant revenues in those periods under our revenue recognition policy. According to CIC, this pattern of seasonality is not uncommon across China's industrial AI agent market.

OUR CUSTOMERS

During Track Record Period, we serve customers primarily in consumer electronics (3C), new energy, precision manufacturing, rail transit manufacturing, and other sectors. As of December 31, 2025, we have successfully built an extensive customer base comprising over 730 enterprise customers. In 2023, 2024 and 2025, the aggregate revenue generated from our five largest customers in each year were RMB190.5 million, RMB226.2 million and RMB238.8 million, representing 39.3%, 29.9% and 22.0% of our revenue in the same years, respectively. Revenues generated from our largest customer in each year in the same periods were RMB73.2 million, RMB58.0 million and RMB70.5 million, representing 15.1%, 7.7% and 6.5% of our revenue in the same years, respectively.

The summary of the salient terms of our agreements with our major customers are set forth as below.

- ***Duration***: The terms of our agreements with our major customers are typically one year.

- ***Delivery and Acceptance***: Our products are typically delivered on a DAP basis.

- ***Payment Terms***: We usually require payments in different stages, including advance payment, upon delivery, and upon acceptance.

- ***Warranty and Maintenance***: The warranty period shall last for a period of 12 months from the date of final inspection.

- ***Intellectual Property***: The client is granted a perpetual license to use any software or operating system that is either pre-installed on the delivered equipment or included by us as part of the product package.

- ***Termination***: The agreement shall renew automatically for an additional year unless either party provides written notice to the other party two months prior to the expiration of the agreement.

The following tables set forth the details of our five largest customers for each year during the Track Record Period.

Rank	Customers	Type of Products Purchased	Background	Payment Terms	Year of Commencement of Business Relationship	Revenue	Percentage of Total Revenue
						(RMB in thousands)	*%*
For the year ended December 31, 2023							
1	Customer A	AI infrastructure initiatives	A company primarily engaged in artificial intelligence, computer vision, and intelligent algorithms, located in Shanghai, China	20% advance payment; 80% within 90 days after acceptance	2022	73,205	15.1
2	Customer B	Robots	A company primarily engaged in industrial automation and industrial control equipment manufacturing, located in Wuxi, China	90 days after delivery	2020	40,956	8.4
3	Customer C	Agentic software systems	A company primarily engaged in intelligent equipment and intelligent manufacturing systems, located in Fujian, China	3 days prior to shipment	2022	28,142	5.8
4	Customer D	AI infrastructure initiatives	A company primarily engaged in artificial intelligence, intelligent software/hardware, and solutions, located in Shenzhen, China	90 days after acceptance	2022	24,115	5.0
5	Customer E	Agentic software systems	A company primarily engaged in display devices, next-generation display panels, and optoelectronic products, located in Nanjing, China	90 days after acceptance	2022	24,104	5.0
For the year ended December 31, 2024							
1	Customer F	AI infrastructure initiatives	A company primarily engaged in software development and information technology services, located in Beijing, China	5% within 3 days of signing the contract; 95% within 3 days after acceptance	2023	58,027	7.7
2	Customer G	Agentic software systems	A company primarily engaged in software development and IT system solutions, located in Beijing, China	7 days after signing the contract	2023	47,531	6.3
3	Customer H	Robots	A company primarily engaged in consumer electronics, smart manufacturing, and electronic component manufacturing, located in Changshu, China	180 days after acceptance	2022	43,789	5.8
4	Customer D	AI infrastructure initiatives	A company primarily engaged in artificial intelligence, intelligent software/hardware, and solutions, located in Shenzhen, China	90 days after acceptance	2022	40,001	5.3

Rank	Customers	Type of Products Purchased	Background	Payment Terms	Year of Commencement of Business Relationship	Revenue	Percentage of Total Revenue
						(RMB in thousands)	*%*
5	Customer I	Robots	A company primarily engaged in logistics parks and construction engineering, located in Hong Kong	10% advance payment; 80% within 10 days after acceptance; 10% upon completion of one-year warranty period	2022	36,856	4.9
For the year ended December 31, 2025							
1	Customer H	Robots	A company primarily engaged in consumer electronics, smart manufacturing, and electronic component manufacturing, located in Changshu, China	180 days after acceptance	2022	70,481	6.5
2	Customer J	Agentic software systems	A company primarily engaged in information technology services, computer software/hardware, and electronic product sales, located in Beijing, China	7 days after acceptance	2024	47,936	4.4
3	Customer K	AI infrastructure initiatives	A company primarily engaged in digital technology, software development, and information technology services, located in Shanghai, China	Upon acceptance	2023	40,798	3.8
4	Customer L	Agentic software systems	A company primarily engaged in digital technology, virtual reality, and industry digitalization solutions, located in Beijing, China	30% advance payment; 30% upon go-live; 40% upon acceptance	2024	39,940	3.7
5	Customer M	Agentic software systems	A company primarily engaged in communication technology, digital technology services, cloud computing, and big data services, located in Beijing, China	10% advance payment; progress payments of 20% and 30%; 40% upon acceptance	2024	39,689	3.7

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, none of our Directors, their close associates or any of our shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year during the Track Record Period.

OUR SUPPLIERS

Our suppliers primarily consist of third-party providers of core hardware, software and technical services, and manufacturing and supporting services. In 2023, 2024 and 2025, purchases from our five largest suppliers in each year during the Track Record Period amounted to RMB313.4 million, RMB236.6 million, and RMB243.9 million, respectively, accounting for 41.4%, 24.4% and 23.1% of our total purchases during the same corresponding years, respectively. In 2023, 2024 and 2025, purchases from our single largest supplier in each year during the Track Record Period amounted to RMB99.4 million, RMB56.2 million, and RMB67.2 million, respectively, accounting for 13.1%, 5.8% and 6.4% of our total purchases during the same corresponding years, respectively.

The summary of the salient terms of our agreements with our major suppliers are set forth as below.

- ***Delivery and Acceptance***: Suppliers shall deliver products to the locations designated by us.

- ***Payment Terms***: Payments to suppliers are typically made in three stages, including signing contract, delivery, and acceptance.

- ***Warranty and Maintenance***: The warranty period shall last for a period of one year after acceptance. For any component or part that has been repaired or replaced during the warranty period, its warranty term shall be extended for an additional one year, commencing from the date of completion of such repair or replacement.

- ***Liability***: The products delivered by the supplier shall meet our requirements as well as relevant national and industry standards. If any product defects cause personal injury or property damage to us or any third party, the supplier shall bear liability for compensation.

- ***Intellectual Property***: The supplier shall grant us all necessary intellectual property rights to enable us to promote, distribute, sell, use, support, and maintain the products and/or services.

- ***Termination***: Each party has right to terminate the agreement in the event of: (i) the other party commits a material breach, and (ii) the other party is declared bankrupt, becomes insolvent, loses its ability to perform its obligations, or its assets are taken over by a transferee or other creditors.

The following tables set forth the details of our five largest suppliers for each year during the Track Record Period.

Rank	Suppliers	Type of Products/ Services Provided	Background	Year of Commencement of Business Relationship	Payment Terms	Purchase Amount	Percentage of Total Purchase Amount
						(RMB in thousands)	*%*
For the year ended December 31, 2023							
1	Supplier A	Servers	A company primarily engaged in information technology services, servers, and cloud computing solutions, located in Beijing, China	2023	Advance payment	99,431	13.1
2	Supplier B	Servers	A company primarily engaged in computer software/hardware, servers, and information technology services, located in Tianjin, China	2023	Advance payment	90,220	11.9
3	Supplier C	Servers	A company primarily engaged in IT consulting services, data processing services, computer system services, and computer software/hardware, located in Beijing, China	2023	90 days after acceptance	63,268	8.4
4	Supplier D	Servers and toolchain software	A company primarily engaged in machine vision, artificial intelligence, and intelligent inspection equipment, located in Shanghai, China	2023	45 days after acceptance	33,181	4.4
5	Supplier E	Testing services and technical services	A company primarily engaged in artificial intelligence, big data, and data analytics platforms, located in Beijing, China	2022	90% within 25 days after acceptance; 10% within 180 days after acceptance	27,252	3.6
For the year ended December 31, 2024							
1	Supplier F	Servers	A company primarily engaged in intelligent equipment, smart manufacturing, and automation equipment, located in Wenzhou, China	2024	5% within 3 days of contract signing; 95% upon testing	56,204	5.8

Rank	Suppliers	Type of Products/ Services Provided	Background	Year of Commencement of Business Relationship	Payment Terms	Purchase Amount	Percentage of Total Purchase Amount
						(RMB in thousands)	%
2	Supplier G	Servers	A company primarily engaged in artificial intelligence, AR (augmented reality), and smart hardware, located in Guangzhou, China	2023	60 days after acceptance	49,523	5.1
3	Supplier H	Graphics cards / servers	A company primarily engaged in information technology services, financial technology, and software development, located in Beijing, China	2023	2 days after acceptance	48,270	5.0
4	Supplier I	Servers and switches	A company primarily engaged in smart buildings, Internet of Things (IoT), and smart community solutions, located in Shenzhen, China	2023	90 days after acceptance	47,053	4.9
5	Supplier J	Software development services	A company primarily engaged in information technology services, computer system integration, and software development, located in Beijing, China	2023	30% advance payment; 30% upon preliminary acceptance; 40% upon final acceptance	35,513	3.7
For the year ended December 31, 2025							
1	Supplier H	Servers	A company primarily engaged in information technology services, financial technology, and software development, located in Beijing, China	2024	2 days after acceptance	67,182	6.4
2	Supplier K	Human resources services	A company primarily engaged in human resources services and business information consulting, located in Shenzhen, China	2023	30 days after invoice issuance	51,934	4.9
3	Supplier C	Servers	A company primarily engaged in IT consulting services, data processing services, computer system services, and computer software/hardware, located in Beijing, China	2023	90 days after acceptance	45,354	4.3
4	Supplier L	Servers, network equipment, and technical services	A company primarily engaged in artificial intelligence technology, Internet of Things (IoT), and system integration, located in Nanjing, China	2025	20% advance payment; 60% payment upon shipment; 20% balance	43,641	4.1
5	Supplier M	Servers, network equipment, and technical services	A company primarily engaged in information technology services, computer software/ hardware, and system integration, located in Nanjing, China	2024	25% within 10 business days after signing contract; 50% before shipment; 25% after acceptance	35,756	3.4

Our Directors confirmed that, during the Track Record Period, we have not experienced any significant material fluctuation in prices set by our suppliers, material breach of contract on the part of our suppliers or material delay in delivery of our orders from our suppliers. To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, none of our Directors, their close associates or any of our

shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year during the Track Record Period.

Supply Chain Management

We have a well-established supply chain management system. Our supply chain management center is committed to optimizing the entire supply chain process, from procurement to production and distribution, by leveraging business intelligence and data analytics. Through integrated systems, we conduct supplier screening and cost optimization to ensure timely procurement and cost efficiency. In addition, our sales-production coordination mechanism enhances information synchronization from customer demand to manufacturer supply, and from manufacturer supply to production manufacturing, enabling better coordination and faster response.

We identify potential suppliers through market research, trade shows, industry referrals, and recommendations from existing partners. Candidate suppliers are evaluated based on multiple criteria, including their ability to meet our technical specifications and quality requirements, financial stability, and production capacity. When necessary, we also assess a supplier's ability to meet our technical requirements, including performance testing, quality assurance processes, and pilot production evaluations. In addition, we require suppliers to adhere to production deadlines and adapt to changing order volumes or production schedules as needed.

A cross-functional audit team composed of engineering, quality, and procurement personnel conducts on-site audits of potential suppliers to evaluate their production facilities, quality management systems, and supply chain practices. Suppliers are required to provide relevant certifications, such as ISO 9001, ISO 14001, and, where applicable, GMP certification. Qualified suppliers that pass the audit will be issued trial production orders to verify whether they can practically meet specified quality and delivery requirements, ensuring smooth integration into our supply chain system after onboarding.

Furthermore, we regularly evaluate suppliers based on quality, performance, and customer service. We work closely with our suppliers to drive continuous improvement in product quality, reduce costs, and enhance operational efficiency. Our evaluation team, comprising team members from R&D, quality, and procurement departments, conduct comprehensive assessments of suppliers' product quality and delivery performance, including suppliers' fulfillment performance, product quality and pricing, delivery, and service. We may terminate the cooperative relationship with a supplier and remove them from the list of qualified suppliers if they fail to meet our performance evaluation criteria.

Inventory Management

We maintain a disciplined inventory management system to support stable production, reliable delivery and efficient use of working capital. Centralized demand planning integrates forecasts, historical data and project timelines to guide procurement, safety-stock levels and capacity alignment. We use warehouse management systems for real-time visibility and traceability, supported by physical counts and monitoring of turnover and aging. In parallel, we coordinate closely with suppliers through forecast sharing, rolling replenishment and diversified sourcing, while our teams actively adjust procurement and production schedules to prevent shortages and excess inventory.

Overlapping of Customers and Suppliers

During the Track Record Period, other than Supplier C, we did not have any overlapping customer and supplier. Our purchases from Supplier C amounted to RMB63.3 million, RMB15.0 million and RMB45.4 million in 2023, 2024 and 2025, respectively, representing 8.4%, 1.6% and 4.3% of our total purchases for the corresponding years. In 2025, we also sold the ViMo software system to a customer under common control with Supplier C, generating revenue of RMB37.6 million, which accounted for 3.5% of our total revenue for that year. None of the sales to or purchases from this overlapping customer and supplier during the Track Record Period were inter-conditional, inter-related or otherwise regarded as a single transaction. All such transactions were negotiated on an arm's-length basis and conducted on fair and reasonable commercial terms.

PATH TO PROFITABILITY

We achieved sustained business growth but remained loss-making during the Track Record Period. Our net losses primarily resulted from being in a ramp-up stage, with a strategic focus on long-term success and financial returns in the industrial AI agents market, rather than pursuing near-term profitability at the expense of future market potential. We made substantial investments in product development, market expansion, and infrastructure enhancements to enable larger scale operations. As a result, profitability is currently in the process of being established and optimized. We believe we remain in a necessary investment phase that is critical to securing a competitive position in this highly competitive market and building a solid foundation for future profitability. For more information, please see "Financial Information."

During the Track Record Period, we made significant upfront investments to establish the operational, technological and organizational foundation required for future expansion, including our substantial spending on R&D and talent acquisition. These investments have supported our strong historical growth. During the Track Record Period, we achieved robust growth in revenue and expansion in overall gross profit margin. Our revenue increased by 55.9% from RMB484.9 million in 2023 to RMB755.8 million in 2024, and further grew by 43.7% to RMB1,086.3 million in 2025, primarily driven by our increased customer base. The number of total customers grew from 229 in 2023 to 327 in 2024 and further to 497 in 2025. This reflects the quality and sustainability of our business model. Driven by strong revenue growth, business mix optimization and improved production management, our gross profit increased from RMB148.1 million in 2023 to RMB244.3 million in 2024, and further increased to RMB405.2 million in 2025. At the same time, our overall gross profit margin increased from 30.5% in 2023 to 32.3% in 2024 and further to 37.3% in 2025. Our business demonstrated significant operating leverage as we scaled. Our adjusted total operating expenses (non-IFRS measure), defined as research and development expenses, selling and marketing expenses and general and administrative expenses excluding share-based payment expenses in each case, as a percentage of revenue, improved steadily from 113.6% in 2023 to 83.4% in 2024 and further to 63.9% in 2025.

Although our net loss was RMB546.0 million, RMB735.1 million and RMB991.1 million in 2023, 2024 and 2025, respectively, our adjusted net loss (non-IFRS measure) position has steadily improved - the adjusted net loss (non-IFRS measure) was RMB393.9 million in 2023, decreased to RMB378.6 million in 2024 and further decreased to RMB272.0 million in 2025.

From a strategic perspective, scaling is essential to achieve and sustain profitability. Scale not only drives revenue growth but also serves as a structural driver of cost reduction. As our cumulative shipments and deployment footprint expand, we benefit from greater purchasing leverage, deeper supply chain integration, manufacturing standardization, and improved capacity utilization, all of which underpin our ongoing cost optimization efforts. During the Track Record Period, we have delivered improved cost efficiencies through continuous standardization of products, economies of scale and supply chain synergies. These scale-driven efficiencies not only lower overall production costs but also enhance system reliability, performance stability, and delivery consistency, strengthening our margin profile over time.

From an execution perspective, we aim to secure long-term financial success by focusing on the following strategies: (i) driving revenue growth; (ii) strengthening gross profit margin, and (iii) enhancing operating efficiency.

Driving Revenue Growth

Harnessing the Positive Momentum in the Industry

Driven by advancements in technologies, increased customer demand for industrial AI agents, and supportive policies and regulations, the industrial AI agents industry is expected to experience rapid growth in the future, according to CIC. Under China's 15th Five-Year Plan, intelligent manufacturing has been elevated to a key focus of national strategy. This reflects the government's commitment to modernizing industrial capabilities by integrating AI into manufacturing processes. Driven by its large-scale manufacturing bases, the rapid advancement of industrial AI technologies, and robust government support for industrial AI adoption, the

China's industrial AI agent market is growing faster and achieving higher penetration rate compared with the global market. According to CIC, the market size of China's industrial AI agent industry is expected to grow at a CAGR of 43.6% from 2025 to 2030 to reach RMB90.6 billion. During the same period, the global market is expected to grow at a CAGR of 34.6% to reach RMB162.0 billion. the market size of China's industrial AI agent industry expanded from RMB5.8 billion in 2023 to RMB14.8 billion in 2025, reflecting a CAGR of 59.9% during this period, and is projected to reach RMB90.6 billion by 2030, representing a CAGR of 43.6% from 2025 to 2030. In China, the penetration rate of industrial AI agents is projected to reach 12.9% by 2030, higher than the global market penetration rate of 10.7%. Equipped with our robust in-house R&D and broad deployment capabilities, we have secured a leading position in the industrial AI agents market, according to CIC. We are the largest industrial AI agents provider in China, with a market share of 5.8% in terms of revenue in 2025. We believe we are strategically positioned to harness these industry tailwinds, increase our market share, and drive substantial and sustainable growth, supported by our deep competitive moat.

Expanding Product Portfolio to Increase Penetration Across Application Scenarios

We will expand our product portfolio through a two-pronged approach. Firstly, we will broaden our offering to serve a wider range of manufacturing industries and application scenarios, allowing us to tap into new customer demand and deepen our market presence across diverse industrial sectors. Leveraging our full-stack technological capabilities and insights gained from real-world deployments, we will continue to develop specialized industrial AI agents tailored to high-value use cases—such as those in the semiconductor, new energy, and automotive industries. At the same time, we are strengthening our productization framework by systematically standardizing our product architecture, streamlining design and bill of materials structures, and enhancing manufacturing and supply chain processes. Standardization plays a critical role in accelerating go-to-market timelines, and it reduces the cost and complexity of entering new application areas, shortens delivery cycles, and enables faster replication and deployment of proven solutions. This directly contributes to scalable growth in shipment volume. By combining differentiated, high-impact solutions with robust product standardization, we aim to create stronger customer value, accelerate adoption, and reinforce our competitive positioning—ultimately driving sustainable, high-quality revenue expansion.

Deepening Relationships with Existing Customers and Expanding Customer Base

We are committed to building long-term relationships with our customers and deepening engagement with key accounts, particularly MNC customers. By continuously delivering high-quality products and services and progressively introducing more advanced industrial AI solutions with premium capabilities, we aim to enhance customer lifetime value. Our close collaboration with large customers enables us to better understand their evolving operational needs, drive solution innovation, and reinforce our positioning as a trusted long-term partner.

At the same time, we are broadening our customer base to serve a growing number of small and medium-sized enterprises. Leveraging our proven track record in delivering cost-effective, scalable industrial AI agents, we continue to attract new customers across different segments. Our industrial AI agents have proven to effectively help customers improve productivity, operational efficiency and inspection accuracy. This "land-and-expand" model will drive our growth from initial flagship deployments to widespread adoption across both top-tier and mid-tier customers. Through targeted industry outreach, trade exhibitions and direct customer engagement, we seek to enhance brand visibility and systematically broaden our customer base.

Additionally, we are committed to expanding our global presence by enhancing our overseas sales and marketing efforts and by strengthening strategic partnerships with leading international clients. Currently, substantially all of our revenue is derived in China. We plan to enhance our overseas brand visibility by strengthening our brand recognition with lighthouse customers. As our core customers expand their manufacturing operations overseas, we will replicate our proven value propositions and support their global footprints by expanding alongside them into new international markets.

Strengthening Gross Profit Margin

Our overall gross profit margin was 30.5%, 32.3% and 37.3% in 2023, 2024 and 2025, respectively. We expect our gross profit margin to further improve by leveraging the following strategic initiatives.

Business and Product Mix Optimization

We will optimize our business mix to improve gross margins by prioritizing higher-value engagements while scaling standardized product offerings. We will focus on high-barrier industries and top-tier customers by leveraging our full-stack capabilities to deliver industrial AI agents for complex, high-impact use cases. These engagements feature longer lifecycles, stronger willingness to pay, and support premium pricing. In parallel, we will expand the share of mass-produced, standardized products to capture economies of scale across sourcing, production, and fulfillment. Together, this shift toward higher-value and more scalable offerings will structurally enhance margins and support sustainable growth.

Supply Chain Management Improvements

We plan to reduce unit costs through tighter production management driven by product standardization. Greater standardization enables reuse of core hardware, software modules, and system configurations, reducing engineering effort and shortening delivery cycles. Standardized designs also support efficient manufacturing by lowering variability, minimizing waste, and improving throughput, while easing our fulfillment complexity. In addition, we will strengthen supply chain discipline by aggregating procurement volumes, and securing more favorable commercial terms. Collectively, these measures are expected to lower material and fulfillment costs, resulting in a more efficient operating model.

Leverage Economies of Scale Across the Value Chain

We intend to improve our profits margin by leveraging economics of scale. This full-scale expansion significantly reduces costs across the entire value chain, from raw material procurement and production to final delivery, establishing a structurally lower cost base. Growing shipment volumes and a more standardized solution portfolio have enabled us to realize scale benefits in procurement, manufacturing and fulfillment. Higher throughput strengthens our bargaining position with suppliers, securing more favorable procurement terms and pricing. Simultaneously, increased production volumes drive manufacturing efficiency through optimized workflows, reduced setup times, and improved asset utilization. Faster batch deployment and streamlined delivery cycles further shorten order-to-cash timelines and reduce fulfillment overhead. As a result, we achieve a substantial improvement in overall gross profit margin.

Enhancing Operating Efficiency

During the Track Record Period, we incurred significant operating expenses, including research and development expenses, selling and marketing expenses, and general and administrative expenses. Our adjusted total operating expenses (non-IFRS measure), defined as research and development expenses, selling and marketing expenses and general and administrative expenses excluding share-based payment expenses in each case, as a percentage of revenue, improved steadily from 113.6% in 2023 to 83.4% in 2024 and further to 63.9% in 2025, reflecting improving operating efficiency and increasing operating leverage as our business scaled. The following table sets forth our adjusted total operating expenses (non-IFRS measure), as a percentage of revenue for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
As a percentage of revenue		(%)	
Research and development expenses	58.4	51.4	36.3
Selling and marketing expenses	31.2	18.6	16.1
General and administrative expenses	27.2	17.8	55.3
Total operating expenses	**116.8**	**87.8**	**107.7**
Subtract: Share-based payment expenses	3.2	4.4	43.8
Adjusted total operating expenses (non-IFRS measure)	**113.6**	**83.4**	**63.9**

- ***R&D expenses.*** Our R&D expenses were RMB283.4 million, RMB388.2 million and RMB394.1 million in 2023, 2024 and 2025 respectively. Our R&D expenses as a percentage of revenue decreased from 58.4% in 2023 to 51.4% in 2024 and further decreased to 36.3% in 2025, primarily attributable to the enhanced R&D efficiency leveraging AI-native operating model and proprietary R&D toolchains and the shift from project-based to product-based delivery enabling faster revenue growth than the growth in R&D expenses. Our historically high R&D intensity reflected our strategic investment in building our proprietary technology platform and core capabilities that underpin our product offerings. As this technology platform has now been largely established, our future R&D efforts will increasingly focus on incremental improvements, product enhancements and industry-specific optimizations. We expect R&D expenses as a percentage of revenue to gradually decline as our business scales, driven by several factors. First, our core technology architecture was designed to support long-term scalability and interoperability, which allows us to reuse key technology components, algorithms and software and hardware modules across multiple products and applications, thereby reducing duplicated development efforts. Second, we are increasingly adopting AI-enabled development tools and methodologies to improve efficiency in areas such as code generation, testing and development workflows. Third, our internal development toolchains and standardized R&D processes have matured, enabling us to maintain a high development pace while improving cost efficiency.

- ***Selling and marketing expenses.*** Our selling and marketing expenses were RMB151.2 million, RMB140.7 million and RMB174.7 million in 2023, 2024 and 2025, respectively. Our selling and marketing expenses as a percentage of revenue decreased from 31.2% in 2023 to 16.1% in 2025, primarily due to stronger operating leverage and steadily improving operational efficiency driven by our high-speed business growth. We will continue to proactively monitor our selling and marketing expenses and enhance operational efficiency leveraging digital management tools and implementing precision marketing strategies. While we expect the absolute amount of selling and marketing expenses to increase in line with business expansion, we anticipate that selling and marketing expenses as a percentage of revenue will continue to decline, driven by the strengthening of our brand recognition, increased repeat purchases from lighthouse customers and penetration within segments which together reduce customer acquisition and related marketing expenditures. In addition, the accelerating adoption of AI technologies across industries, driven by broader market recognition of the value created by AI, is expected to further improve customer acquisition efficiency and support a continued decline in selling expenses as a percentage of revenue. Furthermore, as our products become increasingly sophisticated and deliver greater value to industrial customers, we expect them to gain broader market acceptance and popularity, which is expected to further reduce customer acquisition costs and enhance operating leverage in our sales activities.

- ***General and administrative expenses.*** Although our general and administrative expenses as a percentage of revenue were 27.2%, 17.8% and 55.3% in 2023, 2024 and 2025, respectively, our general and administrative expenses (excluding share-based payment expenses) were RMB122.9 million, RMB113.8 million and RMB139.8 million in 2023, 2024 and 2025, respectively. Our general and administrative expenses (excluding share-based payment expenses) as a percentage of revenue decreased from 25.3% in 2023 to 12.9% in 2025, primarily due to the stronger operating leverage driven by continuous business growth. For example, in 2025, our revenue per employee reached

approximately RMB2.1 million, around 30% higher than the industry average in China, according to CIC. We will continue to proactively monitor our general and administrative expenses and enhance operational efficiency. While we expect the absolute amount of general and administrative spending to increase in line with business expansion, we anticipate that general and administrative expenses as a percentage of revenue will continue to decline, driven by enhanced AI-native management digitalization and solid budget controls.

As revenue continues to grow, we expect many of these operating expenses to increase at a slower pace than revenue, allowing operating leverage to improve gradually over time. While we have not yet achieved profitability, the combination of sustained revenue growth, improving gross profit margins and declining operating expense ratios supports our path toward breakeven and long-term profitability.

PRODUCTION

We rely on our in-house manufacturing for products production, ensuring complete quality control and technology integration.

Production Facilities and Capacity

As of the Latest Practicable Date, we had two production facilities in Shenzhen and Jiaxing, respectively. Our Shenzhen facility focuses on manufacturing robots and edge AI sensors. Our Jiaxing facility focuses on manufacturing robots. We had one production facility in Suzhou in 2024 manufacturing robots which was relocated to Jiaxing in 2025.

The following table sets forth our utilization rate, which is calculated as actual output divided by designed capacity, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	Utilization Rate		Utilization Rate		Utilization Rate	
Facility	Robots	Edge AI sensors	Robots	Edge AI sensors	Robots	Edge AI sensors
Shenzhen	58%	41%	42%	53%	48%	66%
Suzhou[(1)]	—	—	43%	—	—	—
Jiaxing[(1)]	—	—	—	—	63%	—

Notes:

(1) Jiaxing facility was established in 2025 and Suzhou facility relocated to Jiaxing in the same year.

Production Process

We have built a highly structured production and manufacturing system that combines platform standardization with industry customization, enabling precise response to cross-industry needs. We have built universal technology platforms and core modules as base, and for different downstream industries, we leverage the universal technology platforms and core modules to carry out industry-specific process adaptation, algorithm optimization, and application development.

Below are detailed descriptions of the key aspects of our production and manufacturing processes:

- ***Raw Material Intake and Inspection***. Each batch of materials undergoes quality inspection upon delivery to ensure it meets preset standards before being accepted and stored in the warehouse.

- ***Production Scheduling and Demand-Based Production***. We adopt a make-to-order production model. Production plans are developed based on sales forecasts, market demand feedback, and current inventory levels, allowing us to flexibly adjust production volume according to real-time market needs. This approach helps us minimize unnecessary inventory buildup while responding promptly to customer demands. Production plans are regularly updated based on supply status, production speed, and market feedback.

- ***Assembly and Testing***. We employ industry-standard assembly techniques to build individual components into semi-finished modules, which are then used across various AI agents. This improves both efficiency and adaptability across our product lines.

- ***Product Delivery***. After assembly, the products go through configuration, FTA test runs, and other procedures to complete integrated testing. Finished products are then stored, packaged, and prepared for shipment. Our supply chain team works closely with project teams and customers to coordinate delivery schedules and ensure safe and efficient product delivery.

PRODUCT PRICING

Our product pricing strategy is carefully crafted to reflect diverse market conditions, including geographical locations, regional competitive dynamics, product and solution demands and our underlying cost structures. For customers across various industries and with differentiated product and solution requirements, we adopt a tailored pricing approach based on application scenarios, project complexity and the degree of customization involved. We position our offerings to deliver a compelling value proposition, while maintaining strategic flexibility to adjust pricing in response to local market intensity. This disciplined yet adaptive approach enables us to achieve an optimal balance between competitiveness and profitability across key markets. During the Track Record Period, we have closely monitored competitive landscapes and adjusted our pricing based on market dynamics to maintain commercial attractiveness, ensure reasonable margins, and support sustainable business growth.

QUALITY CONTROL AND ASSURANCE

We have established a standardized quality control process centered on the ISO 9001 certification system, covering the entire product lifecycle. This process follows a rigorous workflow, from incoming material inspection, in-process quality control, finished product inspection, and after-sales service, ensuring quality is maintained at every stage.

- ***Incoming Material Inspection***. We conduct incoming material inspections on all materials received from suppliers to ensure they meet quality requirements and are suitable for subsequent manufacturing. Each batch of raw materials undergoes a comprehensive inspection upon arrival. Before the materials are released for production, we use precision instruments such as height gages, profile projectors, surface roughness testers, and colorimeters to verify compliance with specifications. Non-conforming materials are isolated and rejected to prevent downstream defects.

- ***In-Process Quality Control***. We require all production personnel to follow standard operating procedures and perform in-process testing to ensure adherence to quality standards. After the assembly of individual modules, operators conduct self-inspections, followed by quality re-inspections to ensure the integrity of the assembly process.

- ***Finished Product Inspection***. Upon completion of assembly, we perform functional and performance tests on the finished products. This includes dry run, loaded run, and simulating actual customer usage scenarios. The final step is Factory Acceptance Test, and relevant documentation is retained to ensure the compliance of shipped equipment and maintain transparency with our customers.

- ***After-Sales Service***. After equipment delivery, our commissioning and after-sales teams track the equipment throughout the entire process to ensure smooth arrival and successful deployment at the customer's production site. For any product defects not caused by the customer and occurring within the warranty period, we provide repair services or replace the defective components. After the warranty expires, we may still offer repair services, with the customer bearing the associated costs. To date, we have not encountered any significant product returns or recalls related to product safety or quality control, nor have we faced liability claims or legal issues.

DATA SECURITY AND PRIVACY

Substantially all of our products and solutions are sold in the domestic market, and our business operation does not involve cross-border data transfer. In delivering these solutions, we engage in certain data-related activities to support the functionality, efficiency, and security of our products and solutions, ensure transparency with customers and obtain their prior consent before proceeding. The primary type of data collected by us consists of surface images of materials on industrial production lines. This data is obtained from customers under authorization. In addition, for solutions that are locally deployed by the customer, the solutions provided by us process only the customer's product data within the customer's environment, and such data is neither stored by nor transmitted to us. Furthermore, during the customer acquisition stages, we may collect the business contact information of prospective customers through our website.

We have established a comprehensive data security and information management system, encompassing the following five layers:

- ***Network Protection***. We deployed internal and external firewalls. The external firewall provides boundary isolation and protection between the internal and external networks. The internal firewall implements segmentation and zoning isolation and protection across the entire internal network.

- ***Host Security***. Host security software is installed on servers to continuously perform intrusion detection, intrusion prevention, vulnerability scanning, and patch management.

- ***Data Storage***. Data at rest is protected using encryption with segmentation measures.

- ***Data Transmission***. Data in transit is secured using SSL encryption.

- ***Data Access***. We implement zero trust access control, establishing an end-to-end trust chain covering identity, endpoint, application, data, and access permissions. This enables unified access control for both internal and external networks, safeguards security for internal systems and remote access.

During the Track Record Period and up to the Latest Practicable Date, we have not received any claim from any third party against us on the ground of infringement of such party's right to data and privacy protection.

COMPETITION

The industrial AI agent market is relatively fragmented, with both established international leaders and emerging local competitors coexisting. Our principal competitors include multinational factory automation and inspection companies, regional industrial robotic companies, and specialized industrial AI providers. Similarly, China's AI infrastructure networking solutions industry features a highly fragmented competitive landscape. Market participants primarily include cloud service providers that develop and deploy AI infrastructure networking solutions in-house, as well as independent solution providers offering specialized networking design, hardware integration and system deployment services to customers.

With our cutting-edge technological strength, comprehensive product portfolio, and solid customer base, we demonstrate strong competitiveness in the industry. The principal competitive success factors in our market

include but not limited to: technology, product features and functions, product quality and reliability, brand recognition, marketing, sales, distributions channels, pricing and supply chain management. We believe we can compete favorably with our competitors on the basis of these factors.

We believe the overall market scale is gradually expanding. However, due to frequent introduction of new products, as well as rapid adoption of technological and product advancements, the market in which we compete is becoming increasingly competitive. Some of our competitors have greater experience, brand recognition, product breadth and distribution channels than we do.

For details, please see "Industry Overview – Competitive Landscape of China's Industrial AI Agents Industry".

EMPLOYEES

As of December 31, 2025, we employed a total of 528 full-time employees. The following table sets forth a breakdown of our full-time employees by work function as of December 31, 2025.

Research and development	259
Selling and marketing	154
General and administrative	85
Supply chain and manufacturing	30
Total	528

Most of our employees are based in the PRC. Our success depends on our ability to attract, retain and motivate qualified personnel, and we believe that our high-quality talent pool is one of our core strengths. We have adopted high standards and strict procedures in our recruitment, including campus recruitment, online recruitment, internal referral, and recruitment through executive search, to satisfy our demands for different types of talents. We recruit employees based on their educational background, relevant experience in similar positions and professional qualifications, as well as our expansion strategy and job vacancies. We offer competitive compensation for our employees. In addition, we enhance the development of corporate culture and employee engagement by organizing various activities and trainings to enrich employee's professional skills, boost morale, and improve the work environment. We regularly evaluate the performance of our employees and reward those who perform well with higher compensation or promotion. Additionally, we hire outsourced staff for certain positions, such as field application engineers. We clearly specify the rights and obligations of our outsourced staff in the outsourcing agreements.

We provide regular and specialized training tailored to the needs of our employees on various teams. New employees will receive pre-job training and general training. As required by PRC laws and regulations, we participate in various employee social security schemes organized by municipal and provincial government, including pension, maternity insurance, unemployment insurance, work-related injury insurance, health insurance and housing provident fund. We are required under PRC laws and regulations to make contributions to employee social security schemes at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time. See "Risk Factors — Our failure to fully comply with PRC labor-related laws may expose us to potential penalties and potential employee claims." We also enter into standard contracts and agreements regarding confidentiality, noncompetition, intellectual property, employment and commercial ethics with our executive officers and full-time employees.

We believe that we maintain a good working relationship with our employees, and we have not experienced any significant labor disputes or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

INSURANCE

Pursuant to PRC regulations, we provide social insurance including unemployment insurance, work-related injury insurance, maternity insurance and medical insurance, including group medical insurance coverage, for our employees based in China. We also purchase supplemental employer's liability insurance to cover generic risks that may arise from our ordinary course of business and property insurance to safeguard our property and mitigate risks of various accidental losses. Overall, we believe our insurance policies are consistent with general market practices and comply with applicable regulations in China.

See "Risk Factors — We may not have sufficient insurance coverage to cover our business risks."

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Governance

ESG Governance

In order to enhance our management capabilities in the areas of environmental, social and governance ("ESG"), we are committed to establishing a comprehensive ESG governance framework spanning from the decision-making level to the operational level. At present, we have established an ESG working group composed of members from our Human Resources Department and Administrative Services Department, which is responsible for ESG-related matters. We have identified, assessed and analyzed major risks within the ESG domain. Based on our assessment, no material ESG risks affecting our operations have been identified, and we have not received any material fines or penalties for non-compliance with or violations of the laws of the People's Republic of China.

Going forward, we plan to further establish an ESG governance framework under which the Board will play a decision-making role, while the ESG working group will be responsible for implementing ESG initiatives at the operational level. The Board will be responsible for overseeing and managing ESG matters, approving ESG disclosures, formulating and determining major ESG matters and strategies, supervising the formulation of ESG targets and monitoring the progress of such targets. The ESG working group will be responsible for coordinating and advancing the identification, assessment and response to ESG-related risks and opportunities, assisting in the preparation of ESG-related disclosures, and implementing major ESG initiatives as determined by the Board, with the aim of enhancing our ESG governance capabilities.

Metrics and Targets

Based on our current operational conditions, we have established ESG targets and conduct periodic monitoring and management of such targets. Our key targets include:

- Gradually identify, assess and reduce existing and emerging environmental risks, and strictly prevent any major environmental violation incidents;
- With 2025 as the base year, we promote energy-saving and consumption reduction initiatives, with the goal of reducing electricity consumption intensity within our operational scope by 5% by 2030; and
- With 2025 as the base year, we promote more efficient use of water resources, with the goal of reducing water consumption intensity within our operational scope by 5% by 2030.

Business Ethics

We adopt a zero-tolerance policy toward all forms of conduct that violate business ethics. We strictly comply with applicable laws and regulations, including the *Company Law of the People's Republic of China* and

the *Anti-Unfair Competition Law of the People's Republic of China*, and have established internal policies such as the *Code of Conduct*, the *Anti-Fraud Compliance Policy*, and the *Management Measures for Trade Secrets*. We conduct business ethics and compliance training for all employees during activities such as new employee onboarding training and annual administrative training, with a focus on compliance and integrity in professional conduct.

In relation to fraudulent activities, we have established a dedicated whistleblowing reporting process and designated personnel responsible for handling such reports. We encourage both internal and external individuals to report suspected corruption, disciplinary misconduct or fraudulent activities through designated reporting channels. Upon receiving a report, we will conduct investigations and verification, and if the allegations are substantiated, we will take appropriate action in accordance with applicable laws and internal policies. We have implemented a whistleblower protection mechanism to ensure strict confidentiality of whistleblowers' personal information and prohibit any form of retaliation. As of the Latest Practicable Date, we have not been involved in any judicial proceedings related to corruption or any incidents of regulatory violations or disciplinary misconduct.

Environment

Environmental Compliance Management

We consistently regard ecological and environmental protection as a fundamental prerequisite for achieving sustainable development. We strictly comply with applicable laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, and the *Law on the Prevention and Control of Environmental Pollution by Solid Waste of the People's Republic of China*. We continuously strengthen our awareness of environmental compliance and adhere to the bottom line of ecological and environmental protection. We have established and maintained a comprehensive environmental compliance management mechanism with clearly defined environmental management responsibilities. We actively implement measures such as energy conservation, emission reduction and resource recycling, and regularly conduct compliance reviews and risk assessments. We also monitor updates to applicable laws and regulations and adjust our compliance measures accordingly in a timely manner.

As of the Latest Practicable Date, we have not received any inquiries or investigations from regulatory authorities regarding environmental violations, nor have we experienced any environmental administrative penalties or material non-compliance incidents.

Energy Management

We comply with the *Energy Conservation Law of the People's Republic of China* as a core guiding principle, ensuring that all aspects of our operations meet relevant legal and regulatory requirements. Through standardized management practices, we continuously improve energy utilization efficiency to contribute to the achievement of sustainable development goals.

We have incorporated electricity conservation requirements into our *Employee Handbook* and continue to promote green office practices. In terms of electricity consumption management, we place electricity-saving reminders in office areas and require employees to switch off office equipment and lighting systems in their work areas when leaving the office. We also advocate scientific energy conservation by establishing temperature standards for office air-conditioning systems and strictly prohibiting air-conditioning from running during unoccupied periods. We promptly remind and rectify phenomena such as equipment being on standby for a long time and lighting being left on during unattended periods, guiding employees to curb ineffective energy consumption through daily practices.

Water Resource Management

We strictly comply with applicable laws and regulations, including the *Water Law of the People's Republic of China*, and continuously improve our internal management systems. We are committed to integrating the principles of water conservation and efficient water utilization throughout our manufacturing and daily operations. Water conservation requirements have been incorporated into our *Employee Handbook*, which clearly stipulates that employees shall turn off water facilities when leaving their work areas. We also strengthen employees' awareness of water conservation and promote the integration of water-saving practices into daily operational standards. We have gradually formed a water conservation management framework with unified management as the foundation, institutional norms as the guarantee and full participation as the support, and continuously promote the efficient utilization and sustainable development of water resources.

Emissions Management

We adhere to the principles of lawful prevention and control and cleaner production. Based on the operational characteristics of our business and applicable emission control standards, we ensure that emissions are handled, treated and discharged in compliance with applicable laws and regulations, while implementing dynamic monitoring of emissions throughout the entire process.

Solid Waste

Our solid waste mainly consists of two categories, namely general industrial solid waste such as discarded packaging materials and auxiliary consumables, and domestic waste. We implement full-process management for hazardous waste to ensure that its collection, storage, transfer and disposal comply with relevant environmental laws and regulations. We follow the principles of "classified collection, standardized disposal and maximum recycling where possible." Waste is sorted and collected in accordance with municipal sanitation requirements and transported by qualified third-party service providers for centralized disposal, promoting resource recycling and supporting sustainable development.

Greenhouse Gas Emissions

Our greenhouse gas emissions include Scope 1, Scope 2 and Scope 3 emissions. We actively respond to national strategies by promoting green and low-carbon practices in our daily operations and encouraging employees to adopt low-carbon office practices and travel habits to reduce greenhouse gas emissions. Going forward, we will further strengthen employees' awareness of green and low-carbon practices through various initiatives such as targeted training and internal communication programs. We will also promote the optimization of our energy structure and gradually increase the proportion of clean energy usage, thereby steadily advancing carbon emission reduction across our operations.

		For the Year Ended December 31,		
Indicator	**Unit**	**2023**	**2024**	**2025**
***Emissions*[(1)]**				
Nitrogen Oxides (NOx)	kg	2.23	2.49	1.97
Sulfur Oxides (SOx)	kg	0.05	0.05	0.04
Particulate Matter (PM)	kg	0.16	0.18	0.14
Total Non-hazardous Waste Generated[(2)]	kg	1,262.50	2,974.90	14,741.50
Non-hazardous Waste Intensity	kg / RMB million revenue	2.60	3.94	13.57
***Greenhouse Gas Emissions*[(3)]**				
Total Emissions (Scope 1 & 2)	tCO_2e	645.22	733.27	968.34
Scope 1 & 2 Emission Intensity	tCO_2e / RMB million revenue	1.33	0.97	0.89
Scope 1 Emissions	tCO_2e	6.95	7.77	6.14
Scope 2 Emissions	tCO_2e	638.27	725.50	962.21
Scope 3 Emissions	tCO_2e	592.71	621.32	742.83

Indicator	Unit	For the Year Ended December 31, 2023	2024	2025
Energy				
Total Energy Consumption	MWh	1,230.28	1,397.89	1,837.58
Energy Intensity	MWh / RMB million revenue	2.54	1.85	1.69
Purchased Electricity	MWh	1,202.92	1,367.32	1,813.43
Gasoline Consumption	liters	3,130.26	3,497.50	2,763.02
Water Resources				
Total Water Consumption[4]	m^3	1,175.00	1,926.70	2,374.90
Water Consumption Intensity	m^3 / RMB million revenue	2.42	2.55	2.54

Notes:

(1) Gaseous pollutants primarily originate from emissions generated by official vehicles.

(2) Data relating to non-hazardous waste primarily covers statistics from our production facilities, including the Shenzhen factory and other manufacturing sites. The significant year-on-year increase in this indicator in 2025 was mainly attributable to the expansion of our business scale and growth in revenue, as well as the expansion of the categories and scope of statistical coverage. Such changes represent operational variations associated with the normal expansion of our business.

(3) The calculation of greenhouse gas emissions refers to the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions by Enterprises (Trial) issued by the General Office of the National Development and Reform Commission. Scope 1 (direct) emissions represent greenhouse gas emissions generated directly from operations owned or controlled by our Group. Scope 2 (indirect) emissions represent greenhouse gas emissions from indirect energy consumption associated with purchased electricity used in our operations. Scope 3 (other indirect) emissions primarily include emissions under Category 6 (business travel) and Category 7 (employee commuting).

(4) The scope of water consumption statistics covers production and operational areas where property services are not leased or procured on a lump-sum basis. We will continue to refine our statistical methods and scope of data collection going forward.

Social

Employee Rights and Benefits

We strictly comply with applicable laws and regulations and firmly oppose any unlawful employment practices, including forced labor and child labor. We have also established internal policies such as the *SmartMore Group Employee Code of Conduct* to clearly set out our commitment to protecting employee rights and interests. We are committed to fostering a fair, equal and respectful workplace environment and advocate equal opportunities for all employees. We prohibit discrimination based on age, race, color, gender, sexual orientation, background, nationality, religion or disability. In addition, we strictly prohibit sexual harassment and other forms of workplace harassment and strive to create a safe and respectful working environment, including for female employees.

We attach great importance to employee care and well-being. During traditional festivals, we organize offline activities and provide customized gift boxes and souvenirs for employees. We also provide seasonal care initiatives, such as organizing watermelon-themed events in summer and providing ginger tea in winter. In addition, we provide marriage and childbirth allowances, hospital visitation allowances, nursing rooms and third-party physiotherapy services for employees. We also provide regular subsidies to employee sports associations, offer dormitory accommodations for employees working at project sites and near factories, and assist eligible employees in applying for talent housing programs, thereby providing comprehensive support for employees' daily lives.

Occupational Health and Safety

We believe that our employees are our most valuable asset and are committed to providing a healthy and safe working environment. We strictly comply with applicable occupational health and safety laws and

regulations and have established internal management policies, including the *Employee Handbook – Occupational Health and Safety Section*, the *Personal Protective Equipment (PPE) Management Procedures*, and the *Work Injury and Occupational Disease Prevention and Control Management Procedures*.

We regularly conduct hazard identification and risk assessments and organize safety operation training. Employees are required to wear appropriate labor protection equipment to reduce the likelihood of safety incidents. We also provide periodic medical examinations for employees, purchase supplementary medical insurance and accident insurance, and organize first-aid training, health consultations and physiotherapy services. During the Track Record Period, we did not experience any material occupational health and safety incidents.

Employee Training and Development

We attach great importance to employees' career development and are committed to enabling employees' capabilities to grow in alignment with our corporate strategy through systematic training programs, thereby creating outstanding value for our customers and achieving mutual success.

Our training programs mainly include management training, skills training, business training, onboarding training and safety training. Through a combination of online and offline training methods, internal knowledge sharing and external professional programs, we provide company-wide, customized and multi-level training opportunities. These initiatives are designed to help new employees integrate quickly, enhance the professional capabilities of technical staff and improve the leadership capabilities of management personnel. In addition, we have implemented an internal referral system that encourages employees to enhance their professional competencies and supports their career development.

Responsible Supply Chain

Supply chain management plays an important role in ensuring the stability of our operations and the consistency of our products and services. We have established standardized procedures covering supplier classification and management, supplier screening mechanisms, contract execution, performance evaluation and procurement processes. These procedures ensure that supplier onboarding, evaluation and removal processes are effectively implemented throughout the entire lifecycle.

Through centralized procurement, standardized management and strategic partnerships, we aim to optimize costs, ensure product quality and strengthen risk management.

We place great emphasis on labor management and environmental compliance within our supply chain. We conduct compliance and qualification reviews for suppliers before onboarding them to ensure that they comply with applicable labor and environmental laws and regulations. We also require suppliers to sign agreements including a *Sunshine Agreement*, *Quality Agreement* and *Procurement Agreement*, which clearly define requirements regarding product quality and anti-corruption practices. The *Sunshine Agreement* applies to all of our suppliers to ensure integrity and transparency across our supply chain.

Product Responsibility

We regard product quality and compliant operations as core competitive advantages of our business. We strictly comply with applicable laws and regulations, including the *Product Quality Law of the People's Republic of China*, as well as relevant industry regulatory requirements, and have established standardized processes covering the entire product lifecycle.

Quality requirements are incorporated at the product design and new product introduction stages. Through standardized processes and systematic collaboration mechanisms, we integrate quality management concepts into product competitiveness and manufacturing efficiency.

We strictly follow a comprehensive quality control process covering incoming inspection, in-process inspection, shipment inspection and customer feedback to ensure that quality is controlled at each stage. This system enables traceability of issues and supports continuous improvement. We adhere to the principle that "records reflect actual operations," and maintain comprehensive documentation throughout the entire process to ensure that quality issues can be quickly identified and resolved in a closed-loop manner.

In addition, we have established a regular cross-site coordination meeting mechanism covering all functional departments, including production, quality management and supply chain. This mechanism aims to align and standardize key processes and systems to ensure that products are consistently manufactured to the same quality standards.

As of the Latest Practicable Date, we have obtained the ISO 9001 Quality Management System certification. During the Track Record Period, we did not experience any material incidents relating to product safety or quality control.

Customer Service

We place great emphasis on customer experience. Guided by our cultural values of "Customer First, Integrity and Honesty, Collaborative Responsibility and Pursuit of Excellence," we strive to develop competitive products and delivery solutions while safeguarding customers' legitimate rights and service experience.

We have established the *Customer Complaint Management Rule* to standardize services throughout the entire process from pre-sales to sales and after-sales. Following equipment delivery, our commissioning and after-sales service teams provide continuous support to ensure stable operation. We have also established a "QE-led 30-minute rapid response mechanism," under which we respond promptly to quality issues, accurately identify root causes and implement interim solutions to minimize the impact of quality issues on customers.

During the warranty period, we provide repair or replacement services for product defects not caused by customers. After the warranty period expires, we continue to provide support services as required to safeguard customer interests.

To facilitate customer feedback, we have established diversified communication channels, including telephone hotlines, official public accounts, email, WeChat and dedicated customer service systems. These channels ensure that customer requests can be promptly communicated and handled, enabling efficient and appropriate resolution of customer issues and enhancing overall customer satisfaction.

Social Contribution

We believe that public welfare and charitable initiatives form an important foundation for sustainable corporate development. Through positive social engagement, we aim to create long-term value for society.

We regularly organize employees to participate in charity walk activities, through which employees convert steps taken during exercise into charitable donations to support public welfare initiatives. Going forward, we will continue to encourage and organize employees to participate in charitable activities and expand the scope of our public welfare programs. Through these efforts, we aim to further strengthen employees' sense of social responsibility and promote the integration of corporate development with broader social value.

PROPERTIES

To support our business operations, we leased properties in both PRC and overseas. As of the Latest Practicable Date, we leased a total of 10 properties within the PRC, primarily for office premises, production facilities and R&D centers, with a combined GFA of approximately 24,000 sq.m. The lessors of most of our leased properties in the PRC provided ownership certificates and leasing consent documents, confirming that we hold the legal right to utilize these properties as outlined in the respective lease agreements.

As of the Latest Practicable Date, we leased a total of two properties in Hong Kong and Tokyo, primarily for office purpose, with a combined GFA of approximately 700 sq.m.

As of the Latest Practicable Date, two leased properties with a total GFA of approximately 7,800 sq.m. were leased from lessors who failed to or were unable to provide sufficient or valid title certificates or relevant authorization documents evidencing their rights to lease the properties to us. There may be risks that these leases may be held invalid or early terminated, and therefore we may not be able to continue to occupy and use such properties and may be exposed to a potential relocation risk. In this event, our operations in such properties may be impaired and we may not be adequately indemnified by the landlords for our related losses. We believe that our use of such leased properties individually or collectively will not have a material adverse effect on our business, financial condition or results of operations. Such leased properties are used as office and factory. Even if we are required to vacate from any of these properties, we believe we will be able to readily find comparable properties to relocate and the costs and expenses we may incur for relocation will be immaterial.

In addition, as of the Latest Practicable Date, our five lease agreements had not been registered with the relevant PRC authorities, primarily because certain landlords failed to cooperate to complete the lease registration. As advised by our PRC Legal Adviser, failure to register an executed lease agreement will not affect its legality, validity or enforceability. However, we may be subject to a fine of no less than RMB1,000 and not exceeding RMB10,000 for each unregistered lease agreement if the relevant PRC government authorities require us to rectify and we fail to do so within the prescribed time period. We estimate that the maximum penalty we may be subject to for these unregistered lease agreements will be approximately RMB100,000, which we believe is immaterial. Therefore, we believe that the failure to register these lease agreements will not have any material adverse impact on our financial condition or results of operations. We will actively liaise with the respective lessors to complete the registration of all such lease agreements, if possible.

During the Track Record Period and up to the Latest Practicable Date, we have had no material disputes, government investigations, or administrative penalties related to the absence of the ownership documents or the inconsistent usage of leased properties, nor are we subject to any material adverse impact due to these matters. In addition, we have not received any notices or administrative penalty decisions from the relevant authorities requiring us to complete lease registration filings for certain leased properties, and our Directors are of the view that this will not have a material adverse impact on the overall business of the Company.

In relation to the leased properties described above, our Directors confirm that, given the availability of comparable alternatives in the market, no significant time or cost is expected to identify or relocate our operations to similar premises. They further confirm that any such relocation would not have a material impact on our operations or financial condition.

As of December 31, 2025, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include in this Document any valuation report. Pursuant to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the 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 in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance.

During the Track Record Period and up to the Latest Practicable Date, according to our PRC Legal Adviser, the business operations we engaged in had been carried out in compliance with applicable PRC laws and regulations in all material respects.

LICENSES, APPROVALS AND PERMITS

During the Track Record Period and up to the Latest Practicable Date, we had obtained all material licenses, permits, approvals and certificates necessary to conduct our actual business operations from the relevant government authorities in the PRC, and such licenses, permits, approvals and certificates remained in full effect.

The following table sets forth the details of the material licenses and permits necessary for the business operations in which we engaged in China.

License/Permit	Entity Holding the License/Permit	Grant Date	Expiration Date
Generative Artificial Intelligence Service Filing	Beijing SmartMore	2024.05.13	–
High-Tech Enterprise Certificate	Shenzhen SmartMore	2024.12.26	2027.12.25
High-Tech Enterprise Certificate	Beijing SmartMore	2025.12.30	2028.12.29
High-Tech Enterprise Certificate	Shanghai SmartMore	2025.12.25	2028.12.24

RISK MANAGEMENT AND INTERNAL CONTROL

We have established and currently maintain risk management and internal control systems consisting of policies and procedures that we consider appropriate for our business operations. These include multi-level budget planning and approval processes, internal audits, contract authorization protocols, and a structured system for financial and operational oversight.

Our Board oversees the effectiveness of our risk management and internal control systems, which we have structured with policies and procedures designed to meet our operational needs. We are committed to continually improving these systems to ensure they remain effective and thorough. We have also implemented broad risk management policies across critical areas of our business, including financial reporting, IT, compliance, intellectual property, human resources, and investment management.

In preparation for the **[REDACTED]**, we engaged an independent internal control consultant to evaluate the effectiveness of our internal control systems, identify deficiencies, and recommend enhancements. The consultant's review covered multiple facets of our operations, including but not limited to corporate structure and responsibilities, legal compliance and risk control measures, communication measures, IT systems, internal audit procedures, supplier management, finance management, and confidentiality systems.

The internal control consultant performed the follow-up reviews in February 2026 to review the status of the management actions taken by the Group to address the findings of the Internal Control Review (the "**Follow-up Review**"). The internal control consultant did not have any further recommendation in the Follow up Review except for the establishment of the required terms and reference of the Board and its committees. These are expected to be completed by the Group before the **[REDACTED]**.

The internal controls review and the Follow-up Review were conducted based on information provided by the Group and no assurance or opinion on internal controls was expressed by the internal control consultant.

Based on these enhancements, our Directors believe that our internal controls are adequate and effective in meeting the Company's obligations under the Listing Rules, as well as other applicable legal and regulatory standards.

Financial Reporting Risk Management

Our finance team manages our financial reporting risks through a set of accounting policies that include financial reporting, budgeting, and statement preparation. Regular staff training ensures that our finance team consistently applies these policies and follows established procedures in reviewing management accounts.

Data Privacy and Security Risk Management

Our business depends on secure data management, particularly as we handle certain types of customer information under relevant laws. We have implemented a suite of IT security policies and procedures to govern various aspects of data handling, including system maintenance, personal data security, and network and database management. Protecting customer data is essential to our operations, so we prioritize measures that safeguard against unauthorized access, data leakage, or loss.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material system failure in our IT infrastructure, or any material leakage or loss of customer data.

Compliance and Intellectual Property Management

Our legal team oversees compliance across our operations, particularly in ensuring that our business practices, contracts, and intellectual property rights comply with all relevant laws and regulations. Before entering into any contract with customers or suppliers, our legal department works with our business team to review contract terms, verify supporting documents, and conduct necessary due diligence. This ensures that we and our partners meet the required standards and maintain strong, compliant relationships.

Additionally, our legal team collaborates with our business and internal control departments to obtain and maintain all necessary government approvals, licenses, and permits for our operations. Our intellectual property team handles applications, renewals, and filings for our trademarks, copyrights, and patents to protect our innovations and intellectual property assets.

Human Resource Risk Management

A key part of our risk management involves developing a skilled and knowledgeable workforce. Our HR department oversees recruitment, training, and performance evaluation programs to ensure our team's skills remain current and aligned with our operational goals. We uphold high recruitment standards to secure quality hires and perform regular evaluations of our employees' performance.

Our employee handbook, which has been approved by management and distributed to our employees, includes internal guidelines on best practices, confidentiality, ethics, fraud prevention, and anti-corruption standards. Our anti-corruption policy is particularly important in promoting integrity within our organization. It defines misconduct and outlines our zero-tolerance approach to corruption. An anonymous reporting system enables employees to report any concerns about potential misconduct or corruption, and our business, finance, legal, and internal control teams investigate and respond to these reports to uphold ethical standards.

AWARDS AND RECOGNITIONS

Award/Recognition	Award Authority	Award Year
Hong Kong ICT Awards – Award of the Year	Digital Policy Office of the Government of the Hong Kong Special Administrative Region	2025
Red Dot Winner 2025	Design Zentrum Nordrhein Westfalen	2025
National-level "Little Giant" Enterprise (Specialized, Refinement, Differential, and Innovation)	Ministry of Industry and Information Technology of the PRC	2025
National Intellectual Property Demonstration Enterprise	China National Intellectual Property Administration	2025
First Batch of Advanced Applicable Technologies	Ministry of Industry and Information Technology of the PRC	2025
EY Entrepreneur of the Year 2025 for Dr. Jia	Ernst & Young	2025
Selected as a case study of AI empowering new industrialization	Ministry of Industry and Information Technology of the PRC	2024
Selected for the "Open bidding for selecting the best candidates" project under intelligent manufacturing system solutions	Ministry of Industry and Information Technology of the PRC	2024
2024 Forbes China Top 50 Artificial Intelligence Technology Enterprises	Forbes China	2024
2024 Global Unicorn List & China's Top 50 Artificial Intelligence Enterprises	Hurun Research Institute	2024
Beijing Municipality Catalogue of First-of-a-Kind Major Technical Equipment	Beijing Municipal Bureau of Economy and Information Technology	2024
BPAA Global Applied Algorithm Model Competition TOP50	Shanghai Municipal Commission of Economy and Informatization	2024
WIC Outstanding Case of Intelligent Technology Innovation Application	Organizing Committee of the World Intelligence Congress	2023
BOC Hong Kong Technology Innovation Award (Artificial Intelligence and Robotics) for Dr. Jia	Bank of China (Hong Kong)	2023
"Sci-Tech China" Series List of Emerging Enterprises	China Association for Science and Technology	2022
Industrial Internet Pilot Demonstration Project	Ministry of Industry and Information Technology of the PRC	2022
Guangdong Provincial Engineering Technology Research Center for Industrial AI and Advanced Equipment	Guangdong Provincial Department of Science and Technology	2022
Hong Kong Innovation Leadership Award – The InnoStars Award for Dr. Jia	Our Hong Kong Foundation	2022
Deloitte Technology Fast 50 China	Deloitte Hong Kong	2021