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Application Proof of



SmartMore Inc.

(the “Company”)

(Incorporated in the Cayman Islands with limited liability)

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SmartMore Inc.

(Incorporated in the Cayman Islands with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED]	:	[REDACTED] (subject to the [REDACTED])
Number of [REDACTED]	:	[REDACTED] (subject to reallocation)
Number of [REDACTED]	:	[REDACTED] (subject to reallocation and the [REDACTED])
Maximum [REDACTED]	:	HK\$[REDACTED] per [REDACTED], plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on [REDACTED] in Hong Kong dollars and subject to refund)
Nominal value	:	US\$0.0001 per Share
[REDACTED]	:	[REDACTED]

Joint Sponsors, [REDACTED], [REDACTED]

Morgan Stanley

CICC 中金公司

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The [REDACTED] is expected to be determined by agreement between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and us on the [REDACTED]. The [REDACTED] is expected to be on or before [REDACTED], (Hong Kong time) and, in any event, not later than 12:00 noon on [REDACTED], (Hong Kong time). The [REDACTED] will not be more than HK\$[REDACTED] per [REDACTED] and is currently expected to be not less than HK\$[REDACTED] per [REDACTED], unless otherwise announced. Applicants for [REDACTED] may be required to pay, on [REDACTED] (subject to [REDACTED] channels), the maximum [REDACTED] of HK\$[REDACTED] per [REDACTED] for each [REDACTED] together with brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%, subject to refund if the [REDACTED] as finally determined is less than HK\$[REDACTED] per [REDACTED]. If, for any reason, the [REDACTED] is not agreed by 12:00 noon on [REDACTED], (Hong Kong time) between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and us, the [REDACTED] will not proceed and will lapse.

The [REDACTED], on behalf of the [REDACTED], may, where considered appropriate and with the Company’s consent, reduce the number of [REDACTED] and/or the indicative [REDACTED] below that which is stated in this Document (which is HK\$[REDACTED] to HK\$[REDACTED]) at any time on or prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such a case, an announcement will be published on the website of our Company at <https://smartmore.com> and on the website of the Stock Exchange at www.hkexnews.hk and the [REDACTED] will be canceled and relaunched at the revised number of [REDACTED] and/or the revised [REDACTED] in accordance with the requirements under Rule 11.13 of the Listing Rules (which include the issue of a supplemental or a new document (as appropriate)) as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging [REDACTED] under the [REDACTED]. Further details are set forth in the sections headed “Structure of the [REDACTED]” and “How to Apply for [REDACTED]” in this Document.

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The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be [REDACTED], sold, pledged or transferred within the United States, except in transactions exempt from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The [REDACTED] are being [REDACTED] and sold (i) in the United States solely to [REDACTED] as defined in Rule 144A under the U.S. Securities Act pursuant to Rule 144A or another available exemption from registration requirements under the U.S. Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act. No [REDACTED] of the [REDACTED] will be made in the United States.

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IMPORTANT

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

CONTENTS

IMPORTANT NOTICE TO [REDACTED]

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

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SUMMARY

This summary aims to give you an overview of the information contained in this Document. As this is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this Document. You should read the entire document before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in the section headed “Risk Factors” in this Document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED]. Various expressions used in this section are defined in the sections headed “Definitions” and “Glossary of Technical Terms and Conventions” in this Document.

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. We primarily offer industrial AI agents, including robots, edge AI sensors, and agentic software systems. We had served over 730 customers worldwide as of December 31, 2025, such as Tesla, Carl Zeiss, Luxshare, Goertek, BOE, CRRC, CALB, and Kedali, across a range of industry verticals.

Our industrial AI 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.

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 for the first time, enabling 360-degree quality inspection and large-scale commercial deployment. We have also addressed, with our edge AI sensors, core challenges 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 in industrial settings. As of December 31, 2025, we have cumulatively delivered approximately 140,000 cutting-edge industrial AI agents across a range of industry verticals, including consumer electronics, 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.

The diagram below highlights our achievements during the Track Record Period.

 Market Positioning	 Technology Leadership	 Commercial Achievements
Largest in China Industrial AI Agent Provider⁽¹⁾	1st Worldwide Industrial Multi-Modal Large Model⁽²⁾	~140,000 Industrial AI Agent Deployed⁽³⁾
1st Worldwide Large-Scale Mass Deployment of Industrial AI Agents⁽⁴⁾	1st Worldwide Cloud-edge Integrated Industrial AI Vision Software⁽²⁾	730+ Customers Worldwide⁽³⁾
Largest in China Industrial Inspection AI Agent Provider⁽¹⁾	1st Worldwide Smart Inspection Robots for Compound Components⁽⁵⁾	RMB1.1Bn / 44% 2025 Revenue / Growth

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

SUMMARY

Our Products and Revenue Model

During the Track Record Period, we generated revenue primarily from the sales of industrial AI agents supplemented by offerings from AI infrastructure initiatives and other services, which mainly include non-industrial products. Our revenue structure reflects a balanced and increasingly productized portfolio, with industrial AI agents accounting for 62.4%, 73.8% and 78.5% of our total revenue in 2023, 2024 and 2025, respectively, demonstrating the growing contribution of our core product lines. Revenue from industrial AI agents recorded a CAGR of 67.8% from 2023 to 2025, reflecting the strong market demand for our core products. The following table sets forth a breakdown of our revenue by products for the years indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Industrial AI agents	302,731	62.4	557,855	73.8	852,746	78.5
Robots	140,607	29.0	294,159	38.9	435,576	40.1
Edge AI sensors	13,379	2.7	31,021	4.1	74,883	6.9
Agentic software systems	148,745	30.7	232,675	30.8	342,287	31.5
AI infrastructure initiatives	137,479	28.4	191,321	25.3	218,621	20.1
Others	44,689	9.2	6,610	0.9	14,901	1.4
Total	484,899	100.0	755,786	100.0	1,086,268	100.0

Industrial AI Agents

Powered by our IndustryGPT, the world’s first proprietary industrial multi-modal large model family, our comprehensive suite of industrial AI agents is designed to address the complexity of modern industrial production, enabling machines, production lines and entire factories to perceive, reason, execute and continuously optimize operations with increasing levels of autonomy.

Our robots are AI-native and designed to perceive, reason and execute in complex manufacturing environments. Our robots are deployed across key industry verticals, including consumer electronics, new energy batteries and precision manufacturing. Delivered as integrated hardware-software solutions, our smart inspection robots enable high-precision automated quality inspection across complex materials, curved surfaces and micro-scale components, while our smart operating robots support high-dexterity industrial operation tasks through adaptive control and AI-driven perception. By reducing reliance on rule-based programming and enabling flexible deployment across multiple production lines, our robots move beyond the traditional “one machine, one function” model and deliver scalable, productized automation with improved efficiency and return on investment.

Our robots are primarily sold on a per-unit basis and are typically deployed in inspection and operating applications. Revenue from robots increased by 109.2% from 2023 to 2024 and further increased by 48.1% from 2024 to 2025, representing a CAGR of 76.0% from 2023 to 2025. Revenue growth in this segment has been driven by broader deployment across production lines, expansion of application scenarios and increasing repeat orders from existing customers.

Our edge AI sensors deliver real-time perception and decision-making capabilities directly at the production line. Our smart vision sensors support detection, classification and measurement tasks with embedded AI algorithms and streamlined deployment processes, enabling stable high-speed performance with minimal sample inputs. Our smart ID readers are designed for complex industrial code-reading and traceability scenarios, combining AI-enhanced imaging and decoding technologies to ensure reliable performance even in challenging environments.

SUMMARY

Built for positioning, recognition, detection, and measurement, our edge AI sensors deliver millisecond-level processing and up to micrometer-level precision while maintaining consistent performance under challenging conditions. Revenue from edge AI sensors increased by 131.9% from 2023 to 2024 and further increased by 141.4% from 2024 to 2025, representing a CAGR of 136.6% from 2023 to 2025. Revenue growth has been supported by expanding use cases, improved hardware performance and increasing adoption across our existing customer base.

Our agentic software systems serve as the intelligence layer that orchestrates models and workflows across cloud, edge and device environments. Our agentic software solutions enable automated model training, intelligent process planning and equipment diagnostics and predictive maintenance. Our agentic software systems reduce barriers to AI adoption, enhance operational transparency and support predictive, data-driven decision-making across the production lifecycle.

We generate revenue from our agentic software systems primarily through standalone software licenses and subscription services. In addition, we provide agentic software systems in the form of industrial AI digitalization solutions on a project basis. Built on a cloud-edge integrated architecture with continuously advancing algorithmic capabilities, our agentic software systems have been deployed across multiple industries and application scenarios, serving as key infrastructure for customers’ digitalization and intelligent transformation initiatives. Revenue from agentic software systems increased by 56.4% from 2023 to 2024 and further increased by 47.1% from 2024 to 2025, representing a CAGR of 51.7% from 2023 to 2025.

AI Infrastructure Initiatives

To support large-scale AI deployment in industrial scenarios and end-to-end networking solutions, we introduced LrMo. LrMo integrates cloud-edge-device collaboration, distributed processing and full lifecycle model management, addressing industrial requirements for complex information handling, high security standards and efficient resource scheduling. In addition, it also provides a comprehensive end-to-end networking solutions tailored for large-scale AI distributed training. These capabilities provide the foundational layer necessary to support the training, deployment and operation of industrial-scale AI models across diverse application scenarios.

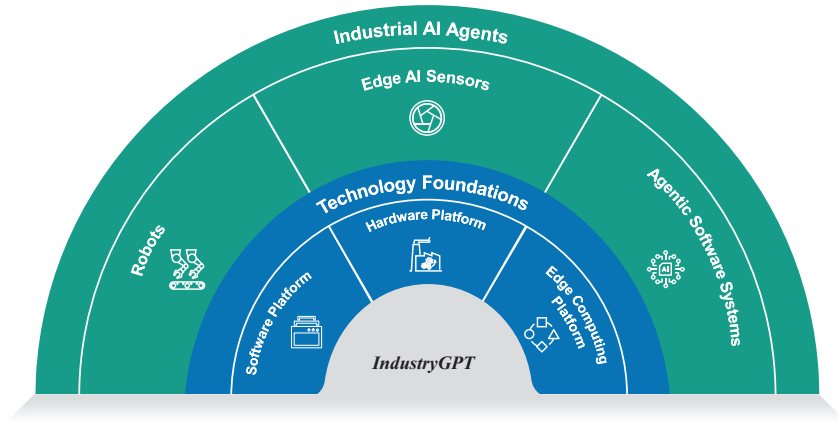
Our AI infrastructure initiatives are delivered on a project basis and serve as a complementary business line supporting large-scale AI deployment and computing resource orchestration. These initiatives typically involve customized implementation and integration services tailored to customers progressing toward more digitalized and autonomous operations. Revenue from AI infrastructure initiatives increased by 39.2% from 2023 to 2024 and further increased by 14.3% from 2024 to 2025, representing a CAGR of 26.1% from 2023 to 2025.

We primarily sell our products through direct sales, supported by dedicated sales and technical teams that work closely with customers throughout the product lifecycle, from proof-of-concept to mass production deployment. During the Track Record Period, we generated the majority of our revenue from domestic markets, while actively expanding our presence in overseas markets, including Japan and Southeast Asia.

See “Business—Our Product Offerings” for details.

SUMMARY

OUR CORE TECHNOLOGY



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 demonstrates state-of-the-art performance on standardized professional engineering examination benchmarks and delivers best-in-class performance among leading general purpose models on 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 execution.

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.

SUMMARY

OUR STRENGTHS

We believe that the following strengths have contributed to our success and differentiated us from our competitors: (i) industry leadership and first-mover advantage in a large, fast-growing market; (ii) proprietary frontier industrial AI models; (iii) integrated full-stack technology capabilities driving superior performance; (iv) universal productization capabilities across scenarios and sectors; (v) scalable model built for global success; and (vi) AI native organization with experienced management and talent base. See “Business—Our Strengths” for details.

OUR STRATEGIES

We plan to execute the following strategies to drive our future growth: (i) further enhancing frontier technology R&D investment to maintain technology leadership; (ii) expanding commercial success through product development and customer growth; and (iii) cultivating talent reserves to strengthen the foundation for growth. See “Business—Our Growth Strategies” for details.

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. According to CIC, the market size of the global industrial AI agent industry expanded from RMB14.6 billion in 2023 to RMB36.7 billion in 2025, reflecting a CAGR of 58.6% during this period, and is projected to reach RMB162.0 billion by 2030, representing a CAGR of 34.6% from 2025 to 2030. 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.

CUSTOMERS AND SUPPLIERS

During the Track Record Period, we serve customers primarily in consumer electronics (3C), new energy, precision manufacturing, rail transit manufacturing, and other sectors. In 2023, 2024 and 2025, aggregate revenue generated from our five largest customers in each year was RMB190.5 million, RMB226.2 million and RMB238.8 million, respectively, accounting for 39.3%, 29.9% and 22.0% of our total revenue for the same years, respectively. In 2023, 2024 and 2025, revenue generated from our single largest customer in each year was RMB73.2 million, RMB58.0 million and RMB70.5 million, respectively, accounting for 15.1%, 7.7% and 6.5% of our total revenue for the same years.

Our suppliers primarily comprise 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 were RMB313.4 million, RMB236.6 million, and RMB243.9 million, respectively, accounting for 41.4%, 24.4% and 23.1% of our total purchase amounts for the same years, respectively. In 2023, 2024 and 2025, purchases from our single largest supplier in each year were RMB99.4 million, RMB56.2 million, and RMB67.2 million, respectively, accounting for 13.1%, 5.8% and 6.4% of our total purchase amounts for the same years.

See “Business—Our Customers” and “Business—Our Suppliers” for details about our customers and suppliers, and “Business—Overlapping of Customer and Supplier” for further information on the overlapping of our major customers and suppliers.

SUMMARY

SUMMARY OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Revenue	484,899	100.0	755,786	100.0	1,086,268	100.0
Cost of sales	(336,822)	(69.5)	(511,458)	(67.7)	(681,107)	(62.7)
Gross profit	148,077	30.5	244,328	32.3	405,161	37.3
Research and development expenses	(283,377)	(58.4)	(388,170)	(51.4)	(394,069)	(36.3)
Selling and marketing expenses	(151,201)	(31.2)	(140,705)	(18.6)	(174,682)	(16.1)
General and administrative expenses	(131,970)	(27.2)	(134,507)	(17.8)	(600,170)	(55.3)
Net impairment losses on financial assets and contract assets	(30,609)	(6.3)	(20,842)	(2.7)	(41,950)	(3.9)
Other income	22,400	4.6	15,061	2.0	33,202	3.2
Other (losses)/gains, net	(1,129)	(0.2)	(792)	(0.1)	3,437	0.3
Operating loss	(427,809)	(88.2)	(425,627)	(56.3)	(769,071)	(70.8)
Finance income	23,846	4.9	27,781	3.7	28,653	2.6
Finance costs	(4,502)	(0.9)	(13,683)	(1.8)	(11,416)	(1.0)
Finance income, net	19,344	4.0	14,098	1.9	17,237	1.6
Share of net (losses)/profits of investments accounted for using the equity method	(318)	(0.1)	(123)	(0.0)	474	0.0
Fair value changes of preferred shares and other financial liabilities	(136,486)	(28.1)	(323,265)	(42.8)	(238,648)	(22.0)
Loss before income tax	(545,269)	(112.4)	(734,917)	(97.2)	(990,008)	(91.2)
Income tax expenses	(735)	(0.2)	(229)	(0.1)	(1,132)	(0.0)
Loss for the year	(546,004)	(112.6)	(735,146)	(97.3)	(991,140)	(91.2)

Non-IFRS Financial Measure

We use adjusted net loss, a non-IFRS financial measure, in evaluating our operating results and for financial and operational decision-making purposes. We believe that adjusted net loss (non-IFRS) helps identify underlying trends in our business, provides useful information about our results of operations, and enhances the overall understanding of our past performance and future prospects.

Adjusted net loss (non-IFRS measure) should not be considered in isolation or construed as an alternative to loss from operations, net loss or any other measure of performance or as an indicator of our operating performance. Adjusted net loss (non-IFRS measure) presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

Adjusted net loss (non-IFRS measure) represents net loss excluding (i) changes in the carrying amount of financial instruments issued to investors, which are non cash in nature and non-recurring after [REDACTED], (ii) share-based compensation expenses, which is non cash in nature, and (iii) [REDACTED] expense, which is non-recurring after [REDACTED]. The table below sets forth a reconciliation of our net loss to adjusted net loss (non-IFRS measure) for the years indicated.

SUMMARY

	For the year ended December 31,		
	2023	2024	2025
	RMB	RMB (in thousands)	RMB
Net loss	(546,004)	(735,146)	(991,140)
Add:			
Fair value changes of preferred shares and other financial liabilities measured at FVTPL	136,486	323,265	238,648
Share-based payment expenses	15,661	33,272	475,164
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net loss (non-IFRS measure)	(393,857)	(378,609)	(272,033)

Our adjusted net loss (non-IFRS measure) decreased during the Track Record Period, primarily attributable to our rapid revenue growth, continued improvement in cost efficiency, as well as operating leverage achieved through more disciplined control of operating expenses as a percentage of revenue, as our business scaled. See “Financial Information—Description of Major Components of Our Results of Operations” and “Financial Information—Year-to-Year Comparison of Results of Operations” for detailed analysis.

SUMMARY OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	149,922	120,857	122,045
Total current assets	1,029,905	1,433,717	1,953,880
Total assets	1,179,827	1,554,574	2,075,925
Total non-current liabilities	48,023	33,281	40,740
Total current liabilities	3,253,915	4,342,574	5,293,134
Total liabilities	3,301,938	4,375,855	5,333,874
Net liabilities	(2,122,111)	(2,821,281)	(3,257,949)

See “Financial Information—Discussion of Certain Key Items from Our Consolidated Statements of Financial Position” for detailed analysis.

SUMMARY

SUMMARY OF CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table presents our consolidated cash flow data for the periods indicated.

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash outflow from operating activities	(372,015)	(423,857)	(327,275)
Net cash (outflow)/inflow from investing activities	(16,793)	(179,011)	57,317
Net cash from financing activities	7,197	558,355	656,003
Net (decrease)/increase in cash and cash equivalents	(381,611)	(44,513)	386,045
Cash and cash equivalents at the beginning of the year	990,369	616,822	578,456
Effects of exchange rate changes on cash, cash equivalents and restricted cash	8,064	6,147	(15,611)
Cash and cash equivalents at the end of the year	616,822	578,456	948,890

See “Financial Information— Liquidity and Capital Resources—Cash Flow” for detailed analysis.

KEY FINANCIAL RATIOS

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

	As of / For the year ended December 31,		
	2023	2024	2025
Revenue growth ratio	N/A	55.9%	43.7%
Gross profit margin	30.5%	32.3%	37.3%
Current ratio ⁽¹⁾	0.32	0.33	0.37
Adjusted current ratio ⁽²⁾	3.30	2.33	1.84

Notes:

- (1) Current ratio is calculated based on total current assets divided by total current liabilities.
- (2) Adjusted current ratio is calculated based on total current assets divided by total current liabilities excluding preferred shares and other financial liabilities at fair value through profit or loss.

KEY OPERATING METRICS

The following table sets forth certain key operating metrics for the years indicated. See “Glossary of Technical Terms and Conventions” for the definitions of these metrics and a detailed discussion of how they are calculated.

	Years Ended December 31,		
	2023	2024	2025
Number of customers			
Robots	77	112	120
Edge AI sensors	65	129	251
Agentic software systems	62	77	122
Average revenue per customers (RMB in thousands)			
Robots	1,826	2,626	3,630
Edge AI sensors	206	240	298
Agentic software systems	2,399	3,022	2,806

SUMMARY

BUSINESS SUSTAINABILITY AND PATH TO PROFITABILITY

We achieved sustained revenue growth during the Track Record Period but remained loss-making as we continued to invest in product development, talent, market expansion and infrastructure to support long-term positioning in the industrial AI agents market. We prioritized building technological leadership and scalable operational capabilities over near-term profitability. These investments have strengthened our foundation for future expansion and supported continuous improvements in our operating metrics.

During the Track Record Period, our revenue increased from RMB484.9 million in 2023 to RMB755.8 million in 2024, and further to RMB1,086.3 million in 2025, representing year-over-year growth of 55.9% and 43.7%, respectively. Our gross profit margin improved from 30.5% in 2023 to 32.3% in 2024 and further to 37.3% in 2025, reflecting enhanced scale effects, improving product mix and stronger operating efficiency. 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.

From an execution perspective, we intend to achieve long-term profitability through three primary strategies: (i) driving revenue growth, (ii) strengthening gross profit margin, and (iii) enhancing operating leverage.

Driving Revenue Growth

We are well positioned to benefit from the rapid expansion of the industrial AI agents market. Supported by increasing demand for adaptive and intelligent industrial systems, 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, according to CIC. As the largest industrial AI agents provider in China in terms of revenue in 2025, we aim to further increase market penetration by expanding our product portfolio, deepening relationships with key accounts and broadening our customer base across both domestic and overseas markets.

We will continue to launch differentiated industrial AI agents tailored to high-value application scenarios, optimize our product mix toward more scalable and higher-margin deployments, and convert pilot projects into mass-production rollouts. At the same time, we seek to strengthen customer loyalty through higher repurchase rates and long-term engagement, while expanding our global footprint to capture growing international demand.

Strengthening Gross Profit Margin

Our improving gross margin reflects structural enhancements in our business mix and cost structure. We intend to further enhance gross profit margin by prioritizing higher-margin products and application scenarios, increasing the proportion of standardized products, and improving product universality. Greater standardization enables reuse of core components and software modules, reduces engineering redundancy, shortens delivery cycles and lowers per-unit manufacturing and fulfillment costs.

In addition, as shipment volumes increase, we expect to benefit from economies of scale across procurement, manufacturing and fulfillment, strengthening supplier bargaining power, improving asset utilization and reducing overall cost per unit. Together, these initiatives are expected to support continued margin expansion over time.

SUMMARY

Enhancing Operational Efficiency

While we incurred significant research and development, selling and marketing and general and administrative expenses during the Track Record Period, operating leverage has improved as revenue scaled. 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. In particular, R&D expenses as a percentage of revenue decreased from 58.4% in 2023 to 36.3% in 2025, while selling and marketing and general and administrative expenses (excluding share-based payment expenses) as a percentage of revenue also declined meaningfully.

We expect the absolute amount of operating expenses to increase in line with business expansion; however, as revenue continues to grow and standardization improves efficiency, we anticipate operating expenses to increase at a slower pace than revenue, allowing operating leverage to improve gradually over time, and supporting our path toward breakeven and long-term profitability.

See “Business—Path to Profitability” for details.

RISK FACTORS

Our business and the [REDACTED] involve certain risks as set out in “Risk Factors” in this Document. You should read that section in its entirety carefully before you decide to [REDACTED] in our Shares. The principal risks we face include: (i) our ability to respond to evolving technological advancements; (ii) uncertainty about future market adoption and technological progress; (iii) evolving standards and regulatory compliance; (iv) our limited operating history and inability to forecast future results; (v) challenges in managing operations and operational disruptions; (vi) our ability to retain existing customers and attract new ones; (vii) our ability to maintain high-quality products and solutions; and (viii) supply chain management and component sourcing.

DIVIDENDS

No dividend was paid or declared by us or any of our subsidiaries since our incorporation. After the Track Record Period and as of the date of this Document, we did not declare any dividends to our Shareholders. Any declaration and payment as well as the amount of dividends will be subject to our Articles and the Cayman Companies Act. Our board of directors has the discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit, retained earnings, or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. As advised by our Cayman Islands legal advisers, we are a holding company incorporated under the laws of the Cayman Islands, pursuant to which, the financial position of accumulated deficit does not prohibit us from declaring and paying dividends to our Shareholders. Dividends may still be declared and paid out of our share premium account notwithstanding our profitability, provided that our Memorandum and Articles do not prohibit such payment and our Company is able to pay its debts as they fall due in the ordinary course of business immediately after such payment.

[REDACTED] EXPENSES

Our [REDACTED] expenses mainly include (i) [REDACTED]-related expenses, such as [REDACTED] fees and [REDACTED], and (ii) non-[REDACTED]-related expenses, comprising professional fees paid to our legal advisers and reporting accountant for their services rendered in relation to the [REDACTED] and the [REDACTED], and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total [REDACTED] expenses (based on the mid-point of the [REDACTED] range and assuming that

SUMMARY

the [REDACTED] is not exercised) for the [REDACTED] are approximately RMB[REDACTED] [REDACTED], accounting for approximately [REDACTED]% of our gross [REDACTED]. Among such estimated total [REDACTED] expenses, we expect to pay [REDACTED]-related expenses of RMB[REDACTED] [REDACTED], professional fees for our legal advisers and reporting accountant of RMB[REDACTED] [REDACTED] and other fees and expenses of RMB[REDACTED] [REDACTED]. An estimated amount of RMB[REDACTED] [REDACTED] for our [REDACTED] expenses, accounting for approximately [REDACTED]% of our gross [REDACTED], is expected to be expensed through the statement of profit or loss and an estimated amount of RMB[REDACTED] [REDACTED] is expected to be recognized directly as a deduction from equity upon the [REDACTED]. We did not recognize any [REDACTED] expenses in 2023 and 2024. We recognized [REDACTED] expenses of RMB[REDACTED] [REDACTED] in 2025, in our consolidated statements of profit or loss and other comprehensive income.

[REDACTED]

USE OF [REDACTED]

We estimate that we will receive aggregate net [REDACTED] from the [REDACTED] (after deducting [REDACTED] fees and estimated expenses in connection with the [REDACTED] payable by us, and assuming that the [REDACTED] is not exercised and an [REDACTED] of HK\$[REDACTED] per Share, being the midpoint of the indicative [REDACTED] range stated in this Document) of approximately HK\$[REDACTED] [REDACTED].

In line with our strategies, we intend to use the net [REDACTED] for the following purposes, subject to changes with respect to our evolving business needs and changing market conditions: approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] [REDACTED], will be used to accelerate technology and product R&D over the next five years; approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] [REDACTED], will be used to drive commercialization

SUMMARY

expansion; approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] [REDACTED], will be used for strategic cooperation and investment; and approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] [REDACTED], will be used for working capital and general corporate purposes over the next three years.

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Immediately prior to the [REDACTED], Dr. Jia, our founder, chairman of the Board and executive Director, is entitled to exercise the voting rights of approximately [REDACTED] of the total issued share capital of our Company through the Shares held by his close associates, including (i) Hyperdimension Holdings Limited, a company which is wholly owned by Dr. Jia; and (ii) Space Travel Management L.P., a limited liability partnership the general partner of which is StarrySky Management Limited, which is in turn wholly owned by Dr. Jia. Immediately following the completion of the [REDACTED] (on the basis that all the Preferred Shares are converted into Shares on a one-to-one basis, assuming the [REDACTED] is not exercised and without taking into account any Shares which may be issued under the Pre-[REDACTED] Stock Incentive Plans), Dr. Jia will be entitled to exercise the voting rights of approximately [REDACTED]% of the total issued share capital of our Company through the Shares held by Hyperdimension Holdings Limited and Space Travel Management L.P. Accordingly, Dr. Jia, together with Hyperdimension Holdings Limited, Space Travel Management L.P. and StarrySky Management Limited are the Single Largest Group of Shareholders of our Company upon [REDACTED].

PRE-[REDACTED] INVESTMENTS

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

PRE-[REDACTED] STOCK INCENTIVE PLANS

As at the Latest Practicable Date, our Company has adopted the 2022 Stock Incentive Plan and the 2025 Stock Incentive Plan. Assuming the full exercise of all outstanding options granted under the Pre-[REDACTED] Stock Incentive Plans, the issued and outstanding shareholding of the Shareholders immediately following completion of the [REDACTED] will be diluted by approximately [REDACTED]%. As our Company currently does not have any net profit, if all of the outstanding options granted under the Pre-[REDACTED] Stock Incentive Plans are exercised, there will not be any dilution effect on the earnings per Share arising from the exercise of the outstanding options. For details, see “Statutory and General Information — D. Pre-[REDACTED] Stock Incentive Plans” in Appendix IV to this Document.

COMPLIANCE AND LEGAL PROCEEDINGS

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; and we had not been and were not involved in any material noncompliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this Document, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since December 31, 2025, the end of the period reported on the Accountant’s Report included in Appendix I to this Document.

DEFINITIONS

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

“2022 Pre-[REDACTED] Stock Incentive Plan”

the 2022 Stock Incentive Plan of our Company approved and adopted on January 3, 2022, as amended or otherwise modified from time to time, a summary of the principal terms of which is set forth in the section headed “Statutory and General Information — D. Pre-[REDACTED] Stock Incentive Plans” in Appendix IV to this Document

“2025 Pre-[REDACTED] Stock Incentive Plan”

the 2025 Stock Incentive Plan of our Company approved and adopted on December 23, 2025, as amended or otherwise modified from time to time, a summary of the principal terms of which is set forth in the section headed “Statutory and General Information — D. Pre-[REDACTED] Stock Incentive Plans” in Appendix IV to this Document

“Accountant’s Report”

the accountant’s report of our Company, the text of which is set out in Appendix I to this Document

“affiliate(s)”

with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person

“AFRC”

Accounting and Financial Reporting Council (會計及財務匯報局)

“Articles” or “Articles of Association”

the amended and restated articles of association of our Company conditionally adopted by special resolution on [●], 2026, with effect upon the [REDACTED] (as amended from time to time), a summary of which is set out in Appendix III to this Document

“associate(s)”

has the meaning ascribed thereto under the Listing Rules

“Audit Committee”

the audit committee of the Board

“Beijing SmartMore”

Beijing SmartMore Intelligence Technology Co., Ltd. (北京思謀智能科技有限公司), a company incorporated under the PRC law on June 9, 2021 and a wholly-owned subsidiary of our Company

“Board”, “Board of Directors” or “our Board”

the board of Directors

“Business Day”

a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

“BVI”

the British Virgin Islands

[REDACTED]

“Cayman Registrar”

the Registrar of Companies of the Cayman Islands

DEFINITIONS

[REDACTED]

“China” or “the PRC”	the People’s Republic of China, except where the context requires otherwise and only for the purposes of this Document and for geographical reference only, excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan Region
“CIC”	China Insights Industry Consultancy Limited, the industry consultant of our Company
“CIC Report”	an independent market research report commissioned by us and prepared by CIC for the purpose of this Document
“Circular 37”	the Notice of the SAFE on Issues Concerning Foreign Exchange Administration of the Overseas Investment and Financing and the Round-Tripping Investment Made by Domestic Residents through Special-Purpose Companies (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》)
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies Act” or “Cayman Companies Act”	the Companies Act (Revised) of the Cayman Islands, as amended or supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company”, or “the Company”	SmartMore Inc. (formerly known as Hyperspace Group Inc.), an exempted company with limited liability incorporated under the laws of the Cayman Islands on September 23, 2019
“Compliance Adviser”	Maxa Capital Limited
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)

DEFINITIONS

“Director(s)”	the director(s) of our Company
“Dr. Jia”	Dr. Jia Jiaya (賈佳亞), our founder, chairman of the Board, executive Director and one of the members of our Single Largest Group of Shareholders
“EIT”	enterprise income tax
“EIT Law”	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》)
“ESG”	Environmental, Social and Governance
	[REDACTED]
“Extreme Conditions”	extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale seriously affects the working public’s ability to resume work or brings safety concern for a prolonged period
	[REDACTED]
	[REDACTED]
“Group”, “our Group”, “our”, “we” or “us”	our Company and its subsidiaries from time to time, and where the context requires, in respect of the period prior to our Company became the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“Guide for New Listing Applicants”	the Guide for New Listing Applicants published by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“HK\$” or “Hong Kong Dollars” or “HK Dollars” and “HK cents”	Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

DEFINITIONS

[REDACTED]

“Hong Kong” or “HK”

the Hong Kong Special Administrative Region of the People’s Republic of China

[REDACTED]

“Stock Exchange”

The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

“Hong Kong Takeovers Code” or
“Takeovers Code”

the Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time

[REDACTED]

DEFINITIONS

[REDACTED]

“IFRSs”	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by International Accounting Standards Board
“IIT Law”	the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》)
“Independent Third Party(ies)”	any person(s) or entity(ies) who is not a connected person of our Company within the meaning of the Listing Rules

[REDACTED]

“Jiaxing SmartMore”	Jiaxing SmartMore Technology Co., Ltd. (嘉興思謀科技有限公司), a company incorporated in the PRC on June 3, 2025 and a wholly-owned subsidiary of our Company
“Joint Sponsors”	the joint sponsors as named in the section headed “Directors and Parties Involved in the [REDACTED]” in this Document

[REDACTED]

DEFINITIONS

[REDACTED]

“JPY”	Japanese Yen, the lawful currency of Japan
“Latest Practicable Date”	March 6, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this Document prior to its publication

[REDACTED]

“Listing Committee”	the listing committee of the Stock Exchange

[REDACTED]

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

“M&A Rules”	the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》)

“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange

“Memorandum” or “Memorandum of Association”	the [●] memorandum of association of our Company conditionally adopted by special resolution on [●], 2026, with effect upon the [REDACTED] (as amended from time to time), a summary of which is set out in Appendix III to this Document

“MOFCOM” or “Ministry of Commerce”	the Ministry of Commerce of the PRC (中華人民共和國商務部) (formerly known as the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外經濟貿易部))

“NDRC”	the National Development and Reform Commission (中華人民共和國國家發展和改革委員會)

“Nomination Committee”	the nomination committee of the Board

“NPC”	the National People’s Congress of the PRC (中華人民共和國全國人民代表大會)

[REDACTED]

DEFINITIONS

[REDACTED]

“Overseas Listing Trial Measures”	The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines (《境內企業境外發行證券和上市管理試行辦法》及五項配套指引) promulgated by the CSRC on February 17, 2023 and became effective on March 31, 2023
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“PRC Legal Adviser”	Han Kun Law Offices, our legal adviser on PRC laws in connection with the [REDACTED]
“Pre-[REDACTED] Investment(s)”	the investment(s) in our Company undertaken by the Pre-[REDACTED] Investors prior to this [REDACTED], details of which are set out in the section headed “History, Development and Corporate Structure” in this Document
“Pre-[REDACTED] Investor(s)”	holder(s) of Shares pursuant to the Pre-[REDACTED] Investments, details of which are set out in the section headed “History, Development and Corporate Structure” in this Document
“Pre-[REDACTED] Stock Incentive Plans”	2022 Pre-[REDACTED] Stock Incentive Plan and 2025 Pre-[REDACTED] Stock Incentive Plan
“Preferred Share(s)”	preferred share(s) in the share capital of the Company, namely Series Pre-A Preferred Share(s), Series Pre-A1 Preferred Share(s), Series A Preferred Share(s), Series A1 Preferred Share(s), Series B Preferred Share(s), Series B1 Preferred Share(s), Series C Preferred Share(s)

[REDACTED]

DEFINITIONS

[REDACTED]

“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration Committee”	the remuneration committee of the Board
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“Rule 144A”	Rule 144A under the U.S. Securities Act
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SAT”	the State Taxation Administration of the PRC (中華人民共和國國家稅務總局)
“Series Pre-A Preferred Share(s)”	the series Pre-A1 preferred share(s) of US\$0.0001 each in the share capital of our Company, which are held by the Pre-[REDACTED] Investor(s) as of the date of this Document
“Series Pre-A1 Preferred Share(s)”	the series Pre-A1 preferred share(s) of US\$0.0001 each in the share capital of our Company, which are held by the Pre-[REDACTED] Investor(s) as of the date of this Document
“Series A Preferred Share(s)”	the series A preferred share(s) of US\$0.0001 each in the share capital of our Company, which are held by the Pre-[REDACTED] Investor(s) as of the date of this Document
“Series A1 Preferred Share(s)”	the series A1 preferred share(s) of US\$0.0001 each in the share capital of our Company, which are held by the Pre-[REDACTED] Investor(s) as of the date of this Document
“Series B Preferred Share(s)”	the series B preferred share(s) of US\$0.0001 each in the share capital of our Company, which are held by the Pre-[REDACTED] Investor(s) as of the date of this Document
“Series B1 Preferred Share(s)”	the series B1 preferred share(s) of US\$0.0001 each in the share capital of our Company, which are held by the Pre-[REDACTED] Investor(s) as of the date of this Document

DEFINITIONS

“Series C Preferred Share(s)”	the series C preferred share(s) of US\$0.0001 each in the share capital of our Company, which are held by the Pre-[REDACTED] Investor(s) as of the date of this Document
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO” or “Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai SmartMore”	Shanghai SmartMore Technology Co., Ltd. (上海思謀科技有限公司), a company incorporated under the PRC law on June 29, 2020 and a wholly-owned subsidiary of our Company
“Share(s)”	ordinary and/or preferred shares in the share capital of our Company of US\$0.0001 each
“Shareholder(s)”	holder(s) of our Share(s)
“Shenzhen Sizhen”	Shenzhen Sizhen Information Technology Co., Ltd. (深圳思震信息科技有限公司), a company established under the laws of the PRC on June 11, 2021 and a wholly-owned subsidiary of our Company
“Shenzhen SmartMore”	Shenzhen SmartMore Technology Co., Ltd. (深圳思謀信息科技有限公司), a company incorporated under the PRC law on December 20, 2019 and a wholly-owned subsidiary of our Company
“Single Largest Group of Shareholders”	Dr. Jia, together with Hyperdimension Holdings Limited, Space Travel Management L.P. and StarrySky Management Limited
“SmartMore Corporation”	SmartMore Corporation Limited, a company incorporated under the Hong Kong law on November 5, 2019 and a wholly-owned subsidiary of our Company
[REDACTED]	
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Suzhou SmartMore”	Suzhou SmartMore Technology Co., Ltd. (蘇州思謀智能科技有限公司), a company incorporated under the PRC law on October 21, 2021 and a wholly-owned subsidiary of our Company
“Track Record Period”	the period comprising three financial years ended December 31, 2025
“treasury shares”	has the meaning ascribed thereto under the Listing Rules
“U.S. Securities Act”	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

[REDACTED]

“United States”, “USA” or “U.S.”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“USD”, “US\$” or “U.S. dollars”	United States dollar, the lawful currency of the United States
“VAT”	value-added tax
“%”	per cent

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

Certain amounts and percentage figures included in this Document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

GLOSSARY OF TECHNICAL TERMS

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

“AI coarse positioning”	an initial, approximate localization or identification process performed by an AI system to narrow down the possible location, category, or identity of a target before applying more detailed (fine-grained) analysis
“AI decoding”	the process by which an AI system interprets, translates, or reconstructs information from encoded inputs, latent representations, or model outputs
“AI fine positioning”	a high-precision localization or identification process performed by an AI system to determine the exact position, orientation, or characteristics of a target after an initial coarse positioning step
“AI imaging (ISP)”	the application of artificial intelligence techniques to image signal processing (ISP), where machine learning models are used to enhance, interpret, and optimize raw image data captured by sensors
“AI infrastructure”	the underlying hardware, software, and network architecture required to develop, train, deploy, and manage artificial intelligence systems at scale
“ARM architectures”	a family of CPU instruction set architectures (ISAs) developed by Arm Holdings, based on a reduced instruction set computing (RISC) design philosophy
“cloud-edge-device”	a distributed computing architecture that spans three layers—cloud, edge, and device—for data processing, analytics, and decision-making
“CPUs”	the primary processor in a computing system, responsible for executing instructions from software applications and managing the operation of other hardware components
“DAP”	a trade term under the Incoterms® rules published by the International Chamber of Commerce (ICC), specifying that the seller delivers the goods to a named destination agreed upon with the buyer, assuming responsibility for all risks and costs until the goods arrive at that location
“edge computing”	a distributed computing paradigm that processes data near the source of generation—at the “edge” of the network—rather than sending it to a centralized cloud or data center
“GMP certification”	a quality assurance standard ensuring that products are consistently produced and controlled according to defined quality criteria
“GPUs”	specialized electronic circuits optimized for parallel processing, originally designed for rendering graphics but now widely used for accelerating artificial intelligence, machine learning, and high-performance computing workloads

GLOSSARY OF TECHNICAL TERMS

“high-pixel sensors”	image sensors capable of capturing images at very high spatial resolution, typically featuring millions of pixels
“industrial AI agents”	autonomous or semi-autonomous software-hardware integrated entities powered by artificial intelligence, designed to perform specific tasks within industrial environments
“industrial automation”	refers to a comprehensive technological system based on automatic control, instrumentation, and computer technology, which enables machines or production processes to operate automatically according to predetermined rules without direct human intervention
“IndustryGPT”	the world’s first proprietary industrial multi-modal large model family
“intelligent manufacturing”	a manufacturing paradigm that leverages advanced digital technologies—including AI, IoT, big data, and robotics—to create responsive, adaptive, and self-optimizing production systems
“motion planning modules”	software components that calculate collision-free, efficient paths and trajectories for robotic systems or automated machinery
“multi-axis mechanism”	mechanical systems capable of movement or control along multiple independent axes with high-degree of freedom
“multi-cloud”	a cloud computing strategy that involves using services from multiple cloud providers
“multi-modal large models”	artificial intelligence large models trained on and capable of processing multiple types of data modalities—such as text, images, audio, and sensor inputs—within a unified framework
“precision manufacturing”	a manufacturing approach focused on producing parts and products with extremely tight tolerances, high repeatability, and minimal variation
“rail transit manufacturing”	the industrial sector involved in the design, production, and maintenance of rail-based transportation systems, including trains, trams, subways, and related infrastructure
“ROI”	a performance measure used to evaluate the efficiency or profitability of an investment
“SuperGPQA”	a benchmark dataset and evaluation framework designed to assess the performance of large language models (LLMs) on complex, graduate-level, and professional-domain question answering tasks

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements relating to our plans, objectives, beliefs, expectations, predictions and intentions, which are not historical facts and may not represent our overall performance for the periods of time to which such statements relate. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in this Document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks, uncertainties and other factors facing our company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our operations and business prospects;
- our ability to maintain relationship with, and the actions and developments affecting, our suppliers and customers;
- future developments, trends and conditions in the industries and markets in which we operate or plan to operate;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environment in the industries and markets in which we operate;
- our ability to maintain the market leading positions;
- the actions and developments of our competitors;
- the ability of third parties to perform in accordance with contractual terms and specifications;
- our ability to retain senior management and key personnel and recruit qualified staff;
- our business strategies and plans to achieve these strategies;
- the effectiveness of our quality control systems;
- change or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends, including those pertaining to the PRC and the industry and markets in which we operate; and
- capital market developments.

In some cases, we use the words “aim”, “anticipate”, “believe”, “can”, “continue”, “could”, “estimate”, “expect”, “going forward”, “intend”, “ought to”, “may”, “might”, “plan”, “potential”, “predict”, “project”, “seek”, “should”, “will”, “would” and similar expressions to identify forward-looking statements. In particular, we use these forward-looking statements in the sections headed “Business” and “Financial Information” in this Document in relation to future events, our future financial, business or other performance and development, the future development of our industry and the future development of the general economy of our key markets. The forward-looking statements are based on our current plans and estimates and speak only as of the date they were made. We undertake no obligation to update or revise any forward-looking statements in light of new information, future events or otherwise. Forward-looking statements involve inherent risks and uncertainties and are subject to assumptions, some of which are beyond our control. We caution you that a number of important factors could cause actual outcomes to differ, or to differ materially, from those expressed in any forward-looking statements. Our Directors confirm that the forward-looking statements are made after reasonable care

FORWARD-LOOKING STATEMENTS

and due consideration. Nonetheless, due to the risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Document might not occur in the way we expect, or at all. Accordingly, you should not place undue reliance on any forward-looking statements in this Document. All forward-looking statements contained in this Document are qualified by reference to this cautionary statement.

RISK FACTORS

An [REDACTED] in the Shares involves various risks. You should carefully consider all the information set out in this Document and, in particular, the risks described below before making an [REDACTED] in the Shares. The occurrence of any of the following events could materially and adversely affect our business, financial condition, results of operations or prospects. If any of these events occurs, the [REDACTED] of the Shares could decline and you may lose all or part of your [REDACTED]. You should seek professional advice from your relevant advisers regarding your prospective [REDACTED] in the context of your particular circumstances.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

If we fail to continue to research and develop or effectively respond to the evolving technological advancements in the industrial AI agents industry, our business and financial condition, results of operations and prospects would be materially and adversely affected.

The market for industrial AI agents is characterized by rapid technological advancements. To maintain our competitive position, we must continuously innovate, enhance, and adapt our offerings. Failure to anticipate and respond effectively to these changes, whether through timely product updates, technological advancements, or the introduction of new features, could result in a decline in demand for our products and solutions.

Our success depends, in part, on our ability to stay proactive in embracing emerging technologies and integrating them into our offerings in a cost-effective manner. Despite making substantial investments in research and development, we may not be able to leverage new technologies effectively to improve and iterate our offerings. This could negatively affect our competitiveness and may render our technologies and product offerings obsolete.

In addition, the success of our industrial AI agents depends on our successful development of algorithms, and processing efficiencies of our processing hardware, and there is no assurance that we can effectively develop our algorithms or improve efficiencies of our processing hardware to maintain our competitiveness. Failure to deliver constant algorithm innovation may adversely affect our business, financial condition and results of operations. In addition, the performance level of advanced and sophisticated algorithms is often limited by processing efficiencies, capacity and power efficiency of the processing hardware that runs the algorithms. As such, our business and financial condition depend on our ability to effectively improve the processing efficiencies and capacity of our processing hardware to meet the future development of our algorithms for industrial AI agents.

Further, the pace at which we can enhance and innovate our products depends on continuous investment and the timely development of new features or functionalities. If we fail to meet these technological challenges, our competitive position could be weakened, which would adversely affect our business, financial condition, results of operations, and future growth prospects.

We cannot ensure that there will be sufficient future market adoption of our industrial AI agents or that technological progress will meet market expectations, which could materially and adversely affect our business, financial condition, results of operations and prospects.

The global industrial AI agents market represents a significant opportunity for our offerings, with the market size reaching RMB36.7 billion in 2025 and projected to expand to RMB162.0 billion by 2030. As more companies in the industrial sector recognize the value of industrial AI agents in enhancing efficiency, reducing costs, and improving quality, there may be growing investment in these technologies. However, the future adoption and market growth of industrial AI agents are highly uncertain. Our growth depends on the continued adoption of industrial AI agents by customers in their industrial processes. While we have observed increasing interest driven by advancements in technology, this adoption is also influenced by broader economic trends and industry developments. Should there be a deceleration in market interest or delays in customer adoption, our business may face constrained growth, which could adversely affect our financial performance. The industry’s full potential has yet to be realized, and its growth depends on overcoming technological hurdles to support deployment across multiple use cases. Unexpected technical issues, the slow pace of technological progress, or failure to meet market demands may hinder the scalability and maturity of our offerings.

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We will need to dedicate substantial resources to address these challenges, potentially lengthening product development cycles, delaying commercialization, and increasing operational expenses. As a result, the continued growth of our business is uncertain, and any failure to meet market expectations could significantly impact our financial condition, results of operations, and long-term prospects.

The standards governing and applications for industrial AI agents technologies are constantly evolving. Any inappropriate use or flaws of such technologies, whether actual or perceived, intended or inadvertent, committed by us or by other third parties, could have negative impact on our business and the public’s acceptance of industrial AI agents offerings.

Industrial AI agents technologies are subject to evolving technical standards, regulatory expectations, and industry practices. Similar to other emerging and disruptive technologies, industrial AI agents technologies present risks and challenges that could affect market perception and public opinion, including, for example, concerns relating to reliability, safety, cybersecurity, ethical use of AI, and compliance with applicable regulations.

If regulatory frameworks for industrial AI agents become overly stringent, creating operational hurdles, or if customers hesitate to invest due to regulatory conditions, the demand for our offerings may decrease. Additionally, any inappropriate, abusive, premature or non-compliant usage of industrial AI agents technologies, or undetected flaws, performance limitations or deficiencies, whether actual or perceived, and whether by us or by third parties, may discourage prospective customers from adopting our offerings, impair overall market acceptance of industrial AI agents, attract negative publicity, and adversely impact our reputation.

Such issues could result in violations of applicable laws or regulatory requirements in China or other jurisdictions, and may subject us to legal or administrative proceedings, regulatory scrutiny, or other actions by governmental authorities or industry bodies. Each of the foregoing events could materially and adversely affect our business, financial condition and results of operations.

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

We were founded in 2019. As a result of our limited operating history, our ability to accurately forecast our future results of operations is subject to a number of uncertainties such as our ability to plan for and model future growth. Our business has grown substantially in recent years, and we expect continued growth in our business, revenue and talent pool. However, our historical results may not provide a meaningful basis for evaluating our business, results of operations, financial condition and prospects, and we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors, and may not be able to achieve promising results in future periods. We cannot assure you that we will be able to achieve similar results or grow at the same rates as we did in the past. In future periods, our revenue growth may slow down or even decline for several reasons, including slowing demand for our offerings and technologies, intensified competition, material changes in technology, declining growth rate of our total addressable market, or our failure to continue to take advantage of growth opportunities. If our assumptions regarding risks and our future revenue growth turn out to be incorrect or if we do not respond effectively to uncertainties and challenges, our operating and financial results could differ from our forecast, and our results of operations and financial condition could be materially and adversely affected.

As we continue to grow, expand into new industrial application scenarios and sectors and develop new offerings, we may not be able to effectively manage our operations or operational disruptions, which could negatively impact our operational performance, financial condition and results of operations.

We have experienced significant growth in recent years, and our future operating results will depend to a large extent on our ability to successfully manage our expansion and operational complexity. As we grow, we face risks including managing a larger organization across multiple geographic locations, expanding and

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coordinating our supply chain, controlling expenses and investments, establishing or expanding research and development, sales and service facilities, implementing and enhancing administrative systems and processes, improving operational, financial and management controls, and addressing new markets and unforeseen challenges.

Leveraging our capabilities in robots, edge AI sensors and agentic software systems, we continue to develop new industrial AI agent offerings and expand into additional application scenarios. Expansion into new industrial environments involves significant risks. We may have limited operating experience in certain new application areas, which may make it more difficult to anticipate customer requirements, technical specifications, operational constraints and purchasing behaviors. Established providers in specific application areas may compete more effectively by leveraging their industry experience, customer relationships and brand recognition. In addition, new application environments may subject us to additional industry-specific laws, regulations, safety standards or technical requirements. Expansion into new application areas and development of new offerings may require substantial research and development investment and management resources before generating meaningful revenue, and such new offerings may have different cost structures or lower margins than our existing products, which could exert downward pressure on our overall operating margins.

In addition, our operations span the full process from research and development through production, fulfillment logistics, marketing, sales and after-sales services. Any interruption or failure in our operational processes — including disruptions involving raw materials and components supplied by third parties, internal system failures or external events — could result in product quality or safety issues, regulatory exposure, delayed deliveries or inability to fulfill customer orders. As our business continues to grow, we may also need to expand our production capacity to meet increasing demand. Our operations may be disrupted by events beyond our control, such as fire, flood, earthquake, power outage, telecommunications failure, cybersecurity incidents or other unexpected events. The use of advanced and complex technologies and equipment may further increase operational risks and complicate repair or replacement in the event of failure. Any significant or prolonged disruption to our operations could harm customer relationships, result in financial losses and reputational damage.

If we fail to maintain existing customers and attract new customers, our business financial condition and results of operations may be adversely affected.

Our ability to grow our business depends on our success in maintaining relationships with existing customers and expanding our customer base. Our customers are primarily industrial enterprises, and their purchasing decisions typically involve lengthy evaluation cycles, technical validation processes, and significant capital expenditure considerations. The sales cycle for our industrial AI agents offerings can be long and unpredictable, particularly when customized solutions, on-site testing, or integration with existing production systems are required. Delays in customer decision-making, budget approvals, or project implementation may result in fluctuations in our revenue and cash flows.

While we aim to structure our customer acquisition efforts in a way that is most likely to encourage continued use of our products, we may fail to identify opportunities that align with our sales expectations, especially as we scale our investments. Our efforts to attract and retain industrial customers may also be influenced by factors such as market conditions, competitive pressures, and changing customer needs.

In addition, we may incur significant costs related to sales, technical support, and fulfillment activities before securing customer contracts, and such investments may not always lead to successful conversions or long-term partnerships. Competition for industrial customers may intensify, with established players potentially having stronger industry relationships, brand recognition, or financial resources.

If we are unable to effectively retain existing customers, secure repeat orders, or acquire new customers in a cost-effective and sustainable manner, our revenue growth and profitability may be adversely affected.

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If we fail to offer high-quality products and solutions to our customers, our business, financial condition and results of operations could be adversely impacted.

The competitive position of our products and services depends in part on their quality, reliability and ability to meet the technical and performance requirements of our customers. Our customers often apply technical standards, qualification processes and acceptance testing procedures before our products and solutions can be deployed in their production environments. If our products or solutions fail to satisfy these requirements, fail to pass customer acceptance testing, or otherwise do not perform in accordance with customers’ expectations under their specific operating conditions, our customers may delay or refuse deployment, require modifications or replacements, or reduce or cancel orders.

In addition, we deliver our products and solutions across a wide range of industries and application scenarios, which often requires us to customize and adapt our offerings to specific customer needs and production environments. Such customization and integration may increase the complexity of our solutions and make it more difficult to ensure consistent performance across different use cases. If we are unable to successfully adapt our products and solutions to meet evolving customer requirements or maintain consistent quality and reliability across different deployment scenarios, customer satisfaction and our ability to secure repeat orders may be adversely affected.

Moreover, our ability to maintain strong customer relationships depends on our ability to provide timely and effective maintenance and technical support services for our products and solutions. As our customer base expands, we may face challenges in recruiting and retaining sufficient qualified support personnel or in scaling our maintenance services to meet customer demand. If we are unable to provide high-quality maintenance and support, respond promptly to technical issues, or adapt our service scope to evolving customer requirements, customer satisfaction and retention may be adversely affected. Increased demand for maintenance and support services may also result in higher operating costs, particularly in jurisdictions with more stringent regulatory or market requirements. Any failure, or perceived failure, to provide adequate post-sale services could harm our reputation, weaken customer relationships and adversely affect our business and results of operations.

Our operations depend on effective management of our suppliers, production, component sourcing, pricing, quality, delivery schedules and inventory levels. Any failure in our supply chain management or production could materially and adversely affect our business.

We rely on third-party suppliers for key components, materials, equipment and services used in the development, assembly and production of our industrial AI agent offerings. In 2023, 2024 and 2025, our total purchases from our five largest suppliers accounted for 41.4%, 24.4% and 23.1% of our total purchases during the same corresponding years, respectively. The stability, financial condition and operational performance of these suppliers are beyond our control. Maintaining stable and cooperative relationships with our key suppliers is critical to ensuring timely, cost-effective delivery of essential components and preserving our negotiating leverage. Any deterioration in these relationships or unfavorable changes in the terms of our agreements could result in supply disruptions, higher procurement costs or reduced access to critical inputs. Delays, disruptions or failures by suppliers to deliver required materials, components or services in a timely manner, in sufficient quantities or at acceptable quality levels may disrupt our production schedules and our ability to meet customer demand.

Our ability to deliver our products and solutions also depends on the effective operation of our production processes. The manufacturing of our industrial AI agent offerings involves complex processes, specialized equipment and coordination across multiple stages of assembly, testing and quality control. If our production facilities or manufacturing processes experience inefficiencies, equipment failures, labor shortages, quality control issues or other operational disruptions, our production capacity and product quality may be adversely affected. In addition, as demand for our products and solutions grows, we may need to expand our production capabilities or improve manufacturing efficiency to meet customer requirements. Any failure to effectively manage our production processes, maintain stable manufacturing operations or scale our production capacity in a timely and cost-effective manner could result in production delays, increased costs or an inability to meet customer demand.

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We may also face price fluctuations or shortages of key components and raw materials. Industry-wide shortages, capacity constraints or disruptions affecting the broader industrial supply chain could increase our procurement costs or limit the availability of critical inputs. We may not be able to secure adequate replacement components or alternative suppliers on a timely basis, or at all, and qualifying new suppliers can be time-consuming and costly.

Effective supply chain management also requires accurate forecasting of demand and careful planning of inventory levels. If we underestimate demand or experience supply delays, we may face shortages of components or finished products, resulting in production disruptions, delayed deliveries, and lost sales. Conversely, if demand is lower than expected or if supply chain conditions change, we may hold excess inventory, which could result in write-downs, write-offs or the sale of products at reduced margins. Fluctuations in market adoption of our products and solutions, changing customer requirements and evolving technologies may make demand forecasting more difficult. Any failure to effectively manage our supply chain, including pricing, quality control, delivery schedules or inventory levels, could adversely affect our production efficiency, operating margins, customer relationships, business operations and financial condition.

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

In 2023, 2024 and 2025, our loss for the year was RMB546.0 million, RMB735.1 million and RMB991.1 million, respectively. Our adjusted net loss (non-IFRS measure) decreased from RMB393.9 million in 2023 to RMB378.6 million 2024 and further decreased to RMB272.0 million in 2025. We may continue to incur net loss in the future, as we are in the stage of expanding our business and operations in the rapidly growing industrial AI agents solution market and are continuously investing in research and development. We believe that our future revenue growth will depend on, among other factors, future market adoption of industrial AI agents, our ability to develop new technologies, enhance customer experience, establish effective commercialization strategies, compete effectively and successfully develop new products and services. Accordingly, you should not rely on the revenues of any prior period as an indication of our future performance. We also expect our costs and expenses to increase in future periods as we continue to expand our business and operations and invest in research and development. In addition, we expect to incur substantial costs and expenses as a result of being a [REDACTED] company. If we are unable to generate adequate revenue and manage our expenses, we may continue to incur significant losses in the future and may not be able to achieve or subsequently maintain profitability.

We have been and intend to continue investing in our R&D and such investments may not generate the results we expect to achieve.

We have been investing substantially in our R&D efforts. we recorded R&D expenses of 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 in 2025 was 36.3%. The industrial AI agents industry is subject to rapid technological changes and is evolving quickly in terms of technological development. We need to invest significant resources in R&D to make technological advances in order to make our industrial AI agents competitive in the market. As a result, our R&D capabilities will remain important to our business operations. However, R&D activities are inherently uncertain, and we might encounter practical difficulties in developing, conceptualizing and commercializing our R&D results. Our significant expenditure on R&D may not generate corresponding benefits. Given the fast pace of which the technologies of the industrial AI agents industry have been and will continue to be developed, we may not be able to develop or upgrade our technologies in a timely and cost-effective manner, or at all. New technologies in the industrial AI agents industry could render our existing or future technologies obsolete or unattractive, thereby limiting our ability to recover related R&D costs, which could result in a decline in our revenue, profitability and market share.

If we fail to recruit, retain and motivate key talents, or maintain our corporate culture as we grow, we could lose the innovation, collaboration and focus that contribute to our business.

Much of our future success depends on the continued contributions of key employees, including senior management, R&D, sales, operations and finance personnel, many of whom are difficult to replace. From time to

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time, if there are changes in our senior management team resulting from the hiring or departure of executives, the normal course of our business might be disrupted. The loss of the services of any of our executive officers, our senior management team and other highly skilled employees could harm our business.

We intend to hire additional qualified employees to support our business operations and planned expansion. Competition for qualified talent is intense. We compete with many other companies for engineers and R&D professionals with meaningful experience in designing and developing products and solutions, as well as for skilled marketing, operations and support service professionals, and we may not be successful in attracting and retaining the professionals we need. If we are not able to effectively hire, train and retain employees, our ability to achieve our strategic objectives may be adversely impacted and our business, financial condition and results of operations may be harmed. Since our industry is characterized by high demand and intense competition for talent and labor, we can provide no assurance that we will be able to attract or retain qualified staff or other highly skilled employees that we will need to achieve our strategic objectives. Labor costs have increased with the economic development of developing countries and labor shortage and inflation around the world. In addition, our ability to train and integrate new employees into our operations may also be limited and may not meet the demand for our business growth in a timely fashion, or at all, and rapid expansion may impair our ability to maintain our corporate culture.

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

As of December 31, 2023, 2024 and 2025, we recorded net current liabilities of RMB2,224.0 million, RMB2,908.9 million and RMB3,339.3 million and net liabilities of RMB2,122.1 million, RMB2,821.3 million, and RMB3,257.9 million, respectively. Among these amounts, preferred shares and other financial liabilities measured at fair value through profit or loss amounted to RMB2,942.1 million, RMB3,728.2 million and RMB4,230.0 million as of the same dates. For a more detailed discussion of our net current liabilities, see “Financial Information — Discussion of Certain Key Items from Our Consolidated Statements of Financial Position.” Net current liabilities and net liabilities may expose us to certain liquidity risks and may constrain our operational flexibility, as well as adversely affect our ability to expand our business. Our future liquidity, the payment of trade and other payables when they become due, will primarily depend on our ability to generate adequate cash inflows from our operating activities and adequate external financing, which will be affected by our future operating and financial performance, the performance of the industry in which we operate and prevailing economic and capital market conditions, among other factors, many of which are beyond our control.

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

Failure of our customers or trade partners to meet their contractual obligations to us could adversely affect our business.

As of December 31, 2023, 2024, 2025, we recorded trade and notes receivables of RMB270.4 million, RMB532.6 million, and RMB743.8 million, respectively, and such figures may further increase in the future, while we recorded credit loss allowance for trade and notes receivables of RMB80.1 million, RMB77.9 million, and RMB87.6 million as of the same dates, respectively. Our ability to collect these receivables depends on the financial condition and payment practices of our customers, as well as the payment cycles of their own businesses. Our customers may experience unexpected circumstances, including long payment cycles, adverse operating conditions or financial difficulties, which may in turn affect their ability to pay us on time. As a result, our customers may delay or default on their payment obligations to us. If we are unable to collect a significant portion of our receivables on a timely basis or at all, we may be required to record additional credit loss allowances, write off the relevant receivables or incur substantial legal and collection costs to recover the outstanding balances, which could materially and adversely affect our cash flows, financial condition, results of operations and business prospects.

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If we are unable to protect or promote our brand and reputation, our business may be materially adversely affected. Negative publicity or rumors about us, our products and solutions, our management, directors, employees, shareholders, customers, business partners or their affiliates or our industry in general may adversely affect our reputation and business.

We must maintain and enhance our brand identity while increasing market awareness of the reputation of our business and offerings. The successful promotion of our brand will depend on our efforts to achieve widespread acceptance of our products and solutions, attract and retain customers, maintain our current market leadership, and successfully differentiate our offerings from those of competitors. These efforts require substantial expenditures, and we anticipate expenses will increase as our market becomes more competitive and as we expand into new markets. Furthermore, these investments in brand promotion and thought leadership may not yield increased revenue. To the extent they do, the resulting revenue still may not be enough to offset the increased expenses we incur.

In addition, adverse publicity, with or without merits, relating to events or activities attributed to us, our management, directors, employees, shareholders, business partners or their affiliates, industry, or products and solutions similar to ours, may tarnish our reputation and reduce the value of our brand. For instance, unfounded and adversarial statements or opinions could be misleading and harm our business and reputation. Given the delicate and complex nature of the industry that we operate in, we are vulnerable to such statements or opinions. If we fail to respond to such statements or opinions in a proper manner, our business reputation, financial condition and results of operations may be adversely affected. Moreover, our brand value depends on our ability to provide safe products and solutions that meet industry standards in our markets. Damage to our reputation and loss of brand equity may reduce demand for our products and solutions, have an adverse effect on our future financial results, or reduce the trading price of the Shares. Damage may also require additional resources to rebuild our reputation and restore the value of the brands. If we are unable to successfully enhance and protect our reputation, our business operations, results of operations, and financial condition could be materially and adversely affected.

For example, certain past and ongoing legal proceedings in Hong Kong involving us and our director arose from a commercial dispute with a former customer in connection with the former customer’s failure to settle the outstanding invoice following delivery and acceptance of the products pursuant to a purchase contract. In connection with the dispute, we commenced winding-up proceedings against the former customer and obtained a winding-up order against it. Subsequently, the counterparty and certain related parties initiated legal proceedings against us and our director asserting various claims. Most of these claims have been struck out or withdrawn, while other proceedings and appeals remain ongoing. While we are of the view that all claims are frivolous and we are defending the remaining ongoing claims, any continued litigation or related publicity, regardless of the outcome, may attract attention from the media or other stakeholders. This could potentially affect our reputation and relationships with customers, partners and regulators, and may require management attention and resources.

We have recorded net operating cash outflows historically. If we are unable to generate sufficient operating cash flows or obtain adequate financing, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We currently have a net loss position, and our business and growth strategies require substantial investment, including in research and development, and marketing of our industrial AI agents. As we scale our operations, our working capital requirements may increase and may differ from our current expectations, particularly as they are significantly affected by user demand and broader market conditions.

We recorded net cash outflow from operating activities of RMB372.0 million, RMB423.9 million and RMB327.3 million in 2023, 2024 and 2025, respectively. There can be no assurance that we will generate positive operating cash flow in the future. Our operating cash flows may be adversely affected by factors beyond our control, including market competition, macroeconomic conditions, regulatory developments and fluctuations in customer demand. Prolonged net operating cash outflows could limit our ability to fund operations and planned investments.

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We may seek equity or debt financing or obtain credit facilities to meet our investment needs. However, such financing may not be available on acceptable terms, or at all. Failure to obtain adequate funding may require us to reduce or delay strategic initiatives. The issuance of additional equity or equity-linked securities may dilute shareholders, while the incurrence of indebtedness may increase debt service obligations and subject us to restrictive covenants that limit our operational flexibility.

Share-based payment may have a material and adverse effect on our financial condition.

To recognize the contributions of our employees and consultants and incentivize them to further promote our development, we have established employee incentive programs. Participants in our employee incentive programs have been granted awards under these programs. In 2023, 2024 and 2025, we incurred equity-settled share-based payment expenses of RMB15.7 million, RMB33.3 million and RMB475.2 million, respectively. To further incentivize employees and consultants, we may grant additional share-based payment expenses in the future, which may increase our operating expenses and adversely affect our financial condition. In addition, the issuance of additional shares for share-based awards could dilute the ownership percentage of our existing shareholders.

If we engage in future acquisitions or strategic collaborations, this may increase our capital requirements, dilute our shareholders’ shareholding, cause us to incur debt or assume contingent liabilities and subject us to other risks.

We may evaluate various acquisitions and strategic collaborations, including acquiring complementary intellectual property rights, technologies or businesses. Any potential acquisition or strategic collaboration may involve multiple risks, including increased operating expenses and cash requirements, as well as the assumption of additional indebtedness or contingent liabilities. We may face challenges in integrating the operations, intellectual property and products of an acquired company, including difficulties associated with assimilating new personnel. Such transactions may also divert management’s attention from our existing business and strategic initiatives, and incur costs in identifying and evaluating suitable investment, acquisition or collaboration targets. In addition, we may encounter challenges in retaining key employees, risks of losing critical personnel, and uncertainties in maintaining important business relationships. There are also risks and uncertainties relating to the counterparty to the transaction, including the prospects of that party and the performance of its existing services or technologies. Furthermore, we may be unable to generate sufficient revenue from acquired technologies or businesses to achieve our intended objectives or even to offset the related acquisition and ongoing maintenance costs.

In addition, if we undertake acquisitions, we may issue dilutive securities, assume or incur debt obligations, incur large one-time expenses and acquire intangible assets that could result in significant future amortization expense. Moreover, we may not be able to locate suitable acquisition opportunities and this inability could impair our ability to grow or obtain access to technology or businesses that may be important to the development of our business.

We currently generate a significant share of our revenue from our key customers.

Revenue generated from our five largest customers for each year during the Track Record Period accounted for 39.3%, 29.9% and 22.0% of our revenue in the same years, respectively, of our total revenue during those respective periods. For details, see “Business — Our Customers.” There exists a risk that any loss of sales from our current customers could adversely affect our revenue. In the future, these customers may decide to purchase fewer products and solutions than they did in the past, not to incorporate our products and solutions into their business, delay their purchases of our products and solutions, purchase products and solutions from our competitors, or to alter their purchasing patterns in some other way.

This could occur if our customers cancel, change, or delay purchases of our products and solutions. Furthermore, our customers are not guaranteed to maintain their volume of purchases, which adds an element of

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unpredictability to our future revenue streams. Although the industrial AI agents industry has high barriers to entry, some of our customers may choose to develop their own offerings rather than rely on our products. Additionally, if there are delays or shortages in our supply chain or in the availability of our products and solutions, our customers may turn to competitors to meet their needs. Moreover, our customers may face challenges in their own businesses, such as losing market share or discontinuing sales, which could impact their purchasing behavior and reduce the demand for our products and solutions.

The occurrence of any of the foregoing factors may adversely affect our business, results of operations, and financial condition. Meeting the technical requirements of our customers and being selected by them for supplying industrial AI agents will require a substantial investment of our time and resources. We cannot assure you that our industrial AI agents will be selected by these or other companies or that we will generate meaningful revenue from the sales of our products and solutions to these key potential customers. If our products and solutions are not selected by these large corporations or if these corporations develop or acquire competitive technology, our business, financial condition and results of operations could be adversely affected. Our business could also be adversely affected if our customers are not able to settle accounts regularly or make payments on schedule. Any loss or fluctuation in their business may adversely affect our results of operations and financial condition.

Our technology infrastructure may experience unexpected system failure, interruption, inadequacy, security breaches or cyber-attacks.

Our technology infrastructure may encounter disruptions or other outages caused by problems or defects in our own technologies and systems, such as malfunctions in software or network overload. Our technology infrastructure may be vulnerable to damage or interruption caused by telecommunication failures, power loss, human error, cyber-attacks or other accidents. Despite any precautionary measures we may take, the occurrence of unanticipated problems that affect our technology infrastructure could result in interruptions in the availability of our industrial AI agents. There is no assurance that we can respond to such interruptions in a timely manner, or at all. Such interruptions may affect the ability of customers to use our industrial AI agents, which would damage our reputation, reduce our future revenues, harm our future profits, subject us to regulatory scrutiny and lead our customers and end-users to seek alternative products and solutions.

In addition, we utilize artificial intelligence and machine learning technologies in certain aspects of our products, solutions and internal operations to improve efficiency, assist in decision-making and support product development and deployment. The performance of such technologies depends on the quality and availability of data, the effectiveness of underlying algorithms and models, and the proper integration of such technologies into our systems and workflows. If these technologies fail to perform as expected, generate inaccurate or biased outputs, or are improperly implemented, our products and solutions may not operate as intended or may fail to meet customer expectations. In addition, the use of artificial intelligence technologies is subject to evolving regulatory requirements, industry standards and public scrutiny. Any errors, misuse, system vulnerabilities or regulatory restrictions relating to our use of artificial intelligence technologies could disrupt our operations, expose us to liability or reputational harm, or adversely affect our business, financial condition and results of operations.

Furthermore, our technology infrastructure is also vulnerable to damages from fires, floods, earthquakes and other natural disasters, power loss and telecommunication failures. Any network interruption or inadequacy that causes interruptions to our operations, or failure to maintain the network and server or solve such problems in a timely manner, could reduce our customer satisfaction, which in turn could adversely affect our reputation, business and financial condition.

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

The technology underlying our industrial AI agents is inherently complex and may contain material defects or errors. There can be no assurance that our existing industrial AI agents will not contain defects or errors. Any

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real or perceived errors, failures, vulnerabilities, or bugs in our industrial AI agents could result in negative publicity or lead to performance issues, all of which could harm our business. It may be costly and time consuming in correcting such defects or errors. Moreover, the harm to our reputation and legal liability related to such real or perceived defects or errors may be substantial and would harm our business.

Some errors or defects in our industrial AI agents may only be discovered after they have been tested, commercialized and deployed by customers, in which case we may incur significant additional development costs and product recall, repair, replacement costs or compensation. To the extent accidents associated with our industrial AI agents occur, we could be subject to liability, claims, government scrutiny and further regulation. Our reputation or brand may be damaged as a result of these problems and customers may be reluctant to buy our industrial AI agents, which could adversely affect our ability to retain existing customers and attract new end customers and could adversely affect our financial results. Although we attempt to remedy any issues we observe in our industrial AI agents as effectively and rapidly as possible, such efforts may not be timely, may hamper production or may not be to the satisfaction of our customers. Furthermore, accidents or defects caused by third parties’ industrial AI agents may negatively affect public perception, or result in regulatory restrictions, with respect to industrial AI agents-related technology.

Furthermore, any defects in or significant malfunctioning of our industrial AI agents may weaken customer confidence in our industrial AI agents. As the markets for industrial AI agents are emerging and evolving, loss of customer confidence in industrial AI agents could have a material adverse impact on the future of such markets in general and our business prospects in particular.

We, our Directors, management, employees and shareholders and their affiliates may be subject to lawsuits, contract disputes, employment-related controversies, and other legal and administrative proceedings or fines, which could have a material adverse effect on our business, results of operations, financial condition and reputation.

We may from time to time be subject to or involved in lawsuits, contract disputes, employment-related controversies, and other legal and administrative proceedings or fines relating to our business operations. Lawsuits and other administrative or legal proceedings that may arise during our operations can involve substantial costs, including the costs associated with investigation, litigation and possible settlement, judgment, penalty or fine. Lawsuits and other legal and administrative proceedings may be costly and time consuming and may require a commitment of management and personnel resources that will be diverted from our normal business operations. There may also be negative publicity associated with litigation that could decrease consumer acceptance of our products and solutions, regardless of whether the allegations are valid or whether we are ultimately found liable. If any of these happens, our business, financial condition, results of operations or liquidity could be materially and adversely affected. In addition, our Directors, management, shareholders and employees and their affiliates may from time to time be subject to litigation, regulatory investigations, proceedings and/or negative publicity or otherwise face potential liability and expense in relation to commercial, labor, employment, securities or other matters, which could adversely affect our reputation and results of operations.

We or certain of our Directors or officers may be a target for lawsuits, including putative class action lawsuits brought by shareholders and lawsuits against our Directors and officers as a result of their position in other [REDACTED] companies. We cannot assure you that we or our Directors or officers will be able to prevail in their defense or reverse any unfavorable judgment on appeal, and we and our Directors or officers may decide to settle lawsuits on unfavorable terms. Any adverse outcome of these cases, including any plaintiffs’ appeal of the judgment in these cases, could result in payments of substantial monetary damages or fines, or changes to our business practices, and thus materially and adversely affect our business, financial condition, results of operations, cash flows and reputation. Moreover, even if we or our Directors or officers eventually prevail in these matters, we could incur significant legal fees or suffer significant reputational harm. We also may be subject to claims for indemnification related to these matters, and we cannot predict the impact that indemnification claims may have on our business or financial performance.

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We face inherent risks related to patent disputes and litigation in our business. Such disputes can divert management’s focus, incur substantial legal costs, and damage our reputation. Unfavorable outcomes could result in financial liabilities, operational disruptions, or restrictions on the use of certain technologies, adversely affecting our business, financial condition, and operational results.

Any failure by us, our Directors, management, or employees or our business partners to comply with applicable anti-money laundering, anti-terrorism, anti-bribery, export controls, economic and trade sanctions regulations and similar laws could lead to significant penalties and damages to our reputations, adversely affecting our operating performance, financial condition and results of operations.

We are subject to anti-corruption, anti-money laundering, anti-bribery and other relevant laws and regulations in the jurisdictions where we operate. We may be subject to investigations and proceedings by governmental authorities for alleged infringements of these laws if our compliance processes or internal control systems are not conducted or are not operating properly. These proceedings may result in fines or other liabilities and could have a material adverse effect on our reputation, business, financial conditions and results of operations. If any of our subsidiaries, employees or other persons engage in fraudulent, corrupt or other unfair business practices or otherwise violate applicable laws, regulations or internal controls, we could become subject to one or more enforcement actions or otherwise be found to be in violation of such laws, which may result in penalties, fines and sanctions and in turn adversely affect our reputation, business, financial condition and results of operations. Given the uncertainty, complexity and scope of many of these litigation matters, their outcome generally cannot be predicted with a reasonable degree of certainty. Therefore, our provision for such matters may be inadequate. Moreover, even if we eventually prevail in these matters, we could incur significant legal fees or suffer significant reputational harm, which could have a material and adverse effect on our prospects and future growth, including our ability to attract new business partners and customers, expand our relationships with governmental regulators and industry groups and recruit and retain employees and agents.

Any failure by us or our business partners who work with us to comply with applicable anti-money laundering (“AML”), anti-terrorism, anti-bribery, export controls, or economic and trade sanctions laws and regulations could lead to significant penalties and damage to our reputation. We and our business partners who work with us are often required to comply with certain AML requirements set out by regulators in the jurisdictions where we and our business partners operate. We are also subject to various AML, anti-terrorism, anti-bribery, export controls and economic and trade sanctions laws and regulations that prohibit, among other things, any involvement in transferring the proceeds of criminal activities and the import and export of controlled products and technologies. To comply effectively with such laws and regulations, we and our business partners must establish sound internal control policies and procedures with respect to AML, anti-terrorism, anti-bribery, export controls, economic and trade sanctions, which can require significant resources and expenditures.

The policies and procedures we and our business partners have adopted may not be effectively implemented in protecting our products and solutions from being exploited for money laundering, terrorist financing, bribery and corruption, terrorism, economic and trade sanctions and other illegal purposes. If we fail to comply with AML, anti-terrorism, anti-bribery, export controls and economic and trade sanction laws and regulations, we could be subject to fines, enforcement actions, regulatory sanctions, additional compliance requirements, increased regulatory scrutiny of our business, or other penalties levied by government authorities, and damages to our reputation, all of which may adversely affect our business, results of operations and financial condition. Similarly, if any of our subsidiaries, employees, business partners or other persons engage in fraudulent, corrupt or other unfair business practices or otherwise violate applicable laws, regulations or internal control policies, we could become subject to one or more enforcement actions or otherwise be found to be in violation of such laws, which may result in penalties, fines or sanctions and in turn adversely affect our reputation, business, financial condition and results of operation.

Changes in international trade policies, geopolitics and trade protection measures, export control and economic or trade sanctions may affect our business, financial condition, and results of operations.

Our business operations and financial performance can be influenced by various factors related to international trade policies, geopolitics, and trade protection measures, including export controls and economic or

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trade sanctions. For example, recently, the United States announced sweeping import tariffs on goods from all countries, under the International Economic Emergency Powers Act (“**IEEPA**”), comprising a 10% baseline tariff and varying reciprocal tariffs on certain trade partners. Other countries, including the PRC, announced retaliatory actions or plans for retaliatory actions. On April 9, 2025, the United States implemented a 90-day pause on the varying reciprocal tariffs (except for those on Chinese goods, which were temporarily increased to 125%), leaving the 10% baseline tariff in place. On May 12, 2025, China and the United States jointly announced a 90-day suspension of certain of their trade restrictions, such that the United States would reduce its reciprocal tariffs from 125% back down to 10% (resulting in a 30% baseline tariff on most Chinese imports during this period), while China reduced its tariff rate to 10% on U.S. imports. On August 12, 2025, the US-China tariff truce got extended for another 90 days until November 10, 2025. On October 10, 2025, the U.S. announced its intent to impose an additional 100% tariff on products of Chinese origin, effective from November 1, 2025. However, on November 1, 2025, the two countries reached an agreement to de-escalate trade tensions, averting the implementation of the proposed tariff and extending the existing trade truce for approximately one year. The United States Supreme Court’s decision on February 20, 2026, however, determined that the President lacks authority under IEEPA to impose tariffs, thereby rendering the reciprocal tariffs and the “fentanyl-related” tariffs imposed pursuant to IEEPA invalid. On February 24, 2026, a 10% global baseline tariff under Section 122 of the Trade Act of 1974 became effective for a 150-day period, notwithstanding the U.S. President’s prior announcement of the intent to impose a tariff of up to 15% for the same duration under the same statutory authority. These evolving policies have adversely affected the global economy and financial markets. Given the rapid transformation, forecasting future implications remains challenging. New tariffs, legislation, or regulatory changes, particularly retaliatory actions amid heightened global trade tensions, could materially affect our business. In extreme cases, such conflicts could result in economic downturns that materially and adversely impact our business, financial condition, and results of operations.

Likewise, potential national security and foreign policy concerns may prompt governments to impose trade or other restrictions, which could make it more difficult to sell our products in, or restrict our access to, certain markets, or affect our supply chain. In this regard, various trade, export controls, and economic sanctions laws and regulations may affect our businesses.

In recent years, the United States has increased export controls restrictions on China through the Export Administration Regulations (the “**EAR**”), administered by the Bureau of Industry and Security of the U.S. Department of Commerce (“**BIS**”). The EAR includes a list of foreign persons on which certain trade restrictions are imposed, including businesses, research institutions, government agencies, and individuals and other types of legal persons (the “**Entity List**”). The export, re-export and/or transfer (in-country) of items which are subject to the EAR generally is prohibited if an Entity Listed person is a party to the transaction (including as purchaser or end-user), unless the transaction is licensed by BIS. We believe our activities during the Track Record Period did not represent a violation to the U.S. sanctions and export control laws, in particular, no products supplied, sold, exported or otherwise transferred by us to the countries or territories for which Relevant Jurisdictions maintain various forms of sanctions programs in place incorporate 25% or more (by value) of U.S.-origin content nor are a direct product of controlled U.S. technology or subject to the EAR under the foreign direct product rule (including the foreign direct product rule on Belarus, Iran and Russia).

These restrictions or regulations, and similar or more expansive restrictions or regulations that may be imposed by the U.S. or other jurisdictions in the future, may adversely affect our ability to acquire technologies, systems, devices or components that may be critical to our technology infrastructure, product and service offerings, and business operations. In addition, these restrictions or regulations may involve uncertainties and fluctuations, which may impose new restrictions from time to time. There can be no assurance that the current and/or future restrictions or regulations implemented by the U.S. government, or authorities in other jurisdictions, and related developments, will not have a negative impact on our business operations or reputation. If certain of our customers and suppliers are listed on the Entity List, that may limit our ability to source or sell technologies, software, or components from/to them. We cannot be certain what additional export control actions the U.S. government may take that could impact our solutions, suppliers or customers. As of the Latest Practicable Date, such restrictions or regulations have not had any material adverse effect on our business operations, and based on our current understanding and interpretation, we do not expect that they would materially and adversely impact our business operations.

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Additionally, alterations in trade protection measures, such as the imposition of anti-dumping duties, countervailing duties, or safeguard measures, may lead to higher costs or restrictions on our exports. Moreover, export controls and economic or trade sanctions can impose limitations on our ability to export products or conduct business in specific markets. Non-compliance with these controls and sanctions can result in legal penalties, reputational harm, and the loss of export privileges.

U.S. outbound investment regulations and other foreign laws and regulations could have a negative impact on our ability to access capital in the future.

We may also be subject to review and enforcement under domestic and foreign laws that screen foreign investment and acquisitions. In both the U.S. and non-U.S. jurisdictions, these regulatory requirements may treat companies differently based on the type of company in question and investor profile in the company. As a result of these laws, investments by particular investors may need to be filed with local regulators, which in turn may impose added costs on our business, impact our operations, and/or limit our ability to engage in strategic transactions that might otherwise be beneficial to us and our investors. These laws are also regularly changed and updated. For example, recently the Office of Global Transactions of the U.S. Department of the Treasury (“**U.S. Treasury**”) issued a final rule (the “**Outbound Investment Rule**”) to implement Executive Order 14105, “Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern” (August 9, 2023), which provided for the establishment of a new national security regulatory framework to regulate certain outbound investments from the United States in certain sensitive industry sectors in the People’s Republic of China, including Hong Kong and Macau. The Outbound Investment Rule took effect in January 2025 and restricts U.S. persons’ direct and indirect investment into companies with specified connections to China that engage in specified “covered activities” within three areas of technologies: semiconductors and microelectronics, quantum information technologies, and artificial intelligence systems. Notably, President Trump issued the America First Investment Policy Memorandum on February 21, 2025, which proposes to further expand the set of technologies of concern. On December 18, 2025, President Trump signed into law the National Defense Authorization Act for Fiscal Year 2026 (“**NDAA**”), including legislation that codifies and makes certain changes to the existing Outbound Investment Rule, including extension of “hypersonics systems” and “high-performance computing and supercomputing” sectors. Before the U.S. Treasury issues implementing regulations, the current Outbound Investment Rule remains effective. These rules may limit our ability to engage in certain kinds of business operations; they may also limit our ability to raise capital from U.S. and other sources if we engage in the development of such technologies of concern.

We believe we are not a “covered foreign person” as defined in the Outbound Investment Rule because we do not engage in any “covered activity” as defined in the Outbound Investment Rule or otherwise meet the definition of covered foreign persons provided in the Outbound Investment Rule. Specifically, three technology sectors are implicated as “covered activities” under the Outbound Investment Rule, namely, (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) AI sectors. Certain AI systems, depending on their end use and the computing power used to train them, fall under the definitions for prohibited and notifiable transactions under the Outbound Investment Rule. In particular, an AI system intended to be used for the control of robotic systems is covered under the definition of a notifiable transaction under the Outbound Investment Rule. Of the three technology sectors, we are engaged only in AI. However, our AI systems are not within the definition of the prohibitions requirements under the Outbound Investment Rule, as we do not engage in developing any “AI system” within the meaning of 31 C.F.R. § 850.202 which is described in 31 C.F.R. § 850.224(j) or (k), and do not engage in developing, producing, installing, or selling any supercomputer, quantum computer (or any components for the production of a quantum computer), quantum sensing platform, quantum network or quantum communication system.

In addition, our AI systems are not within the definition of the notification requirements under the Outbound Investment Rule, as our AI systems are not trained using a quantity of computing power greater than the specified threshold of computational operations nor are they designed to be exclusively used for the specified purposes (i.e. military end use or government intelligence or mass-surveillance end use), and our AI system are not intended to be used for (1) cybersecurity applications; (2) digital forensic tools; (3) penetration testing tools; or (4) the control of robotic systems. Specifically, we develop an AI system, which is used for data analysis

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purposes in industrial robots, not for the control of robotic systems. Please see “Business - Our Core Technologies” for details. The AI system developed and designed by us is only used to identify defects, measure dimensions and operational planning within captured images, and is not used as an application that controls robotics nor does it allow our customers to further develop other functions or applications that control robotics. For the avoidance of doubt, the robotics system of our industrial robots is controlled by motion controllers and is unrelated to the AI system which is used for vision recognition data analysis purposes. Further, our AI system is not open source and is only available to our customers, and the AI system is not, and is not intended to be, used for the control of robotic systems.

However, as neither “robotic system” nor “control” is defined in the Outbound Investment Rule, the U.S. Treasury could reach a different conclusion. If we were to be deemed a covered foreign person due to changes in our business operations, amendments to relevant laws and regulations and legal interpretation or other factors, our ability to raise capital would be significantly and negatively affected. In such case, the trading prices of our securities may be materially and adversely affected.

Continuing changes in both U.S. and non-U.S. jurisdictions to foreign investment laws and rules could adversely affect our strategic initiatives, financial performance, and growth prospects. The application and implication of the Outbound Investment Rule, the America First Investment Policy Memo, and any related policies, laws, and regulations are complex. Investors should conduct their own due diligence and seek legal advice to fully understand the implications of these matters. Neither we, the Joint Sponsors, the [REDACTED], [REDACTED], any of the [REDACTED], nor any of or their our subsidiaries, affiliates, directors, officers, employees, advisers, or agents has any obligation or responsibility to monitor and/or to facilitate, or shall be held liable for any loss or liability incurred from, the compliance or non-compliance with the requirements under the Outbound Investment Rule by any investor.

We face risks related to changes in global and regional macroeconomic conditions, geopolitical tensions, regional conflicts, terrorist activities, natural disasters, health epidemics and other outbreaks of contagious diseases, and other force majeure events, any of which could materially and adversely affect our business operations, financial conditions, results of operations and prospects

Uncertainties about global economic conditions, regulatory changes, geopolitical tensions and other factors, including fluctuation of interest rates, inflation level, unemployment, labor and healthcare costs, access to credit, consumer confidence and other macroeconomic factors may pose risks and materially and adversely affect demand for our products. A deteriorating global economic outlook could result in a slowdown in business investment, tighter budget allocations for technology spending, and greater pricing sensitivity among customers, which may in turn reduce the market adoption of our products and services.

Regional conflicts and the imposition of economic sanctions have disrupted global supply chains and triggered uncertainty across financial markets. Unrest, terrorist threats and the potential for war in the Middle East and elsewhere may increase volatility and risk aversion in global capital markets. In addition, the evolving trade relationships between China and other countries — particularly regarding tariffs, treaties, and government regulations — may have profound implications on cross-border business activities, cost structures, and our ability to access certain markets. Such developments may affect the macroeconomic environment, both domestically and internationally, and could have a direct or indirect impact on the markets in which we operate.

Geopolitical, economic and market conditions, including factors such as the liquidity of the global financial markets, the level and volatility of debt and equity prices, interest rates, currency and commodities prices, investor sentiment, inflation and the availability and cost of capital and credit have been affecting, and will continue to affect the countries where we operate. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world’s leading economies.

The slow economic recoveries around the world and the high inflation, high interest environment have contributed to higher global volatility. These developments may adversely impact global liquidity, heighten market volatility and increase U.S. dollar funding costs resulting in tightened global financial conditions and

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fears of a recession. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term. It remains unclear whether these challenges and uncertainties will be resolved in the near future, and their potential long-term effects on the global political and economic landscape remain difficult to predict. Any severe or prolonged slowdown in the global or PRC economy may materially and adversely affect our business, results of operations and financial condition.

In addition, natural disasters such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic or any severe epidemic disease such as SARS, Ebola, Zika or the COVID-19, acts of war, terrorism or other force majeure events beyond our control may disrupt our research and development, manufacturing and commercialization activities and business operations, all of which could adversely affect our business, results of operations, financial condition and prospects.

We are exposed to operational and regulatory risks, including compliance with a variety of local and international laws, rules, policies and obligations relating to cybersecurity, privacy and data protection.

As we continue to expand internationally, we are exposed to a range of operational, commercial and regulatory risks. During the Track Record Period, we generated a small portion of our revenue from overseas sales of our industrial AI agents, and we expect our exposure to non-domestic markets to increase over time. International expansion presents challenges in delivering products, solutions and after-sales support, recruiting and retaining qualified personnel, and effectively managing sales channels and distribution networks across multiple jurisdictions. We may also experience revenue volatility due to unfavorable market conditions, intensified competition, pricing pressure and other risks inherent in cross-border operations. In new markets where we have limited experience, we may encounter difficulties in commercializing our products without established sales, distribution and marketing infrastructure.

Operating internationally also requires navigating unfamiliar legal and regulatory regimes and obtaining necessary permits, licenses and approvals to manufacture, import, market and sell our products and solutions. We may face reduced protection of our intellectual property rights or risks of infringing third-party intellectual property in certain jurisdictions. In addition, differences in accounting standards, adverse tax consequences, foreign exchange fluctuations and challenges in enforcing contractual or legal rights may adversely affect our international operations. Our overseas business is further subject to evolving laws, regulations and government policies, as well as political, economic and market instability or civil unrest.

Moreover, our global operations subject us to increasingly complex cybersecurity, privacy and data protection laws and regulations. In the course of our business, we process business information and a limited amount of personal information relating to customers, suppliers and other partners. As data protection regimes continue to evolve across jurisdictions, including restrictions on cross-border data transfers, we may be required to implement additional compliance measures, adjust business practices and incur significant costs to meet regulatory requirements. Failure to comply with applicable cybersecurity and data protection laws could expose us to regulatory investigations, penalties, legal liabilities, mandatory audits and reputational harm. Although we have implemented security systems and internal controls designed to safeguard data, such measures may not be sufficient to prevent security breaches resulting from cyberattacks, system failures, human error or other vulnerabilities. Any material data security incident or non-compliance could adversely affect our reputation, customer relationships, financial condition and results of operations.

If we are unable to effectively avoid or mitigate these risks, our ability to expand in non-domestic markets will be impaired, or our international business may not be able to achieve or sustain profitability, which could have a material and adverse effect on our business, financial condition, results of operations and prospects.

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If we fail to obtain or maintain the requisite licenses, permits, certificates and approvals required under the regulatory environment applicable to our business in any jurisdiction where we operate, or if it is time-consuming or costly to obtain or maintain such licenses, permits, certificates and approvals, our business, financial condition and results of operations may be materially and adversely affected.

The global industrial AI agents industry and the industry sectors in which we provide our industrial AI agents are subject to the regulatory oversight. There is no assurance that we can successfully update or renew the licenses, permits, certificates and approvals required for our business in a timely manner or at all, or that these licenses, permits, certificates and approvals are sufficient to conduct all of our present or future business. There are uncertainties regarding the interpretation and implementation of existing and future laws and regulations governing our business activities. If we fail to complete, obtain or maintain any of the required licenses, permits, certificates and approvals or make the necessary filings, we may be subject to various penalties, such as imposition of fines and the discontinuation or restriction of our operations. Any such penalties may disrupt our business operations and materially and adversely affect our business, financial condition and results of operations.

We are subject to environmental, health, safety and ESG-related laws and regulations, and may incur significant compliance costs or face potential liabilities.

We and certain of our customers, suppliers and other business partners are subject to numerous environmental, health and safety laws and regulations, including those governing the handling, use, storage, treatment and disposal of hazardous materials and wastes, the construction and operation of production facilities and workplace safety requirements. Compliance with such laws and regulations may require substantial capital expenditures and operating costs. Our business operations involve the storage, use and disposal of certain hazardous materials, and we cannot eliminate the risk of contamination, injury or environmental damage arising from such materials. We generally engage third parties to dispose of hazardous materials and wastes, and we cannot assure that their practices will fully comply with applicable standards or prevent accidental contamination or injury. In the event of a violation, accident or environmental contamination, we could be subject to penalties, remediation costs, civil liabilities or other damages, which could be significant.

In addition, we are subject to increasing environmental, climate-related and broader ESG regulatory requirements, including disclosure obligations in the jurisdictions where we operate. Evolving regulatory requirements and stakeholder expectations may require us to implement additional compliance measures, monitoring systems and internal controls, which could increase our operating costs and management burden. Failure to comply with applicable laws and regulations or to meet evolving industry standards may result in regulatory penalties, litigation, reputational harm, loss of customers or reduced competitiveness.

The identification, assessment and mitigation of environmental and climate-related risks may require ongoing investments and operational adjustments. Any significant increase in compliance costs, enforcement actions or related liabilities could materially and adversely affect our business, financial condition and results of operations.

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

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

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

We face exposure to foreign currency risks.

We recorded net foreign exchange gain of RMB23 thousand in 2023 and RMB0.2 million in 2024, and recorded net foreign exchange losses of RMB1.7 million in 2025. We are exposed to currency risk primarily through recognized assets and liabilities, including cash, receivables, payables, and other balances, that are denominated in currencies other than the functional currency of the operations to which the transactions relate. See also Note 8 of the Accountant’s Report included in Appendix I to this Document. In addition, as the net [REDACTED] from the [REDACTED] will be in Hong Kong dollars, fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar will affect the relative purchasing power in Renminbi in terms of the [REDACTED] from the [REDACTED]. In addition, appreciation or depreciation in the value of the Renminbi relative to the Hong Kong dollar or U.S. dollar would affect our financial results in Hong Kong dollar or U.S. dollar terms without giving effect to any underlying change in our business or results of operations.

Movements in Renminbi exchange rates are affected by, among other things, changes in political and economic conditions and China’s foreign exchange regime and policy. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against other currencies in the future. It is difficult to predict how market forces or relevant government policies may impact the exchange rate between the Renminbi and other currencies in the future.

Title defects and failure to register the lease agreement regarding some of our leased properties may affect our interests in such properties.

As of the Latest Practicable Date, four of the lessors of our leased properties with whom we enter into lease agreements did not provide valid property ownership certificates, authorization for leasing or consent for our intended use. Our use of the leased properties due to such defects may be affected by third parties’ claims or challenges against the lease. We may not be able to continue to lease or use such properties if that occurs.

Furthermore, according to applicable PRC laws and regulations, the lessor and the lessee to a lease agreement are required to file the lease agreement with relevant government authorities within 30 days after the execution of the lease agreement. As of the Latest Practicable Date, we had not filed our lease agreements for five of our leased properties we leased with the local housing administration authorities as required under PRC laws and regulations. As advised by our PRC Legal Adviser, if we and the lessors fail to handle filing for such lease registration as required by the relevant competent authorities, we may be subject to a fine of RMB1,000 to RMB10,000 for each of the unregistered lease agreements.

We may be required to register our operating offices outside of our residence addresses as branch offices under the PRC laws.

Under PRC law, a company setting up premises for business operations outside its residence address must register them as branch offices with the relevant local market regulation bureau at the place where the premises are located and obtain business licenses for them as branch offices. We may not be able to register branch offices in a timely manner due to complex procedural requirements and relocation of branch offices from time to time. As of the Latest Practicable Date, we were able to register branch offices in certain locations where we had significant presence, while we cannot assure you that we are and we have always been able to register branch offices in all locations where we have business operations. If the PRC regulatory authorities determine that we

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are in violation of the relevant laws and regulations, we may be subject to penalties, including fines, confiscation of income and suspension of operation. If we become subject to these penalties, our business, results of operations, financial condition and prospects could be adversely affected.

Our failure to fully comply with PRC labor-related laws may expose us to potential penalties and potential employee claims.

We are subject to various laws and regulations in the PRC and other jurisdictions in which we operate and are required to comply with all relevant requirements and standards. For example, we are required to contribute to a number of social insurance funds, including funds for pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, maternity insurance and housing provident fund on behalf of our employees in Chinese Mainland. According to the Regulation on the Administration of Housing Provident Funds (《住房公積金管理條例》), a Chinese Mainland enterprise is required to set up housing provident fund accounts and pay the housing provident fund in time and in full for its employees. According to the PRC Social Insurance Law (《中華人民共和國社會保險法》), a Chinese Mainland enterprise is required to complete social insurance registration for its employees and to pay the social insurance contributions in time and in full.

During the Track Record Period, we did not make full social insurance for our employees, as required by relevant laws and regulations. Our PRC Legal Adviser has confirmed, based on communications with the relevant authorities, that in practice, where no employee complaints are raised, such authorities generally do not proactively require enterprises to make full supplementary contributions for any shortfall. Based on the foregoing, our PRC Legal Adviser is of the view that, absent material changes in applicable PRC laws and regulations, the risk of the Company and its PRC subsidiaries being required by the competent social insurance authorities to make supplementary contributions for historical shortfalls is remote. As of the Latest Practicable Date, we had not received any notice or been subject to any administrative penalties or other disciplinary actions from the relevant government authorities in relation to the above-mentioned arrangements as to our social insurance. However, we cannot assure you that the relevant government authorities will not require us to pay the shortfall amount and impose late fees or fines, pecuniary penalties or other administrative actions on us. If the relevant PRC authorities determine that we shall make supplemental social insurance or that we are subject to fines, penalties, and compulsory execution in relation to our failure to make social insurance contributions in full for our employees, our business, financial condition and results of operations may be adversely affected.

As advised by our PRC Legal Adviser, pursuant to relevant PRC laws and regulations, if we fail to pay the full amount of social insurance contributions as required, we may be ordered to pay the outstanding social insurance premiums within a prescribed time limit and may be subject to an overdue fine of 0.05% of the delayed payment per day from the date on which the payment is payable. If such payment is not made within the stipulated period, the competent authority may further impose a fine from one to three times the amount of the overdue payment.

On July 31, 2025, the Supreme People’s Court promulgated the Interpretation II of the Supreme People’s Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the “New Judicial Interpretation”), which stipulated, among others, that any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid.

Our PRC Legal Adviser is of the view that the New Judicial Interpretation will not have a material adverse effect on our business, financial condition or results of operations, based on the following considerations: (i) upon its implementation, the New Judicial Interpretation did not affect the compliance status of our contributions to social insurance nor expanded the potential risk exposure for our failure to make full payment of the social insurance during the Track Record Period; (ii) during the Track Record Period and up to the Latest Practicable Date, we have not entered into any agreement with our employees, nor required our employees to make commitments to exempt us from paying social insurance contributions; (iii) furthermore, we have arranged for the payment of the corresponding social insurance contributions for all of our employees during the Track Record Period and up to the Latest Practicable Date.

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We have been actively communicating with the relevant local government authorities. We commit to promptly fulfilling our obligations as required as soon as practicable in the event that we receive the notification from the relevant government authorities, if any, to require us to rectify, make timely payments, or pay the outstanding amounts due to any deficiencies in our social insurance and housing provident funds in full cooperation with relevant competent government authorities. In addition to the above, if we fail to comply with any other labor laws and regulations in Chinese Mainland, and are imposed penalties or incur legal fees in connection with labor law noncompliance, our business, results of operations, financial condition, and prospects may be adversely affected.

We may not have sufficient insurance coverage to cover our business risks.

We have obtained insurance to cover certain potential risks and liabilities, such as property insurance, public liability insurance and group medical insurance coverage for our employees. For further details, see “Business — Insurance.” However, insurance companies in the PRC and other jurisdictions in which we operate may offer limited business insurance products. As a result, we may not be able to acquire any insurance for all types of risks we face in our operations in the PRC and overseas, and our coverage may not be adequate to compensate for all losses that may occur, particularly with respect to loss of business or operations. This potentially insufficient coverage could expose us to potential claims and losses. Any business disruption, litigation, regulatory action, outbreak of epidemic disease, adverse weather conditions or natural disasters could also expose us to substantial costs and diversion of resources. There can be no assurance that our insurance coverage will be sufficient to cover us for any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensation amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

Our failure to comply with safety and occupational health laws and regulations in the PRC may have a material adverse effect on our business, financial condition and results of operations.

Our business is subject to certain PRC laws and regulations relating to safety and occupational health matters. Under these laws and regulations, we are required to maintain safe production conditions and protect the occupational health of our employees. We did not complete the safety and occupational health pre-assessment, facilities design, construction, acceptance and relevant filing procedures for our factory construction project in Jiaxing City before commencement of construction or production. Pursuant to relevant PRC laws and regulations, failure to complete the occupational health pre-assessment, the design and construction of the occupational disease prevention facilities, occupational disease hazard control effectiveness assessment and/or failure to pass the occupational disease hazard prevention facilities acceptance may subject us to a fine ranging from RMB100,000 to RMB500,000. See “Regulatory Overview—Regulations Relating to Work Safety.”

We had obtained the occupational health assessment report issued by the independent professional agent, which indicates our exposure of occupational health risk is in accordance with the relevant national standards. In addition, the credit reports obtained from the competent authorities indicate that we had not been subject to any administrative penalties during the Track Record Period with regards to safety and/or occupational health. While we have conducted periodic inspections of our operating facilities and carry out equipment maintenance on a regular basis to ensure that our operations are in compliance with applicable laws and regulations, we cannot assure you that we will not experience any material accidents or worker injuries in the course of our manufacturing process in the future.

RISKS RELATED TO OUR INTELLECTUAL PROPERTY RIGHTS

If we fail to protect our proprietary information, trade secrets and know-how, or if disputes arise regarding ownership of intellectual property developed in the course of our business, our competitive position and business could be materially and adversely affected.

To protect our technologies and innovations, we rely on a combination of intellectual property rights, including patents, trade secrets, and proprietary know-how. We have implemented measures such as

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confidentiality agreements, intellectual property ownership provisions in employment and consulting agreements, and internal policies, along with physical and electronic security controls. However, these measures may not always be adequate. They could be breached, circumvented, or otherwise fail to prevent unauthorized disclosure, use, or misappropriation of our proprietary information. Such agreements may also be limited in duration, subject to interpretation, or fail to provide an effective remedy in the event of breach.

We may not always be able to ensure that all employees, consultants, contractors, suppliers, scientific advisers or other third parties who have access to our proprietary information have executed appropriate agreements, and even where agreements exist, we have limited control over the protection of trade secrets by third-party manufacturers, partners or collaborators. Our proprietary information may become known or be independently developed by competitors or other third parties, including through unauthorized disclosure or reverse engineering. In addition, laws in certain jurisdictions where we operate may provide limited protection for trade secrets or may make enforcement difficult.

We may also face disputes regarding the ownership or scope of intellectual property developed in the course of our business. Although we generally require employees and certain other parties involved in the development of intellectual property to assign related rights to us, such assignment provisions may be challenged, interpreted narrowly, found unenforceable or otherwise insufficient. Individuals involved in developing intellectual property for us may assert adverse ownership claims, and disputes may arise if such persons use intellectual property owned by others in their work for us. We may also be subject to claims if we hire employees who are alleged to have breached confidentiality or non-compete obligations to their prior employers.

Resolving disputes over ownership, confidentiality breaches, or misappropriation of proprietary information may require costly and time-consuming litigation, and we may not prevail. Any loss of protection for our proprietary technologies, trade secrets or know-how could impair our competitive position, weaken demand for our products and solutions, and materially and adversely affect our business, financial condition and results of operations.

The content or data that we use to train our large models and the content generated by our large models may be subject to third-party intellectual property infringement claims which may materially and adversely affect our business, financial condition and results of our operations.

Our large model family, including models designed for language capabilities, reasoning capabilities, and image generation capabilities, is trained using large volumes of industrial data. Some of this data may be obtained from third-party sources or may contain content subject to intellectual property rights, contractual restrictions or other proprietary protections. The legal frameworks governing the use of such industrial and technical data for training AI systems are still developing and may vary across jurisdictions. If our use of training data is found to infringe third-party intellectual property or proprietary rights, we could be subject to litigation, regulatory proceedings, or contractual disputes, be required to pay damages or licensing fees, or be required to remove certain data from our training datasets and retrain affected models, which could be costly, time-consuming and operationally disruptive.

In addition, our large models may generate outputs such as process recommendations, workflow instructions or defect images that are alleged to incorporate or resemble protected industrial documentation, designs, product defects or other proprietary materials. The legal standards for assessing infringement or misappropriation in the context of AI-generated industrial outputs are not yet well established. If outputs generated by our models are alleged to infringe third-party rights, we may face claims from rights holders, demands for indemnification from customers, reputational harm, and increased scrutiny from regulators or industry participants.

We are also aware of evolving industry practices involving licensing and commercialization of technical data, industrial datasets and proprietary documentation for use in AI model training. While such developments may create opportunities for collaboration, they may also contribute to increased expectations regarding data licensing and compliance. If industry practices or regulatory requirements evolve toward more stringent standards governing the use of industrial or technical data for AI development, or if rights holders more actively

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enforce their rights, we could be exposed to additional legal and commercial risks, which could adversely affect our business, results of operations and growth prospects.

We may not be able to obtain, maintain or enforce adequate intellectual property protection for our technologies, and such protection may be limited in scope, invalidated or insufficient to prevent competition.

Our success depends in part on our ability to obtain, maintain and enforce intellectual property rights, including patents, trademarks, copyrights and trade secrets. The patent application process is expensive and time-consuming, and we may not be able to file or prosecute all necessary applications in a timely manner, if at all. Patent applications may not be granted, and issued patents may later be challenged, invalidated, narrowed in scope or rendered unenforceable.

Even if granted, patents may not provide meaningful protection or competitive advantage. Competitors may design around our patents or independently develop similar or superior technologies without infringing our intellectual property rights. The scope, validity, enforceability and commercial value of our intellectual property rights are uncertain and may vary across jurisdictions. Changes in intellectual property laws or their interpretation could further limit our ability to protect our technologies.

In addition, intellectual property protection is territorial, and we may not have adequate rights in jurisdictions that are or may become important to our business. Monitoring unauthorized use of our intellectual property and enforcing our rights may be difficult, time-consuming and costly. If we are unable to adequately protect or enforce our intellectual property rights, our business, financial condition and results of operations may be adversely affected.

Claims by third parties alleging infringement of their intellectual property rights may result in significant liability, injunctions and disruptions to our business.

The industries in which we operate are characterized by a large number of patents and other intellectual property rights. We cannot be certain that our products, solutions and technologies do not and will not infringe, misappropriate or otherwise violate the intellectual property rights of third parties. We may become subject to claims and litigation alleging infringement of patents, copyrights, trade secrets or other proprietary rights.

Such claims, regardless of merit, may be time-consuming and expensive to resolve and may divert management’s attention from our business. If resolved adversely, they could result in significant damages, injunctions against the sale of our products or the operation of our business, or require us to obtain licenses on commercially unreasonable or unavailable terms. We may also be required to redesign products or technologies, which could be costly and disruptive.

We may face claims from non-practicing entities seeking licensing revenues. In addition, we may face indemnification claims from customers or partners if they are alleged to infringe third-party intellectual property rights through their use of our products and solutions. Any such claims or litigation could materially and adversely affect our business, reputation and financial condition.

RISKS RELATING TO DOING BUSINESS IN THE GEOGRAPHIC MARKETS IN WHICH WE OPERATE

We are subject to laws and regulations in various jurisdictions, breaching of which could have a material and adverse impact on our business, results of operations, financial conditions and business prospects.

Our products and solutions are currently used by users in various jurisdictions around the world, and we are subject to laws and regulations in those jurisdictions. Foreign laws and regulations, particularly, in areas of consumer protection, import and export controls, data protection and privacy may have significant impacts on our operations.

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Compliance with laws and regulations in various jurisdictions around the world may be onerous and costly. Such laws and regulations are evolving, and they may not be consistent from jurisdiction to jurisdiction, which may further increase our compliance costs. In case of any regulatory investigation or rulings against us, we may face serious reputational, operational and financial consequences. We have implemented appropriate internal control policies and measures to ensure our operations in other jurisdictions are in full compliance. However, we cannot guarantee that our efforts in complying with such laws and regulations are sufficient and effective, and are updated in a timely manner. In addition, we may further expand our operations into additional jurisdictions, which will expose us to further legal risks and incur additional compliance costs to us. If we are found to be in breach of laws and regulations in certain jurisdictions, we may be subject to penalties, fines and sanctions by relevant regulatory authorities, which in turn may have a material and adverse impact on our business, results of operations, financial conditions and business prospects.

Uncertainties embedded in the legal systems in the markets where we operate could affect our business, financial condition and results of operations.

Legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

The legal systems of some geographic markets where we operate are consistently evolving. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses is not settled. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us.

Furthermore, many of the legal systems in the geographic markets where we operate are based in part on their respective government policies and internal interpretations, some of which are not published on a timely basis or at all and may have retroactive effects. There are other circumstances where key regulatory definitions are unclear, imprecise or missing, or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. As a result, we may not be aware of our violation of certain policies or rules until sometime after the violation. In addition, administrative and court proceedings in certain of our geographic markets may be protracted, resulting in substantial costs and diversion of resources and management attention.

It is possible that a number of laws and regulations may be adopted or construed to be applicable to us in our geographic markets and elsewhere that could affect our businesses and operations. Scrutiny and regulations of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing these regulations. Changes in current laws or regulations or the imposition of new laws and regulations in our geographic markets may slow the growth of our industries and affect our business, financial condition and results of operations.

We are subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with capital raising activities including this [REDACTED].

On February 17, 2023, the China Securities Regulatory Commission (the “CSRC”) promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (the “Overseas

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Listing Trial Measures”), which took effect on March 31, 2023. Under the Overseas Listing Trial Measures, we are required to file with the CSRC within three working days following the submission of the application documents for issuance and listing abroad. In addition, the Overseas Listing Trial Measures also requires subsequent reports to be submitted to the CSRC on relevant information or material events, such as change of control or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings. We are actively cooperating with the relevant authorities and intend to complete the CSRC filing in accordance with applicable requirements. However, there can be no assurance that we will complete such filing within the expected timeline. Failure to complete the filing procedure may result in the suspension or termination of our [REDACTED] application. Moreover, future offerings or capital raising activities by us may also be subject to the filing requirements under the Overseas Listing Trial Measures. Any failure or delay in completing such filing procedures in the future may create regulatory uncertainties or adversely impact our access to capital markets.

Changes in China’s economic and social conditions as well as government policies could have a material effect on our business, financial condition, results of operations and prospects.

We primarily operate in China. Accordingly, our business, results of operations, financial condition and prospects may be influenced to a significant degree by economic, legal and social conditions in China. The PRC government has implemented a series of laws, rules and policies to regulate enterprises operating in our industry. See “Regulatory Overview.” We may incur additional costs in order to comply with these regulatory requirements, which may impact our profitability.

Governmental regulation of currency conversion may limit our ability to utilize our revenue effectively and affect the value of your [REDACTED].

The conversion of Renminbi is subject to applicable laws and regulations in the PRC. We receive most of our payments from customers in Renminbi and may need to convert Renminbi into foreign currencies for the payment of dividends, if any, to holders of the Shares. Under the Chinese existing foreign exchange regulations, following the completion of the [REDACTED], we will be able to pay dividends in foreign currencies without prior approval from SAFE or its local branches by complying with certain procedural requirements. However, we may not be able to pay dividends in foreign currencies to our Shareholders if access to foreign currencies for current account transactions is restricted in the future. Foreign exchange transactions under our capital account continue to be subject to foreign exchange controls and require the approval of the SAFE or its local branches. These limitations could affect our ability to obtain foreign exchange through equity financing, or to obtain foreign exchange for capital expenditures.

Most of our revenue and costs are denominated in Renminbi. Any significant revaluation of the Renminbi may materially and adversely affect our results of operations, cash flows and financial condition. Since 1994, the conversion of the Renminbi into foreign currencies, including U.S. dollars, has been based on rates set by the People’s Bank of China, which are set daily based on the previous business day’s interbank foreign exchange market rates and current exchange rates on the world financial markets. It is difficult to predict how market forces or government policies may impact the exchange rate between the Renminbi and the Hong Kong dollar, the U.S. dollar or other currencies in the future.

Changing international circumstances could result in appreciation of the Renminbi against the U.S. dollar, the Hong Kong dollar or other foreign currencies. If the Renminbi appreciates against other currencies significantly, and as we need to convert and remit the [REDACTED] from the [REDACTED] and future financing into the Renminbi for our operations, appreciation of the Renminbi against the relevant foreign currencies would reduce the Renminbi amount we would receive from the conversion. On the other hand, because the dividends on the Shares, if any, will be paid in Hong Kong dollars, any devaluation of the Renminbi against the Hong Kong dollar could reduce the amount of any cash dividends on the Shares in Hong Kong dollar terms. In addition, there are limited instruments available for us to reduce our exposure to foreign currency risk at reasonable costs. Any of the foregoing factors may materially and adversely affect our businesses, results of operations, financial condition and prospects.

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PRC regulations establish related procedures for some acquisitions of Chinese companies by foreign investors, which could make it complicated for us to pursue growth through acquisitions in China.

Among other things, the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》), or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, established specific procedures and requirements for merger and acquisition activities by foreign investors. Such regulation requires, among other things, that MOFCOM be notified in advance of any change of control transaction in which a foreign investor takes control of a PRC domestic enterprise, if (i) any important industry is concerned, (ii) such transaction involves factors that have or may have impact on the national economic security, or (iii) such transaction will lead to a change in control of a domestic enterprise which holds a famous trademark or PRC time-honored brand. Moreover, the Anti-Monopoly Law of the PRC (《中華人民共和國反壟斷法》) promulgated by the Standing Committee of the NPC which became effective in 2008 and last amended in 2022 requires that transactions which are deemed concentrations and involve parties with specified turnover thresholds must be cleared by the relevant anti-monopoly authority before they can be completed.

On December 19, 2020, the NDRC and MOFCOM jointly promulgated the Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》), effective on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, and stating that any foreign investment that has or may have an impact on national security shall be subject to security review in accordance with the provisions thereof. According to the measures, foreign investment includes a foreign investor acquires the equity or assets of any enterprise in China by means of merger and acquisition, and a foreign investor makes investment in China by other means. Foreign investor or relevant parties in China must declare the security review to the working mechanism office prior to the investments in, among other industries, important cultural products and services, important information technology and internet products and services, important financial services, key technologies and other important fields relating to national security, while obtaining control over the enterprises invested in.

We may pursue potential strategic acquisitions that are complementary to our business and operations. Complying with the requirements of these regulations to complete such transactions could be costly, and any required approval processes, including obtaining approval or clearance from the competent governmental authority, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident beneficial owners or our PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC subsidiaries, limit our PRC subsidiaries’ ability to increase their registered capital or distribute profits to us, or may otherwise adversely affect us.

In July 2014, SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents’ Offshore Investment and Financing and Roundtrip Investment Through Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》), or SAFE Circular 37, to replace the Notice on Relevant Issues Concerning Foreign Exchange Administration for Domestic Residents’ Financing and Roundtrip Investment Through Offshore Special Purpose Vehicles, or SAFE Circular 75, which ceased to be effective upon the promulgation of SAFE Circular 37. SAFE Circular 37 requires PRC residents (including PRC individuals and PRC corporate entities) to register with SAFE or its local branches in connection with their direct or indirect offshore investment activities. SAFE Circular 37 is applicable to our shareholders who are PRC residents and may be applicable to any offshore acquisitions that we make in the future.

SAFE Circular 37 requires registration with, and approval from, Chinese government authorities in connection with direct or indirect control of an offshore entity by PRC residents. The term “control” under SAFE Circular 37 is broadly defined as the operation rights, beneficiary rights or decision-making rights acquired by

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PRC residents in the offshore special purpose vehicles, or SPVs, by means of acquisition, trust, proxy, voting rights, repurchase, convertible bonds or other arrangements. In addition, any PRC resident who is a direct or indirect shareholder of an SPV is required to update its filed registration with the local branch of SAFE with respect to that SPV, to reflect any material change. On February 13, 2015, the SAFE promulgated a Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), or SAFE Notice 13, which became effective on June 1, 2015. Under SAFE Notice 13, applications for foreign exchange registration of inbound foreign direct investments and outbound overseas direct investments, including those required under SAFE Circular 37, will be filed with qualified banks instead of SAFE. The qualified banks will directly examine the applications and accept registrations under the supervision of SAFE.

These regulations may have a significant impact on our present and future structuring and investment. We cannot assure you that any PRC shareholders of our Company or any PRC company into which we invest will be able to comply with those requirements. Any failure or inability by such individuals or entities to comply with SAFE regulations may subject us to fines or legal sanctions, such as restrictions on our cross-border investment activities or our PRC subsidiaries’ ability to distribute dividends to, or obtain foreign exchange-denominated loans from, our Company or prevent us from making distributions or paying dividends. As a result, our business operations and our ability to make distributions to you could be materially and adversely affected.

Furthermore, with the promulgation of new laws, regulations and standards concerning foreign exchange regulations in the future, we are required to comply with these laws, regulations and standards concerning offshore or cross-border transactions, otherwise we may be subject to fines or other penalties, which could materially and adversely affect our business, results of operations and financial condition. This may restrict our ability to implement our acquisition strategy and could adversely affect our business and prospects.

If we are classified as a PRC resident enterprise for PRC enterprise income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders.

Under the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) and its implementation rules, an enterprise established outside the PRC with its “de facto management body” within the PRC is considered a “resident enterprise” and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term “de facto management body” as the body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise. The State Administration of Taxation, or SAT, issued the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as People’s Republic of China Tax Resident Enterprises on the Basis of De Facto Management Bodies (《關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》), known as SAT Circular 82, on April 22, 2009 and most recently amended on December 29, 2017. SAT Circular 82 provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the SAT’s general position on how the “de facto management body” text should be applied in determining the tax resident status of all offshore enterprises. According to SAT Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China, and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholder resolutions are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

We believe our Company is not a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with

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respect to the interpretation of the term “de facto management body.” If the PRC tax authorities determine that our Company or any of our offshore subsidiaries is a PRC resident enterprise for enterprise income tax purposes, our Company or the relevant offshore subsidiaries will be subject to PRC enterprise income on its worldwide income at the rate of 25%. Furthermore, if we are treated as a PRC tax resident enterprise, we will be required to withhold a 10% tax from dividends we pay to our shareholders that are non-resident enterprises. In addition, non-resident enterprise shareholders may be subject to PRC tax at a rate of 10% on gains realized on the sale or other disposition of [REDACTED], if such gain is treated as derived from a PRC source. Furthermore, if we are deemed a PRC resident enterprise, dividends paid to our non-PRC individual shareholders and any gain realized on the transfer of [REDACTED] by such shareholders may be subject to PRC tax at a rate of 20% (which, in the case of dividends, may be withheld at source by us). These rates may be reduced by an applicable tax treaty, but it is unclear whether our non-PRC shareholders would, in practice, be able to obtain the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your [REDACTED] in the Shares.

We may rely on dividends and other distributions on equity paid by our subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business.

We are a Cayman Islands holding company, and we may rely principally on dividends and other distributions on equity from our subsidiaries for our cash requirements, including for services of any debt we may incur. For example, our PRC subsidiaries’ ability to distribute dividends is based upon their distributable earnings. Current PRC regulations permit our PRC subsidiaries to pay dividends to their respective shareholders only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, each of our PRC subsidiaries are required to set aside at least 10% of its after-tax profits each year, if any, to fund a statutory reserve until such reserve reaches 50% of each of their registered capitals. These reserves are not distributable as cash dividends. If our PRC subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other payments to us. Any limitation on the ability of our PRC subsidiaries to distribute dividends or other payments to their respective shareholders could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our businesses, pay dividends or otherwise fund and conduct our business.

We are subject to PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental regulations of currency conversion when we use the [REDACTED] of this [REDACTED] to make loans or additional capital contributions to our PRC subsidiaries.

We are an offshore holding company conducting our operations in China through our PRC subsidiaries. We may make loans to our PRC subsidiaries subject to the approval from governmental authorities and limitation of amount, or we may make additional capital contributions to our PRC subsidiaries in China. Any loans to our PRC subsidiaries in China, which are treated as foreign-invested enterprises under PRC law, are subject to PRC regulations and foreign exchange loan registrations. For example, loans by us to our PRC subsidiaries in China to finance their activities cannot exceed statutory limits and must be registered with the local counterpart of SAFE. In addition, a foreign invested enterprise shall use its capital pursuant to the principle of authenticity and self-use within its business scope. The capital of a foreign invested enterprise shall not be used for the following purposes (i) directly or indirectly used for payment beyond the business scope of the enterprises or the payment prohibited by relevant laws and regulations; (ii) directly or indirectly used for investment in securities investments other than banks’ principal-secured products unless otherwise provided by relevant laws and regulations; (iii) the granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business license; and (iv) paying the expenses related to the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises). See “Regulatory Overview — Regulations Relating to Foreign Exchange” for details on foreign exchange related regulations.

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary

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government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans to our PRC subsidiaries or future capital contributions by us to our wholly foreign-owned subsidiaries in China. As a result, uncertainties exist as to our ability to provide prompt financial support to our PRC subsidiaries when needed. If we fail to complete such registrations or obtain such approvals, our ability to use the [REDACTED] we expect to receive from this [REDACTED] and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

RISKS RELATING TO THE [REDACTED]

There has been no [REDACTED] market for our Shares prior to the [REDACTED], and an active [REDACTED] for our Shares may not develop.

Prior to the [REDACTED], there was no [REDACTED] market for our Shares. The [REDACTED] for our Shares will be the result of negotiations between us and the [REDACTED] (for themselves and on behalf of the [REDACTED]), and may differ significantly from the [REDACTED] of the Shares following the [REDACTED]. We have applied to the Stock Exchange for the granting of the [REDACTED] of, and permission to [REDACTED], our Shares in issue and to be issued pursuant to the [REDACTED] (including any additional Shares which may be issued pursuant to the exercise of the [REDACTED]). However, we cannot assure you that a [REDACTED] for our Shares with adequate liquidity will develop and be sustained following the completion of the [REDACTED], or that the [REDACTED] of our Shares will not decline following the [REDACTED]. If an active [REDACTED] for our Shares does not develop following the completion of the [REDACTED], the [REDACTED] and liquidity of our Shares could be materially and adversely affected.

The [REDACTED] and [REDACTED] of the Shares may be volatile, which could result in substantial losses to you.

The [REDACTED] and [REDACTED] of our Shares may be volatile and could fluctuate widely in response to factors beyond our control. In particular, the performance and fluctuation of the [REDACTED] of other companies with business operations located mainly in China that have [REDACTED] their securities in Hong Kong may affect the volatility in the price of and [REDACTED] for our Shares. A number of China-based companies have [REDACTED] their securities, and some are in the process of preparing for [REDACTED] their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines after their [REDACTED]. The [REDACTED] performances of the securities of these companies at the time of or after their [REDACTED] may affect the overall [REDACTED] sentiment towards China-based companies [REDACTED] in Hong Kong and consequently may impact the [REDACTED] performance of our Shares. These broad market and industry factors may significantly affect the [REDACTED] and volatility of our Shares, regardless of our actual operating performance, and may result in losses on your [REDACTED] in our Shares.

The actual or perceived sale or availability for sale of substantial amounts of our Shares, especially by our Directors and/or existing Shareholders, could adversely affect the [REDACTED] of our Shares.

Future sales of a substantial number of our Shares, especially by our Directors and/or existing Shareholders, or the perception or anticipation of such sales, could negatively impact the [REDACTED] of our Shares in Hong Kong and our ability to raise equity capital in the future at a time and price that we deem appropriate.

The Shares held by our existing Shareholders are subject to certain lock-up periods beginning on the date on which trading in our Shares commences on the Stock Exchange. We cannot assure you that our existing Shareholders will not dispose of any Shares they may own now or in the future. Market sale of Shares by such Shareholders and the availability of these Shares for future sale may have a negative impact on the [REDACTED] of our Shares, and may result in losses on your [REDACTED] in our Shares.

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

As the [REDACTED] of Shares is higher than the net tangible book value per share of our Shares immediately prior to the [REDACTED], purchasers of our Shares in the [REDACTED] will experience an immediate dilution. If we issue additional Shares in the future, purchasers of our Shares in the [REDACTED] may experience further dilution in their shareholding percentage.

We cannot assure you that we will declare and distribute any amount of dividends in the future, and you may have to rely on price appreciation of our Shares for returns on your [REDACTED].

We intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. As a result, we have not yet adopted a dividend policy with respect to future dividends. Therefore, you should not rely on an [REDACTED] in our Shares as a source for any future dividend income.

Our Board has the discretion to pay interim dividends and to recommend to shareholders to pay final dividends; however, dividend payment is subject to certain restrictions under Cayman Islands law, namely that we may only pay dividends either out of profits and/or share premium account, and provided that in no circumstances may a dividend be paid out of share premium, if this would result in us being unable to pay our debts if they fall due in the ordinary course of business. In addition, our Shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our Board. Even if our Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our Board. Accordingly, the return on your [REDACTED] in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no guarantee that our Shares will appreciate in value or even maintain the price at which you purchased the Shares. You may not realize a return on your [REDACTED] in our Shares, and you may even lose your entire [REDACTED] in our Shares.

A future or perceived significant increase in the supply of our Shares in [REDACTED] markets could cause the [REDACTED] of our Shares to decrease significantly, and dilute shareholdings of our Shares holders.

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

In addition, to raise capital and expand our business, we may consider offering and issuing additional shares or other securities convertible into or exchangeable for our shares in the future other than on a pro rata basis to our then existing Shareholders. As a result, the equity interest of those Shareholders may experience dilution in net asset value per Share. If additional funds are to be raised through debt financing, certain restrictions may be imposed on our business operations, which may further limit our ability or discretion to pay dividends, increase our risks in adverse economic conditions, adversely affect our cash flows or limit our flexibility in business development and strategic plans.

We are a Cayman Islands company and, because judicial precedent regarding the rights of shareholders is more limited under the laws of the Cayman Islands than other jurisdictions, the investors may experience difficulties in enforcing Shareholder rights.

Our Company is an exempted company incorporated in the Cayman Islands with limited liability and the laws of the Cayman Islands differ in some respects from those of Hong Kong, the United States or other

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jurisdictions where investors may be located. The corporate affairs of our Company are governed by the Memorandum and the Articles, the Companies Act and the common law of the Cayman Islands. The rights of Shareholders to take legal action against our Company and/or our Directors, actions by minority Shareholders and the fiduciary duties of our Directors to our Company under Cayman Islands laws are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The rights of the Shareholders and the fiduciary duties of our Directors under Cayman Islands laws may not be as clearly established as they would be under statutes or judicial precedents in Hong Kong or other jurisdictions where investors reside. In particular, the Cayman Islands has a less developed body of securities laws. As a result of all of the above, Shareholders may have more difficulty in exercising their rights in the face of actions taken by the management of our Company, Directors or major Shareholders than they would as shareholders of a Hong Kong company or company incorporated in other jurisdictions.

Certain statistics contained in this Document are derived from publicly available official government sources.

This Document, particularly the section headed “Industry Overview,” contains information and statistics relating to the industrial AI agents solution industry in China and globally. Such information and statistics have been derived from various official government and other publications and from a third-party report commissioned by us. The information from official government sources has not been independently verified by us, the Joint Sponsors, the [REDACTED], [REDACTED], any of the [REDACTED], any of our or their respective directors, officers or representatives, or any other parties involved in the [REDACTED], and no representation is given as to their accuracy. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as or consistent with similar statistics presented elsewhere, and such information may not be complete or up-to-date. In any event, you should consider carefully the importance placed on such information or statistics.

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

This document contains forward-looking statements using terms such as “anticipate,” “believe,” “could,” “going forward,” “intend,” “plan,” “project,” “seek,” “expect,” “may,” “ought to,” “should,” “would,” or “will,” and similar expressions. Reliance on these statements involves risks and uncertainties, and any assumptions underlying them may prove inaccurate. As a result, the forward-looking statements based on those assumptions may also be incorrect. These statements should be considered in light of various risks, including those in this section. Subject to the requirements of the Listing Rules, we do not intend to publicly update or revise these statements unless required. Accordingly, undue reliance on forward-looking information should be avoided. All forward-looking statements in this document are qualified by this cautionary statement.

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

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [REDACTED]. Prior to the publication of this Document, there has been press and media coverage regarding us, our business, our industry and the [REDACTED]. There may be additional media coverage regarding us, our business, our industry and the [REDACTED] subsequent to the date of this Document but prior to the completion of the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this Document, including certain operating and financial information and projections, valuations and other information. None of us or any other person involved in the [REDACTED] has authorized the disclosure of any such information in the press or media and none of us accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. Our Company, the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], any of our and their respective directors, supervisors,

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officers, representatives, employees, advisers or any other persons or parties involved in the [REDACTED] make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this Document, our Company, the Joint Sponsors, the [REDACTED], [REDACTED], any of our and their respective directors, supervisors, officers, representatives, employees, advisers or any other persons or parties involved in the [REDACTED] disclaim responsibility for it, and you should not rely on such information.

WAIVERS AND EXEMPTION

In preparation for the [REDACTED], the Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and the following exemption from strict compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance:

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARIES

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

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

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the “relevant experience” of the individual:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

The Company has appointed Mr. Wang Shuai (王帥) (“**Mr. Wang**”) as one of our joint company secretaries, who has extensive experience in capital markets but presently does not possess the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and hence may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Ms. Sham Ying Man (岑影文) (“**Ms. Sham**”), a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the U.K. who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules, to act as the other joint company secretary and provide assistance to Mr. Wang for an initial period of three years from the [REDACTED], so as to enable Mr. Wang to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules in order to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. For further biographical details of the joint company secretaries, see “Directors and Senior Management — Joint Company Secretaries”.

Accordingly, while Mr. Wang presently does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver for an initial period of three years from the [REDACTED] (“**Waiver Period**”) from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules, on the following two conditions pursuant to Chapter 3.10 of the Guide for New Listing Applicants:

- (a) Mr. Wang must be assisted by Ms. Sham, who possesses all the requisite qualifications and experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and

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- (b) the waiver will be revoked immediately if Ms. Sham ceases to provide assistance to Mr. Wang as a joint company secretary during the Waiver Period or where there are material breaches of the Listing Rules by our Company.

Ms. Sham will maintain regular contact with Mr. Wang and work closely with Mr. Wang to jointly discharge the duties and responsibilities as company secretary. Ms. Sham will also assist Mr. Wang in organizing Board meetings and Shareholders’ meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Mr. Wang is expected to comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the Waiver Period. Mr. Wang will also be assisted by (a) our Compliance Adviser, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisers of our Company, on matters concerning our Company’s ongoing compliance with the Listing Rules and applicable laws and regulations.

Prior to the end of the Waiver Period, the qualifications and experience of Mr. Wang will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied. We will liaise with and demonstrate to the Stock Exchange to enable it to assess whether Mr. Wang, having benefited from the assistance of Ms. Sham for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVER AND EXEMPTION IN RELATION TO THE PRE-[REDACTED] STOCK INCENTIVE PLANS

Rule 17.02(1)(b) of the Listing Rules requires a listing applicant to, *inter alia*, disclose in the prospectus full details of all outstanding options and awards and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding options or awards.

Paragraph 27 of Appendix D1A to the Listing Rules requires a listing applicant to disclose, *inter alia*, particulars of any capital of any member of the group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement, provided that where options have been granted or agreed to be granted to all the members or debenture holders or to any class thereof, or to employees under a share scheme, it shall be sufficient, so far as the names and addresses are concerned, to record that fact without giving the names and addresses of the grantees.

Under section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the prospectus must state the matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the number, description and amount of any shares in or debentures of the company which any person has, or is entitled to be given, an option to subscribe for, together with the particulars of the option, that is to say, (a) the period during which it is exercisable; (b) the price to be paid for shares or debentures subscribed for under it; (c) the consideration (if any) given or to be given for it or for the right to it; and (d) the names and addresses of the persons to whom it or the right to it was given or, if given to existing shareholders or debenture holders as such, the relevant shares or debentures must be specified in the document.

Paragraph 6 of Chapter 3.6 of the Guide for New Listing Applicants provides that in general, the Stock Exchange would grant waivers from disclosing the names and addresses of certain grantees in the listing document.

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Paragraph 7 of Chapter 3.6 of the Guide for New Listing Applicants further provides that a waiver from above requirements is at least subject to the following conditions (the “**Waiver Conditions**”):

- (a) demonstrating that the disclosure required under the relevant Listing Rules would be irrelevant or unduly burdensome;
- (b) disclosing the following in the listing document:
 - (i) for each of the option grantees who is (1) a director, (2) a member of the senior management of the listing applicant, or (3) a connected person, all the particulars required under paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A of the Listing Rules;
 - (ii) for the remaining grantees, on an aggregate basis, (1) the aggregate number of grantees and the number of shares underlying the options; (2) the exercise period of each option; (3) the consideration paid for the options; and (4) the exercise price of the options; and
 - (iii) (1) the aggregate number of underlying shares required to be issued to satisfy the options under the pre-[REDACTED] option schemes; (2) the percentage of such aggregate number of underlying shares to the applicant’s issued share capital; and (3) the dilution effect and impact on earnings per share upon full exercise of the options under the pre-[REDACTED] option schemes.
- (c) making available for public inspection a full list of all grantees under the pre-[REDACTED] option schemes with all the particulars required under paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A of the Listing Rules.

As of the Latest Practicable Date, the total number of Shares underlying all outstanding options under the Pre-[REDACTED] Stock Incentive Plans was 23,390,008 Shares granted to 146 grantees, representing approximately [REDACTED]% in the issued share capital of our Company immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares which may be issued under the Pre-[REDACTED] Stock Incentive Plans). Among the outstanding options, one Director, one member of the senior management of the Company, and 144 other grantees were granted options for 1,426,718 Shares, 3,901,401 Shares, and 18,061,889 Shares, respectively. No options under the Pre-[REDACTED] Stock Incentive Plans will be further granted after [REDACTED].

We have applied to (i) the Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) and paragraph 27 of Appendix D1A to the Listing Rules, and (ii) the SFC for a certificate of exemption from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance pursuant to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, in connection with the disclosure of certain details relating to the Pre-[REDACTED] Stock Incentive Plans and the grantees in this Document, on the ground that the waiver and/or exemption will not prejudice the interest of the [REDACTED] and full compliance with such disclosure requirements would be unduly burdensome for our Company for the following reasons:

- (a) given that 146 grantees are involved for the grant of outstanding options under the Pre-[REDACTED] Stock Incentive Plans, our Directors consider that it would be unduly burdensome to disclose in this Document full details of all the options granted by us to each of the grantees, which would significantly increase the cost and time required for information compilation and document preparation for strict compliance with such disclosure requirements as our Company would need to collect and verify the addresses of a large number of the grantees to meet the disclosure requirement;
- (b) the disclosure of the personal details of each grantee, including their names, addresses for the grantees and the number of options granted, may require obtaining consent from all the grantees in order to comply with personal data privacy laws and principles and it would be unduly burdensome for our Company to obtain such consents given the number of the grantees;

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- (c) the grant and vesting in full of the options under the Pre-[REDACTED] Stock Incentive Plans will not cause any material adverse impact to the financial position of our Group;
- (d) our Directors consider that non-compliance with the above disclosure requirements would not prevent our Company from providing potential [REDACTED] with sufficient information for an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Group;
- (e) material information under the Pre-[REDACTED] Stock Incentive Plans has been disclosed in “Statutory and General Information — D. Pre-[REDACTED] Stock Incentive Plans” in Appendix IV to this Document to provide prospective [REDACTED] with sufficient information to make an informed assessment of the potential dilutive effect and impact on earnings per Share of the options in making their [REDACTED] decision, and such information includes:
 - (a) a summary of the terms of the Pre-[REDACTED] Stock Incentive Plans;
 - (b) the aggregate number of Shares subject to the outstanding options, and the percentage in our total issued Shares of which such number represents;
 - (c) the potential dilutive effect and the impact on earnings per Share upon full exercise of the options and the issue of new Shares in respect of the options immediately following completion of the [REDACTED]; and
 - (d) the details of the options granted under the Pre-[REDACTED] Stock Incentive Plans, including date of grant, vesting period, purchase or exercise price and the percentage of our Company’s total issued share capital represented upon completion of the [REDACTED].

In light of the above, our Directors believe that the grant of the waiver and exemption sought under this application and the non-disclosure of the required information will not hinder potential [REDACTED] from making an informed assessment of the activities, assets and liabilities, financial position, management and prospects of our Group and will not prejudice the interest of the [REDACTED].

The Stock Exchange [has granted] to us a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) and paragraph 27 of Appendix D1A to the Listing Rules with respect to the options granted under the Pre-[REDACTED] Stock Incentive Plans, subject to the conditions that:

- (a) a certificate of exemption from strict compliance with the relevant Companies (Winding Up and Miscellaneous Provisions) Ordinance requirements is granted by the SFC;
- (b) on an individual basis, full details of the outstanding options granted by our Company under the Pre-[REDACTED] Stock Incentive Plans to each of the Directors, senior management or connected persons of our Company (if any), including all the particulars required under Rule 17.02(1)(b) and paragraph 27 of Appendix D1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be disclosed in this Document;
- (c) in respect of the options granted by our Company under the Pre-[REDACTED] Stock Incentive Plans to the remaining grantees, the following details will be disclosed in this Document, on an aggregate basis: (i) the number of the other grantees and the number of Shares underlying their options, (ii) dates of grant, the vesting period and purchase or exercise price of the options granted, and (iii) the percentage of our Company’s total issued share capital upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares which may be issued under the Pre-[REDACTED] Stock Incentive Plans);

WAIVERS AND EXEMPTION

- (d) the aggregate number of Shares underlying the outstanding options and the percentage of our Company’s total issued share capital represented by such number of Shares as of the Latest Practicable Date will be disclosed in this Document;
- (e) a summary of the principal terms of the Pre-[REDACTED] Stock Incentive Plans will be disclosed in the section headed “Statutory and General Information — D. Pre-[REDACTED] Stock Incentive Plans” in Appendix IV to this Document;
- (f) the dilutive effect and impact on earnings per Share upon the full exercise of the options under the Pre-[REDACTED] Stock Incentive Plans upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares which may be issued under the Pre-[REDACTED] Stock Incentive Plans) are disclosed in “Statutory and General Information — Pre-[REDACTED] Stock Incentive Plans” in Appendix IV to this Document;
- (g) the particulars of this waiver are set out in this Document; and
- (h) a full list of all the grantees with outstanding options for Shares under the Pre-[REDACTED] Stock Incentive Plans, containing all details as required under Rule 17.02(1)(b) of the Listing Rules, be made available for public inspection in accordance with “Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display — Document Available for Inspection” in Appendix V to this Document.

The SFC [has granted] us a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance with respect to the options granted under the Pre-[REDACTED] Stock Incentive Plans, subject to the conditions that:

- (a) on an individual basis, full details of the outstanding options granted by our Company under the Pre-[REDACTED] Stock Incentive Plans to each of our Directors, members of the senior management and connected persons of our Company (if any), are disclosed in this Document, and such details include all the particulars required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (b) in respect of the options granted by our Company under the Pre-[REDACTED] Stock Incentive Plans to the other grantees, the following details will be disclosed in this Document, on an aggregate basis:
 - (i) the number of the other grantees and the number of Shares underlying the options, (ii) dates of grant, the vesting period and exercise price of the options granted, and (iii) the percentage of our Company’s total issued share capital upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares which may be issued under the Pre-[REDACTED] Stock Incentive Plans);
- (c) a full list of all the grantees with outstanding options over Shares under the Pre-[REDACTED] Stock Incentive Plans, containing all details as required under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, be made available for public inspection in accordance with “Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display — Document Available for Inspection” in Appendix V to this Document;
- (d) the particulars of the exemption be set forth in this Document; and
- (e) this Document will be issued on or before [REDACTED].

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
<i>Executive Directors</i>		
Dr. Jia Jiaya (賈佳亞)	Room 18D, Tower 7, Mont Vert No. 9 Fung Yuen Road Tai Po Hong Kong	Chinese (Hong Kong)
Dr. Lyu Jiangbo (呂江波)	No. 10, Gaoxin South 4th Road Nanshan District Shenzhen PRC	Chinese
Mr. Zhou Chao (周超)	Flat A, 10/F, The Melo 6 Wai Yi Street Tai Po Hong Kong	Chinese
<i>Non-executive Directors</i>		
Mr. Cao Jin (曹進)	Flat B, 56/F, Block 1 1 Austin Road West Tsim Sha Tsui, Kowloon Hong Kong	Chinese (Hong Kong)
<i>Independent non-executive Directors</i>		
Mr. Zeng Yan (曾岩)	Room 502, Building 5 Yayun Xinxin Residential Community Chaoyang District Beijing PRC	American
Ms. Sha Sha (沙莎)	P9, Block D Mount Pavilia 663 Clear Water Bay Road Sai Kung Hong Kong	Chinese (Hong Kong)
Mr. Geoffrey Ian Baram (白恩榮)	1C Rome Court 41 Conduit Road Hong Kong	Chinese (Hong Kong)

For further information of our Directors, please see the section headed “Directors and Senior Management” in this Document.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

Morgan Stanley Asia Limited

46th Floor, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

China International Capital Corporation Hong Kong Securities Limited

29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Deutsche Securities Asia Limited

Level 60, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

[REDACTED]

Legal advisers to our Company

As to Hong Kong and United States laws

Davis Polk & Wardwell

10/F, The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

As to PRC laws

Han Kun Law Offices

20/F, Kerry Plaza Tower 3
1-1 Zhongxinsi Road
Futian District
Shenzhen
PRC

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

	<i>As to Cayman Islands laws</i> Harney Westwood & Riegels 14th Floor, Alexandra House 18 Chater Road Central Hong Kong
Legal advisers to the Joint Sponsors and the [REDACTED]	<i>As to Hong Kong and United States laws</i> Herbert Smith Freehills Kramer 23/F, Gloucester Tower 15 Queen’s Road Central Hong Kong
	<i>As to PRC laws:</i> Commerce & Finance Law Offices 12-15/F, China World Office 2 No. 1 Jianguomenwai Avenue Beijing PRC
Auditor and Reporting Accountant	PricewaterhouseCoopers <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor</i> 22/F, Prince’s Building Central Hong Kong
Industry Consultant	China Insights Industry Consultancy Limited 10/F, Building B, Jing’an International Center 88 Puji Road Jing’an District Shanghai PRC

[REDACTED]

CORPORATE INFORMATION

Registered Office	Maricorp Services Ltd. 2nd Floor, Strathvale House 90 North Church Street P.O. Box 1103, George Town Grand Cayman KY1-1102 Cayman Islands
Headquarters and Principal Place of Business	Unit 309-312, 3/F Wireless Centre (Building 3E) Hong Kong Science Park New Territories Hong Kong
Company’s Website	https://smartmore.com <i>(Note: the information contained on this website does not form part of this Document)</i>
Joint Company Secretaries	Mr. Wang Shuai (王帥) Unit 309-312, 3/F Wireless Centre (Building 3E) Hong Kong Science Park New Territories Hong Kong Ms. Sham Ying Man (岑影文) (ACG HKACG) Room 1910, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	Dr. Jia Jiaya (賈佳亞) Unit 309-312, 3/F Wireless Centre (Building 3E) Hong Kong Science Park New Territories Hong Kong Ms. Sham Ying Man (岑影文) Room 1910, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Audit Committee	Mr. Zeng Yan (曾岩) (<i>Chairperson</i>) Mr. Geoffrey Ian Baram (白恩榮) Ms. Sha Sha (沙莎)
Remuneration Committee	Ms. Sha Sha (沙莎) (<i>Chairperson</i>) Dr. Jia Jiaya (賈佳亞) Mr. Geoffrey Ian Baram (白恩榮)

CORPORATE INFORMATION

Nomination Committee

Dr. Jia Jiaya (賈佳亞) (*Chairperson*)
Ms. Sha Sha (沙莎)
Mr. Zeng Yan (曾岩)

Compliance Adviser

Maxa Capital Limited
Unit 2602, 26/F, Golden Centre
188 Des Voeux Road Central
Sheung Wan
Hong Kong

[REDACTED]

Principal Banks

**Industrial and Commercial Bank of China,
Qianhai Branch** (中國工商銀行前海分行)
L101 & L102
Qianhai Chow Tai Fook Financial Tower
No. 66 Shuniu Avenue Nanshan Street
Qianhai Shenzhen–Hong Kong Cooperation Zone
Nanshan District
Shenzhen
PRC

**China Merchants Bank Shenzhen Branch,
Chuangwei Building Sub-branch** (招商銀行深圳分行創維大廈支行)
Room 101-102, East Tower,
Chuangwei Semiconductor Design Building
No. 18 Gaoxin South 4th Road
Shenzhen
PRC

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this Document were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by China Insights Consultancy (the “CIC Report”). We engaged CIC to prepare the CIC Report, an independent industry report, in connection with the [REDACTED]. Information and statistics from official government sources have not been independently verified by us, the Joint Sponsors, the [REDACTED], [REDACTED], any of the [REDACTED], any of our or their respective directors, officers or representatives or any other person involved in the [REDACTED] and no representation is given as to their correctness or accuracy.

OVERVIEW OF GLOBAL INDUSTRIAL SECTOR

Industrial Sector: The Cornerstone of Human Progress

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. 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.

Conventional industrial automation has long been instrumental in enhancing operational performance across four key dimensions:

- **Efficiency:** streamline workflows and reduce cycle times to increase production output and optimize resource utilization.
- **Cost-effectiveness:** reduce labor costs and material waste by optimizing operations and limiting human intervention.
- **Precision:** maintain consistent production tolerances and reduce operational errors through advanced control and monitoring systems.
- **Quality:** ensure consistent product quality and reduce defects by stabilizing manufacturing processes and controlling variability.

However, despite these advantages, conventional automation systems are increasingly constrained by rigid workflows and limited adaptability, making them less effective in meeting the growing demands for shorter product cycles, higher customization, and more flexible manufacturing requirements.

AI RESHAPING THE GLOBAL INDUSTRIAL SECTOR

From Automation Era to AI-Driven Era: Industrial AI Solutions Redefine the Rules of Manufacturing

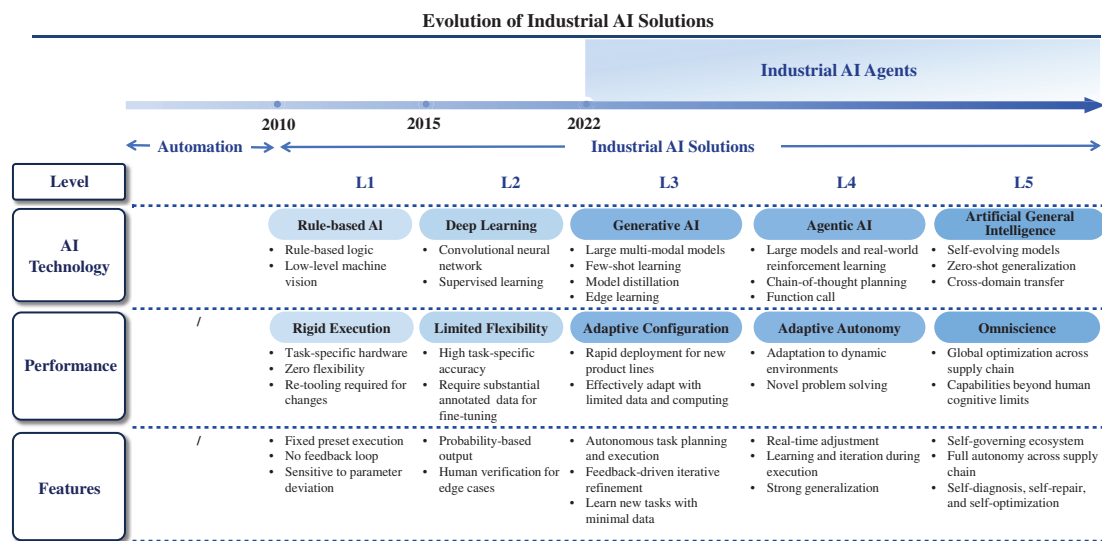
Today, AI is fundamentally rewriting the rules of manufacturing. Prior to 2010, manufacturing relied heavily on conventional automation systems built on predefined processes, fixed logic, and rigid workflows. While these systems delivered valuable efficiency gains and scale advantages in stable, predictable environments, they face mounting challenges as manufacturing environments become more complex, product life cycles shorten, and demands for flexibility and customization continue to rise.

To address these challenges, industrial AI solutions have emerged, marking a fundamental shift from conventional automation toward dynamic, flexible and intelligent manufacturing systems. Industrial AI solutions

INDUSTRY OVERVIEW

refer to devices and software systems deployed in industrial environments that apply AI technologies to support perception, analysis, decision-making and execution of production tasks. Industrial AI solutions encompass a broad range of AI-enabled devices and software, ranging from basic AI solutions designed to perform predefined functions, to more advanced industrial AI agents capable of autonomous learning, reasoning and adaptive decision-making.

Based on the level of intelligence and autonomy, industrial AI solutions are classified into five levels, ranging from Level 1 to Level 5. Lower-level solutions focus on predefined tasks with limited intelligence, while higher-level solutions integrate capabilities such as autonomous learning, reasoning, and decision-making. As AI technologies continue to evolve, the functional scope, intelligence level, and performance of industrial AI solutions have undergone continuous upgrades, enabling the emergence of more complex, efficient and adaptive manufacturing systems.



Source : CIC

Beginning around 2010, industrial AI solutions were predominantly concentrated in Level 1 and Level 2, which were primarily built on perception-oriented AI technologies, commonly referred to as perception AI. These solutions leveraged technologies such as deep learning and machine vision, enabling machines to sense and recognize the physical world by processing structured data, including images, signals, and sensor outputs. They delivered tangible improvements in accuracy, consistency and operational efficiency compared to manual processes. However, Level 1 and Level 2 industrial AI solutions remained constrained by predefined rules, static workflows and limited generalization capabilities. They typically operated within narrow task boundaries, lacked the ability to adapt to frequent product changes or unstructured environments, and were unable to continuously improve performance through autonomous learning in real-world industrial settings.

Evolution of Industrial AI Solutions: From Basic Industrial AI Solutions towards Industrial AI Agents

In recent years, AI technologies have evolved from generative AI to agentic AI. Generative AI, driven by advances in large models, has enabled AI solutions to understand complex contexts and generalize across diverse tasks. Building on this foundation, agentic AI integrates large models with reinforcement learning, chain-of-thought planning and function calling to form closed-loop systems capable of perceiving, reasoning, planning, acting, and continuously improving in real-world environments.

Against this technological backdrop, industrial AI agents have emerged as the most advanced form of industrial AI solutions, classified as Level 3 to Level 5. They are intelligent entities that perceive, learn, reason and act adaptively in complex industrial settings. By integrating multiple sensing capabilities such as

INDUSTRY OVERVIEW

visual perception and force sensing, they monitor equipment states, material flows and process parameters in real time. Leveraging industrial domain knowledge and operational data, these agents continuously learn, perform reasoning, and make autonomous decisions, dynamically generating and executing action plans to enable robotic arms, automated production lines, and other execution systems.

Industrial AI agents are emerging as a new paradigm for manufacturing systems, enabling adaptive and autonomous production workflows, and are redefining the development of the industrial sector through a range of core capabilities:

- **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.

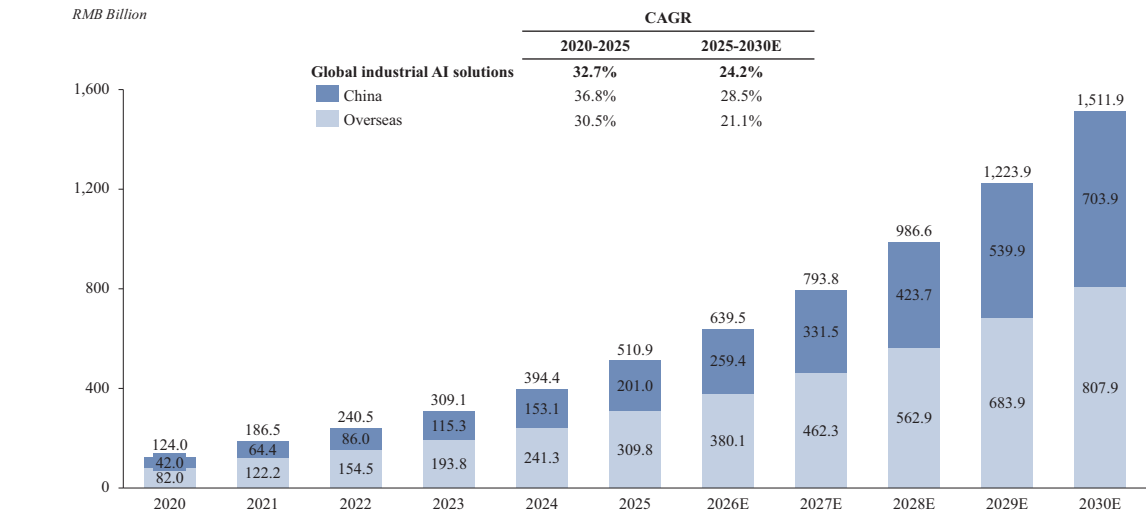
Market Size of Industrial AI Solutions: Massive Market Opportunity

The global industrial AI solution market is experiencing strong growth, driven by the increasing adoption of AI technologies. The global market size of the industrial AI solution industry expanded from RMB124.0 billion in 2020 to RMB510.9 billion in 2025, reflecting a CAGR of 32.7% during this period, and is projected to reach RMB1,511.9 billion by 2030, representing a CAGR of 24.2% from 2025 to 2030.

China is experiencing rapid growth in the industrial AI solution market, outpacing global growth, driven by rising investments in smart manufacturing and the momentum of industrial upgrading across various sectors. The market size of China’s industrial AI solution industry expanded from RMB42.0 billion in 2020 to RMB201.0 billion in 2025, reflecting a CAGR of 36.8% during this period, and is projected to reach RMB703.9 billion by 2030, representing a CAGR of 28.5% from 2025 to 2030.

INDUSTRY OVERVIEW

Market size of global and China’s industrial AI solution industry⁽¹⁾, in terms of revenue, 2020-2030E



Note :

(1) The industrial AI solution market encompasses devices and software solutions that apply AI technologies across industrial applications. The total market size may not equal the sum of the individual segments due to rounding.

Sources: Expert interviews, Industry publications, CIC

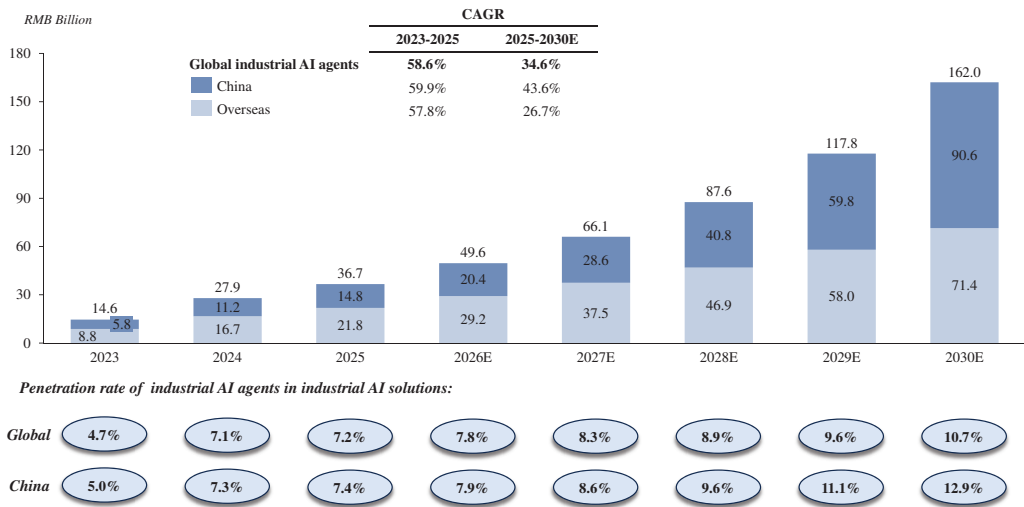
Market Size of Industrial AI Agent: Strong Growth Momentum and Rising Penetration

The global industrial AI agent market is experiencing strong growth, driven by increasing demand for adaptive and flexible industrial systems. The market size of the global industrial AI agent industry expanded from RMB14.6 billion in 2023 to RMB36.7 billion in 2025, reflecting a CAGR of 58.6% during this period, and is projected to reach RMB162.0 billion by 2030, representing a CAGR of 34.6% from 2025 to 2030.

Driven by its large-scale manufacturing bases, the rapid advancement of industrial AI technologies, and robust government support for industrial AI adoption, China’s industrial AI agent market is growing faster and achieving a higher penetration rate compared with the global market. 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. Industrial AI agents are expected to account for an increasing share of the overall industrial AI solution market. In China, the penetration rate of industrial AI agents increased from 5.0% in 2023 to 7.4% in 2025, and is projected to reach 12.9% by 2030.

INDUSTRY OVERVIEW

Market size of global and China’s industrial AI agent industry⁽¹⁾, in terms of revenue, 2023-2030E



Note :

(1) The industrial AI agent market encompasses intelligent sensors with full-stack AI capabilities, advanced AI-powered automated optical inspection equipment, flexible collaborative robots, industrial embodied AI robots and AI-powered industrial software. Industrial AI agents began to emerge around 2022 but had not achieved large-scale commercialization prior to 2023. Therefore, market size data for the industrial AI agent industry is presented starting from 2023. The total market size may not equal the sum of the individual segments due to rounding.

Sources: Expert interviews, Industry publications, CIC

Key Drivers and Trends of Industrial AI Agent Industry

- Labor Constraints and Supply Chain Restructuring.** The ongoing restructuring of global supply chains, coupled with widespread labor shortages, is significantly reshaping the industrial landscape. Geopolitical uncertainties and shifting trade dynamics have prompted companies to relocate or reshore industrial operations closer to end markets, creating a heightened demand for labor in regions previously unprepared for large-scale, high-precision manufacturing. However, these regions are facing significant labor constraints, particularly in skilled workers for advanced manufacturing. As a result, manufacturers are increasingly turning to industrial AI agents to bridge the labor gap and enhance production efficiency.
- Growing Demand for Adaptive and Flexible Industrial Systems.** Downstream industries, including consumer electronics, new energy and automotive manufacturing, are experiencing accelerating product iteration cycles and faster model upgrades. These dynamics are driving demand for manufacturing systems with greater versatility, enabling rapid adaptation across different product variants, process configurations and production scenarios without extensive reprogramming or production line redesign. At the same time, the increasing adoption of miniaturized, lightweight and structurally complex components has materially raised the requirements for precision, control and process stability in manufacturing and assembly operations. As a result, manufacturers are increasingly adopting industrial AI agents to support the broader transition toward intelligent and versatile industrial systems.
- Transformation Toward Predictive and Generalizable Industrial Systems.** Manufacturers are placing greater emphasis on improving quality and yield management and are seeking to move beyond traditional post-process inspection toward more predictive and forward-looking approaches. Meanwhile, as new products, processes, and manufacturing scenarios continue to emerge, traditional industrial automation is often scenario-specific and struggles to adapt to these new developments, resulting in high deployment costs and low efficiency. Manufacturers are increasingly in need of a manufacturing system that can extend upon AI foundation models, offering the flexibility to adapt to diverse requirements and

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supporting rapid deployment across various manufacturing environments. As a result, the adoption of industrial AI agents built on unified model foundations with predictive capability is accelerating, enabling manufacturers to implement proactive and scalable production solutions across diverse industrial environments.

- Policy Support.** Governments around the world attach great importance to the development of the industrial AI agent industry, and have issued a series of supportive policies to build a sound industrial environment. In 2025, China issued the CPC Central Committee’s Recommendations for Formulating the 15th Five-Year Plan for National Economic and Social Development (《中共中央關於制定國民經濟和社會發展第十五個五年規劃的建議》), which explicitly proposes the “AI+” initiative and emphasizes the need to seize the high ground in AI applications. In 2026, the Ministry of Industry and Information Technology of China issued the Implementation Opinions on the “AI + Manufacturing” Special Action (《“人工智能+製造”專項行動實施意見》), which refines the development plan of AI in manufacturing and explicitly mentions supporting the development of industrial AI agents. In March 2026, the Report on the Work of the Government(《政府工作報告》), delivered at the Fourth Session of the 14th National People’s Congress of the People’s Republic of China, emphasized the continued advancement of manufacturing digitalization and the “AI+” initiative, while promoting the accelerated adoption of next-generation intelligent terminals and intelligent agents. At the international level, in 2025, the European Union adopted Apply AI Strategy (《人工智能應用戰略》), aiming to promote AI deployment in key sectors, including the industrial sector.
- Technological Advancements.** Rapid advancements in core technologies, including machine vision, large multi-modal models, edge computing and motion control technologies, have significantly enhanced the functional capabilities of industrial AI agents, enabling them to perceive, learn, reason and act autonomously within complex industrial environments. With these advanced functions, industrial AI agents are expected to be the key to unlocking entirely new industrial frontiers, such as nanometer and sub-nanometer manufacturing, as well as manufacturing in zero-gravity environments in space.

Competitive Landscape of China’s Industrial AI Agent Industry

In 2025, the Group ranked first among all providers in China’s industrial AI agent market in terms of revenue, with a market share of 5.8%.

Ranking of China’s industrial AI agent market, in terms of revenue, 2025

Ranking	Providers	Market Share ⁽¹⁾ (%)
1	The Group	5.8%
2	Company A ⁽²⁾	5.3%
3	Company B ⁽³⁾	4.7%
4	Company C ⁽⁴⁾	4.1%
5	Company D ⁽⁵⁾	3.0%
Total		22.9%

Notes:

(1) Market share is calculated by dividing a provider’s revenue generated from industrial AI agents in China by the total market size of China’s industrial AI agent industry. Such revenue includes revenue generated from intelligent sensors with full-stack AI capabilities, advanced AI-powered automated optical inspection equipment, flexible collaborative robots, industrial embodied AI robots, and AI-powered industrial software.

INDUSTRY OVERVIEW

- (2) Company A is a public company founded in 1974, listed on the Tokyo Stock Exchange, and headquartered in Japan. It is mainly engaged in the R&D, manufacturing and sales of machine vision products.
- (3) Company B is a private enterprise founded in 2018, headquartered in Jiangsu, China. It is mainly engaged in the R&D, manufacturing and sales of embodied intelligent industrial robots and quality inspection products.
- (4) Company C is a private enterprise founded in 2016, and headquartered in Zhejiang, China. It is mainly engaged in the R&D, manufacturing and sales of industrial robots and machine vision products.
- (5) Company D is a public company founded in 1847, listed on the Frankfurt Stock Exchange, and headquartered in Germany. It is mainly engaged in the R&D, manufacturing and sales of industrial automation and digitalization solutions.

Sources: Public filings of listed companies, Expert interviews, Industry publications, CIC

Entry Barriers and Key Success Factors in Industrial AI Agent Industry

- **Leading AI Large Models and Full-Stack Technologies.** In the industrial AI agent industry, leadership in AI large models and full-stack technological capabilities represents a significant barrier to entry. Industrial AI agents rely on advanced large models to process multi-modal industrial data, perform intelligent decision-making and support automated operations across production processes. Compared with general AI applications, industrial scenarios typically involve more complex operational requirements, stricter reliability standards and highly customized production workflows, which place significantly higher demands on the capability and robustness of large models. As a result, companies must possess deep AI expertise and strong full-stack technological capabilities spanning model development, system architecture and industrial deployment. Leading companies that have established such comprehensive technological capabilities are better positioned to continuously enhance their large models and deliver advanced AI agents in complex manufacturing environments, creating substantial technological barriers for potential new entrants.
- **First-Mover Advantage and Economies of Scale.** In the industrial AI agent industry, early movers gain a significant competitive edge by their technological expertise and market position. This first-mover advantage allows companies to capture key market share and build long-term relationships with customers, suppliers, and strategic partners, thus securing a stable and growing revenue base. As these companies scale up, they benefit from economies of scale driven by the reuse of their technology platform. By leveraging a common technology platform across different applications and scenarios, they can reduce deployment costs, enhance operational efficiency, and accelerate innovation. New entrants, lacking technological expertise and cost advantages, encounter substantial challenges in achieving competitiveness.
- **Stable Customer Relationships and Brand Effect.** Strong, long-term customer relationships are crucial for maintaining a competitive edge in the industrial AI agent industry. Providing excellent service and reliable solutions builds customer trust, which in turn enhances brand effect. Leading companies consistently deliver value across multiple projects, strengthening their brand effect and expanding market share, thereby defending against new entrants and solidifying their market position.
- **Data Barrier.** The development and continuous optimization of industrial AI agents rely heavily on large datasets from real-world industrial operations. A key challenge in this industry is the accumulation and utilization of high-quality, scenario-specific data. Companies that have already established comprehensive data ecosystems hold a significant competitive edge. New entrants struggle to collect enough high-quality data in a short time, preventing them from gaining a competitive advantage in the market.

INDUSTRY OVERVIEW

ANALYSIS OF GLOBAL AND CHINA’S AI INFRASTRUCTURE INDUSTRY

AI infrastructure refers to the foundational systems that support AI technologies, including computing hardware, network equipment, storage solutions, and software systems. The market size of global AI infrastructure industry expanded from RMB773.5 billion in 2020 to RMB2,945.1 billion in 2025, reflecting a CAGR of 30.7% during this period, and is projected to reach RMB6,137.2 billion by 2030, representing a CAGR of 15.8% from 2025 to 2030. In China, the market expanded from RMB139.0 billion in 2020 to RMB548.5 billion in 2025, reflecting a CAGR of 31.6%, and is projected to reach RMB1,315.6 billion by 2030, representing a CAGR of 19.1% from 2025 to 2030.

AI infrastructure networking solutions focus on resolving performance bottlenecks as AI computing scales across thousands of accelerator cards. These solutions include network architecture design, integration of key devices, system deployment and optimization, together with the provision of related software for network management. The market size of global AI infrastructure networking solution industry expanded from RMB134.0 billion in 2020 to RMB358.7 billion in 2025, reflecting a CAGR of 21.8% during this period, and is projected to reach RMB775.5 billion by 2030, representing a CAGR of 16.7% from 2025 to 2030. In China, the market expanded from RMB13.9 billion in 2020 to RMB56.1 billion in 2025, reflecting a CAGR of 32.2%, and is expected to reach RMB168.3 billion by 2030, with a CAGR of 24.6% from 2025 to 2030.

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. Given the rapid evolution of AI computing architectures and networking requirements, there are currently no dominant market participants in this market.

SOURCE OF INFORMATION

In connection with the [REDACTED], we engaged CIC, an independent market research consultant, to conduct an analysis of, and to prepare a report about global and China’s industrial AI agent industry. The CIC Report has been prepared by CIC independent of the influence of our Group and other interested parties. We have agreed to pay CIC a total fee of US\$138,000 for the preparation and use of the CIC Report, and we believe that such fees are consistent with the market rate. CIC is a consulting firm founded in Hong Kong and provides professional industry consulting services across multiple industries. CIC’s services include industry consultancy services, commercial due diligence and strategic consulting.

CIC conducted both primary and secondary research using a variety of resources. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources. The market projections in the commissioned report are based on the following key assumptions: (i) given China’s enduringly stable political system, effective social governance and robust economic foundation, it is anticipated that the overall social, economic and political environments in China will remain stable during the forecast period; (ii) according to the National Bureau of Statistics of China, key economic indicators such as gross Domestic Product (“GDP”), industrial added value, and urbanization rate have shown an upward trend in China over the past decade. Therefore, we believe that the economic and industry development in China is likely to maintain a steady growth trajectory during the forecast period, accompanied by continuing urbanization; (iii) related key industry drivers such as the labor constraints and supply chain restructuring, the growing demand for advanced industrial systems, the continuous upgrading of advanced technologies, and the favorable policy support worldwide are likely to propel continued growth in global industrial AI agent industry throughout the forecast period; and (iv) there will be no extreme force majeure event or unforeseen industry regulation that may significantly or fundamentally affect the relevant market and industry.

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

REGULATORY OVERVIEW

Company Law

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

Regulations Relating to Foreign Investment

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

Investment activities in the PRC by foreign investors are principally governed by the Special Administrative Measures (Negative List) for Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》), or the Negative List. The Negative List, which became effective on November 1, 2024, sets out special administrative measures in respect of the access of foreign investments in a centralized manner. Foreign investors shall not invest in any field prohibited by the Negative List and shall meet the investment conditions stipulated for any field restricted by the Negative List, while for foreign investments outside the Negative List, it shall be administered under the principle of equal treatment to domestic and foreign investment.

Regulations Relating to Intelligent Manufacturing Industry

On December 21, 2021, the MIIT, the NDRC and other six departments jointly issued the Notice on Printing and Distributing the 14th Five-Year Plan for the Development of Intelligent Manufacturing (《關於印發“十四五”智能製造發展規劃的通知》). In accordance with this notice, the main line will be the deep integration of new-generation information technology and advanced manufacturing technology, and a “two-step” development goal has been proposed. To promote the development of intelligent manufacturing, adherence to the four principles of innovation-driven development, market-oriented approach, safe and controllable operations, and systematic advancement shall be required.

On October 23, 2025, the CPC Central Committee issued the Recommendations of the CPC Central Committee on Formulating the 15th Five-Year Plan for National Economic and Social Development (《中共中央關於制定國民經濟和社會發展第十五個五年規劃的建議》). In accordance with these recommendations, focus shall be placed on the real economy, and the intelligent, green and integrated development of the manufacturing industry shall be promoted. Pursuant to these recommendations, enterprises are encouraged to carry out technological transformation and upgrading, develop intelligent manufacturing and service-oriented manufacturing, enhance the capacity of quality and technical infrastructure, and optimize industrial layout.

On April 19, 2025, the General Office of the MIIT issued the Notice on Printing and Distributing the Reference Guidelines for Typical Scenarios of Intelligent Manufacturing (2025 Edition) (《工業和信息化部辦公廳關於印發〈智能製造典型場景參考指引(2025年版)〉的通知》). To implement the manufacturing digital transformation action plan, the guideline provides important reference for enterprises in the gradient cultivation of intelligent factories, the research of intelligent manufacturing system solutions, and the application of relevant standards. The primary aim of the guidelines is to assist manufacturing enterprises in effectively promoting and implementing their digital and intelligent transformation and upgrading processes.

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On June 19, 2025, the MIIT, the NDRC and other four departments jointly issued the Notice on Carrying Out the 2025 Intelligent Factory Gradient Cultivation Action (《關於開展 2025年度智能工廠梯度培育行動的通知》). Aiming to accelerate the digital and intelligent transformation of manufacturing enterprises, the notice establishes a four-level cultivation system covering basic-level, advanced-level, excellent-level and leading-level intelligent factories. Enterprises may conduct declaration and construction with reference to relevant element conditions and scenario guidelines specified therein.

Regulations Relating to Product Quality

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

Regulations Relating to Lease of Property

According to the Administrative Measures for Commodity House Leasing (商品房屋租賃管理辦法) which was promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and came into effect on February 1, 2011, the parties to a commodity house lease shall complete the lease registration with the competent construction (real estate) departments of the municipalities directly under the Central Government, cities and counties where the leased property is located within 30 days after the lease is executed. The competent construction (real estate) departments of the municipalities directly under the Central Government, cities and counties shall urge those who do not register on time hereof to make rectification within a specified time limit, and shall impose a fine below RMB1,000 on individuals who fail to rectify within the specified time limit, and a fine between RMB1,000 and RMB10,000 on institutions which fail to rectify within the specified time limit.

According to the Civil Code of the People’s Republic of China, promulgated by the SCNPC on May 28, 2020, and effective on January 1, 2021, if the parties to a lease contract fail to go through the formalities of registration of such contract in accordance with the provisions of laws and administrative regulations, the validity of the contract shall not be affected.

Regulations Relating to Cybersecurity, Privacy and Data Security

On October 28, 2025, the SCNPC promulgated the PRC Cybersecurity Law (《中華人民共和國網絡安全法》), which became effective on January 1, 2026. It defines “networks” as systems that are composed of computers or other information terminals and relevant facilities used for the purpose of information collecting, storing, transmitting, exchanging and processing in accordance with certain rules and procedures, and “network operators” as owners or administrators of networks or the providers of network services. Network operators are subject to various security protection-related obligations. Network operators who do not comply with the PRC Cybersecurity Law may be subject to corrective orders, warnings, fines, suspension of their businesses, shutdown of their websites, and/or revocation of their business licenses.

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

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

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

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

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

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full life-circle data security management systems, designate data security management personnel, reasonably manage operation authorization and formulate responses plan and conduct emergency drills and relevant trainings.

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

Labor Contract

According to (i) the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994, and most recently amended on December 29, 2018, (ii) the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007, most recently amended on December 29, 2012 and became effective on July 1, 2013, and (iii) the Implementation Regulations for the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council on September 18, 2008, the employment relationship between employers and employees must be executed in written form. In addition, employers must establish a sound labor safety and hygiene system, and the labor safety and hygiene facilities must meet the standards stipulated by relevant authorities.

According to the Interpretation (II) of the Supreme People’s Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) issued by the Supreme People’s Court on July 31, 2025 and became effective on September 1, 2025, any agreement between an employer and an employee, or any commitment made by an employee, to waive the payment of social insurance premiums shall be deemed invalid by the People’s court. If an employer fails to pay social insurance premiums in accordance with the law, an employee’s request to terminate the labor contract in accordance with the Labor Contract Law and to claim economic compensation from the employer shall be supported by the People’s Court in accordance with the law.

Social Insurance and Housing Provident Fund

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

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

Regulations Relating to Intellectual Property

Patent

According to the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984, and most recently amended on October 17, 2020 which became effective on June 1, 2021 as

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well as the Implementation Rules for the Patent Law of the PRC (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 15, 2001, most recently amended on December 11, 2023 and became effective on January 20, 2024, invention creations that are eligible for the application of a patent shall include inventions, utility models and designs. The validity period of patent for inventions is 20 years, the validity period of patent for utility models is 10 years, and the validity period of patent for designs is 15 years, in each case starting from the date of application.

Trademark

The Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982, and most recently amended on April 23, 2019 which became effective on November 1, 2019, and the Implementation Regulations of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) promulgated by the State Council on August 3, 2002 and most recently amended on April 29, 2014 which became effective on May 1, 2014, prescribe the process of registration, de-registration, renewal, alteration, transfer and invalidation of a trademark. According to the aforesaid legislations, the registration of a trademark shall be valid for ten years from the date of approval. If there is a continuous need for the use of trademark, a renewal process shall be initiated within 12 months before the expiry of the registration. If the renewal process is not initiated within the stipulated period, a grace period of six months may be given for the filing of the renewal process. Each renewal of the trademark registration shall be valid for ten years from the date of the expiry of the previous registration. A trademark registrant may license the right to use its trademarks to other parties by entering into a trademark license agreement, but the licensing is not effective against a bona fide third party unless and until a relevant party has filed the record of such license to the relevant authority.

Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990, and most recently amended on November 11, 2020 which became effective on June 1, 2021, the works protected by copyright refer to original intellectual achievements in the fields of literature, art and science which can be expressed in a certain form. Copyright is a collection of personal and property rights, which, among others, includes the right of publication, the right of authorship, the right of modification, the right of distribution, the right of reproduction, and the right of internet information transmission.

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

Domain Name

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

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Regulations Relating to PRC Tax

Income Tax Law

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

Income Tax Relating to Dividend Distribution

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

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

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

In accordance with the EIT Law and the EIT Implementation Regulations, the rate of enterprise income tax shall be 25%. A non-resident enterprise income tax should be levied at a reduced rate of 10% on income

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originating from within China if such non-resident enterprise does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but the PRC-sourced income is not connected to such establishment or premise in the PRC. Such withholding tax for non-resident enterprises are deducted at source and the payer shall be the withholding agent. The tax shall be withheld by the withholding agent from the amount paid or due for each payment.

Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》), which was promulgated by the State Council on December 13, 1993 and most recently amended on November 19, 2017 effective from the same date, and the Detailed Rules for the Implementation of the Interim Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》) which was promulgated by the MOF on December 25, 1993 and most recently amended on October 28, 2011, and effective from November 1, 2011, all entities or individuals in the PRC engaged in the sale of goods, processing services, repair and replacement services, and the provision of services, sales of intangible assets, real estate and importation of goods are required to pay value-added tax (VAT). Unless otherwise provided, taxpayers engaged in provision of services and sales of intangible assets are subject to a tax rate of 6%.

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

Regulations Relating to Work Safety

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

Pursuant to the Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) promulgated by the SCNPC on October 27, 2001 and subsequently amended on December 31, 2011, July 2, 2016, November 4, 2017 and December 29, 2018, an employer shall establish and improve its accountability system for prevention and treatment of occupational diseases, enhance the management of, and improve the standards thereof, and bear the liability for the occupational disease hazards produced in the unit. For construction projects, including new construction, expansion and reconstruction projects, and projects for technical upgrading and introduction (hereinafter collectively referred to as “construction projects”) that may produce occupational disease hazards, the company responsible for the project shall, during the period of feasibility study, carry out a preliminary assessment on occupational disease hazards. The preliminary assessment report on occupational disease hazards shall include the assessment of the risks of occupational disease hazard that the construction project may face and of the impacts that such hazards may have on the workplace and workers’ health, and identify the types of the hazards and the measures to be taken for the prevention of occupational diseases. The expenditure for the establishment of the facilities for the prevention and control of occupational diseases of a construction project shall be included in the budget of the project, and such

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facilities shall be designed, constructed, and put into production and use at the same time with the main construction. Before accepting a construction project upon its completion in the inspection and acceptance, the construction unit shall have the effect of occupational disease hazard control assessed in relation to the project. For the construction project, it may be put into production and use upon completion only after its occupational disease control and prevention facilities, which shall be subject to inspection by the construction unit in accordance with the laws, pass the inspection and acceptance.

The Measures for the Supervision and Administration of “Three Simultaneities” of Facilities for the Prevention and Control of Occupational Diseases of Construction Projects (《建設項目職業病防護設施「三同時」監督管理辦法》), promulgated by the Former SAWS on March 9, 2017 and became effective on May 1, 2017, has stipulated detailed provisions which includes conducting an occupational disease hazard preliminary assessment, evaluating and reviewing the design of the protective facilities for occupational diseases and the results of occupational disease hazard control, and carrying out the inspection and acceptance of the protective facilities for occupational diseases for construction projects that may produce occupational disease hazards. The administrations of work safety of all the local people’s governments above the county level shall exercise classified and hierarchical regulation of “Three Simultaneous” of facilities for the prevention and control of occupational diseases of construction projects in an area of the competence defined by the people’s governments at the same level within their jurisdiction according to the laws and the specific measures shall be formulated by the administrations of work safety at the provincial level and filed with the State Administration of Work Safety. In case of violation of relevant regulations, the company may face the legal risk of fines, suspension and closure.

Regulations Relating to Environmental Protection

Environment Protection

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

Pollutant Discharge

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

Regulations Relating to Foreign Exchange

General Provisions on Foreign Exchange

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

REGULATORY OVERVIEW

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

Regulations Relating to M&A Rules and Overseas Securities Offering

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

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of the PRC, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archive Management of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) which came into force on March 31, 2023. These provisions require that, in relation to the direct and indirect overseas securities offering and listing activities of domestic companies, such domestic company, as well as securities companies and securities service institutions providing securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to fulfill their confidentiality and archives management duties. According to these

REGULATORY OVERVIEW

provisions, during an overseas offering and listing, if a domestic company needs to provide or publicly disclose to securities companies, securities service providers and/or overseas regulators any materials that may contain state secrets or have an adverse impact on the national security or public interests of the PRC, the domestic company should complete the relevant approval/filing and other regulatory procedures as required.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on September 23, 2019. Since establishment, we have developed into a world-leading AI company redefining how industrial automation operates in the AI era.

As the founder of our Group, Dr. Jia, who is also our chairman of the Board and executive Director, has been responsible for the overall management and business strategies of the Group since its establishment. For details of the biography and industry experience of Dr. Jia, please refer to “Directors and Senior Management – Board of Directors – Executive Directors”.

BUSINESS MILESTONES

The following is a summary of our Group’s key business development milestones:

Year	Event
2019	Our Company was incorporated.
	We undertook our first AI quality inspection project.
2020	We launched ViMo, a first-of-its-kind cloud-edge integrated AI vision software in industrial settings.
2021	We launched our industry-leading smart inspection robots.
	We were included in the Hurun Global Unicorn List, a list of unicorn businesses compiled by the Hurun Research Institute.
	We were accredited with the 2021 Deloitte Technology Fast 50 China ranking by Deloitte in Hong Kong.
2022	We launched our flagship product, the VS800P, the world’s first ultra-compact industrial intelligent sensor with a liquid zoom lens.
	We received the Super AI Leader Award (SAIL) Top 30 at the World Artificial Intelligence Conference.
	We were selected as part of the “Sci-Tech China” Series List of Emerging Enterprises (「科創中國」系列榜單新銳企業) organized by the China Association for Science and Technology (中國科學技術協會).
	We were selected as a 2022 Industrial Internet Pilot Demonstration Project (2022年工業互聯網試點示範項目) by the Ministry of Industry and Information Technology of the PRC (中國工信部).
2023	We were recognized as the Guangdong Provincial Engineering Technology Research Center for Industrial AI and Advanced Equipment (廣東省工業AI與高端裝備工程技術研究中心) by the Guangdong Provincial Department of Science and Technology (廣東省科學技術廳).
	Dr. Jia was awarded the Hong Kong Innovation Leadership Award (香港創新領軍人物大獎) – The InnoStars Award by Our Hong Kong Foundation (團結香港基金).
	We delivered smart inspection robots at scale to the largest mobile phone provider in the U.S., pioneering large-scale deployment within its core supply chain.
	We released the world’s first industrial multi-modal large model family IndustryGPT.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Event
	We pioneered the use of AI to inspect critical safety components in rail transit.
	We were awarded the World Intelligence Congress Outstanding Case of Intelligent Technology Innovation Application.
	Dr. Jia was awarded the BOC Hong Kong Technology Innovation Award (Artificial Intelligence and Robotics) (中銀香港科技創新獎 (人工智能及機器人)) by Bank of China (Hong Kong).
2024	We launched the world’s first smart inspection robots that successfully solved the challenge of comprehensive quality inspection for compound components, and achieved mass delivery.
	We were selected by Forbes China as a Top 50 Artificial Intelligence Technology Enterprise.
	We were selected by the Ministry of Industry and Information Technology of the PRC (中國工信部) as a case study of AI empowering new industrialization and for the “Open Bidding for Selecting the Best Candidates” (「揭榜掛帥」) project under intelligent manufacturing system solutions.
2025	Our robots cumulatively inspected over 17 billion products or components.
	We cumulatively delivered approximately 140,000 cutting-edge industrial AI agents.
	Our ViMo software was awarded the Hong Kong ICT (Information and Communications Technology) Awards - Award of the Year by the Digital Policy Office of Hong Kong.
	We were recognized as a national-level “Little Giant” Enterprise (Specialized, Sophisticated, Distinctive and Innovative) (國家級「小巨人」企業 (專精特新)) by the Ministry of Industry and Information Technology of the PRC (中國工信部).
	We were named as a National Intellectual Property Demonstration Enterprise (國家知識產權示範企業) by the China National Intellectual Property Administration (中國國家知識產權局).
	We were selected in the First Batch of Advanced Applicable Technologies (第一批先進適用技術名單) by the Ministry of Industry and Information Technology of the PRC (中國工信部).
	We were selected in the United Nations AI for Good Global Summit Case Collection, being one of the 14 manufacturing enterprises worldwide to be included.
	Dr. Jia was recognized as an EY Entrepreneur of the Year by Ernst & Young in Hong Kong.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR MAJOR SUBSIDIARIES

The following table sets forth the detailed information of the major subsidiaries of our Company as of the Latest Practicable Date, all of which are wholly owned by our Company:

Name of company	Place of incorporation	Date of incorporation and commencement of business	Main business scope
SmartMore Corporation	Hong Kong	November 5, 2019	R&D and sales of industrial AI agents
Shenzhen SmartMore	PRC	December 20, 2019	R&D, manufacturing, sales and fulfillments of industrial AI agents
Beijing SmartMore	PRC	June 9, 2021	R&D, sales and fulfillments of industrial AI agents and AI infrastructure products
Jiaxing SmartMore	PRC	June 3, 2025	Manufacturing of industrial AI agents
株式会社スマートモア (SmartMore Corporation)	Japan	October 28, 2020	Sales and fulfillment of industrial AI agents
Shanghai SmartMore	PRC	June 29, 2020	R&D and sales of industrial AI agents
Suzhou SmartMore	PRC	October 21, 2021	R&D and fulfillments of industrial AI agents

For shareholding changes of our major subsidiaries during the two years immediately preceding the date of this Document, please refer to “— Corporate Development and Major Shareholding Changes of Our Group” and “Statutory and General Information — A. Further Information about Our Group — 3. Changes in the Share Capital of Our Subsidiaries” in Appendix IV to this Document.

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES OF OUR GROUP

Establishment of Our Company

On September 23, 2019, our Company was incorporated as an exempted company with limited liability in the Cayman Islands. The initial authorized share capital of our Company was US\$50,000 divided into 50,000 shares of a par value of US\$1.00 each. Upon incorporation of our Company, one subscriber Share was allotted and issued to the initial subscriber, which was subsequently transferred at par value to Hyperdimension Holdings Limited, a company incorporated in the BVI wholly owned and controlled by Dr. Jia. On the same day, our Company allotted and issued 19,999 Shares to Hyperdimension Holdings Limited at par value. Upon completion of such issuance of shares, Hyperdimension Holdings Limited held 100% of the shareholding in our Company.

Establishment of the Intermediate Holding Companies

On October 11, 2019, Hypersphere International Ltd., a wholly owned subsidiary of our Company, was incorporated as a limited liability company in the BVI. On November 5, 2019, SmartMore Corporation, a wholly-owned subsidiary of Hypersphere International Ltd., was incorporated as a limited liability company in Hong Kong, as the direct holding company for our future operating subsidiaries.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Establishment of Our First PRC Subsidiary

On December 20, 2019, Shenzhen SmartMore, a wholly-owned subsidiary of SmartMore Corporation, was incorporated in the PRC, as our first PRC subsidiary.

Share Split and Redesignation

On January 21, 2020, in preparation of future financing plans, each Share in the issued and unissued share capital of our Company was split into 10,000 Shares with a par value of US\$0.0001 each. The authorized share capital immediately upon completion of the share split was 500,000,000 Shares, and, amongst them, 454,838,710 Shares were designated as ordinary Shares, and 45,161,290 Shares were designated as Series Pre-A Preferred Shares.

On even date, 25,806,452 ordinary Shares were reserved for issuances pursuant to stock incentive plans to be adopted in the future.

Pre-[REDACTED] Investments

Following the incorporation of our Company, we conducted several rounds of Pre-[REDACTED] Investments. For details, please refer to “— Pre-[REDACTED] Investments”.

Shareholding Changes Involving Members of Our Founding Team

On December 27, 2023, in order to incentivize members of our founding team responsible for R&D and product development of our Company, Hyperdimension Holdings Limited transferred, at nil consideration, (i) 3,843,157 ordinary Shares to LwhStar Ltd, a company wholly owned and controlled by Dr. Lyu Jiangbo (吕江波), our executive Director and chief technology officer; (ii) 4,206,721 ordinary Shares to YCStar Ltd, a company wholly owned and controlled by Dr. Shen Xiaoyong (沈小勇); (iii) 3,803,488 ordinary Shares to LStar Ltd, a company wholly owned and controlled by Dr. Liu Shu (劉樞); and (iv) 2,569,925 ordinary Shares to Rstar Holdings Limited, a company wholly owned and controlled by Dr. Li Ruiyu (李睿宇). Dr. Shen Xiaoyong, Dr. Liu Shu and Dr. Li Ruiyu have served and remained as key personnel responsible for R&D and product development of our Company.

On December 23, 2025, Dr. Shen Xiaoyong, Dr. Lyu Jiangbo, Dr. Liu Shu and Dr. Li Ruiyu intended to change the respective entities through which they held their shareholding in our Company. Accordingly, all ordinary Shares held by YCStar Ltd, LwhStar Ltd, LStar Ltd and Rstar Holdings Limited were transferred, at nil consideration, to their respective newly incorporated wholly-owned subsidiaries, namely YCSmax Ltd, LwhBean Ltd, LSNebraska Ltd and Rspark Ltd, respectively.

On the same day, pursuant to the terms of the Pre-[REDACTED] Stock Incentive Plans, certain options granted under the Pre-[REDACTED] Stock Incentive Plans became immediately vested and exercisable, including (i) options corresponding to 3,000,000 ordinary Shares granted to Dr. Shen Xiaoyong, (ii) options corresponding to 7,000,000 ordinary Shares granted to Dr. Lyu Jiangbo, (iii) options corresponding to 11,000,000 ordinary Shares granted to Dr. Liu Shu, and (iv) options corresponding to 9,360,074 ordinary Shares granted to Dr. Li Ruiyu. All of the above mentioned options were exercised in full at US\$0.0001 per Share, and the relevant ordinary Shares were issued and allotted to YCSmax Ltd, LwhBean Ltd, LSNebraska Ltd and Rspark Ltd respectively. Accordingly, the number of ordinary Shares reserved for issuances pursuant to the 2025 Stock Incentive Plan was reduced by 30,360,074.

Cancellation of Shares and Expansion of Reserved Pool of Incentive Shares

On December 23, 2025, in order to enable our Company to expand the pool of ordinary Shares available for further grant of share incentives, Hyperdimension Holdings Limited agreed that 19,300,000 ordinary Shares it

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

held be canceled by the Company. Accordingly, a corresponding number of 19,300,000 ordinary Shares was added to the pool of ordinary Shares reserved by the Company for the purpose of further employee share incentives to be granted prior to [REDACTED].

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the date of this Document, we have not conducted any acquisitions, disposals or mergers since our inception that we consider to be material to us.

REASONS FOR THE [REDACTED]

Our Company is seeking a [REDACTED] of its Shares on the Stock Exchange in order to raise further capital for the development and expansion of our Company’s business, to strengthen our Company’s working capital and further raise our business profile and global presence. For further details of our future plans, please refer to “Future Plans and Use of [REDACTED]”.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PRE-[REDACTED] INVESTMENTS

Overview

We have conducted several rounds of pre-[REDACTED] financing, details of which are set forth below:

Date of agreements	Series Pre-A	Series Pre-A1	Series A	Series A1	Series B	Series B1	Series C
	December 24, 2019	1 st closing: March 25, 2020 2 nd closing: April 3, 2020	1 st closing: September 30, 2020 2 nd closing: October 13, 2020	February 7, 2021	1 st closing: June 23, 2021 2 nd closing: July 16, 2021	1 st closing: June 29, 2022 2 nd closing: November 15, 2022	1 st closing: July 11, 2024 2 nd closing: March 7, 2025 3 rd closing: December 23, 2025 4 th closing: February 11, 2026
Date on which the investment was fully settled	January 29, 2020	1 st closing: March 31, 2020 2 nd closing: April 8, 2020	1 st closing: July 11, 2023 2 nd closing: October 20, 2020	December 13, 2022	1 st closing: December 31, 2024 2 nd closing: June 21, 2023	1 st closing: August 1, 2024 2 nd closing: November 18, 2022	1 st closing: September 9, 2024 2 nd closing: March 14, 2025 3 rd closing: January 12, 2026 4 th closing: February 20, 2026
Number of shares issued	32,258,065	17,309,204	58,018,992	49,175,426	71,779,347 ⁽²⁾	6,650,211	55,190,879
Consideration	US\$10,000,000	US\$10,057,142	US\$58,472,728	US\$59,000,000	US\$150,000,000	US\$15,000,000	US\$127,800,000
Cost per share	US\$0.3100	US\$0.5810	US\$1.0078	US\$1.1998	US\$2.0911	US\$2.2556	US\$2.3156
Post-money valuation (approximation)	US\$80,000,000	US\$160,000,000	US\$336,000,000	US\$459,000,000	US\$950,000,000	US\$1,050,000,000	US\$1,230,000,000
Basis of determination of the consideration	The consideration for the Pre-[REDACTED] Investments were determined based on arm's length negotiations between our Company and the Pre-[REDACTED] Investors after taking into consideration the timing of the investments and the status of our business.						
[REDACTED] to the [REDACTED] (approximation) ⁽¹⁾	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%
Lock-up	For details of the lock-up undertakings by the existing Shareholders, see [REDACTED].						
Use of proceeds from the Pre-[REDACTED] Investments	We utilized the proceeds to finance our research and development activities and fund our daily operations. As of the Latest Practicable Date, approximately 79% of the net proceeds from the Pre-[REDACTED] Investments had been utilized by our Group.						
Strategic benefits of the Pre-[REDACTED] Investments brought to our Group	Our Group would benefit from the additional capital injected by the Pre-[REDACTED] Investors in our Group, their business resources, knowledge and experience, potential business opportunities and benefits that may be provided by them, and their investments demonstrate their commitment and confidence in the business performance and operations, strengths and long-term prospects of our Group.						

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

- (1) The [REDACTED] to the [REDACTED] is calculated based on the assumption that the [REDACTED] is HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per Share, and the exchange rates as set out in this Document.
- (2) Subsequent to the execution of the Series B share purchase agreement, pursuant to the relevant contractual arrangements, (i) our Company canceled part of the Series B Preferred Shares to be subscribed by Space Travel Management L.P. which were not fully paid up; (ii) the actual number of Series B Preferred Shares to be subscribed by each of Shenzhen Lingchuang and Shenzhen Linghui was adjusted downward due to fluctuations in exchange rates; and (iii) all warrants granted to Chongqing Fuling Songhe were canceled due to its failure to obtain outbound foreign direct investment approval. Accordingly, only a total of 61,763,336 Series B Preferred Shares were issued to the relevant Pre-[REDACTED] Investors.
- (3) The valuation of our Company increased in Series Pre-A1 financing compared with Series Pre-A financing as a result of our achievement of commercial milestones. In particular, we undertook our first AI quality inspection project.
- (4) The valuation of our Company increased in Series A financing compared with Series Pre-A1 financing as a result of our achievement of commercial milestones. In particular, we launched ViMo, a first-of-its-kind cloud-edge integrated AI vision software in industrial settings.
- (5) The valuation of our Company increased in Series A1 financing compared with Series A financing as a result of our achievement of commercial milestones. In particular, we launched our industry-leading smart inspection robots.
- (6) The valuation of our Company increased in Series B financing compared with Series A1 financing as a result of our achievement of commercial milestones and public recognition. In particular, we were included in the Hurun Global Unicorn List, a list of unicorns compiled by the Hurun Research Institute.
- (7) The valuation of our Company increased in Series B1 financing compared with Series B financing as a result of our achievement of commercial milestones. In particular, we launched a series of flagship products, including our inspection robots and edge AI sensors.
- (8) The valuation of our Company increased in Series C financing compared with Series B1 financing as a result of our achievement of commercial milestones. In particular, we achieved mass delivery of the world’s first smart inspection robots that successfully solved the challenge of comprehensive quality inspection for complex components, and released the world’s first industrial multi-modal large model IndustryGPT.
- (9) The increase in the valuation of our Company upon [REDACTED] since Series C financing was due to the business growth of our Company. In particular, Our robots cumulatively inspected over 17 billion products or components, and we cumulatively delivered approximately 140,000 cutting-edge industrial AI agents. The increase in valuation upon the completion of the [REDACTED] has also taken into account the potential business development of our Company, the increased liquidity of the Shares subsequent to the [REDACTED], and the current market conditions.
- (10) Pursuant to a share transfer agreement dated March 1, 2026, Hyperdimension Holdings Limited agreed to transfer to Chia Tai Hengrun Investment Company Limited (正大亨潤投資有限公司) a total of 4,545,454 ordinary Shares at a consideration of US\$10,000,000. The consideration was fully settled on March 3, 2026.
- (11) Pursuant to a share transfer agreement dated March 5, 2026, Hyperdimension Holdings Limited agreed to transfer to Crestwave Frontier Limited 863,707 ordinary Shares at a consideration of US\$2,000,000. The consideration is expected to be fully settled in late March 2026.
- (12) Pursuant to a share transfer agreement dated March 6, 2026, Hyperdimension Holdings Limited agreed to transfer to Cove Capital Ltd. 1,363,636 ordinary Shares at a consideration of US\$3,000,000. The consideration was fully settled on March 12, 2026.
- (13) Pursuant to a share transfer agreement dated March 6, 2026, Hyperdimension Holdings Limited agreed to transfer to Grand Ocean Wealth Limited 909,091 ordinary Shares at a consideration of US\$2,000,000. The consideration was fully settled on March 12, 2026.
- (14) The consideration of the share transfers as set out in footnotes (10) to (13) above are determined at arms’ length negotiations. The consideration per Share (US\$2,000 to US\$2,3156 to per Share) reflects a customary discount applicable to transfer of existing shares, as compared to the consideration per Share for the Series C financing.

Special Rights of the Pre-[REDACTED] Investors

Pursuant to the Seventh Amended and Restated Shareholders’ Agreement (the “SHA”) entered into on December 23, 2025 and certain related agreements, and the then memorandum and articles of association of our Company, the Pre-[REDACTED] Investors have, among other rights, information and inspection rights, anti-dilution rights, redemption rights and liquidation rights.

All special rights granted to the Pre-[REDACTED] Investors will be terminated on the consummation of the [REDACTED], except for the redemption rights, which have been terminated immediately before the submission of the first filing of the [REDACTED] form to the Stock Exchange for the purpose of the [REDACTED], and will only be exercisable upon the earliest occurrence of the following: (a) our Company’s application for the [REDACTED] has been dismissed, rejected, or returned by the relevant securities regulatory authority or the Stock Exchange, or (b) our Company’s application for the [REDACTED] has been withdrawn, (c) our Company’s application for the [REDACTED] has not been renewed within six months after its lapse, or (d) our Company has failed to consummate a Qualified [REDACTED] (as defined in the SHA) on or prior to December 31, 2027.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Joint Sponsors’ Confirmation

On the basis that (i) the [REDACTED] will take place more than 120 clear days after the completion of the Pre-[REDACTED] Investments, (ii) the redemption rights shall be terminated immediately before the submission of the first [REDACTED] by our Company, and (iii) the other special rights granted to the Pre-[REDACTED] Investors will be terminated on the consummation of the [REDACTED] as disclosed in “—Special Rights of the Pre-[REDACTED] Investors” above, the Joint Sponsors confirm that the Pre-[REDACTED] Investments are in compliance with the Pre-[REDACTED] Investment Guidance as defined in Chapter 4.2 of the Guide for New Listing Applicants.

Information about our Pre-[REDACTED] Investors

The background information of our Pre-[REDACTED] Investors is set out below. Save as disclosed otherwise, to the best of our knowledge, information and belief having made all reasonable enquiries, (i) each of the Pre-[REDACTED] Investors is an Independent Third Party; (ii) each of the Pre-[REDACTED] Investors is independent from each other; and (iii) each of the general partners, ultimate beneficial owners, and limited partners and shareholders holding 30% or more of the partnership or shareholding interests (as the case may be) of the Pre-[REDACTED] Investors is an Independent Third Party.

IDG Entities

IDG China Venture Capital Fund V L.P. (“**IDG VC V**”) and IDG China V Investors L.P. (“**IDG V Investors**”) are exempted limited partnerships established under the laws of the Cayman Islands. Both of them are venture capital funds with a primary purpose of making equity investments, mainly in seed and growth stage companies in China, focusing on companies in the information technology, media, healthcare, energy, clean technology and non-technology consumer business and services related industries, including but not limited to companies engaged in software, internet, telecom, media and managed healthcare businesses.

IDG China Venture Capital Fund V Associates L.P., a limited partnership established in Cayman Islands, acts as the sole general partner of IDG VC V. IDG China Venture Capital Fund GP V Associates Ltd (the “**IDG Ultimate General Partner**”) is the sole general partner of IDG China Venture Capital Fund V Associates L.P. The IDG Ultimate General Partner is also the direct and sole general partner of IDG V Investors. The IDG Ultimate General Partner is controlled by its board, which currently consists of two directors, namely Mr. Ho Chi Sing and Mr. Zhou Quan, each of whom is an Independent Third Party.

IDG Breyer Capital Fund L.P. (“**IDG Breyer**”) is an exempted limited partnership established under the laws of the Cayman Islands. IDG Breyer is a capital fund with a primary purpose of making equity and equity-related investments in next-generation technology and technology-driven sectors, including but not limited to artificial intelligence, autonomous driving, intelligent manufacturing, genome technology, fintech and 5G enabled next generation cloud services. It is ultimately controlled by Mr. Ho Chi Sing and Mr. Yang Fei, each of whom is an Independent Third Party.

Hidden Hill Investment 133

Hidden Hill Investment 133 is a limited liability company incorporated in the Cayman Islands on February 11, 2022. It is wholly owned and controlled by GLP Lion Rock LPF, a limited liability partnership established under the laws of Hong Kong. The general partner of GLP Lion Rock LPF is GLP Hidden Hill Harbor Investment Company Limited, which is ultimately owned and controlled by GLP Pte. Ltd., a limited liability company incorporated in Singapore and a leading global investor, business builder and investment manager in new economy sectors.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Lenovo Entities

Ultimate Lenovo Limited is a limited company incorporated in the BVI on August 17, 2001. It is wholly owned by Lenovo Holdings (BVI) Limited, which is in turn wholly owned by Lenovo Group Limited, a company listed on the Stock Exchange (stock code: 0992).

Beijing Lenovo Intelligence Internet Innovation Fund Partnership (L.P.) (北京聯想智能互聯網創新基金合夥企業(有限合夥)) (“**Lenovo Innovation Fund**”) is a limited partnership established in the PRC focusing on venture capital investment. The general partner of Lenovo Innovation Fund is Beijing Zhiji Xingyuan Investment Management Center (L.P.) (北京知己行遠投資管理中心(有限合夥)). Lenovo Innovation Fund has five limited partners, with Lenovo Zhiyuan (Tianjin) Technology Co., Ltd. (聯想知遠(天津)科技有限公司), Beijing Science and Technology Innovation Fund (L.P.) (北京市科技創新基金(有限合夥)) and other three limited partners holding approximately 53.50%, 30.00% and 15.50% of the partnership interest, respectively.

WT Entities

Wen Tian Xia Technology Group Co., Ltd. (聞天下科技集團有限公司) is a limited liability company established in the PRC on January 25, 2011. It is held as to 99% by Mr. Zane Wyatt (張學政).

Wingtech Limited is a limited liability company incorporated in the BVI on November 24, 2005. It is wholly owned and controlled by Rich Truth Investments Limited, which is in turn wholly owned and controlled by Mr. Zane Wyatt (張學政).

CoStone AM Entities

North Sea Investment Company Limited is a limited liability company incorporated in the BVI on May 22, 2018. It is wholly owned and controlled by Mr. Zhang Wei (張維).

Yangtze Global Growth Fund SPC (“**Yangtze Growth Fund**”) is a segregated portfolio company established in the Cayman Islands on May 30, 2019. Costone NO.3 SP is a segregated portfolio of Yangtze Growth Fund. Yangtze Growth Fund is managed by HongKong Yangtze River Asset Management Company Limited (香港楊子江資產管理公司), which is in turn wholly owned and controlled by Yangtze River Asset Management Company Limited, a wholly-owned subsidiary of CoStone Asset Management Co., Ltd. (基石資產管理股份有限公司) (“**CoStone AM**”). Yangtze Growth Fund is ultimately wholly beneficially owned by Mr. Zhang Wei (張維).

Shenzhen Lingchuang CoStone Equity Investment Fund Partnership (L.P.) (深圳市領創基石股權投資基金合夥企業(有限合夥)) (“**Shenzhen Lingchuang**”) and Shenzhen Linghui CoStone Equity Investment Fund Partnership (L.P.) (深圳市領匯基石股權投資基金合夥企業(有限合夥)) (“**Shenzhen Linghui**”) are limited liability partnerships established under the laws of the PRC on April 23, 2018 and June 25, 2018, respectively, which are principally engaged in equity investment.

Their general partner is Shenzhen Lingxin CoStone Equity Investment Fund Management Partnership (L.P.) (深圳市領信基石股權投資基金管理合夥企業(有限合夥)) (“**Shenzhen Lingxin**”), the general partner of which is Urumqi Kunlun CoStone Venture Capital Co., Ltd. (烏魯木齊昆侖基石創業投資有限公司), a wholly-owned subsidiary of CoStone Asset Management Co., Ltd. (基石資產管理股份有限公司) (“**CoStone AM**”), which is ultimately controlled by Mr. Zhang Wei (張維). The sole limited partner of Shenzhen Lingxin is Urumqi Phoenix CoStone Equity Investment Management Limited Partnership (烏魯木齊鳳凰基石股權投資管理有限合夥企業), which is in turn owned as to 51% by Xizang Tianji CoStone Venture Capital Co., Ltd. (西藏天璣基石創業投資有限公司), a wholly-owned subsidiary of CoStone AM, and as to 49% by five other shareholders, none of which own more than 30% shareholding therein. Urumqi Phoenix CoStone Equity Investment Management Limited Partnership (烏魯木齊鳳凰基石股權投資管理有限合夥企業) is ultimately 100% owned by CoStone AM.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shenzhen Lingchuang is held as to 38.98% by its largest limited partner, Shenzhen Angel Investment Guidance Fund Co., Ltd (深圳市天使投資引導基金有限公司), which is wholly owned and controlled by Shenzhen Guidance Fund Investment Co., Ltd (深圳市引導基金投資有限公司), which is in turn wholly owned and controlled by the Finance Bureau of Shenzhen. No other limited partner of Shenzhen Lingchuang holds 30% or more partnership interests therein, and no limited partner of Shenzhen Linghui holds 30% or more partnership interests therein.

JSC International Investment Fund SPC (acting for and on behalf of Heji SP)

JSC International Investment Fund SPC is a segregated portfolio company incorporated in the Cayman Islands on December 4, 2025, which is ultimately controlled by Beijing Financial Holdings Group Co., Ltd. (北京金融控股集團有限公司), a state-owned enterprise in the PRC. Heji SP is a sub-fund of JSC International Investment Fund SPC, and is ultimately controlled by Jingquan Heji (Beijing) Equity Investment Fund Partnership (L.P.) (璟泉禾吉(北京)股權投資基金合夥企業(有限合夥)) (“**Jingquan Heji**”). The general partner of Jingquan Heji is Jingquan Shancheng Management Consulting (Beijing) Co., Ltd. (璟泉善誠管理諮詢(北京)有限公司), which is ultimately wholly owned and controlled by the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality. The sole limited partner of Beijing Heji is Jiaxing Xiuzhou Linghang No. 4 Equity Investment Partnership (L.P.) (嘉興秀洲翎航四號股權投資合夥企業(有限合夥)), both the general partner and the sole limited partner of which are ultimately wholly owned and controlled by the State-owned Assets Supervision and Administration Commission of the People’s Government of Jiaxing City.

Zhen Entities

Zhen Partners Fund V, L.P. is an exempted limited partnership registered in the Cayman Islands on January 15, 2018. Zhen Fund COIX LLC is a limited liability company registered in the Cayman Islands on July 29, 2019. ZWCO I, Ltd. is an exempted company incorporated in the Cayman Islands on September 18, 2020. Zhen Fund COXV LLC is a limited liability company registered in the Cayman Islands on April 6, 2021. The general partner of Zhen Partners Fund V, L.P. is Zhen Partners Management (MTGP) IV, L.P., whose general partner is Zhen Partners Management (TTGP) IV, Ltd. ZWCO LLC is the sole shareholder of ZWCO I, Ltd. The manager of Zhen Fund COIX LLC, ZWCO LLC and Zhen Fund COXV LLC is Zhen Advisors, Ltd. Xu Xiao Ping, Wang Qiang, Anna Fang, Dai Yu Sen and Liu Yuan have shared voting power over Zhen Partners Management (TTGP) IV, Ltd. and Zhen Advisors, Ltd.

Houxi Capital Entities

Egg puff Holdings Limited and Honoroll Holdings Limited are limited liability companies incorporated in the BVI on March 26, 2021, and are respectively wholly owned by Shanghai Lixiu Technology Partnership (L.P.) (上海麗岫科技合夥企業(有限合夥)) and Shanghai Li’an Technology Partnership (L.P.) (上海麗岸科技合夥企業(有限合夥)), both of which share a general partner, Shanghai Chaoxi Management Consulting Center (上海朝溪管理諮詢中心) (“**Shanghai Chaoxi**”), and sole limited partner, Zaozhuang Guangzhen Investment Partnership (L.P.) (棗莊廣震投資合夥企業(有限合夥)) (“**Zaozhuang Guangzhen**”), the latter holding 99.87% partnership interests therein.

The general partner of Zaozhuang Guangzhen is also Shanghai Chaoxi, which is wholly-owned and controlled by Mr. Chen Yongyang (陳永陽). The largest limited partner of Zaozhuang Guangzhen is Shanghai Suiyan Enterprise Management Co., Ltd. (上海歲延企業管理有限公司), which holds 74.63% partnership interests therein and is ultimately wholly-owned and controlled by Ms. Fu Lina (傅麗娜).

Magic Maze Management L.P.

Magic Maze Management L.P. is a limited liability partnership established under the laws of the Cayman Islands on October 15, 2020. Its general partner is Innovest Investment Management Limited (粵創投資管理有限公司). Each of Mr. Lau Chung Hing Sammy and Mr. Chan Chun Kei Kelvin owns 50% of the shareholding

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interests of Innovest Investment Management Limited. Mr. Lau and Mr. Chan have years of in-depth experience in equity investments. They are both executive directors at Basis Asset Management Limited (格致資產管理有限公司), a corporation licensed under the Securities and Futures Ordinance to conduct asset management activities. Magic Maze Management L.P. is held as to 52.24% by its largest limited partner Hermitage Galaxy Fund SPC for and on behalf of Hermitage Fund Eight SP, one of our Pre-[REDACTED] Investors. No other limited partner holds 30% or more partnership interests in Magic Maze Management L.P.

Green Pine Entities

Shenzhen Green Pine Growth Equity Investment Partnership (Limited Partnership) (深圳市松禾成長股權投資合夥企業(有限合夥)) (“**Green Pine Growth**”) and Shenzhen Green Pine Angel Venture Capital Partnership (Limited Partnership) (深圳市松禾天使創業投資合夥企業(有限合夥)) (“**Green Pine Angel**”) are limited liability partnerships established under the laws of the PRC on March 18, 2016 and November 29, 2018 respectively. Their general partner is Shenzhen Green Pine Growth Private Equity Fund Management Co., Ltd. (深圳市松禾成長私募股權基金管理有限公司) (“**Green Pine PE**”), a limited liability company established in the PRC with a primary investment focus of early-stage and growth-stage companies in digital technology, precision medicine and innovative materials industries, which is held as to 55% by Mr. Li Wei (厲偉). No other shareholder of Green Pine PE holds 30% or more shareholding interests therein.

Green Pine Growth does not have any limited partner holding 30% or more partnership interests therein. Green Pine Angel is held as to approximately 45.24% by its largest limited partner Shenzhen Green Pine Entrepreneurship Investment Co., Ltd. (深圳市松禾創業投資有限公司) (“**Green Pine Entrepreneurship**”), which is held as to approximately 77.87% by Ms. Cui Jingtao (崔京濤). No other shareholder of Green Pine Entrepreneurship holds 30% or more shareholding interests therein. No other limited partner of Green Pine Angel holds 30% or more partnership interests therein.

HSG Venture VIII Holdco, Ltd.

HSG Venture VIII Holdco, Ltd. is a limited liability company incorporated in the Cayman Islands on May 21, 2020, which is principally engaged in the business of investment holding. It is wholly owned by HongShan Capital Venture Fund VIII, L.P., whose general partner is HSG Venture VIII Management, L.P., the general partner of which is HSG Holding Limited, a wholly-owned subsidiary of SNP China Enterprises Limited. Neil Nanpeng Shen is the sole shareholder of SNP China Enterprises Limited.

Space Travel Management L.P.

Space Travel Management L.P. is a limited liability partnership established under the laws of the Cayman Islands on March 23, 2021. Its general partner StarrySky Management Limited is wholly owned and controlled by Dr. Jia. It is held as to 51.35% and 39.50% by its two largest limited partners Techmind Investments Limited and Robust Ventures Limited, respectively. Robust Ventures Limited is also one of our Pre-[REDACTED] Investors. No shareholder of Techmind Investments Limited holds 30% or more shareholding interests therein. Apart from Techmind Investments Limited and Robust Ventures Limited, no other limited partner of Space Travel Management L.P. holds 30% or more partnership interests therein.

Hermitage Galaxy Fund SPC for and on behalf of Hermitage Fund Eight SP

Hermitage Fund Eight SP is a segregated portfolio created by and held under Hermitage Galaxy Fund SPC. Hermitage Galaxy Fund SPC is an exempted segregated portfolio company incorporated in the Cayman Islands. Hermitage Galaxy Fund SPC primarily engages in private equity investments. The management share of Hermitage Galaxy Fund SPC is owned as to 100% by Hermitage Fund Management Limited. Hermitage Fund Management Limited is ultimately controlled by Mr. Yuqiu Xiang.

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Founded in 2017, Hermitage Fund is headquartered in Hong Kong and has an office in Shanghai. It is an investment group focusing on the global technology field. The total assets managed by Hermitage Fund exceeds US\$1.5 billion, and all partners have served as senior executives in top international investment banks and asset management firms. Hermitage Fund is dedicated to the global technology field, focusing on artificial intelligence, autonomous driving, financial technology, cloud computing, energy technology and other potential emerging industries with great potential.

GBA AM SPC for and on behalf of SP5

SP5 is a segregated portfolio of GBA AM SPC, which is an exempted segregated portfolio company incorporated under the laws of the Cayman Islands with limited liability on September 10, 2020. The sole management shareholder of SP5 is Orient OAM Investment Limited, which is a wholly-owned subsidiary of Orient Securities Company Limited (東方證券股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600958) and the Stock Exchange (stock code: 3958). Save for GBA Ruby Investment Fund L.P., which holds 54% partnership interests therein, no other participating shareholder of SP5 holds 30% or more partnership interests therein and is also ultimately controlled by Orient Securities Company Limited.

Grandwin Enterprises Limited

Grandwin Enterprises Limited is a limited liability company incorporated in the BVI. It is principally engaged in investment holding. Pak To Leung is its ultimate beneficial owner.

Chia Tai Hengrun Investment Company Limited

Chia Tai Hengrun Investment Company Limited is a limited liability company incorporated in the BVI on December 21, 2005, which is principally engaged in investment activities. It is held as to 50% each of Cheng Cheung Ling (鄭翔玲) and Tse Eric S Y (謝承潤).

Chance Talent Management Limited

Chance Talent Management Limited is a limited liability company incorporated in the BVI on July 4, 2007. Its sole shareholder is CCBI Investment Limited (建銀國際投資有限公司), which is ultimately wholly owned and controlled by China Construction Bank Corporation (中國建設銀行股份有限公司), a company listed on the Stock Exchange (stock code: 939) and the Shanghai Stock Exchange (stock code: 601939).

Guolian GMS Fund

Guolian CMS Tech Fund I LPF (國聯招證科創基金一期有限合夥基金) (“**Guolian CMS Fund**”) is a limited liability partnership established under the laws of Hong Kong on November 9, 2023. Guolian CMS Fund is held as to 25.00%, 37.50% and 37.50% by its limited partners Guolian Securities International Co., Limited (國聯證券國際有限公司) (“**Guolian Securities**”), Surrich International Company Limited (錫洲國際有限公司) (“**Surrich International**”) and China Merchants Securities Investment Management (HK) Co., Limited (招商證券投資管理(香港)有限公司) (“**CMS IM**”).

Guolian International is ultimately wholly owned and controlled by Guolian Minsheng Securities Company Limited (國聯民生證券股份有限公司), a company listed on the Stock Exchange (stock code: 1456) and the Shanghai Stock Exchange (stock code: 601456). Surrich International is wholly owned and controlled by Wuxi Guolian Development (Group) Co., Ltd. (無錫市國聯發展(集團)有限公司), which is ultimately wholly owned and controlled by the Wuxi government. CMS IM is ultimately owned and controlled by China Merchants Securities Co., Ltd. (招商證券股份有限公司), a company listed on the Stock Exchange (stock code: 6099) and the Shanghai Stock Exchange (stock code: 600999).

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The general partner of Guolian CMS Fund is Twin Bays Investments Limited (雙灣投資有限公司), which shares the same ultimate controllers as Guolian International, Surrich International and CMS IM.

Hollysys Investment Limited

Hollysys Investment Limited is wholly owned and controlled by Bank of China Group Investment Limited (中銀集團投資有限公司), which is in turn wholly owned and controlled by Bank of China Limited (中國銀行股份有限公司), a company listed on the Stock Exchange (stock code: 3988) and the Shanghai Stock Exchange (stock code: 601988).

Ocean Entities

Cove Capital Ltd. is a limited liability company incorporated in the BVI on February 24, 2026 which is principally focused on investments in the AI technology sector. Cove Capital Ltd. is wholly owned and controlled by Mr. Wang Yanlong (王彥龍).

Grand Ocean Wealth Limited is a limited liability company incorporated in the BVI on November 17, 2025 which is principally engaged in investments in the AI technology sector. Grand Ocean Wealth Limited is wholly owned and controlled by Fortune Ocean Growth Fund L.P., which is ultimately wholly owned and controlled by Mr. Wang Yanlong (王彥龍).

Robust Ventures Limited

Robust Ventures Limited, a limited liability company incorporated in the BVI on February 19, 2021, is wholly-owned by Bull Capital China Growth Fund II, L.P., an exempted limited partnership incorporated in the Cayman Islands. Bull Capital China Growth Fund II, L.P. is a private equity fund; its general partner is Bull Capital GP II Limited and it is managed by Bull Capital Partners Ltd., an exempted limited company incorporated in the Cayman Islands which is controlled by Mr. Wong Kun Kau.

Lion Entities

Lionhill Ventures Limited is a limited liability company incorporated in the BVI on March 7, 2018. It is wholly owned and controlled by Novel Harding Limited, which is in turn ultimately wholly owned and controlled by Chao Wei Ting Ronna.

Lioncrest Capital Partners Limited is a limited liability company incorporated in the BVI on March 18, 2022. It is held as to (i) 85% by Lionhill Global Limited, which is in turn ultimately wholly owned and controlled by Chao Wei Ting Ronna, and (ii) 15% by Silverhill Capital Partners Limited, which is in turn held as to 66% by Chao Wei Ting Ronna.

Crestwave Frontier Limited

Crestwave Frontier Limited is a limited liability company incorporated in the BVI on January 30, 2026. It was established as an offshore investment vehicle for the purpose of investing in technology companies in Hong Kong, the United States, and Southeast Asia. Its investments are managed by Crestwave Capital Pte. Ltd., a private limited company incorporated in Singapore which holds a Capital Markets Services Licence issued by the Monetary Authority of Singapore to conduct, amongst others, asset management and discretionary investment management activities. All of the management shares and 50.50% of the participating shares of Crestwave Frontier Limited are held by Mr. Li Wei, apart from whom no other shareholder holds 30% or more shareholding interests therein.

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Rainbow Coral International Limited

Rainbow Coral International Limited is a limited liability company incorporated in the BVI on October 28, 2019 which is principally engaged in investments. It is wholly owned and controlled by Value Defender Limited, which is ultimately controlled by Xu Jun (徐軍).

Stonehaven Ventures Limited

Stonehaven Ventures Limited is a limited liability company incorporated in the BVI on January 26, 2018. It is wholly owned and controlled by Stonehaven Investment Limited, which primarily engages in passive investments in technology companies in the United States and the Cayman Islands. Stonehaven Ventures Limited is ultimately and beneficially owned by the SKFC 2023 Trust.

Novel TMT Ventures Limited

Novel TMT Ventures Limited is a limited liability company incorporated in the BVI on July 4, 2006. It is wholly owned and controlled by Novel TMT Investments Limited, which primarily engages in investments in private technology companies in the United States, Europe and the Cayman Islands. Novel TMT Investments Limited is majority owned by the LC 2023 Trust and the BC 2023 Trust.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CAPITALIZATION

Shareholders	Ordinary Shares	Series Pre-A Preferred Shares	Series Pre-A1 Preferred Shares	Series A Preferred Shares	Series A1 Preferred Shares	Series B Preferred Shares	Series B1 Preferred Shares	Series C Preferred Shares	As of the Latest Practicable Date		Immediately upon the completion of the [REDACTED] ⁽¹⁾		
									Total number of Shares	Ownership percentage	Total number of Shares	Ownership percentage	
Single Largest Group of Shareholders													
Hyperdimension Holdings Limited ⁽²⁾	158,594,821	—	—	—	—	—	—	—	158,594,821	32.27%	158,594,821	[REDACTED]%	
Space Travel Management L.P.	—	—	—	—	—	5,890,454	5,763,516	—	11,653,970	2.37%	11,653,970	[REDACTED]%	
<i>Sub-total</i>	158,594,821	—	—	—	—	5,890,454	5,763,516	—	170,248,791	34.64%	170,248,791	[REDACTED]%	
LSNebula Ltd ⁽³⁾	14,803,488	—	—	—	—	—	—	—	14,803,488	3.01%	14,803,488	[REDACTED]%	
Rspark Ltd ⁽⁴⁾	11,929,999	—	—	—	—	—	—	—	11,929,999	2.43%	11,929,999	[REDACTED]%	
LwhBean Ltd ⁽⁵⁾	10,843,157	—	—	—	—	—	—	—	10,843,157	2.21%	10,843,157	[REDACTED]%	
YCSmax Ltd ⁽⁶⁾	7,206,721	—	—	—	—	—	—	—	7,206,721	1.47%	7,206,721	[REDACTED]%	
IDG Entities													
IDG VC	—	30,519,355	2,047,029	4,983,796	—	—	—	—	37,550,180	7.64%	37,550,180	[REDACTED]%	
IDG Investors	—	1,738,710	116,621	284,098	—	—	—	—	2,139,429	0.44%	2,139,429	[REDACTED]%	
IDG Breyer	—	—	—	—	—	14,346,305	—	—	14,346,305	2.92%	14,346,305	[REDACTED]%	
<i>Sub-total</i>	—	32,258,065	2,163,650	5,267,894	—	14,346,305	—	—	54,035,914	11.00%	54,035,914	[REDACTED]%	
Zhen Entities													
Zhen Fund COIX LLC	—	—	8,089,103	—	—	—	—	—	8,089,103	1.65%	8,089,103	[REDACTED]%	
Zhen Partners Fund V, L.P.	—	—	4,302,714	658,487	—	956,420	—	—	5,917,621	1.20%	5,917,621	[REDACTED]%	
ZWCO I, Ltd.	—	—	—	—	—	765,136	—	—	765,136	0.16%	765,136	[REDACTED]%	
Zhen Fund COXV LLC	—	—	—	—	—	2,391,050	—	—	2,391,050	0.49%	2,391,050	[REDACTED]%	
<i>Sub-total</i>	—	—	12,391,817	658,487	—	4,112,606	—	—	17,162,910	3.49%	17,162,910	[REDACTED]%	

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders	Series Pre-A			Series A		Series A1		Series B		Series B1		Series C		As of the Latest Practicable Date		Immediately upon the completion of the [REDACTED] ⁽¹⁾	
	Ordinary Shares	Preferred Shares	Pre-A1 Preferred Shares	Preferred Shares	Shares	Preferred Shares	Shares	Preferred Shares	Shares	Preferred Shares	Shares	Preferred Shares	Shares	Total number of Shares	Ownership percentage	Total number of Shares	Ownership percentage
Lenovo Entities																	
Ultimate Lenovo Limited	—	—	2,753,737	4,961,201	—	—	1,673,736	—	—	—	—	—	—	9,388,674	1.91%	9,388,674	[REDACTED]%
Beijing Lenovo Intelligence Internet Innovation Fund Partnership (Limited Partnership) (北京聯想智能互聯網創新基金合夥企業(有限合夥))	—	—	—	9,922,402	—	—	1,673,736	—	—	—	—	—	—	11,596,138	2.36%	11,596,138	[REDACTED]%
<i>Sub-total</i>	—	—	2,753,737	14,883,603	—	—	3,347,472	—	—	—	—	—	—	20,984,812	4.27%	20,984,812	[REDACTED]%
Green Pine Entities																	
Green Pine Growth	—	—	—	10,914,642	—	—	—	—	—	—	—	—	—	10,914,642	2.22%	10,914,642	[REDACTED]%
Green Pine Angel	—	—	—	3,968,961	—	—	—	—	—	—	—	—	—	3,968,961	0.81%	3,968,961	[REDACTED]%
<i>Sub-total</i>	—	—	—	14,883,603	—	—	—	—	—	—	—	—	—	14,883,603	3.03%	14,883,603	[REDACTED]%
HSG Venture VIII Holdco, Ltd.	—	—	—	9,922,402	—	—	1,912,841	—	—	—	—	—	—	11,835,243	2.41%	11,835,243	[REDACTED]%
Grandwin Enterprises Limited	—	—	—	4,961,201	—	—	—	—	—	—	—	—	—	4,961,201	1.01%	4,961,201	[REDACTED]%
WT Entities																	
Wen Tian Xia Technology Group Co., Ltd.	—	—	—	2,976,721	—	—	—	—	—	—	—	—	—	2,976,721	0.61%	2,976,721	[REDACTED]%
Wingtech Limited	—	—	—	—	16,669,636	—	—	—	—	—	—	—	—	16,669,636	3.39%	16,669,636	[REDACTED]%
<i>Sub-total</i>	—	—	—	2,976,721	16,669,636	—	—	—	—	—	—	—	—	19,646,357	4.00%	19,646,357	[REDACTED]%
CoStone AM Entities																	
Shenzhen Lingchuan	—	—	—	2,827,885	—	—	1,283,887	—	—	—	—	—	—	4,111,772	0.84%	4,111,772	[REDACTED]%
Shenzhen Linghui	—	—	—	—	—	—	6,481,052	—	—	—	—	—	—	6,481,052	1.32%	6,481,052	[REDACTED]%
North Sea Investment Company Limited	—	—	—	644,956	—	—	—	—	—	—	—	—	—	644,956	0.13%	644,956	[REDACTED]%
Yangtze Global Growth Fund SPC- Costone NO.3 SP	—	—	—	—	—	—	6,216,732	—	—	—	—	—	—	6,216,732	1.27%	6,216,732	[REDACTED]%
<i>Sub-total</i>	—	—	—	3,472,841	—	—	13,981,671	—	—	—	—	—	—	17,454,512	3.55%	17,454,512	[REDACTED]%
Stonehaven Ventures Limited	—	—	—	535,810	—	—	—	—	—	—	—	—	—	535,810	0.11%	535,810	[REDACTED]%
Lion Entities																	
Lionhill Ventures Limited	—	—	—	357,206	—	—	—	—	—	—	—	—	—	357,206	0.07%	357,206	[REDACTED]%
Lioncrest Capital Partners Limited	—	—	—	—	—	—	886,695	—	—	—	—	—	—	886,695	0.18%	886,695	[REDACTED]%
<i>Sub-total</i>	—	—	—	357,206	—	—	886,695	—	—	—	—	—	—	1,243,901	0.25%	1,243,901	[REDACTED]%
Novel TMT Ventures Limited	—	—	—	99,224	—	—	—	—	—	—	—	—	—	99,224	0.02%	99,224	[REDACTED]%
Magic Maze Management L.P.	—	—	—	—	15,836,154	—	—	—	—	—	—	—	—	15,836,154	3.22%	15,836,154	[REDACTED]%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders	Series Pre-A					Series A			Series B			Series C			As of the Latest Practicable Date		Immediately upon the completion of the [REDACTED] ⁽¹⁾	
	Ordinary Shares	Pre-A Preferred Shares	Pre-A1 Preferred Shares	Series A Preferred Shares	Series A1 Preferred Shares	Series B Preferred Shares	Series B1 Preferred Shares	Series C Preferred Shares	Total number of Shares	Ownership percentage	Total number of Shares	Ownership percentage	Total number of Shares	Ownership percentage	Total number of Shares	Ownership percentage		
Houxi Capital Entities																		
Egg puff Holdings Limited	—	—	—	—	8,334,818	—	—	—	8,334,818	1.70%	8,334,818	1.70%	8,334,818	[REDACTED]%	8,334,818	[REDACTED]%		
Honoroll Holdings Limited	—	—	—	—	8,334,818	—	—	—	8,334,818	1.70%	8,334,818	1.70%	8,334,818	[REDACTED]%	8,334,818	[REDACTED]%		
Sub-total	—	—	—	—	16,669,636	—	—	—	16,669,636	3.39%	16,669,636	3.39%	16,669,636	[REDACTED]%	16,669,636	[REDACTED]%		
Hermitage Galaxy Fund SPC for and on behalf of Hermitage Fund Eight SP	—	—	—	—	—	10,520,624	—	—	10,520,624	2.14%	10,520,624	2.14%	10,520,624	[REDACTED]%	10,520,624	[REDACTED]%		
GBA AM SPC for and on behalf of SP5	—	—	—	—	—	6,216,732	—	—	6,216,732	1.27%	6,216,732	1.27%	6,216,732	[REDACTED]%	6,216,732	[REDACTED]%		
Robust Ventures Limited	—	—	—	—	—	1,434,631	—	—	1,434,631	0.29%	1,434,631	0.29%	1,434,631	[REDACTED]%	1,434,631	[REDACTED]%		
Hidden Hill Investment 133	—	—	—	—	—	—	—	26,688,547	26,688,547	5.43%	26,688,547	5.43%	26,688,547	[REDACTED]%	26,688,547	[REDACTED]%		
JSC International Investment Fund SPC (acting for and on behalf of Heji SP)	—	—	—	—	—	—	—	17,274,141	17,274,141	3.52%	17,274,141	3.52%	17,274,141	[REDACTED]%	17,274,141	[REDACTED]%		
Guolian CMS Fund I	—	—	—	—	—	—	—	3,454,828	3,454,828	0.70%	3,454,828	0.70%	3,454,828	[REDACTED]%	3,454,828	[REDACTED]%		
Rainbow Coral International Limited	—	—	—	—	—	—	—	863,707	863,707	0.18%	863,707	0.18%	863,707	[REDACTED]%	863,707	[REDACTED]%		
Chance Talent Management Limited	—	—	—	—	—	—	—	4,318,535	4,318,535	0.88%	4,318,535	0.88%	4,318,535	[REDACTED]%	4,318,535	[REDACTED]%		
Hollysys Investment Limited	—	—	—	—	—	—	—	2,591,121	2,591,121	0.53%	2,591,121	0.53%	2,591,121	[REDACTED]%	2,591,121	[REDACTED]%		
Chia Tai Hengrun Investment Company Limited	4,545,454	—	—	—	—	—	—	—	4,545,454	0.92%	4,545,454	0.92%	4,545,454	[REDACTED]%	4,545,454	[REDACTED]%		
Crestwave Frontier Limited	863,707	—	—	—	—	—	—	—	863,707	0.18%	863,707	0.18%	863,707	[REDACTED]%	863,707	[REDACTED]%		
Ocean Entities																		
Cove Capital Ltd.	1,363,636	—	—	—	—	—	—	—	1,363,636	0.28%	1,363,636	0.28%	1,363,636	[REDACTED]%	1,363,636	[REDACTED]%		
Grand Ocean Wealth Limited	909,091	—	—	—	—	—	—	—	909,091	0.18%	909,091	0.18%	909,091	[REDACTED]%	909,091	[REDACTED]%		
Sub-total	2,272,727	—	—	—	—	—	—	—	2,272,727	0.46%	2,272,727	0.46%	2,272,727	[REDACTED]%	2,272,727	[REDACTED]%		
Other [REDACTED] taking part in the [REDACTED]	—	—	—	—	—	—	—	—	—	—	—	—	—	[REDACTED]	[REDACTED]	[REDACTED]%		
Total	211,060,074	32,258,065	17,309,204	58,018,992	49,175,426	61,763,336	6,650,211	55,190,879	491,426,187	100.00%	491,426,187	100.00%	[REDACTED]	100.00%	[REDACTED]	100.00%		

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

- (1) Assuming that the [REDACTED] is not exercised and the share transfers as set out in footnote (10) to (13) in “- Pre-[REDACTED] Investments” in this section have been completed, and without taking into account any Shares which may be issued under the Pre-[REDACTED] Stock Incentive Plans.
- (2) Hyperdimension Holdings Limited is a limited liability company incorporated in the BVI on September 12, 2019. It is wholly owned and controlled by Dr. Jia.
- (3) LSNebula Ltd is a limited liability company incorporated in the BVI on December 5, 2025. It is ultimately wholly owned and controlled by Dr. Liu Shu (劉樞). For details, see “History, Development and Corporate Structure - Corporate Development and Major Shareholding Changes Involving Members of Our Founding Team”.
- (4) Rspark Ltd is a limited liability company incorporated in the BVI on December 5, 2025. It is ultimately wholly owned and controlled by Dr. Li Ruiyu (李睿宇). For details, see “History, Development and Corporate Structure - Corporate Development and Major Shareholding Changes Involving Members of Our Founding Team”.
- (5) LwhBean Ltd is a limited liability company incorporated in the BVI on December 5, 2025. It is ultimately wholly owned and controlled by Dr. Lyu Jiangbo (呂江波). For details of Dr. Lyu, see “Directors and Senior Management - Board of Directors - Executive Directors”.
- (6) YCSmax Ltd is a limited liability company incorporated in the BVI on December 5, 2025. It is ultimately wholly owned and controlled by Dr. Shen Xiaoyong (沈小勇). For details, see “History, Development and Corporate Structure - Corporate Development and Major Shareholding Changes Involving Members of Our Founding Team”.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PUBLIC FLOAT AND [REDACTED]

Upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares which may be issued under the Pre-[REDACTED] Stock Incentive Plans), Shares held by certain of our Shareholders who are, or which are indirectly controlled by, our core connected persons, will not be counted towards the public float. Details of these Shareholders and their controllers (if applicable) are set out below:

- Hyperdimension Holdings Limited, which is wholly owned and controlled by Dr. Jia, our executive Director and one of the members of our Single Largest Group of Shareholders, holding [REDACTED]% of the total issued Shares;
- Space Travel Management L.P., which is controlled by Dr. Jia, holding [REDACTED]% of the total issued Shares; and
- LwhBean Ltd, which is wholly owned and controlled by Dr. Lyu Jiangbo, our executive Director, holding [REDACTED]% of the total issued Shares.

Based on the above, it is expected that immediately following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and without taking into account any Shares which may be issued under the Pre-[REDACTED] Stock Incentive Plans), a total of [REDACTED] Shares, representing [REDACTED]% of our total issued Shares, will be counted as part of the public float, which is higher than the prescribed percentage of Shares required to be held in public hands under Rule 8.08(1) of the Listing Rules (being [REDACTED]% as applicable across the indicative [REDACTED] set out in this Document).

[REDACTED]

PRE-[REDACTED] STOCK INCENTIVE PLANS

As at the Latest Practicable Date, our Company has adopted the 2022 Pre-[REDACTED] Stock Incentive Plan and the 2025 Pre-[REDACTED] Stock Incentive Plan. No options under the Pre-[REDACTED] Share Incentive Plans will be further granted after the [REDACTED] and all granted options will be granted to specified individuals under the Pre-[REDACTED] Stock Incentive Plans prior to the [REDACTED]. For details, see “Statutory and General Information—D. Pre-[REDACTED] Stock Incentive Plans” in Appendix IV to this Document.

PRC LEGAL COMPLIANCE

Our PRC Legal Adviser has confirmed that each of the capital increase and incorporation of our PRC subsidiaries have been legally completed and the requisite government approvals or filings in all material respects, as applicable, have been obtained in accordance with PRC laws and regulations.

PRC REGULATORY REQUIREMENTS

M&A Rules

According to the Regulations on Merger with and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the “M&A Rules”) jointly issued by the MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the STA, the CSRC, SAIC and the State Administration of Foreign Exchange, or SAFE, on August 8, 2006, effective as of September 8, 2006 and amended on June 22, 2009, a foreign investor is required to obtain necessary approvals from MOFCOM or the department of commerce at the provincial level when it (i) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (ii) subscribes the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (iii) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets; or (iv) purchases

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

the assets of a domestic enterprise, and then invests such assets to establish a foreign invested enterprise. The M&A Rules, among other things, further purport to require that an offshore special vehicle, or a special purpose vehicle, formed for listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle’s securities on an overseas stock exchange, especially in the event that the special purpose vehicle acquires shares of or equity interests in the PRC companies in exchange for the shares of offshore companies.

Our PRC Legal Adviser is of the opinion that prior CSRC approval for this offering is not required under the M&A Rules because (i) the CSRC currently has not issued any definitive rule or interpretation concerning whether offerings like ours under this document are subject to the M&A Rules; and (ii) our wholly-owned PRC subsidiaries were established by means of direct investment and not through mergers or acquisitions of a “PRC domestic company” owned by PRC companies or individuals as defined under the M&A Rules that are the beneficial owners of our Company. However, the M&A Rules may be subject to further interpretation and implementation, our PRC Legal Adviser further advises that its opinions summarized above are subject to any new laws, rules and regulations or detailed implementations and interpretations in any form relating to the M&A Rules.

SAFE Circular 37

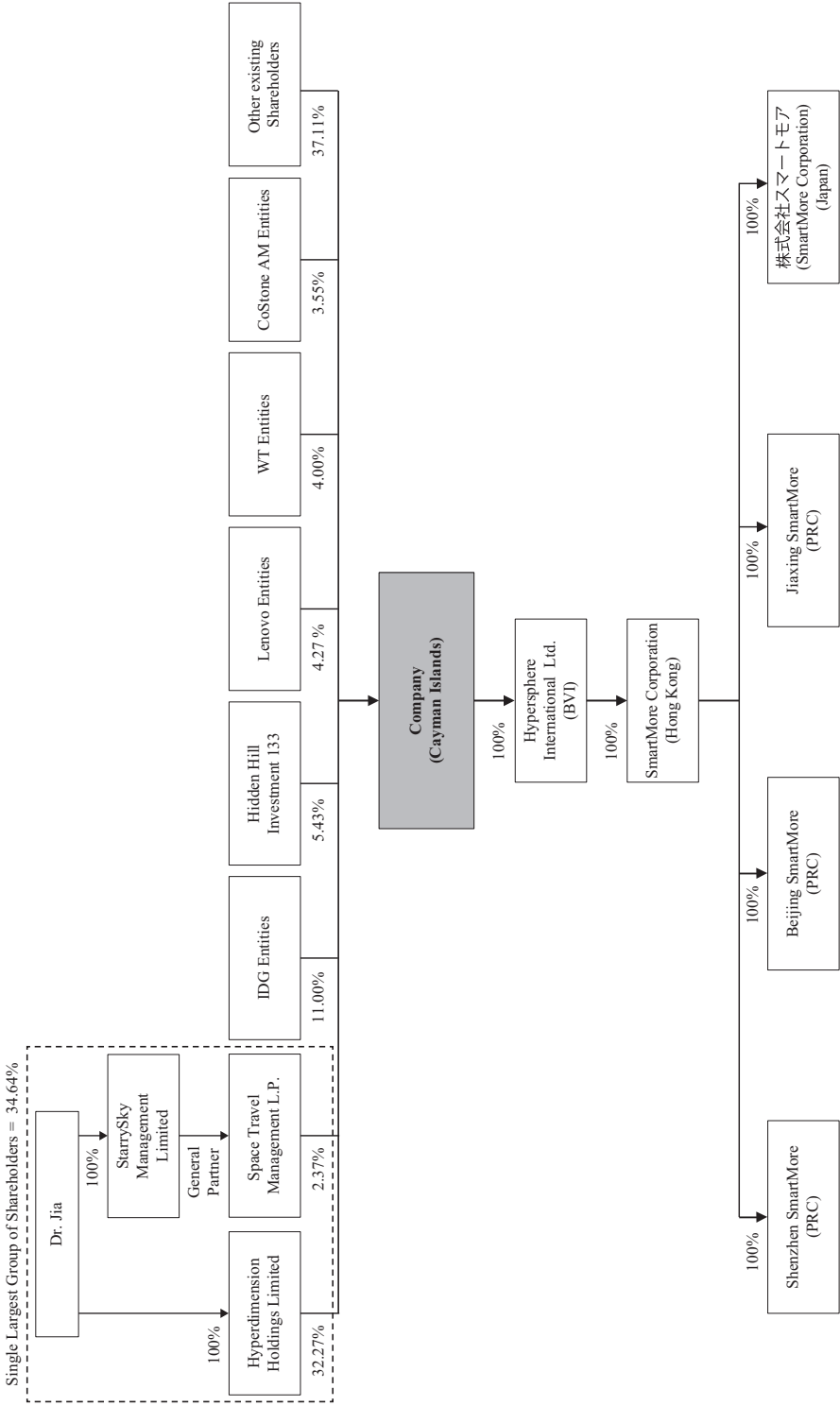
According to the Circular on Relevant Issues concerning Foreign Exchange Administration of Overseas Investment and Financing and Return Investments Conducted by Domestic Residents through Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the “**SAFE Circular 37**”), promulgated by SAFE and became effective on July 4, 2014, PRC residents shall register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, or a special purpose vehicle, for the purpose of overseas investment and financing, with such PRC residents’ legally owned assets or equity interests in domestic enterprises or offshore assets or interests. SAFE Circular 37 further requires amendment to the registration in the event of any changes with respect to the basic information of or any significant changes with respect to the special purpose vehicle. If the shareholders of the offshore holding company who are PRC residents do not complete their registration with the local SAFE branches, the PRC subsidiaries may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to the offshore company, and the offshore company may be restricted in its ability to contribute additional capital to its PRC subsidiaries. Moreover, failure to comply with SAFE registration and amendment requirements described above could result in liability under PRC law for evasion of applicable foreign exchange restrictions.

As advised by our PRC Legal Adviser, Dr. Shen Xiaoyong, Dr. Lyu Jiangbo, Dr. Liu Shu and Dr. Li Ruiyu have completed the registration under SAFE Circular 37 as of the Latest Practicable Date.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR CORPORATE STRUCTURE IMMEDIATELY BEFORE THE COMPLETION OF THE [REDACTED]

The following chart sets forth our Group’s simplified corporate and shareholding structure immediately prior to the completion of the [REDACTED], assuming that all of the Preferred Shares have been converted to ordinary Shares on a one-to-one basis:



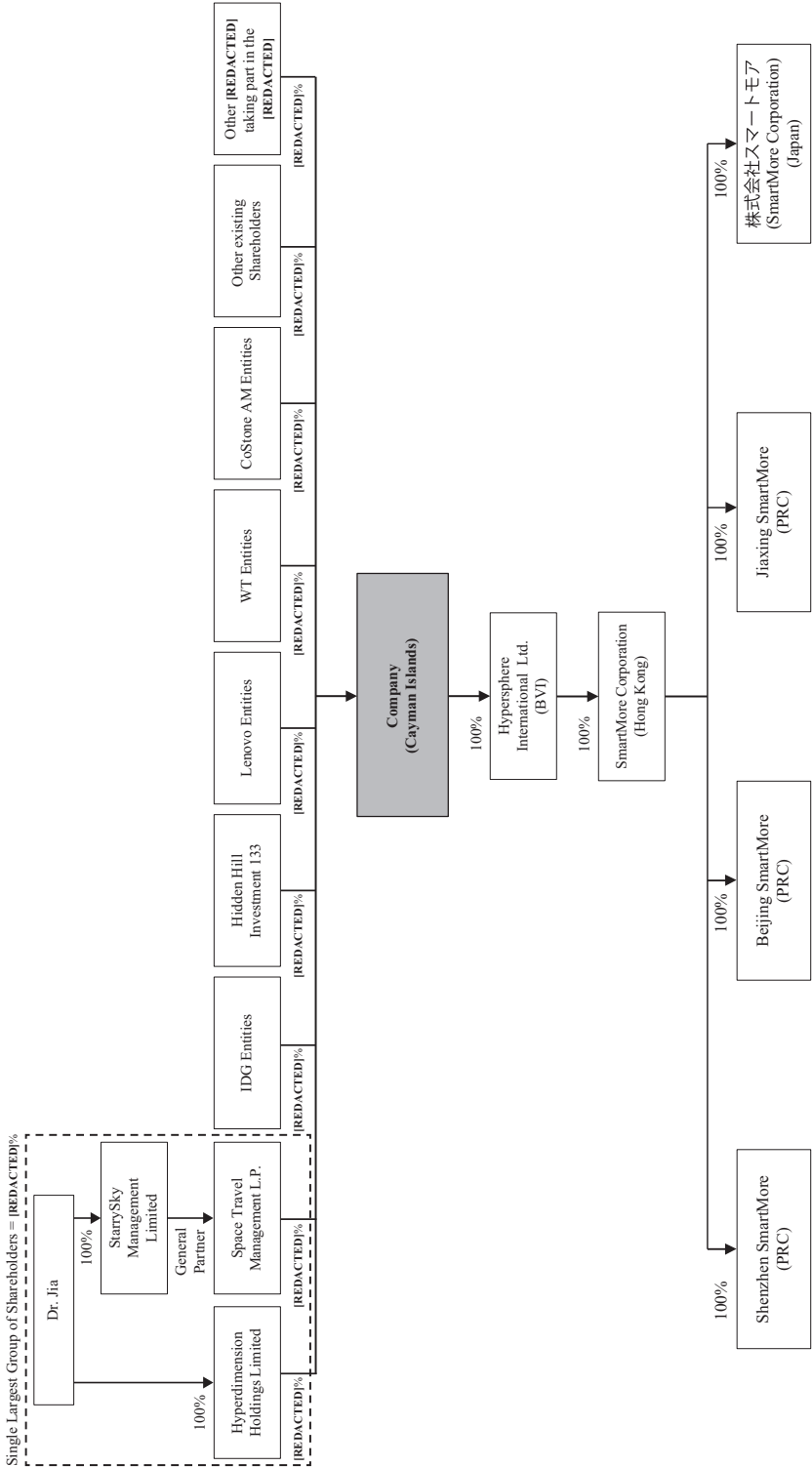
Note:

As of the Latest Practicable Date, the Group has a total of 20 other subsidiaries established in the PRC, Singapore and the Cayman Islands.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR CORPORATE STRUCTURE IMMEDIATELY FOLLOWING THE COMPLETION OF THE [REDACTED]

The following chart sets forth our Group’s simplified corporate and shareholding structure immediately after the completion of the [REDACTED], assuming that (i) all of the Preferred Shares have been converted to ordinary Shares on a one-to-one basis, and (ii) the [REDACTED] has not been exercised, and without taking into account any Shares which may be issued under the Pre-[REDACTED] Stock Incentive Plans:



Note:
Please refer to the note in “- Our Corporate Structure Immediately Before the Completion of the [REDACTED]” in this section.

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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.

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 Market Positioning	 Technology Leadership	 Commercial Achievements
Largest in China Industrial AI Agent Provider ⁽¹⁾	1st Worldwide Industrial Multi-Modal Large Model ⁽²⁾	~140,000 Industrial AI Agent Deployed ⁽³⁾
1st Worldwide Large-Scale Mass Deployment of Industrial AI Agents ⁽⁴⁾	1st Worldwide Cloud-edge Integrated Industrial AI Vision Software ⁽²⁾	730+ Customers Worldwide ⁽⁵⁾
Largest in China Industrial Inspection AI Agent Provider ⁽¹⁾	1st Worldwide Smart Inspection Robots for Compound Components ⁽⁵⁾	RMB1.1Bn / 44% 2025 Revenue / Growth

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.

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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.

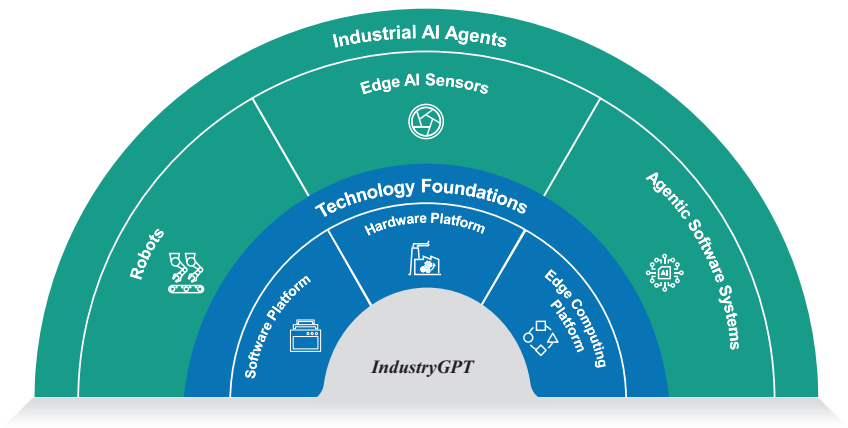
Predictability: In traditional industrial production, parameters for complex processes are often set manually based on accumulated human experience. Industrial AI agents can dynamically adjust these parameters based on real-time operating conditions, improving process predictability, reliability, and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



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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.

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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.

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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

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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 production 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.

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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 100x 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.

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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.

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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.

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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.

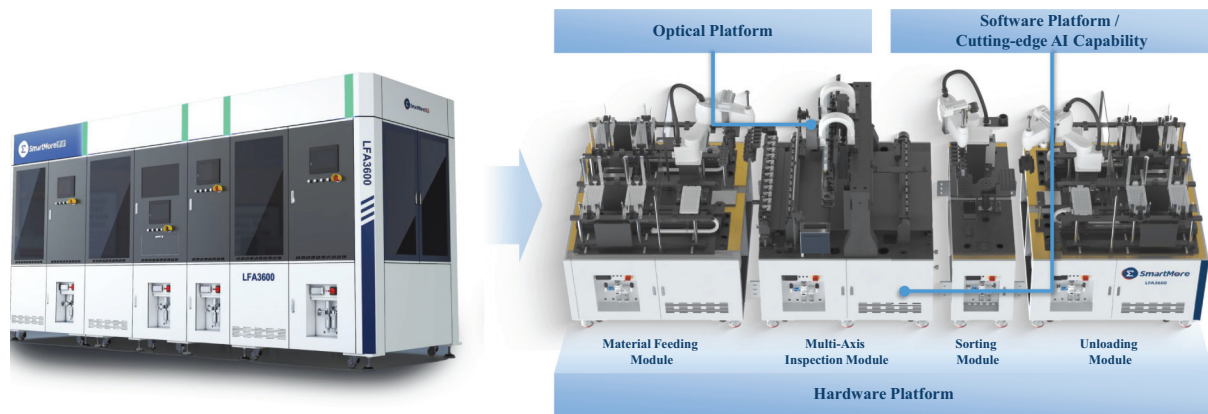
Our robots product line mainly includes smart inspection robots and smart operating robots. Smart inspection robots can perform appearance inspections of various precision industrial components. Smart operating robots can carry out operating tasks in high-dexterity scenarios. Our robots break away from 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

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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

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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.

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Case Study – Unlocking Automation Potential in Home Appliances

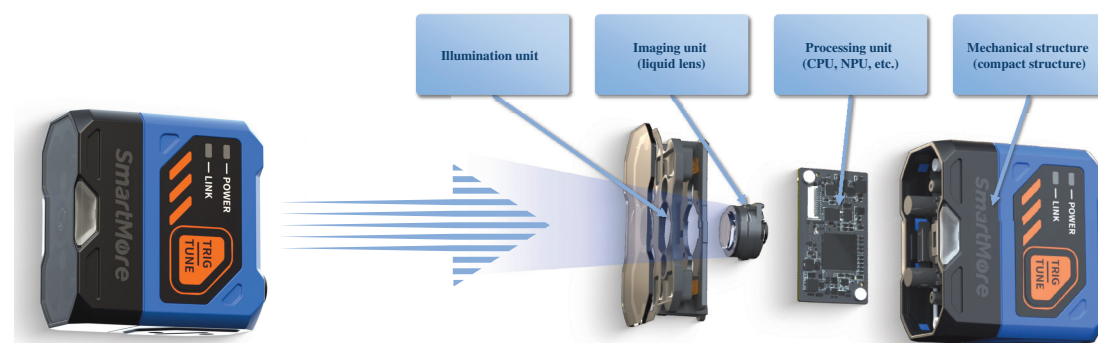
- **Pain Points:** In the home appliance industry, where product models evolve at a rapid pace, traditional automation solutions often struggle to adapt to frequent design changes and multiple variants. Consequently, many essential operating steps still depend heavily on manual labor, limiting both efficiency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

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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.

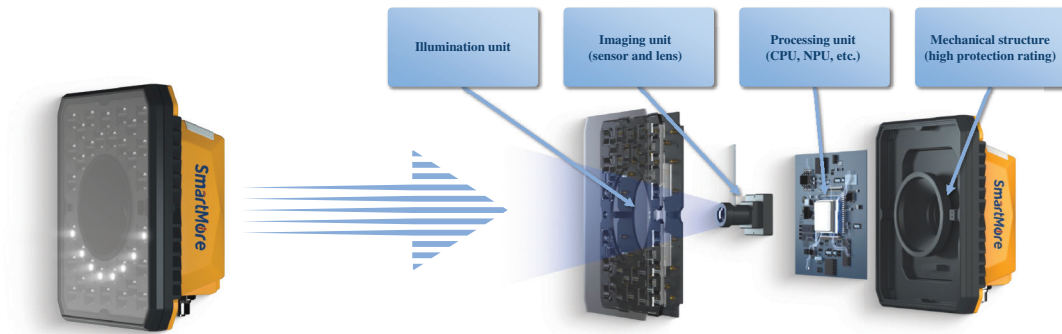
Our smart vision sensors feature an all-in-one design with straightforward software configuration, ensuring quick and hassle-free setup. They deliver minimal timing fluctuation (± 1 ms), high algorithm stability, excellent usability, and outstanding cost-performance. In addition, they require only a 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  Compact AI Vision Sensor	FST Series  High-Speed AI Vision Sensor	VN Series  AI Intelligent Vision	VAL Series  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 – 200mm	– 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

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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	 Lithium batteries	 Auto components	 Pharmaceuticals	 Parts manufacturing
	 Semiconductors	 Logistics	 Food processing	 Paper labels	 DPM barcode reading
					 Packaging

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Agentic Software Systems

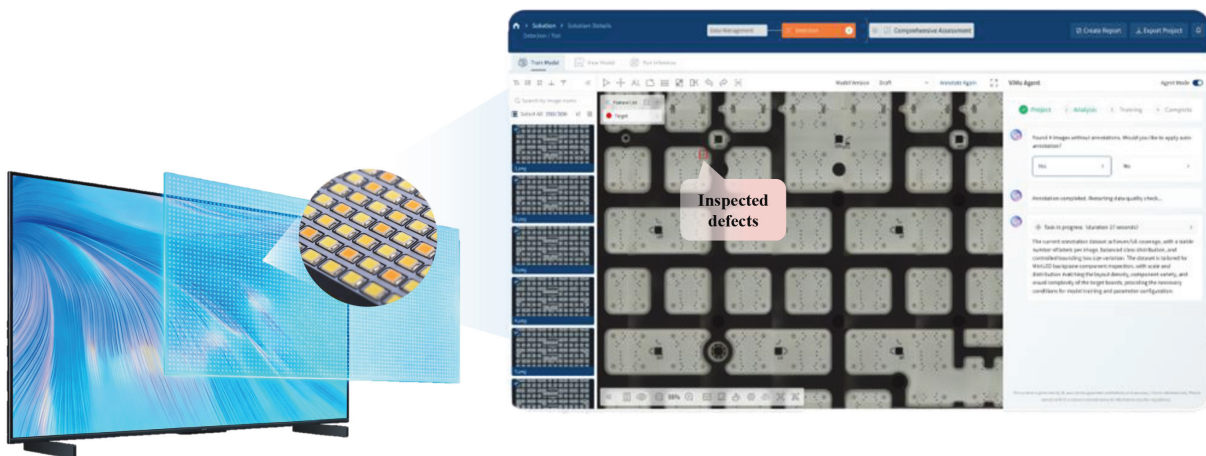
Leveraging IndustryGPT, our agentic software systems include industrial vision AI agent software-ViMo and industrial AI digitalization solutions. Our agentic software systems serve as the intelligence layer that orchestrates models and workflows across cloud, edge and device environments. They enable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

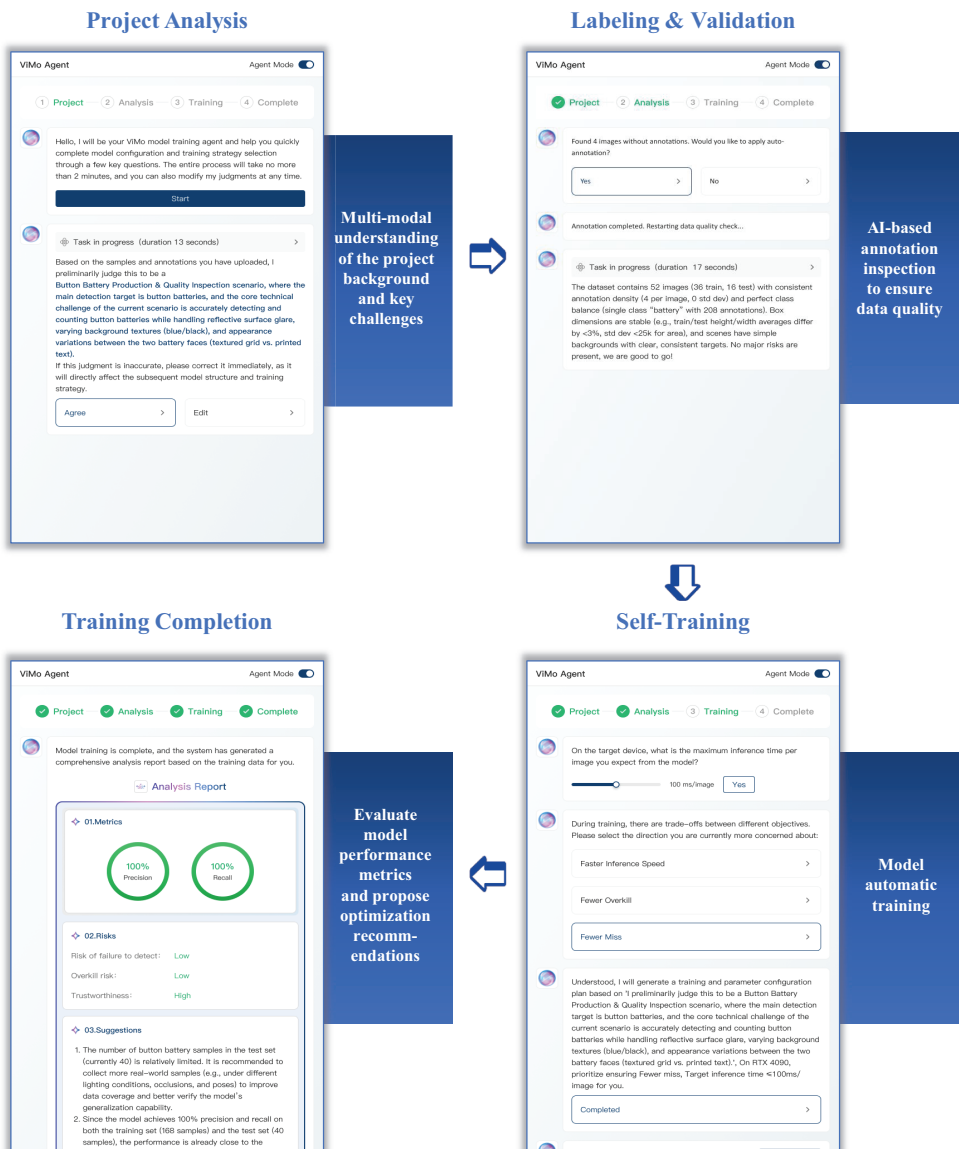
Built on IndustryGPT, ViMo provides a range of advanced capabilities, including defect data generation, intelligent annotation, automated model training, and code generation. These features enable a seamless workflow from data processing to application deployment. By integrating defect knowledge derived 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.



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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.

BUSINESS

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.

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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.

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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.

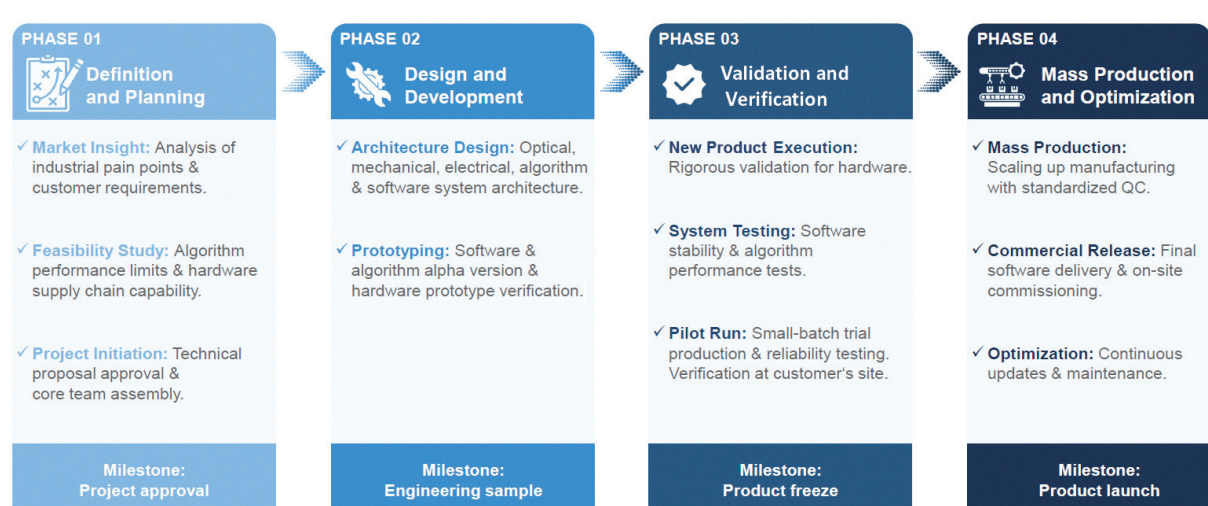
RESEARCH AND DEVELOPMENT

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.

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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.

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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.

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- **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 (RMB in thousands)	Percentage of Total Revenue %
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

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Rank	Customers	Type of Products Purchased	Background	Payment Terms	Year of Commencement of Business Relationship	Revenue (RMB in thousands)	Percentage of Total Revenue %
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.

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- **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 (RMB in thousands)	Percentage of Total Purchase Amount %
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

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Rank	Suppliers	Type of Products/ Services Provided	Background	Year of Commencement of Business Relationship	Payment Terms	Purchase Amount (RMB in thousands)	Percentage of Total Purchase Amount %
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

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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.

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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

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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.

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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.

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	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

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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.

Facility	For the year ended December 31,					
	2023		2024		2025	
	Utilization Rate		Utilization Rate		Utilization Rate	
	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.

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- ***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.

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- **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

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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	<u>528</u>

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.

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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

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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.

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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.

Indicator	Unit	For the Year Ended December 31,		
		2023	2024	2025
<i>Emissions⁽¹⁾</i>				
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
<i>Greenhouse Gas Emissions⁽³⁾</i>				
Total Emissions (Scope 1 & 2)	tCO ₂ e	645.22	733.27	968.34
Scope 1 & 2 Emission Intensity	tCO ₂ e / RMB million revenue	1.33	0.97	0.89
Scope 1 Emissions	tCO ₂ e	6.95	7.77	6.14
Scope 2 Emissions	tCO ₂ e	638.27	725.50	962.21
Scope 3 Emissions	tCO ₂ e	592.71	621.32	742.83

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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

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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.

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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.

BUSINESS

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.

BUSINESS

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.

<u>License/Permit</u>	<u>Entity Holding the License/Permit</u>	<u>Grant Date</u>	<u>Expiration Date</u>
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.

BUSINESS

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.

BUSINESS

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

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Upon [REDACTED], the Board will consist of seven Directors, including three executive Directors, one non-executive Director and three independent non-executive Directors. The following table provides certain information about our Directors:

Name	Age	Position/Title	Time of Joining our Group	Date of Appointment as a Director	Roles and Responsibilities
Executive Directors					
Dr. Jia Jiaya (賈佳亞)	48	Founder, chairman of the Board and executive Director	September 2019	September 23, 2019	Overall vision-setting, strategic direction, technological innovations and business management of our Group
Dr. Lyu Jiangbo (呂江波)	48	Executive Director and chief technology officer	January 2020	January 21, 2020	Overseeing technological development and the edge AI sensor business of our Group
Mr. Zhou Chao (周超)	34	Executive Director	January 2020	March 10, 2026	Overseeing the essential software products of our Group
Non-executive Director					
Mr. Cao Jin (曹進)	47	Non-executive Director	August 2024	August 28, 2024	Providing strategic advice and guidance on the business operations of our Group
Independent Non-executive Directors					
Mr. Zeng Yan (曾岩)	57	Independent non-executive Director	[REDACTED]	March 10, 2026, effective upon [REDACTED]	Supervising and providing independent judgment to our Board
Ms. Sha Sha (沙莎)	53	Independent non-executive Director	[REDACTED]	March 10, 2026, effective upon [REDACTED]	Supervising and providing independent judgment to our Board
Mr. Geoffrey Ian Baram (白恩榮)	46	Independent non-executive Director	[REDACTED]	March 10, 2026, effective upon [REDACTED]	Supervising and providing independent judgment to our Board

Executive Directors

Dr. Jia Jiaya (賈佳亞), aged 48, is our founder, chairman of the Board and executive Director. Dr. Jia founded our Group in September 2019, and was re-designated as an executive Director on March 10, 2026. He is primarily responsible for the overall vision-setting, strategic direction, technological innovations and business management of the Group.

Dr. Jia has over 25 years of experience in academia and the technology industry. From 2004 to 2024, he served at the Chinese University of Hong Kong where he was primarily engaged in education and scientific research, with his last position being a tenured professor. During his tenure in academia, Dr. Jia also served as a distinguished scientist at Tencent YouTu Lab of Tencent Holdings Limited (騰訊控股有限公司), a company listed on the Stock Exchange (stock code: 0700), focusing on the internet sector. Since 2024, Dr. Jia has served as a chair professor at the Hong Kong University of Science and Technology and as the director of the HKUST Von Neumann Institute.

Dr. Jia was elected as a fellow of the Institute of Electrical and Electronics Engineers (IEEE) in 2018 and a fellow of the Association for Computing Machinery (ACM) in January 2026. He has served as an associate editor-in-chief at IEEE Transactions on Pattern Analysis and Machine Intelligence (IEEE TPAMI) since 2021.

DIRECTORS AND SENIOR MANAGEMENT

Dr. Jia obtained his bachelor’s degree in computer science from Fudan University (復旦大學) in the PRC in July 2000 and his doctor’s degree in computer science from the Hong Kong University of Science and Technology in 2004.

Dr. Lyu Jiangbo (呂江波), aged 48, is our executive Director and chief technology officer. He was appointed as our Director on January 21, 2020, became our chief technology officer in September 2020 and was re-designated as our executive Director on March 10, 2026. He is primarily responsible for overseeing technological development and the edge AI sensor business of our Group.

Prior to joining our Group, from September 2009 to December 2016, Dr. Lyu served at the Advanced Digital Sciences Center (ADSC), a research center of the University of Illinois at Urbana-Champaign (UIUC) in Singapore, as a Senior Scientist. Later, from January 2017 to September 2020, Dr. Lyu served as the chief technology officer of Shenzhen Cloudream Technology Co., Ltd. (深圳市雲之夢科技有限公司). During this period, he was primarily responsible for the research, development, and productization of virtual fitting mirrors and 3D body scanning and measurement systems. Dr. Lyu served as an associate editor for IEEE Transactions on Circuits and System for Video Technology (T-CSVT) in 2012-2016; in this capacity, he received the 2012 TCSVT Best Associate Editor (BAE) Award.

Dr. Lyu obtained his bachelor’s degree (Honor Mixed Class Program) in electronic information from Zhejiang University (浙江大學) in June 2000. He then received his master’s degree in electronic information from the same institution in March 2003. Subsequently, he obtained his doctorate degree in electrical engineering from KU Leuven in Belgium in August 2009.

Mr. Zhou Chao (周超), aged 34, is our executive Director. He joined our Group in January 2020 as the general manager for software and was appointed as our executive Director on March 10, 2026. He is primarily responsible for overseeing the essential software products of our Group, including the product planning and business development of the Group’s software products, as well as the technology stack development of software platform.

Prior to joining our Group, Mr. Zhou worked at Tencent Technology (Shenzhen) Co., Ltd (騰訊科技(深圳)有限公司) from July 2018 to January 2020, where he was engaged in artificial intelligence related research and development.

Mr. Zhou obtained his bachelor’s and master’s degrees in computer science from The Chinese University of Hong Kong in November 2014 and November 2018, respectively.

Non-Executive Director

Mr. Cao Jin (曹進), aged 47, was appointed as our Director on August 28, 2024 and re-designated as our non-executive Director on March 10, 2026. He is primarily responsible for providing strategic advice and guidance on the business operations of our Group.

Mr. Cao previously worked at Morgan Stanley from August 2009 to June 2015, with his last position being a vice president in the investment banking division in Hong Kong. From June 2015 to April 2019, he worked at Alibaba Group, last holding the position of director in the Executive Vice Chairman’s Office. Mr. Cao also worked as a managing director in the Principle Investment Division of Starquest Capital Equity Investment Management (Shenzhen) Co., Ltd. (星界資本股權投資管理(深圳)有限公司) (now known as Starquest Private Equity Investment Fund Management (Shenzhen) Co., Ltd. (星界私募股權投資基金管理(深圳)有限公司)) from June 2019 to August 2022. Since January 2023, Mr. Cao has been working at Hidden Hill HK Investment Management Limited as managing director and the head of USD investment.

Mr. Cao obtained his bachelor’s degree in economics from Peking University (北京大學) in the PRC in July 2001 and received his master of business administration degree from Northwestern University in the United States in June 2009.

DIRECTORS AND SENIOR MANAGEMENT

Independent Non-executive Directors

Mr. Zeng Yan (曾岩), aged 57, was appointed as our independent non-executive Director on March 10, 2026 with effect from the [REDACTED]. He is primarily responsible for supervising and providing independent judgment to our Board.

Mr. Zeng previously worked as a finance director at General Electric, as the chief financial officer and chief operating officer at Venustech Group Inc. (北京啟明星辰信息技術股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002439), as a finance director of Microsoft (Greater China) as the chief financial officer of YeePay (易寶支付), a Chinese e-payment service provider, and as the chief financial officer of LexinFintech, a company listed on the NASDAQ (ticker: LX), from December 2016 to June 2021. Mr. Zeng has served as a director of LexinFintech from December 2017 to September 2021, and as the chief financial officer of Autohome Inc. (汽車之家), a company listed on the New York Stock Exchange (ticker symbol: ATHM) and Stock Exchange (stock code: 2518), since April 2022. Mr. Zeng has acquired the financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules through his experience as the chief financial officer of listed companies.

Mr. Zeng received his bachelor of engineering in chemistry from Beijing University of Chemical Technology (北京化工大學) in the PRC in July 1991 and his master of business administration degree from New York University in the United States in May 1999.

Ms. Sha Sha (沙莎), aged 53, was appointed as our independent non-executive Director on March 10, 2026 with effect from the [REDACTED]. She is primarily responsible for supervising and providing independent judgment to our Board.

Ms. Sha joined McKinsey & Company in September 1996 and held a broad range of senior positions in McKinsey until her retirement in September 2022, including the Managing Partner of McKinsey Digital Asia and the Council member of McKinsey Global Institute. As a Senior Partner of the Firm, she has extensive experience in strategy, M&A, and digital transformation across a wide range of industries. From June 2023 to February 2026, she served as an independent non-executive director of ANE (Cayman) Inc. (安能物流集團有限公司) (previously listed on the Stock Exchange).

Ms. Sha received her Bachelor of Arts degree in International Economics from Peking University (北京大學) in China in July 1996 and her Master of Business Administration degree from Harvard Business School in the United States in June 2001.

Mr. Geoffrey Ian Baram (白恩榮), aged 46, was appointed as our independent non-executive Director on March 10, 2026 with effect from the [REDACTED]. He is primarily responsible for supervising and providing independent judgment to our Board.

Mr. Baram has over 20 years of experience in investment banking, corporate finance and venture capital. He previously worked as an assistant manager at Anglo Chinese Corporate Finance from 2005 to 2007, as an associate director in the global banking department at HSBC from 2007 to 2010, as an executive director in investment banking at Morgan Stanley Asia Limited from 2010 to 2018, and as a managing director in investment banking at Credit Suisse (Hong Kong) Limited's Asian Technology, Media and Telecommunications team from July 2018 to March 2023. Since June 2023, he has served as a venture partner focusing on venture capital at Mindworks Capital.

Mr. Baram obtained his bachelor's degree in industrial economics from the University of Nottingham in the United Kingdom in October 2000 and his master's degree in applied finance from the University of Melbourne in Australia in March 2006.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

The following table provides certain information about the members of our senior management, who are responsible for the day-to-day operations and management of the business of our Group:

Name	Age	Position/Title	Time of Joining our Group	Date of Appointment as Senior Management	Roles and Responsibilities
Dr. Jia Jiaya (賈佳亞)	48	Founder, chairman of the Board and executive Director	September 2019	September 23, 2019	Overall vision-setting, strategic direction, technological innovations and business management of the Group
Dr. Lyu Jiangbo (呂江波)	48	Executive Director and chief technology officer	January 2020	September 18, 2020	Overseeing technological development and the edge AI sensor business of our Group
Mr. Li Wei (李維)	48	Chief financial officer	August 2024	August 9, 2024	Overseeing finance, operations, capital markets and business development of our Group

For the biographical details of Dr. Jia and Dr. Lyu Jiangbo, see “—Board of Directors—Executive Directors” in this section.

Mr. Li Wei (李維), aged 48, joined our Group as our chief financial officer in August 2024. Mr. Li is primarily responsible for overseeing finance, operations, capital markets and business development of our Group.

Prior to joining our Group, Mr. Li worked as a management trainee of the Financial Management Programme at General Electric from July 2000 to July 2002, as the head of risk and credit management at GE Healthcare China from August 2002 to January 2004, as part of the General Electric corporate audit staff based in the United States and Asia from January 2004 to January 2007, as the chief financial officer for Global Supply Chain Asia Group in GE Healthcare from January 2007 to July 2010, as the chief financial officer of UniTrust Finance & Leasing Corporation from July 2010 to April 2014, as the executive vice-president, chief operating officer and chief financial officer of CAR Inc., a company previously listed on the Stock Exchange and later privatized in July 2021, between May 2014 and August 2018, as the chief financial officer of OYO Hotels from September 2018 to June 2020, and as the chief financial officer of Spark Education (火花思維), a China-based online education platform, from September 2020 to August 2024.

Mr. Li has served as an independent non-executive director of ANE (Cayman) Inc. (安能物流集團有限公司) (previously listed on the Stock Exchange and later privatized in February 2026) and Dmall Inc. (多點數智有限公司), a company listed on the Stock Exchange (stock code: 2586), since October 2021 and December 2024, respectively.

Mr. Li obtained his bachelor’s degree in finance from Fudan University (復旦大學) in the PRC in June 2000.

GENERAL

Save as disclosed in this section, none of the Directors or members of senior management of our Company has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document.

None of the Directors or members of the senior management of our Company is related to any other Directors and members of the senior management of our Company.

DIRECTORS AND SENIOR MANAGEMENT

To the best knowledge, information and belief of our Directors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date .

CONFIRMATION FROM OUR DIRECTORS

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in March 2026, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointment.

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company’s business which would require disclosure under Rule 8.10 of the Listing Rules.

JOINT COMPANY SECRETARIES

Mr. Wang Shuai (王帥) was appointed as our joint company secretary on March 10, 2026. Mr. Wang joined our Group in December 2025 as our Board secretary. He is primarily responsible for overseeing our capital operations, investor relations, regulatory liaisons and information disclosure.

Prior to joining our Group, Mr. Wang worked at China International Capital Corporation Limited (中國國際金融股份有限公司), a company listed on the Stock Exchange (stock code: 3908) and Shanghai Stock Exchange (stock code: 601995) from July 2014 to November 2021, with his last position being a vice president of investment banking. From December 2021 to January 2025, Mr. Wang worked for Goldman Sachs (China) as an executive director specializing in corporate finance and M&A.

Mr. Wang obtained his Chartered Financial Analyst qualification in November 2017, the Chartered Alternative Investment Analyst (CAIA) qualification in January 2020 and the A-Share Sponsor Representative Qualification (A股保薦代表人資格) issued by the Securities Association of China (中國證券業協會) in June 2023.

Mr. Wang obtained his bachelor’s degree in business administration from the University of Southern California in the United States in May 2012 and his master’s degree in finance from the Massachusetts Institute of Technology in the United States in June 2014.

Ms. Sham Ying Man (岑影文) was appointed as our joint company secretary on March 10, 2026. She is a senior manager of company secretarial services of Tricor Services Limited, a member of Vistra Group. She has over 25 years of experience in the corporate secretarial field. Ms. Sham has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Sham obtained a bachelor degree of business administration from Lingnan College (currently known as Lingnan University). She is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, respectively.

BOARD COMMITTEES

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Mr. Zeng Yan, Ms. Sha Sha and Mr. Geoffrey Baram. Mr. Zeng Yan has the appropriate professional qualifications or accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules, and serves as the chairperson of the Audit Committee. The primary duties of the Audit Committee include, but are not limited to, reviewing the Company’s financial information and its disclosure, and monitoring and evaluating internal and external audit work and internal controls.

Remuneration Committee

We have established a Remuneration Committee with written terms of reference in compliance with paragraph E.1 of the Corporate Governance Code. The Remuneration Committee consists of three Directors, namely Ms. Sha Sha, Dr. Jia and Mr. Geoffrey Baram. Ms. Sha Sha serves as the chairperson of the Remuneration Committee. The primary duties of the Remuneration Committee include, but are not limited to, formulating evaluation standards for our Directors and senior management of the Company, implementation of measures in response to such evaluation, and formulating and reviewing the remuneration policies and plans for Directors and senior management of the Company.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with paragraph B.3 of the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Dr. Jia, Ms. Sha Sha and Mr. Zeng Yan. Dr. Jia serves as the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, but are not limited to, developing standards and procedures for the election of our Directors and senior management of the Company, and selecting and examining the qualifications of the candidates for our Directors and senior management of the Company.

CORPORATE GOVERNANCE

We aim to implement a high standard of corporate governance, which is crucial to safeguard the interests of our Shareholders. To accomplish this, we expect to comply with the Corporate Governance Code after the [REDACTED] save for the matter disclosed below.

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Although we do not have a formal role of a chief executive officer, Dr. Jia, being our founder, chairman of the Board and executive Director, is the person responsible for the overall vision-setting, strategic direction, technological innovations and business management of our Group. As such, our current arrangement deviates from code provision C.2.1. Our Board believes that, in view of his experience, personal profile and his roles in our Company as mentioned above, Dr. Jia is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our chief executive. Our Board also believes that Dr. Jia’s combined role can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board.

DIRECTORS AND SENIOR MANAGEMENT

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors receive compensation in the form of fees, salaries, allowances, discretionary bonuses, share-based compensation, retirement benefit scheme contributions and other benefits in kind.

For information on remuneration of Directors during the Track Record Period, as well as information on remuneration of the five highest paid individuals, see notes 36 and 10 to the Accountant’s Report.

Under the current compensation arrangement, we estimate the total compensation before taxation to be accrued to our Directors for the year ending December 31, 2026 to be approximately RMB5.3 million.

During the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of our Company or any of our subsidiaries.

During the Track Record Period, none of our Directors waived any remuneration. Save as disclosed in notes 10 and 36 to the Accountant’s Report, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors or the five highest paid individuals during the Track Record Period.

BOARD DIVERSITY POLICY

In order to enhance the effectiveness of our Board and to maintain the high standard of corporate governance, we [have] adopted a board diversity policy (the “**Board Diversity Policy**”) which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to the Board Diversity Policy, we seek to achieve diversity through the consideration of a number of factors when selecting the candidates to our Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural and educational background, and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates are expected to bring to our Board.

Our Directors have a balanced mix of knowledge and skills, including in the areas of engineering, computer science, finance management and economics. We have three independent non-executive Directors with different industry backgrounds representing over one-third of the members of our Board. Our Company has evaluated the structure, size and composition of our Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of the Directors in various aspects and fields enables our Company to maintain a high standard of operations.

Besides, we particularly recognize the importance of gender diversity. We have taken, and will continue to take, steps to promote gender diversity at all levels of our Company, including but without limitation to our Board and senior management levels. Going forward, we will continue to work to enhance gender diversity of our Board when selecting and recommending suitable candidates for Board appointments. We will maintain at least one female member of the Board at all times and the current composition of the Board satisfies this gender ratio. Our Company also intends to promote gender diversity at the mid to senior level so that our Company can maintain a balanced gender ratio at different levels. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our Board Diversity Policy.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After the [REDACTED], our Nomination Committee will examine the Board Diversity Policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the Board Diversity Policy on an annual basis.

DIRECTORS AND SENIOR MANAGEMENT

COMPLIANCE ADVISER

We have appointed Maxa Capital Limited as our Compliance Adviser pursuant to Rule 3A.19 and 3A.23 of the Listing Rules, with a term commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]. Our Compliance Adviser will provide us with guidance and advice as to compliance with the Listing Rules and applicable Hong Kong laws.

Pursuant to Rule 3A.23 of the Listing Rules, our Compliance Adviser will advise our Company, among others, in the following circumstances: (a) before the publication of any regulatory announcement, circular or financial report; (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfers of treasury shares and share repurchases; (c) where we propose to use the [REDACTED] from the [REDACTED] in a manner different from that detailed in this Document or where our business activities, developments or results deviate from any forecast, estimate or other information in this Document; and (d) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the [REDACTED] of its [REDACTED] securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Adviser will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The Compliance Adviser will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the applicable requirements under the Listing Rules and laws and regulations.

RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

Immediately prior to the [REDACTED], Dr. Jia, our founder, chairman of the Board and executive Director, is entitled to exercise the voting rights of approximately 34.64% of the total issued share capital of our Company through the Shares held by his close associates, including (i) Hyperdimension Holdings Limited, a company which is wholly owned by Dr. Jia; and (ii) Space Travel Management L.P., a limited liability partnership the general partner of which is StarrySky Management Limited, which is in turn wholly owned by Dr. Jia.

Immediately following the completion of the [REDACTED] (on the basis that all the Preferred Shares are converted into Shares on a one-to-one basis, assuming the [REDACTED] is not exercised and without taking into account any Shares which may be issued under the Pre-[REDACTED] Stock Incentive Plans), Dr. Jia will be entitled to exercise the voting rights of approximately [REDACTED]% of the total issued share capital of our Company through the Shares held by Hyperdimension Holdings Limited and Space Travel Management L.P.

Accordingly, Dr. Jia, together with Hyperdimension Holdings Limited, Space Travel Management L.P. and StarrySky Management Limited, are our Single Largest Group of Shareholders of our Company upon [REDACTED].

INDEPENDENCE OF OUR BUSINESS

We believe that we are capable of carrying out our business independently of our Single Largest Group of Shareholders and their close associates after the [REDACTED] for the reasons set out below.

Management Independence

Upon the [REDACTED], our Board will consist of three executive Directors, one non-executive Director and three independent non-executive Directors, and our senior management team will comprise three members. The executive Directors and the senior management team are responsible for the day-to-day management of our operations. Notwithstanding the role of Dr. Jia on our Board and in our senior management team, our Directors are of the view that our Company is able to function independently from our Single Largest Group of Shareholders for the following reasons:

- (i) we have appointed three independent non-executive Directors, representing over one-third of the total members of our Board, who are independent of our Single Largest Group of Shareholders and have sufficient knowledge, experience and competence to provide impartial opinions in the decision-making process of our Board with a view to promote the interests of our Company and of the Shareholders as a whole;
- (ii) our daily management and operations are conducted by our senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group;
- (iii) our Company has established internal control mechanisms to identify connected transactions to ensure that our Shareholders or Directors with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions;
- (iv) where a Board meeting or Shareholders' meeting is held to consider a proposed transaction in which our Directors or Single Largest Group of Shareholders or any of their respective close associates have a material interest, the relevant Directors or our Single Largest Group of Shareholders and their respective close associates shall abstain from voting on the relevant resolutions and shall not be counted towards the quorum for voting;

RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

- (v) each of our Directors is aware of his or her fiduciary duties and responsibilities under the Listing Rules as a Director, which require that he or she act for the benefit and in the best interest of our Company, and do not allow any conflict between his or her duties as a Director and his or her personal interests; and
- (vi) our Company has adopted a series of corporate measures to manage conflicts of interest, if any, between our Company and our Single Largest Group of Shareholders. Please refer to “Corporate Governance Measures” below for further information.

Based on the above, our Directors believe that our Board and senior management as a whole are able to play a managerial role in our Company independently from our Single Largest Group of Shareholders and their close associates after the [REDACTED].

Operational Independence

Our Group is not operationally dependent on our Single Largest Group of Shareholders. Our Company has full rights to make all decisions on and to carry out for our own business development, staffing, logistics, administration, finance, internal audit, information technology, sales and marketing, or company secretarial functions. We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession (including through our subsidiaries) of all relevant licenses necessary to carry on and operate our principal businesses, and we have sufficient operational capacity in terms of capital and employees to operate independently. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from the Single Largest Group of Shareholders and their close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

Based on the above, our Directors consider there to be no operational dependence on our Single Largest Group of Shareholders or any of their close associates.

Financial Independence

Our Group is not financially dependent on our Single Largest Group of Shareholders, and we do not expect to rely on our Single Largest Group of Shareholders or any of their close associates for financing after the [REDACTED]. Our Company has established an independent finance department, as well as implemented its own independent audit, accounting, internal control and financial management systems. We make financial decisions and determine our use of funds according to our own business needs. We have opened accounts with banks independently and do not share any bank account with our Single Largest Group of Shareholders. We have made tax filings and paid tax independently of our Single Largest Group of Shareholders pursuant to applicable laws and regulations. We have adequate internal resources to support our daily operations, and we are capable of obtaining financing from third parties, if necessary, without reliance on our Single Largest Group of Shareholders.

As of the Latest Practicable Date, there was no outstanding loan extended by our Single Largest Group of Shareholders or their close associates to us and no guarantee has been provided for our benefit by our Single Largest Group of Shareholders or any of their close associates.

Based on the above, our Directors consider that there is no financial dependence on our Single Largest Group of Shareholders or any of their close associates.

DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

Save and except for the interests of our Single Largest Group of Shareholders in our Company and its subsidiaries, our Single Largest Group of Shareholders, their close associates and our Directors do not have any interest in any business, other than our Group, which competes or is likely to compete, either directly or indirectly, with our Group’s business and which requires disclosure pursuant to Rule 8.10 of the Listing Rules.

RELATIONSHIP WITH OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code which sets out principles of good corporate governance in relation to, among other matters, directors, the chairman and chief executive officer, board composition, the appointment, re-election and removal of directors, their responsibilities and remuneration and communications with shareholders, except for code provision C.2.1 of the Corporate Governance Code, details of which are set out in “Directors and Senior Management — Corporate Governance” in this Document.

Our Directors recognize the importance of good corporate governance to protect the interests of our Shareholders. We have adopted the following corporate governance measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Single Largest Group of Shareholders:

- (i) our Company has established internal control mechanisms to identify connected transactions. Upon [REDACTED], if our Group enters into connected transactions with our Single Largest Group of Shareholders or their close associates, our Company will comply with the applicable requirements under the Listing Rules;
- (ii) where a Shareholders’ meeting is to be held for considering proposed transactions in which our Single Largest Group of Shareholders or any of their close associates has any material interest, our Single Largest Group of Shareholders and their close associates (as applicable) will not vote on the resolutions and shall not be counted in the quorum for voting;
- (iii) our Board consists of a balanced composition of executive and independent non-executive Directors, with independent non-executive Directors representing not less than one-third of our Board to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to perform their duties. They will review whether there is any conflict of interests between our Group and our Single Largest Group of Shareholders on an annual basis (the “**Annual Review**”) and provide impartial and professional advice to protect the interests of our minority Shareholders; the Single Largest Group of Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the Annual Review;
- (iv) our Company will disclose decisions (with basis) on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements;
- (v) where advice from an independent professional, such as a financial or legal adviser, is reasonably requested by our Directors (including the independent non-executive Directors), the appointment of such an independent professional will be made at our Company’s expense; and
- (vi) we have appointed Maxa Capital Limited as our Compliance Adviser to provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules, including various requirements relating to Directors’ duties and corporate governance matters.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Single Largest Group of Shareholders and to protect our minority Shareholders’ interests after the [REDACTED].

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the [REDACTED], assuming the [REDACTED] is not exercised and without taking into account any Shares which may be issued under the Pre-[REDACTED] Stock Incentive Plans, the following persons will have interests and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Capacity/ Nature of Interest ⁽¹⁾	Number of Shares Held	Approximate percentage of shareholding in the total issued share capital of our Company	
			As of the Latest Practicable Date	Immediately following the completion of the [REDACTED] ⁽⁴⁾
Dr. Jia ⁽²⁾	Interest in controlled corporation	170,248,791	34.64%	[REDACTED]%
Hyperdimension Holdings Limited ⁽²⁾	Beneficial owner	158,594,821	32.27%	[REDACTED]%
Ho Chi Sing ⁽³⁾	Interest in controlled corporation	54,035,914	11.00%	[REDACTED]%
Zhou Quan ⁽³⁾	Interest in controlled corporation	39,689,609	8.08%	[REDACTED]%
IDG China Venture Capital Fund V Associates L.P. ⁽³⁾	Interest in controlled corporation	37,550,180	7.64%	[REDACTED]%
IDG China Venture Capital Fund V L.P. ⁽³⁾	Beneficial owner	37,550,180	7.64%	[REDACTED]%

Notes:

- (1) All interests stated are long positions.
- (2) As of the Latest Practicable Date, (i) Hyperdimension Holdings Limited is owned as to 100% by Dr. Jia, and (ii) the general partner of Space Travel Management L.P. is StarrySky Management Limited, which is owned as to 100% by Dr. Jia. Therefore, by virtue of the SFO, Dr. Jia is deemed to be interested in the Shares held by Hyperdimension Holdings Limited and Space Travel Management L.P.
- (3) The general partner of IDG China Venture Capital Fund V L.P. is IDG China Venture Capital Fund V Associates L.P., and the general partner of IDG China V Investors L.P. is IDG China Venture Capital Fund GP V Associates Ltd., both of which are ultimately controlled by Ho Chi Sing and Zhou Quan. The general partner of IDG Breyer Capital Fund L.P. is IDG Breyer Capital Fund GP Associates L.P., which is in turn owned as to 50% by Ho Chi Sing and Yang Fei respectively. Therefore, by virtue of the SFO, Mr. Ho Chi Sing and Mr. Zhou Quan are deemed to be interested in the Shares held by IDG China Venture Capital Fund V L.P. and IDG China V Investors L.P., and Mr. Ho Chi Sing is further deemed to be interested in the Shares held by IDG Breyer Capital Fund L.P.
- (4) Assuming the [REDACTED] is not exercised and without taking into account any Shares which may be issued under the Pre-[REDACTED] Stock Incentive Plans.

Save as disclosed above and the section headed “Statutory and General Information—C. Further Information about our Directors and Substantial Shareholders” in Appendix IV to this Document, our Directors are not aware of any person who will, immediately following completion of the [REDACTED], assuming the [REDACTED] is not exercised and without taking into account any Shares which may be issued under the Pre-[REDACTED] Stock Incentive Plans, have any interest and/or short position in the Shares or underlying Shares of our Company which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of our Company or other members of the Group.

SHARE CAPITAL

AUTHORIZED AND ISSUED SHARE CAPITAL

The following is a description of the authorized and issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately following the completion of the [REDACTED].

As at the Latest Practicable Date, our authorized share capital was divided into (i) 719,633,887 ordinary Shares of par value of US\$0.0001 each; (ii) 32,258,065 Series Pre-A Preferred Shares of par value of US\$0.0001 each; (iii) 17,309,204 Series Pre-A1 Preferred Shares of par value of US\$0.0001 each; (iv) 58,018,992 Series A Preferred Shares of par value of US\$0.0001 each; (v) 49,175,426 Series A1 Preferred Shares of par value of US\$0.0001 each; (vi) 61,763,336 Series B Preferred Shares of par value of US\$0.0001 each; (vii) 6,650,211 Series B1 Preferred Shares of par value of US\$0.0001 each; and (viii) 55,190,879 Series C Preferred Shares of par value of US\$0.0001 each.

As at the Latest Practicable Date, our issued share capital consisted of (i) 211,060,074 ordinary Shares of par value of US\$0.0001 each; (ii) 32,258,065 Series Pre-A Preferred Shares of par value of US\$0.0001 each; (iii) 17,309,204 Series Pre-A1 Preferred Shares of par value of US\$0.0001 each; (iv) 58,018,992 Series A Preferred Shares of par value of US\$0.0001 each; (v) 49,175,426 Series A1 Preferred Shares of par value of US\$0.0001 each; (vi) 61,763,336 Series B Preferred Shares of par value of US\$0.0001 each; (vii) 6,650,211 Series B1 Preferred Shares of par value of US\$0.0001 each; and (viii) 55,190,879 Series C Preferred Shares of par value of US\$0.0001 each.

All of the Preferred Shares will be converted into ordinary Shares on a one-to-one basis by way of re-designation and re-classification with effect upon completion of the [REDACTED].

Assuming the [REDACTED] is not exercised and without taking into account any Shares which may be issued under the Pre-[REDACTED] Stock Incentive Plans, the share capital of our Company immediately after the [REDACTED] will be as follows:

Description of Shares	Number of Shares	Aggregate nominal value of Shares (US\$)	Approximate percentage of issued share capital (%)
Shares in issue	491,426,187	49,142.6187	[REDACTED]
Shares to be issued under the [REDACTED] . . .	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	100.00

Assuming the [REDACTED] is exercised in full and without taking into account any Shares which may be issued under the Pre-[REDACTED] Stock Incentive Plans, the share capital of our Company upon completion of the [REDACTED] will be as follows:

Description of Shares	Number of Shares	Aggregate nominal value of Shares (US\$)	Approximate percentage of issued share capital (%)
Shares in issue	491,426,187	49,142.6187	[REDACTED]
Shares to be issued under the [REDACTED] . . .	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	100.00

SHARE CAPITAL

RANKING

The [REDACTED] are shares in the share capital of our Company and rank equally with all Shares currently in issue or to be issued (including all the Shares as converted from Preferred Shares upon completion of the [REDACTED]) and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this Document.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the Cayman Companies Act and the terms of the Articles of Association, our Company may from time to time by ordinary resolution of Shareholders (i) increase its share capital; (ii) consolidate and divide its share capital into Shares of larger amount; (iii) divide its Shares into several classes; (iv) cancel any Shares which have not been taken or agreed to be taken; (v) make provision for the allotment and issue of Shares which do not carry any voting rights; (vi) change the currency of denomination of its share capital; and/or (vii) reduce its share premium account in any manner authorized, and subject to any conditions prescribed by law. In addition, our Company may, subject to the provisions of the Cayman Companies Act, reduce its share capital or capital redemption reserve by its Shareholders passing a special resolution. See the section headed “Summary of the Constitution of the Company and the Company Laws of the Cayman Islands” in Appendix III to this Document for further details.

PRE-[REDACTED] STOCK INCENTIVE PLANS

The Company has adopted the Pre-[REDACTED] Stock Incentive Plans. See “Statutory and General Information—D. Pre-[REDACTED] Stock Incentive Plans” in Appendix IV to this Document for details.

GENERAL MANDATE TO (I) ISSUE SHARES AND (II) SELL AND/OR TRANSFER TREASURY SHARES

Subject to the [REDACTED] becoming unconditional, our Directors were granted a general mandate to (i) allot, issue and deal with any Shares or securities convertible into Shares, and (ii) sell and/or transfer Shares out of treasury that are held as treasury shares of not more than the sum of:

- 20% of the total number of Shares in issue immediately following completion of the [REDACTED] (excluding (i) the additional Shares which may be issued pursuant to the exercise of the [REDACTED], and (ii) treasury shares, if any); and
- the aggregate number of Shares repurchased by the Company under the authority referred to in the paragraph headed “—General Mandate to Repurchase Shares” in this section.

This general mandate to issue Shares and sell and/or transfer treasury shares will expire at the earliest of:

- the conclusion of the next annual general meeting of our Company unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;
- the expiration of the period within which our Company’s next annual general meeting is required by the Articles of Association or any other applicable laws to be held; or
- the date on which it is varied or revoked by an ordinary resolution of our Shareholders in a general meeting.

SHARE CAPITAL

GENERAL MANDATE TO REPURCHASE SHARES

Subject the [REDACTED] becoming unconditional, our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase our own securities of up to 10% of the total number of Shares in issue immediately following the completion of the [REDACTED] (excluding (i) the additional Shares which may be issued pursuant to the exercise of the [REDACTED] or under the Pre-[REDACTED] Stock Incentive Plans, and (ii) treasury shares, if any).

The repurchase mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which our Shares are [REDACTED] (and which are recognized by the SFC and the Stock Exchange for this purpose), and which are in accordance with the Listing Rules. A summary of the relevant Listing Rules is set out in “Statutory and General Information—A. Further Information about our Group—5. Repurchases of Our Own Securities” in Appendix IV to this Document.

This general mandate to repurchase Shares will expire at the earliest of:

- the conclusion of the next annual general meeting of our Company unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;
- the expiration of the period within which our Company’s next annual general meeting is required by Articles of Association or any other applicable laws to be held; or
- the date on which it is varied or revoked by an ordinary resolution of our Shareholders in a general meeting.

See “Statutory and General Information—A. Further Information about Our Group—4. Resolutions of Our Shareholders” in Appendix IV to this Document for further details of the repurchase mandate.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our consolidated financial statements and the accompanying notes included in the Accountant’s Report set forth in Appendix I to this Document. Our consolidated financial statements have been prepared in accordance with IFRSs, which may differ in material aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountant’s Report and not merely rely on the information contained in this section. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, whether the actual outcome and developments will meet our expectations and predictions depends on a number of risks and uncertainties, over which we do not have control. In evaluating our business, you should carefully consider all of the information, including, but not limited to, that set forth under “Risk Factors,” “Forward-Looking Statements” and provided elsewhere in this Document. For the purpose of this section, unless the context otherwise requires, references to 2023, 2024 and 2025 refer to our financial year ended December 31 of such year. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

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. We sell industrial AI agents to industrial customers, addressing the complexity of modern industrial production and empowering machines, production lines and entire factories to think, see, act and continuously improve autonomously. Our industrial AI agents include robots, edge AI sensors and agentic software systems.

Our robots, which are purpose-built for inspection and operating, leverage multi-degree-of-freedom platforms and our IndustryGPT to modularize and centrally orchestrate complex workflows, enabling highly adaptable, efficient and scalable industrial production. Our edge AI sensors deliver real-time processing and high-precision perception while maintaining consistent performance under demanding industrial conditions. Our agentic software systems, including ViMo and our industrial AI digitalization solutions, features a first-of-its-kind cloud-edge integrated architecture purpose-built for deploying foundation models in industrial settings.

Our operating performance during the Track Record Period was reflected in continued revenue growth and improving profitability. Our total revenue increased from RMB484.9 million in 2023 to RMB755.8 million in 2024 and further to RMB1,086.3 million in 2025, representing year-over-year growth of 55.9% and 43.7%, respectively. Our gross profit increased from RMB148.1 million in 2023 to RMB244.3 million in 2024 and further to RMB405.2 million in 2025, representing year-over-year growth of 65.0% and 65.8%, respectively. Our overall gross profit margin improved from 30.5% in 2023 to 32.3% in 2024 and 37.3% in 2025.

BASIS OF PREPARATION

Our historical financial information during the Track Record Period has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (“IASB”). For details of the basis of preparation, see Note 2 to the Accountant’s Report included in Appendix I to this Document.

The preparation of our historical financial information during the Track Record Period in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to our historical financial information during the Track Record Period are disclosed in Note 4 to the Accountant’s Report included in Appendix I to this Document.

FINANCIAL INFORMATION

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, materially affected by a number of factors, including the following:

Global Industrial AI Agent Market Growth Opportunities and Policy Support

We operate at the forefront of a major shift in global manufacturing, as artificial intelligence moves beyond traditional automation toward autonomous industrial AI agents that can perceive, reason and execute across production environments. This paradigm shift is occurring alongside broader macroeconomic changes, including global supply chain reconfiguration, regionalization of manufacturing footprints and increasing demand for operational resilience and productivity amid rising labor costs and trade volatility, which collectively are accelerating adoption of intelligent, software-defined production infrastructure. The market size of global industrial AI agent industry expanded from RMB14.6 billion in 2023 to RMB36.7 billion in 2025, reflecting a CAGR of 58.6% during this period, and is projected to reach RMB162.0 billion by 2030, representing a CAGR of 34.6% from 2025 to 2030 with China expected to experience particularly rapid adoption. This growth is further supported by sustained policy initiatives, including China’s 15th Five-Year Plan, which identifies intelligent manufacturing as a national strategic priority, and the State Council’s “AI+ Manufacturing” action plan, which promotes accelerated deployment of AI technologies across industrial workflows. These industry and policy dynamics provide strong structural tailwinds and long-term visibility for demand for industrial AI agents and AI infrastructure initiatives.

Our Ability to Continuously Invest in R&D to Drive Technological Innovation, Revenue Growth and Profitability

Our ability to continuously invest in research and development is critical to strengthening our technological leadership, driving revenue growth and improving profitability. We have established a differentiated technology moat through continuous iteration of our proprietary IndustryGPT, which has undergone multiple generations of advancement and domain-specific optimization across diverse manufacturing scenarios, as well as our vertically integrated full-stack engineering capabilities spanning IndustryGPT, software, hardware, and edge computing, enabling end-to-end system optimization and deployment in complex industrial environments. This technology leadership enhances the versatility, dexterity, predictability and fundamentality of our industrial AI agents and supports sustainable commercial expansion. We have maintained significant investment in technology innovation, with R&D expenses of RMB394.1 million in 2025. Our R&D expenses increased in absolute terms throughout the Track Record Period. However, R&D expenditure as a percentage of revenue decreased from 58.4% in 2023 to 36.3% in 2025, reflecting enhanced efficiency in resource utilization. Our sustained R&D investment has enabled us to continuously launch advanced and differentiated products, strengthening our technological leadership and elevating barriers to entry. Through continuous innovation, we have expanded into new application scenarios and industry sectors, enhancing our product competitiveness and broadening our addressable market. As a result, revenue from our industrial AI agents grew at a CAGR of 67.8% from 2023 to 2025, increasing as a proportion of total revenue from 62.4% in 2023 to 78.5% in 2025. Meanwhile, our gross margin improved from 30.5% in 2023 to 37.3% in 2025, reflecting enhanced product differentiation, improved operating leverage and greater capital efficiency as our technologies achieved larger-scale commercialization.

Our Ability to Expand Product Matrix and Advance Productization

Our ability to expand our product matrix and drive standardization is critical to driving scalable growth and improving operational efficiency. We have expanded our industrial AI agent product portfolio to address a broader range of manufacturing verticals and application scenarios, enabling us to capture new customer demand and increase market penetration across diverse industrial environments. At the same time, we have enhanced our productization capabilities through systematic standardization of product architecture, optimization of product design and bill of materials, and improved manufacturing and supply chain processes. These efforts enable us to achieve economies of scale in procurement and production while maintaining performance and adaptability

FINANCIAL INFORMATION

across deployment scenarios. As a result, we have improved commercialization efficiency and operational scalability through upgradable, reusable products that can be flexibly configured to support multiple operational strategies and deployment requirements. These products perform reliably across diverse application scenarios and industry sectors without fundamental redesign, demonstrating strong universality and adaptability that has enabled broad-based commercial deployment underpinning our ability to scale revenue growth with improved margin sustainability and more efficient resource utilization. The commercial traction of our expanded and standardized product portfolio is evidenced by the scale of adoption. We have cumulatively delivered around 140,000 industrial AI agents as of December 31, 2025.

Our Ability to Deepen Relationships with Key Customers and Grow Our Customer Base

Our ability to deepen relationships with key customers, grow customer bases and expand into global markets is critical to driving sustainable revenue growth and enhancing revenue visibility. We have established long-term partnerships with leading industrial customers in China, where our proven performance track record has built strong customer trust. Our initial deployments have frequently expanded into multi-facility implementations, additional production lines, departments and adjacent application scenarios. As our solutions deliver notable operational improvements, customers increasingly adopt additional modules and extend deployments across production environments, driving higher wallet share, recurring demand and stronger customer stickiness. After validating our products with key accounts, we replicate successful use cases across other customers within the same industry and extend into adjacent industries and application scenarios, supported by our standardized technology platform and universal product architecture. This “land-and-expand” model has enabled us to transition from flagship deployments to broader adoption among top-tier and mid-tier customers, demonstrating the scalability and transferability of our solutions. As a result, the number of customers for our industrial AI agents grew from 188 in 2023 to 297 in 2024 and further to 462 in 2025, reflecting accelerating market adoption and the scalability of our solutions across industries. This growth spans both domestic and international markets. Leveraging our established presence in China, we support deployments across Greater China, Southeast Asia, Japan and Korea, and continue to strengthen our overseas sales and support capabilities to expand our international footprint. As our solutions become integrated with customers’ production and operational workflows, they increasingly serve mission-critical functions, supporting high customer retention and recurring revenue generation. We believe our ability to deepen engagement with existing customers while expanding across industries and geographies will continue to enhance revenue visibility, improve operating leverage and support long-term sustainable growth.

Our Ability to Optimize Cost Structure, Improve Operational Efficiency and Address General Factors

Our ability to optimize our cost structure and improve operational efficiency is critical to enhancing our profitability and supporting scalable growth. Our sustained technological investment has enabled us to build proprietary R&D toolchains and a standardized technology platform integrating algorithms, software and full-stack hardware design. This integrated architecture allows us to rapidly extend new products across additional industries and application scenarios with limited incremental customization. Our AI-native operating model further enhances execution efficiency across R&D, procurement and fulfillment workflows, reinforcing our ability to scale while maintaining cost discipline. Our standardized product and fulfillment toolchains enable procurement optimization, manufacturing consistency and efficient supplier coordination. As a result, we benefit from economies of scale, lower marginal fulfillment costs and reduced per-unit production costs as delivery volumes increase. We have implemented initiatives to optimize sourcing, refine product design and component selection, enhance manufacturing efficiency and strengthen supplier coordination, enabling us to achieve economies of scale and improve cost efficiency as our business expands. Our overall gross profit margin steadily increased from 30.5% in 2023 to 32.3% in 2024 and further to 37.3% in 2025. In addition, we have benefited from operating leverage as we scale, with selling and marketing expenses, general and administrative expenses and R&D expenses as a percentage of revenue generally decreasing during the Track Record Period without considering the impact from the share-based payment expenses, reflecting improved operational efficiency and disciplined expense management. Our total operating expenses, being the sum of research and development expenses, selling and marketing expenses and general and administrative expenses, as a percentage of revenue decreased from 116.8% in 2023 to 87.8% in 2024, and

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increased to 107.7% in 2025. The increase in 2025 was primarily attributable to higher general and administrative expenses, mainly driven by share-based payment expenses. 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. We expect continued scale expansion, operational optimization and disciplined cost management to further enhance our margin profile and support our path toward sustainable profitability.

Our sales pattern exhibits clear seasonality, with revenue typically peaking in the latter half of each year, and therefore our third and fourth quarter revenue generally exceeds that of other quarters. We prepare for these seasonal fluctuations by adjusting inventory levels and working capital. Effective planning to address seasonality helps us manage cash flow, reduce stockout risks and maintain a consistent customer experience throughout the year.

MATERIAL ACCOUNTING POLICY INFORMATION AND ESTIMATES

Some of our accounting policies require us to apply estimates, assumptions, and complex judgments related to accounting items. These estimates, assumptions, and judgments have a significant impact on our financial position and results of operations. Our management continuously evaluates such estimates, assumptions, and judgments based on past experience, industry practices, and expectations of future events that are deemed reasonable under the circumstances. During the Track Record Period, there had not been any material deviation from our management’s estimates or assumptions and actual results, and we had not made any material changes to these estimates or assumptions. We do not expect any material changes to these estimates and assumptions in the foreseeable future.

Our material accounting policy information, estimates and judgments, which are important for understanding our financial condition and results of operations, are set forth in further detail in Note 4 to the Accountant’s Report included in Appendix I to this Document.

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our consolidated statements of profit or loss, in absolute amounts and as a percentage of our total revenue, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Revenue	484,899	100.0	755,786	100.0	1,086,268	100.0
Cost of sales	(336,822)	(69.5)	(511,458)	(67.7)	(681,107)	(62.7)
Gross profit	148,077	30.5	244,328	32.3	405,161	37.3
Research and development expenses	(283,377)	(58.4)	(388,170)	(51.4)	(394,069)	(36.3)
Selling and marketing expenses	(151,201)	(31.2)	(140,705)	(18.6)	(174,682)	(16.1)
General and administrative expenses	(131,970)	(27.2)	(134,507)	(17.8)	(600,170)	(55.3)
Net impairment losses on financial assets and contract assets	(30,609)	(6.3)	(20,842)	(2.7)	(41,950)	(3.9)
Other income	22,400	4.6	15,061	2.0	33,202	3.2
Other (losses)/gains, net	(1,129)	(0.2)	(792)	(0.1)	3,437	0.3
Operating loss	(427,809)	(88.2)	(425,627)	(56.3)	(769,071)	(70.8)
Finance income	23,846	4.9	27,781	3.7	28,653	2.6
Finance costs	(4,502)	(0.9)	(13,683)	(1.8)	(11,416)	(1.0)
Finance income, net	19,344	4.0	14,098	1.9	17,237	1.6
Share of net (losses)/profits of investments accounted for using the equity method	(318)	(0.1)	(123)	(0.0)	474	0.0
Fair value changes of preferred shares and other financial liabilities	(136,486)	(28.1)	(323,265)	(42.8)	(238,648)	(22.0)
Loss before income tax	(545,269)	(112.4)	(734,917)	(97.2)	(990,008)	(91.2)
Income tax expenses	(735)	(0.2)	(229)	(0.1)	(1,132)	(0.0)
Loss for the year	(546,004)	(112.6)	(735,146)	(97.3)	(991,140)	(91.2)

Non-IFRS Financial Measure

We use adjusted net loss, a non-IFRS financial measure, in evaluating our operating results and for financial and operational decision-making purposes. We believe that adjusted net loss (non-IFRS) helps identify underlying trends in our business, provides useful information about our results of operations, and enhances the overall understanding of our past performance and future prospects.

Adjusted net loss (non-IFRS measure) should not be considered in isolation or construed as an alternative to loss from operations, net loss or any other measure of performance or as an indicator of our operating performance. Adjusted net loss (non-IFRS measure) presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

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Adjusted net loss (non-IFRS measure) represents net loss excluding (i) fair value changes of preferred shares and other financial liabilities, which are non cash in nature and non-recurring after [REDACTED], (ii) share-based payment expenses, which is non cash in nature, and (iii) [REDACTED] expense, which is non-recurring after [REDACTED]. The table below sets forth a reconciliation of our net loss to adjusted net loss (non-IFRS measure) for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	RMB	RMB (in thousands)	RMB
Net loss	(546,004)	(735,146)	(991,140)
Add:			
Fair value changes of preferred shares and other financial liabilities measured at FVTPL	136,486	323,265	238,648
Share-based payment expenses	15,661	33,272	475,164
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net loss (non-IFRS measure)	(393,857)	(378,609)	(272,033)

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we generated revenue from sales of (i) industrial AI agents including robots, edge AI sensors, and agentic software systems, (ii) AI infrastructure initiatives, and (iii) others.

Revenue by Product Line

The following table sets forth the breakdown of our revenue by product line in absolute amounts and as a percentage of our total revenue, for the years indicated. For a detailed discussion of the fluctuations of our revenue during the Track Record Period, see “— Year-to-Year Comparison of Results of Operations”.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Industrial AI agents	302,731	62.4	557,855	73.8	852,746	78.5
Robots	140,607	29.0	294,159	38.9	435,576	40.1
Edge AI sensors	13,379	2.7	31,021	4.1	74,883	6.9
Agentic software systems	148,745	30.7	232,675	30.8	342,287	31.5
AI infrastructure initiatives	137,479	28.4	191,321	25.3	218,621	20.1
Others	44,689	9.2	6,610	0.9	14,901	1.4
Total	484,899	100.0	755,786	100.0	1,086,268	100.0

During the Track Record Period, each of our business lines recorded substantial growth in absolute terms.

Industrial AI Agents

- Our robots include smart inspection robots for precision analysis and smart operating robots for high-dexterity operations. We have focused on specific industry verticals, with growing penetration into sectors such as consumer electronics, new energy batteries and precision manufacturing.
- Our edge AI sensor business comprises smart vision sensors and smart ID readers that enhance perception and reasoning capabilities, with growth driven by broader application coverage and an expanding customer base.

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- Our agentic software systems include industrial vision AI agent software: Vimo and industrial AI digitalization solutions. Vimo and digitalization software serve as critical infrastructure and provide intelligent support in the production and operations of industrial customers.

AI infrastructure initiatives, centered around the LrMo platform, provides a foundational environment for the development and deployment of large-scale industrial models.

Revenue from others represents sales of our non-industrial products and accounted for insignificant amount of our total revenue.

Our revenue increased by 55.9% from RMB484.9 million in 2023 to RMB755.8 million in 2024, and further increased by 43.7% to RMB1,086.3 million in 2025, primarily driven by our increased customer base. This rapid expansion was further driven by:

- Expansion of the global industrial AI agent market.* We are benefiting from the growing adoption of autonomous industrial AI agents, supported by global supply chain reconfiguration and rising labor costs. As AI technologies become more widely adopted and policies continue to promote intelligent manufacturing, the global market reached RMB510.9 billion in 2025, representing a CAGR of 58.6% from 2023 to 2025, which provides a strong tailwind for our growth.
- Expansion of our product matrix and productization.* We drive scalable growth by continuously expanding our product matrix and advancing productization. Through standardized architectures and optimized designs, we have improved the universality of our solutions across multiple industry verticals. This approach enables us to achieve economies of scale and improve commercialization efficiency through reusable and highly adaptable products that require minimal redesign for new use cases.
- Execution of a “land-and-expand” strategy.* We adopt a proven “land-and-expand” approach, under which initial deployments evolve into multi-facility implementations. This strategy supports strong customer stickiness, increases wallet share and enhances long-term revenue visibility.

KEY OPERATING METRICS

The following table sets forth certain key operating metrics for the years indicated.

	Years Ended December 31,		
	2023	2024	2025
Number of customers			
Robots	77	112	120
Edge AI sensors	65	129	251
Agentic software systems	62	77	122
Average revenue per customers (RMB in thousands)			
Robots	1,826	2,626	3,630
Edge AI sensors	206	240	298
Agentic software systems	2,399	3,022	2,806

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Cost of Sales

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

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
(in thousands, except for percentages)						
Material costs	303,232	62.5	450,559	59.6	597,980	55.0
Fulfillment costs	14,978	3.1	26,540	3.5	55,071	5.1
Manufacturing costs	12,755	2.6	20,597	2.7	12,699	1.2
Others	5,857	1.3	13,762	1.9	15,357	1.4
Total	336,822	69.5	511,458	67.7	681,107	62.7

Gross Profit and Gross Profit Margin

Gross profit is calculated as total revenue minus cost of sales. Gross profit margin for respective product line represents our gross profit of such product line as a percentage of our revenue of such product line. The following table sets forth the breakdown of our gross profit and gross profit margin by product line for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
(in thousands, except for percentages)						
Industrial AI agents	94,861	31.3	183,026	32.8	337,569	39.6
Robots	32,200	22.9	58,902	20.0	128,023	29.4
Edge AI sensors	4,878	36.5	9,407	30.3	28,002	37.4
Agentic software systems	57,783	38.8	114,717	49.3	181,544	53.0
AI infrastructure initiatives	40,154	29.2	61,150	32.0	66,742	30.5
Others	13,062	29.2	152	2.3	850	5.7
Total	148,077	30.5	244,328	32.3	405,161	37.3

Our overall gross profit margin increased steadily throughout the Track Record Period. We recorded gross profits of RMB148.1 million, RMB244.3 million and RMB405.2 million in 2023, 2024 and 2025, respectively. Our overall gross profit margins were 30.5%, 32.3% and 37.3% in 2023, 2024 and 2025, respectively. The improvement in gross profit margin during the Track Record Period was primarily attributable to the following factors:

- Optimization of product portfolio.* We strategically diversified our product offerings to capture higher-margin opportunities. The expansion of our product matrix improved our overall profitability.
- Standardization of products.* We continued to refine our product design and increase the level of standardization across our hardware and software architectures. These efforts enabled us to reduce material, manufacturing and fulfillment costs as well as lower the operational complexities associated with customized production.
- Economies of scale and supply chain synergies.* Our growing procurement volume strengthened our bargaining power with upstream suppliers, enabling us to obtain more favorable commercial terms and improve efficiency across our supply chain, which contributed to a sustainable reduction in our cost of sales.

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Total Operating Expenses

Total operating expenses is defined as research and development expenses, selling and marketing expenses and general and administrative expenses. The following table sets forth the breakdown of our total operating expenses, in absolute amounts and as a percentage of our total revenue, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Research and development expenses	283,377	58.4	388,170	51.4	394,069	36.3
Selling and marketing expenses	151,201	31.2	140,705	18.6	174,682	16.1
General and administrative expenses	131,970	27.2	134,507	17.8	600,170	55.3
Total operating expenses	566,548	116.8	663,382	87.8	1,168,921	107.7
Subtract:						
Share-based payment expenses	15,661	3.2	33,272	4.4	475,164	43.8
Adjusted total operating expenses (non-IFRS measure)	550,887	113.6	630,110	83.4	693,757	63.9

Research and Development Expenses

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

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Personnel expenses	170,914	35.2	129,737	17.2	121,579	11.2
Depreciation and amortization	27,643	5.7	25,793	3.4	18,091	1.7
Technical service expenses	38,951	8.0	142,550	18.9	152,648	14.1
Computing service expenses	23,001	4.7	59,168	7.8	78,149	7.2
Others	19,917	4.2	25,639	3.4	15,957	1.4
Share-based payment expenses	2,951	0.6	5,283	0.7	7,645	0.7
Total	283,377	58.4	388,170	51.4	394,069	36.3

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Selling and Marketing Expenses

The following table sets forth a breakdown of our selling and marketing expenses, in absolute amounts and as a percentage of our total revenue, for the years indicated. In 2023, 2024 and 2025, our selling and marketing expenses amounted to RMB151.2 million, RMB140.7 million and RMB174.7 million, respectively, representing 31.2%, 18.6% and 16.1% of our total revenue during the same periods.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Personnel expenses	94,212	19.4	80,454	10.6	72,028	6.6
Professional service expenses	21,965	4.5	13,780	1.8	37,248	3.4
Marketing expenses	15,985	3.3	23,579	3.1	39,984	3.7
Depreciation and amortization	10,237	2.1	10,202	1.3	13,661	1.3
Others	5,168	1.2	5,447	0.8	4,612	0.4
Share-based payment expenses	3,634	0.7	7,243	1.0	7,149	0.7
Total	151,201	31.2	140,705	18.6	174,682	16.1

General and Administrative Expenses

The following table sets forth a breakdown of our general and administrative expenses, in absolute amounts and as a percentage of our total revenue, for the years indicated. In 2023, 2024 and 2025, our general and administrative expenses amounted to RMB132.0 million, RMB134.5 million and RMB600.2 million, respectively, representing 27.2%, 17.8% and 55.3% of our total revenue during the same periods. Without considering share-based payment expenses, our general and administrative expenses as a percentage of our revenue would represent 25.3%, 15.1% and 12.9%, in 2023, 2024 and 2025, respectively.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Personnel expenses	67,808	14.0	65,191	8.6	79,923	7.4
Professional service expenses	21,694	4.5	24,840	3.3	35,582	3.3
Depreciation and amortization	18,630	3.8	12,320	1.6	11,016	1.0
Others ¹	14,762	3.0	11,410	1.6	13,279	1.2
Share-based payment expenses	9,076	1.9	20,746	2.7	460,370	42.4
Total	131,970	27.2	134,507	17.8	600,170	55.3

Notes:

- Others primarily represent utilities expenses, office supplies, travel and hospitality expenses, and other miscellaneous expenses.

Net Impairment Losses on Financial Assets and Contract Assets

Our net impairment losses on financial assets and contract assets represent the expected credit losses on our trade and notes receivables and other receivables. During the Track Record Period, loss allowance on trade and notes receivables represented a majority of our net impairment losses on financial assets and contract assets. In 2023, 2024, and 2025, loss allowance amounted to RMB30.6 million, RMB20.8 million, and RMB42.0 million, respectively.

Other Income

During the Track Record Period, government grants represented a majority of our other income. There are no unfulfilled conditions or contingencies relating to these government grants. In 2023, 2024, and 2025, government grants amounted RMB21.0 million, RMB13.9 million, and RMB31.4 million, respectively, accounting for 93.8%, 92.0%, and 94.5% of our total other income during the same period.

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Other (Losses)/Gains, Net

Other (losses)/gains, net consists of (i) fair value changes of financial assets at FVPL, (ii) net (loss)/gain on termination of lease, (iii) gains on disposal of a subsidiary, (iv) net foreign exchange (losses)/gains, (v) donations and (iv) others. In 2023 and 2024, our net other losses was RMB1.1 million and RMB0.8 million, respectively. In 2025, our other net gains was RMB3.4 million. For detailed breakdown of our other (losses)/gains, net, please see Note 8 of the Accountant’s Report in Appendix I to this Document.

Finance Income

Our finance income mainly consists of interest income from bank deposits and wealth management products. In 2023, 2024, and 2025, our finance income was RMB23.8 million, RMB27.8 million, and RMB28.7 million, respectively.

Finance Costs

The following table sets forth the breakdown of our finance costs for the years indicated. We recorded finance costs of RMB4.5 million, RMB13.7 million, and RMB11.4 million in 2023, 2024, and 2025, respectively.

	For the year ended December 31,		
	2023	2024	2025
	RMB	RMB	RMB
	(in thousands)		
Interest expenses on borrowings	1,841	3,592	9,973
Finance charges paid for issuance of preferred shares	—	7,922	—
Interest expenses on lease liabilities	2,120	1,576	1,088
Others	541	593	355
Total	4,502	13,683	11,416

Share of Net (losses)/Profits of Investments Accounted for Using the Equity Method

Our share of net (losses)/profits of investments accounted for using the equity method relates to our equity investment to our investees. For details, see Note 13 to the Accountant’s Report included in Appendix I to this Document. Our share of net (losses)/profits of investment accounted for using the equity method was RMB0.3 million and RMB0.1 million in 2023 and 2024, respectively, and we recorded a gain of investment accounted for using the equity method of RMB0.5 million in 2025, respectively. The movement of share of loss of investments accounted for using the equity method during the Track Record Period was primarily attributed to the business performance and financial results of the investees.

Fair Value Changes of Preferred Shares and Other Financial Liabilities

Fair value changes of preferred shares and other financial liabilities were negative RMB136.5 million, negative RMB323.3 million, and negative RMB238.6 million in 2023, 2024, and 2025, respectively, mainly due to the increase in the fair value of our Company during the Track Record Period, driven by the improvements in operating performance and market conditions.

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Income Tax Expenses

We recorded income tax expenses of RMB0.7 million, RMB0.2 million and RMB1.1 million in 2023, 2024 and 2025, respectively.

Three of our PRC subsidiaries, including Beijing SmartMore, Shenzhen SmartMore and Shanghai SmartMore, qualify as High and New Technology Enterprises (“HNTes”) and enjoy a preferential enterprise income tax rate of 15%. The HNTe preferential tax status for Beijing SmartMore and Shanghai SmartMore remains valid until December 2028, and the HNTe preferential tax status for Shenzhen SmartMore remains valid until December 2027. We intend to renew these qualifications upon expiry. In addition, we benefit from additional deductions for eligible R&D expenses under applicable PRC tax policies. Non-domestic subsidiaries are subject to local statutory tax rates, which range from 8.25% to 16.5%. For details, see Note 14 to the Accountant’s Report included in Appendix I to this Document.

YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

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

Revenue

Our revenue increased by 43.7% from RMB755.8 million in 2024 to RMB1,086.3 million in 2025, primarily attributable to (i) the increase in revenue of robots by 48.1% from RMB294.2 million in 2024 to RMB435.6 million in 2025, (ii) the increase in revenue of edge AI sensors by 141.4% from RMB31.0 million in 2024 to RMB74.9 million in 2025, and (iii) the increase in revenue of agentic software systems by 47.1% from RMB232.7 million in 2024 to RMB342.3 million in 2025.

The growth in 2025 was mainly attributable to the continued expansion of our customer base across product lines, as well as higher average revenue per customer for most product lines, except for agentic software systems. The expansion of our customer base reflected our efforts to penetrate a broader range of industry verticals and geographic markets, supported by the strengthened execution of our sales team. The decrease in average revenue per customer for agentic software systems was primarily due to the increase in the number of customers, with a relatively smaller proportion of large-scale projects recognized during the period. In addition, recurring purchases from certain large key customers further supported revenue growth during the period.

For details of the change in the number of customer and average revenue per customer for each product line of our industrial AI agents during the Track Record Period, please see “— Key Operating Metrics.”

Cost of Sales

Our cost of sales increased by 33.2% from RMB511.5 million in 2024 to RMB681.1 million in 2025, primarily due to the growth in our sales volume and business expansion, which resulted in higher procurement, production and fulfillment costs. Our cost of sales as a percentage of revenue decreased from 67.7% in 2024 to 62.7% in 2025, as the increase in cost of sales was lower than the growth in revenue, reflecting the benefits of revenue scaling and improved operating leverage.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 65.8% from RMB244.3 million in 2024 to RMB405.2 million in 2025. Our overall gross profit margin increased from 32.3% in 2024 to 37.3% in 2025, primarily attributable to the following reasons:

- The gross profit margin of our robots increased from 20.0% in 2024 to 29.4% in 2025, primarily attributable to the optimization of our product portfolio, the improvement of supply chain capability, product standardization and economies of scale.

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- The gross profit margin of our edge AI sensors increased from 30.3% in 2024 to 37.4% in 2025, primarily attributable to the expansion of our product portfolio, increased sales to higher-value customers across different industries, improved supply chain management as well as economies of scale.
- The gross profit margin of our agentic software systems increased from 49.3% in 2024 to 53.0% in 2025, primarily attributable to our continued expansion into higher-value customers and sectors, which generated stronger profitability.
- The gross profit margin of our AI infrastructure initiatives decreased from 32.0% in 2024 to 30.5% in 2025, primarily attributable to variations in project execution and project mix during the year.

Research and Development Expenses

Our research and development expenses increased by 1.5% from RMB388.2 million in 2024 to RMB394.1 million in 2025. Such increase was mainly attributable to (i) the increase in computer service expense from RMB59.2 million in 2024 to RMB78.1 million in 2025, driven by greater demand for computing power in line with our business growth and (ii) the increase in technical service expenses from RMB142.6 million to RMB152.6 million, as we outsourced certain less complex R&D projects to external technical support teams, partially offset by the decrease in R&D personnel expenses from RMB129.7 million in 2024 to RMB121.6 million in 2025. As a percentage of revenue, our research and development expenses decreased from 51.4% in 2024 to 36.3% in 2025, reflecting established technology platform, improved operating leverage and greater efficiency in our research and development activities as revenue scaled.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 24.1% from RMB140.7 million in 2024 to RMB174.7 million in 2025, primarily attributable to an increase in (i) marketing expenses from RMB23.6 million in 2024 to RMB40.0 million in 2025, primarily due to our increased marketing efforts and (ii) professional service expenses increased from RMB13.8 million in 2024 to RMB37.2 million in 2025, primarily due to pre-sale validation services conducted to verify the proof-of-concept of our products for our customers, which is consistent with our growth of revenue. Our selling and marketing expenses as a percentage of revenue decreased from 18.6% in 2024 to 16.1% in 2025, reflecting improved operating leverage and greater efficiency of our selling and marketing activities as revenue scaled.

General and Administrative Expenses

Our general and administrative expenses increased by 346.2% from RMB134.5 million in 2024 to RMB600.2 million in 2025, primarily attributable to the increase in share-based payment expenses, mainly due to the accelerated vesting of equity awards in 2025. Without taking into account of share-based payment expenses, our administrative expense amounted to RMB113.8 million in 2024 and RMB139.8 million in 2025. Such expense as a percentage of revenue decreased from 15.1% in 2024 to 12.9% in 2025.

Net Impairment Losses on Financial Assets and Contract Assets

Our net impairment losses on financial assets and contract assets increased from RMB20.8 million in 2024 to RMB42.0 million in 2025, primarily due to the increase of our trade and notes receivables in line with our business expansion. Further information about the movement of our trade and notes receivable during the Track Record Period is set forth in “— Discussion of Certain Key Items From Our Consolidated Statements of Financial Position – Trade and Notes Receivable.”

Other Income

Our other income increased from RMB15.1 million in 2024 to RMB33.2 million in 2025, primarily due to the increase of government grants.

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Other (Losses)/Gains, Net

We recorded net other losses of RMB0.8 million in 2024 and net other gains of RMB3.4 million in 2025 primarily attributable to (i) an increase in fair value changes of financial assets at FVPL from RMB0.9 million in 2024 to RMB4.5 million in 2025 due to their improved financial performance in 2025, (ii) a gain of RMB0.7 million in 2025 from a loss of RMB0.04 million in 2024 in lease termination, offset by a change from net foreign exchange gain of RMB0.2 million in 2024 to net foreign exchange loss of RMB1.7 million in 2025 due to the relatively stronger Chinese Yuan during the period against U.S. dollar.

Finance Income

Our finance income remained relatively stable from RMB27.8 million in 2024 to RMB28.7 million in 2025.

Finance Costs

Our finance costs decreased from RMB13.7 million in 2024 to RMB11.4 million in 2025, primarily attributable to a decrease in transaction cost for preferred shares issuance of RMB7.9 million in 2024 to nil in 2025, partially offset by an increase in interest expense on borrowings from RMB3.6 million in 2024 to RMB10.0 million in 2025 due to our increased bank loans.

Share of Net (Losses)/Profits of Investments Accounted for Using the Equity Method

Our share of net (losses)/profits of investment accounted for using the equity method was RMB0.1 million in 2024 and our share of gain of investment accounted for using the equity method was RMB0.5 million in 2025, due to improvement of financial performance of our investees.

Fair Value Changes of Preferred Shares and Other Financial Liabilities

Fair value changes of preferred shares and other financial liabilities were negative RMB323.3 million and negative RMB238.6 million in 2024 and 2025, respectively, mainly due to the increase in the fair value of our Company, driven by the improvements in operating performance and market conditions.

Income Tax Expenses

We recorded income tax expenses of RMB0.2 million in 2024 and RMB1.1 million in 2025, attributable to the increase of deferred tax liabilities due to increased valuation of our investment in associates in 2025.

Loss for the Year

As a result of the foregoing, our loss for the year increased from RMB735.1 million in 2024 to RMB991.1 million in 2025.

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

Revenue

Our revenue increased by 55.9% from RMB484.9 million in 2023 to RMB755.8 million in 2024, primarily attributable to (i) the increase in revenue of robots by 109.2% from RMB140.6 million in 2023 to RMB294.2 million in 2024, (ii) the increase in revenue of edge AI sensors by 131.9% from RMB13.4 million in 2023 to RMB31.0 million in 2024, and (iii) the increase in revenue of agentic software systems by 56.4% from RMB148.7 million in 2023 to RMB232.7 million in 2024.

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This growth was driven by (i) an increase in the number of customers for each product line; and (ii) an increase in average revenue per customer for each product line. The increase in customer numbers was driven by our efforts in reaching a wider range of customers and industry verticals. The enhanced efforts of our sales team have also accelerated customer acquisition and broadened overall market coverage. Additionally, recurring purchases from large, high-value key customers have contributed to the increase in average revenue per customer.

For details of the change in the number of customer and average revenue per customer for each product line of our industrial AI agents during the Track Record Period, please see “— Key Operating Metrics.”

Cost of Sales

Our cost of sales increased by 51.8% from RMB336.8 million in 2023 to RMB511.5 million in 2024. This increase in our costs of sales was primarily driven by our continued business growth during the same period. Our cost of sales as a percentage of revenue decreased from 69.5% in 2023 to 67.7% in 2024, as the increase in cost of sales was lower than the growth in revenue, reflecting the benefits of revenue scaling and improved operating leverage.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 65.0% from RMB148.1 million in 2023 to RMB244.3 million in 2024. Our overall gross profit margin increased from 30.5% in 2023 to 32.3% in 2024, primarily attributable to the following reasons:

- The gross profit margin of our robots decreased from 22.9% in 2023 to 20.0% in 2024, primarily attributable to our strategic acquisition of new customers and strategic adjustment in certain industrial verticals in 2024. Products supplied to these new customers were largely in the validation stage, which resulted in relatively lower margins during the period.
- The gross profit margin of our edge AI sensors decreased from 36.5% in 2023 to 30.3% in 2024 primarily attributable to our product mix, strategic acquisition of new customers and entrance of certain new industrial verticals in 2024, resulting in temporarily lower margins during the expansion phase.
- The gross profit margin of agentic software systems increased from 38.8% in 2023 to 49.3% in 2024 primarily attributable to advancements in our IndustryGPT, which enabled greater reuse of underlying models and development components, thereby reducing incremental development costs.
- The gross profit margin of our AI infrastructure initiatives increased from 29.2% in 2023 to 32.0% in 2024 primarily attributable to disciplined project execution and cost control.

Research and Development Expenses

Our research and development expenses increased by 37.0% from RMB283.4 million in 2023 to RMB388.2 million in 2024. This increase was primarily attributable to (i) higher technical service expenses from RMB39.0 million in 2023 to RMB142.6 million in 2024, as we strategically outsourced certain routine R&D activities to external parties, allowing our internal teams to focus on more advanced research and development initiatives, and (ii) higher computing service expenses from RMB23.0 million in 2023 to RMB59.2 million in 2024, primarily driven by increased demand for computing power. The increase was partially offset by a decrease in personnel expenses from RMB170.9 million in 2023 to RMB129.7 million in 2024, reflecting improved efficiency associated with our advancement in AI technologies. Our research and development expenses as a percentage of revenue decreased from 58.4% in 2023 to 51.4% in 2024, reflecting improved operating leverage and greater efficiency in our research and development activities as revenue scaled.

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Selling and Marketing Expenses

Our selling and marketing expenses decreased by 6.9% from RMB151.2 million in 2023 to RMB140.7 million in 2024, primarily attributable to a decrease in personnel expenses from RMB94.2 million in 2023 to RMB80.5 million in 2024, mainly due to improved management efficiency of our selling and marketing team. This decrease was partially offset by an increase in marketing expenses from RMB16.0 million in 2023 to RMB23.6 million in 2024, primarily due to our increased marketing efforts as we further entered the commercialization stage. Our selling and marketing expenses as a percentage of revenue decreased from 31.2% in 2023 to 18.6% in 2024, reflecting improved operating leverage and greater efficiency in our selling and marketing activities as revenue scaled.

General and Administrative Expenses

Our general and administrative expenses increased by 1.9% from RMB132.0 million in 2023 to RMB134.5 million in 2024, primarily attributable to an increase in (i) share-based payment expenses from RMB9.1 million in 2023 to RMB20.7 million in 2024 due to the grant of equity awards to our employees, and (ii) professional service expenses from RMB21.7 million in 2023 to RMB24.8 million in 2024, primarily due to fees paid to third-party professionals for general and administrative purposes. Our general and administrative expenses as a percentage of revenue decreased from 27.2% in 2023 to 17.8% in 2024, reflecting improved operating leverage and greater efficiency in our administrative activities as revenue scaled.

Net Impairment Losses on Financial Assets and Contract Assets

Our net impairment losses on financial assets and contract assets decreased by 31.9% from RMB30.6 million in 2023 to RMB20.8 million in 2024, primarily attributable to the improvement in the aging profile of our trade receivables as a result of enhanced credit management and collection efforts as we provided one-time provision for uncollectible accounts in 2023.

Other Income

Our other income decreased 32.8% from RMB22.4 million in 2023 to RMB15.1 million in 2024, primarily due to the timing of government grant condition fulfillment.

Other (Losses)/Gains, Net

Our net other losses remained relatively stable at RMB1.1 million in 2023 and RMB0.8 million in 2024, respectively.

Finance Income

Our finance income increased 16.5% from RMB23.8 million in 2023 to RMB27.8 million in 2024, primarily due to the increased interest income.

Finance Costs

Our finance costs increased from RMB4.5 million in 2023 to RMB13.7 million in 2024, primarily attributable to (i) increase of other finance cost for issuance of preferred shares from nil in 2023 to RMB7.9 million in 2024 due to our finance cost for issuance of preferred shares, and (ii) an increase in interest expense on borrowings from RMB1.8 million in 2023 to RMB3.6 million in 2024 due to the increase in our borrowing amounts in 2024.

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Share of Net (Losses)/Profits Investments Accounted for Using the Equity Method

Our share of net (losses)/profits of investment accounted for using the equity method decreased from RMB0.3 million in 2023 to RMB0.1 million in 2024, primarily attributed to the improved business performance and financial results of our associates.

Fair Value Changes of Preferred Shares and Other Financial Liabilities

Fair value changes of preferred shares and other financial liabilities were negative RMB136.5 million and negative RMB323.3 million in 2023 and 2024, respectively, mainly due to the increase in the fair value of our Company, driven by the improvements in operating performance and market conditions.

Income Tax Expenses

Our income tax expenses decreased from RMB0.7 million in 2023 to RMB0.2 million in 2024 primarily due to the change of deferred tax liabilities resulting from a slower rate of increase in the valuation of our investment in associates in 2024.

Loss for the Year

As a result of the foregoing, our loss for the year increased from RMB546.0 million in 2023 to RMB735.1 million in 2024.

DISCUSSION OF CERTAIN KEY ITEMS FROM OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	149,922	120,857	122,045
Total current assets	1,029,905	1,433,717	1,953,880
Total assets	1,179,827	1,554,574	2,075,925
Total non-current liabilities	48,023	33,281	40,740
Total current liabilities	3,253,915	4,342,574	5,293,134
Total liabilities	3,301,938	4,375,855	5,333,874
Net liabilities	(2,122,111)	(2,821,281)	(3,257,949)
Share capital	136	136	144
Other reserve	2,733	38,679	593,161
Accumulated losses	(2,127,390)	(2,861,679)	(3,851,288)
Non-controlling interests	2,410	1,583	34
Total deficits	(2,122,111)	(2,821,281)	(3,257,949)

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Assets

Property, Plant and Equipment

The following table sets forth the breakdown of our property, plant and equipment as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Computer and electronic equipment	32,307	16,325	19,943
Leasehold improvements	27,629	22,674	21,915
Machinery and vehicles	3,294	4,032	6,756
Office furniture and equipment	1,462	623	35
Total	64,692	43,654	48,649

The carrying amount of our property, plant and equipment decreased from RMB64.7 million as of December 31, 2023 to RMB43.7 million as of December 31, 2024, mainly attributable to a decrease in computer and electronic equipment due to annual depreciation and one-off disposals.

The carrying amount of our property, plant and equipment increased from RMB43.7 million as of December 31, 2024 to RMB48.6 million as of December 31, 2025 mainly due to the addition of computer and electronic equipment for updating research equipments, and the addition of machinery and vehicles for researching and developing new products.

Right-of-use Assets

Our right-of-use assets consist primarily of properties leased for own use. As of December 31, 2023, 2024 and December 31, 2025, our right-of-use assets were RMB57.1 million, RMB38.9 million, and RMB33.8 million, respectively. The right-of-use assets decreased from December 31, 2023 to December 31, 2024 due to depreciation and amortization of the lease term. The right-of-use assets remain relatively stable from December 31, 2024 to December 31, 2025 due to the depreciation and amortization of lease terms, and partially offset by addition of a new lease for our new office location.

Intangible Assets

The carrying amount of our intangible assets increased from RMB1.7 million as of December 31, 2023 to RMB10.2 million as of December 31, 2024 primarily due to purchase of office software, and subsequently decreased to RMB8.4 million as of December 31, 2025, primarily due to amortization of intangible assets.

Investment Accounted for Using the Equity Method

The carrying amount of our investment accounted for using the equity method remained relatively stable throughout the Track Record Period at RMB2.0 million as of December 31, 2023 and RMB1.9 million as of December 31, 2024, and RMB2.3 million in December 31, 2025.

Financial Assets at FVPL

Our financial assets at FVPL represent our minority equity investments in other entities. It remained relatively stable at RMB14.2 million as of December 31, 2023 and RMB15.1 million as of December 31, 2024. The increase of RMB15.1 million as of December 31, 2024 to RMB19.7 million December 31, 2025 was mainly due to the improved business performance and financial results of our investees.

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Prepayments and Other Assets (Non-current)

Non-current portion of our prepayments and other assets remained relatively stable at RMB10.3 million as of December 31, 2023, and RMB11.1 million as of December 31, 2024. The decrease of non-current portion of our prepayments and other assets from RMB11.1 million as of December 31, 2024 to RMB9.1 million as of December 31, 2025 was primarily attributable to the decrease in our long-term contract assets due to our improved contract terms.

Inventories

The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Finished goods	47,467	64,085	65,690
Work-in-progress	8,405	13,809	12,280
Raw materials	17,084	19,436	22,319
Contract fulfillment costs	930	2,198	6,433
Inventories, gross	73,886	99,528	106,722
Less: provision for impairment	(4,056)	(6,214)	(3,152)
Inventories, net	69,830	93,314	103,570

Our inventories increased from RMB69.8 million as of December 31, 2023 to RMB93.3 million as of December 31, 2024, and further to RMB103.6 million as of December 31, 2025, primarily in line with the growth of our sales and the corresponding increase in production and procurement requirements.

We assess impairment to inventories from time to time during the Track Record Period and may make provision to write down our inventories to their net realizable value if they become expired or damaged, or their prices go down, and their net realizable value substantially decreases.

The following table sets forth our inventory turnover days during the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	(days)		
Inventory turnover days ⁽¹⁾	52	58	53

Note:

- (1) Inventory turnover days for a period are calculated as the average of the opening and closing inventory balances (net of allowance) divided by the cost of sales for the relevant period, and then multiplied by the number of days in that period.

Our inventory turnover days remained relatively stable during the Track Record Period.

As of January 31, 2026, RMB21.1 million, or 20.4% of inventories outstanding as of December 31, 2025, had been subsequently utilized.

Trade and Notes Receivables

Our trade and notes receivables significantly increased from RMB270.4 million as of December 31, 2023 to RMB532.6 million as of December 31, 2024, and subsequently further increased to RMB743.8 million as of December 31, 2025, primarily attributable to our increased sales and the timing of collection from customers.

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As of December 31, 2023, 2024 and December 31, 2025, we recorded credit loss allowances for trade and notes receivables of RMB80.1 million, RMB77.9 million, and RMB87.6 million, respectively. For further details on impairment provisions, refer to Note 20 of the Accountant’s Report in Appendix I to this Document.

The following table sets forth the turnover days of our trade and notes receivables for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
		(days)	
Trade and notes receivables turnover days ⁽¹⁾	214	194	214

Note:

(1) Trade and notes receivables turnover days for a period are calculated as the average of the opening and ending balances of trade and notes receivables divided by revenue for the relevant period, and then multiplied by the number of days in that period.

Our trade and notes receivables turnover days remained relatively stable during the Track Record Period at 214, 194 and 214 days for the years of 2023, 2024 and 2025, respectively. The turnover period was primarily attributable to our relatively early stage of commercialization, the nature of our customers’ payment processes, which typically require inspection and confirmation of product conditions and the completion of services prior to payment, and the higher concentration of sales in the third and fourth quarter of each year, which tends to increase outstanding trade and notes receivables balances at year-end.

As of January 31, 2026, RMB71.9 million, or 9.7% of our trade and notes receivables outstanding as of December 31, 2025, had been subsequently settled.

Prepayments and Other Assets (Current)

Current portion of our prepayments and other assets primarily consisted of (i) prepayments to suppliers, (ii) contract assets, (iii) other receivables, (iv) input VAT to be deducted, (v) deferred [REDACTED] expenses, and (vi) credit loss allowance. For the detailed breakdown of our prepayments and other assets, please see Note 21 of the Accountant’s Report included in Appendix I to this Document.

Current portion of our prepayments and other assets as of December 31, 2024 decreased compared to as of December 31, 2023, primarily attributable to (i) decrease prepayment to suppliers due to enhanced supply chain management, and (ii) decrease of input VAT to be deducted as utilization of input VAT credits to offset VAT payable during the period.

Current portion of our prepayments and other assets subsequently increased to RMB68.3 million as of December 31, 2025, primarily attributable to increase of (i) prepayment to suppliers due to the significant increase of our procurement volume to satisfy our production demands and (ii) other receivables due to the growth in prepayments to staff reflects increased business travel and marketing-related outlays in line with our business expansion.

Restricted Cash

Our restricted cash increased from RMB3.6 million as of December 31, 2023 to RMB168.9 million as of December 31, 2024, primarily attributable to the usage of cash to serve as guarantee for loans. Our restricted cash subsequently decreased to RMB89.3 million as of December 31, 2025 due to the release of restricted cash from such guarantee due to improvement in our credit profile.

Cash and Cash Equivalents

Our cash and cash equivalents decreased from RMB616.8 million as of December 31, 2023 to RMB578.5 million as of December 31, 2024, primarily due to our routine operating needs, and subsequently increased to RMB948.9 million as of December 31, 2025, mainly attributable to increased proceeds from borrowings and equity financing.

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Liabilities

Trade and Notes Payables

Our trade and notes payables increased from RMB127.7 million as of December 31, 2023 to RMB301.0 million as of December 31, 2024 and further increased to RMB334.4 million as of December 31, 2025, primarily due to increased procurement activities in line with our business expansion.

The following table sets forth the aging analysis of our trade and notes payables based on the invoice date as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Up to 3 months	93,038	212,825	194,102
3 to 6 months	11,289	47,592	49,206
6 months to 1 year	9,998	15,720	46,490
1 to 2 years	12,679	21,024	30,795
Over 2 years	693	3,825	13,817
Total	127,697	300,986	334,410

The following table sets forth the turnover days of our trade and notes payables for the years indicated.

	As of December 31,		
	2023	2024	2025
	(days)		
Trade and notes payables turnover days ⁽¹⁾	153	153	170

Note:

(1) Trade and notes payables turnover days for a period are calculated as the average of the opening and closing trade and notes payables balances (net of allowance) divided by the cost of sales for the relevant period, and then multiplied by the number of days in that period.

The turnover days of our trade and notes payables remained stable at 153 days as of December 31, 2023 and 2024 and increased to 170 days as of December 31, 2025, reflecting our increased bargaining power.

As of January 31, 2026, RMB27.1 million, or 8.5% of our trade and notes payables outstanding as of December 31, 2025, had been subsequently settled.

Accruals and Other Current Liabilities

The following table sets forth a breakdown of our accruals and other current liabilities as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Payables for technical and computing service fees	9,888	18,693	79,531
Employee benefit obligations	56,388	52,140	57,853
Value-added tax and other taxes payable	5,018	4,611	23,464
Provision for warranty liabilities	2,421	8,748	16,445
Accrued [REDACTED] expenses	—	—	1,350
Deferred income in relation to government grants	721	5,221	—
Other payables	1,932	553	8,882
Total	76,368	89,966	187,525

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Our accruals and other current liabilities increased from RMB76.4 million as of December 31, 2023 to RMB90.0 million as of December 31, 2024, primarily attributable to (i) payables for third-party services fees as a result of business growth, (ii) provisions for warranty liabilities due to our growth in revenues, and (iii) deferred income in relation to government grants due to additional government subsidies. Our accruals and other payables subsequently increased to RMB187.5 million as of December 31, 2025 primarily attributable to payables for third-party service fees as a result of increase in (i) R&D expenses, selling expenses, and general and administrative expenses, (ii) value added tax and other taxes payable due to increased revenue, and (iii) accrued warranty liabilities for business growth.

Contract Liabilities

Our contract liabilities primarily represent advance payments from customers, for which the underlying goods are yet to be provided. Our contract liabilities decreased from RMB24.6 million as of December 31, 2023 to RMB15.0 million as of December 31, 2024, primarily due to our strategic initiative to focus on high-value customers to whom we extend credit terms. Subsequently, our contract liabilities remained relatively stable at RMB16.3 million as of December 31, 2025.

As of January 31, 2026, RMB2.8 million, or 17.2% of contract liabilities outstanding as of December 31, 2025, had been subsequently settled.

Preferred Shares and Other Financial Liabilities at FVPL

Our preferred shares and other financial liabilities at FVPL primarily include redeemable preferred shares issued to investors. Our preferred shares and other financial liabilities at FVPL increased from RMB2,942.1 million as of December 31, 2023 to RMB3,728.2 million as of December 31, 2024 and further increased to RMB4,230.0 million as of December 31, 2025 due to the increased valuation of our company as the result of improvement in our business operations and financial results.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period and up to the Latest Practicable Date, we relied on proceeds from shareholder investments, cash from operating activities and bank loans as the major sources of liquidity. We intend to finance our future capital requirements in the same manner after the [REDACTED].

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Current Assets and Current Liabilities

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

	As of December 31,			As of January 31,
	2023	2024	2025	2026
	(RMB in thousands)			(Unaudited)
Current assets				
Inventories	69,830	93,314	103,570	111,592
Trade and notes receivables	270,407	532,608	743,803	751,598
Prepayments and other assets	69,204	60,393	68,302	113,042
Restricted cash	3,642	168,946	89,315	74,103
Cash and cash equivalents	616,822	578,456	948,890	967,829
Total current assets	1,029,905	1,433,717	1,953,880	2,018,164
Current liabilities				
Trade and notes payables	127,697	300,986	334,410	361,316
Contract liabilities	24,628	14,971	16,335	25,406
Borrowings	61,516	188,423	505,541	544,759
Lease liabilities	21,627	20,046	19,332	19,402
Accruals and other current liabilities	76,368	89,966	187,525	157,429
Preferred shares and other financial liabilities at FVTPL	2,942,079	3,728,182	4,229,991	4,229,991
Total current liabilities	3,253,915	4,342,574	5,293,134	5,338,303
Net current liabilities	(2,224,010)	(2,908,857)	(3,339,254)	(3,320,139)

Without considering preferred shares and other financial liabilities at FVTPL, we would have recorded net current assets of RMB718.1 million, RMB819.3 million and RMB890.7 million as of December 31, 2023, 2024 and 2025, respectively, and RMB909.9 million as of January 31, 2026.

Our net current liabilities remained relatively stable at RMB3,339.3 million as of December 31, 2025 and RMB3,320.1 million as of January 31, 2026.

We recorded net current liabilities of RMB3,339.3 million as of December 31, 2025 compared to the net current liabilities of RMB2,908.9 million as of December 31, 2024, primarily attributable to an increase in current liabilities offset by an increase in current assets. The increase of our current assets is primarily attributable to (i) increase of cash and cash equivalent from RMB578.5 million as of December 31, 2024 to RMB948.9 million as of December 31, 2025 due to increase in bank borrowings and equity financing and decreased net cash outflow from operating activities, and (ii) increase of trade and notes receivables from RMB532.6 million as of December 31, 2024 to RMB743.8 million as of December 31, 2025 due to increased sales and the timing of collection from customers, partially offset by decrease of restricted cash from RMB168.9 million as of December 31, 2024 to RMB89.3 million as of December 31, 2025 due to our increased ability to borrow on credit basis. The increase of our current liabilities is primarily attributable to (i) increase of preferred shares and other financial liabilities at FVPL from RMB3,728.2 million as of December 31, 2024 to RMB4,230.0 million as of December 31, 2025 due to the increased valuation of our company, (ii) increase of our borrowings from RMB188.4 million as of December 31, 2024 to RMB505.5 million as of December 31, 2025, (iii) increase of our accruals and other current liabilities from RMB90.0 million as of December 31, 2024 to RMB187.5 million as of December 31, 2025 due to increase of third-party service fees as a result of increase in R&D expenses, selling expenses, and general and administrative expenses and (iv) increase in trade and notes payables from RMB301.0 million as of December 31, 2024 to RMB334.4 million as of December 31, 2025 due to increased procurement activities in line with our business expansion.

Our net current liabilities increased from RMB2,224.0 million as of December 31, 2023 to RMB2,908.9 million as of December 31, 2024, primarily due to the increase in current liabilities outweighing the

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corresponding increase in current assets. Our current liabilities increased primarily due to (i) increase of preferred shares and other financial liabilities at FVPL from RMB2,942.1 million as of December 31, 2023 to RMB3,728.2 million as of December 31, 2024 due to the increased valuation of our company, (ii) increase of our borrowings from RMB61.5 million as of December 31, 2023 to RMB188.4 million as of December 31, 2024, and (iii) increase in trade and notes payables from RMB127.7 million as of December 31, 2023 to RMB301.0 million as of December 31, 2024 due to increased procurement activities in line with our business expansion. Our current assets increase primarily attributable to (i) increase of trade and notes receivables from RMB270.4 million as of December 31, 2023 to RMB532.6 million as of December 31, 2024 due to increased sales and the timing of collection from customers, and (ii) increase of restricted cash from RMB3.6 million as of December 31, 2023 to RMB168.9 million as of December 31, 2024 due to the usage of foreign currency to serve as guarantee for loans in Chinese Yuan.

Cash Flow

The following table sets forth our cash flows for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash outflow from operating activities	(372,015)	(423,857)	(327,275)
Net cash (outflow)/inflow from investing activities	(16,793)	(179,011)	57,317
Net cash from financing activities	7,197	558,355	656,003
Net (decrease)/increase in cash and cash equivalents	(381,611)	(44,513)	386,045
Cash and cash equivalents at the beginning of the year	990,369	616,822	578,456
Effects of exchange rate changes on cash, cash equivalents and restricted cash	8,064	6,147	(15,611)
Cash and cash equivalents at the end of the year	616,822	578,456	948,890

Net Cash Outflow from Operating Activities

Cash used in operating activities in 2025 was RMB327.3 million, which primarily consists of a loss before taxation of RMB990.0 million, adjusted for certain non-cash and nonoperating items. Adjustments for such non-cash and non-operating items primarily included (i) equity-settled share-based transactions of RMB475.2 million; (ii) fair value changes of preferred shares and other financial liabilities of RMB238.6 million, and (iii) provision for impairment of financial assets of RMB42.0 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in trade and notes receivables of RMB259.1 million, and (ii) an increase in inventories of RMB10.5 million, partially offset by (i) an increase in accruals and other current liabilities of RMB72.8 million, and (ii) an increase in trade payables of RMB33.4 million.

Cash used in operating activities in 2024 was RMB423.9 million, which primarily consists of a loss before taxation of RMB734.9 million, adjusted for certain non-cash and nonoperating items. Adjustments for such non-cash and non-operating items primarily included (i) fair value changes of preferred shares and other financial liabilities of RMB323.3 million, (ii) equity-settled share-based transactions of RMB33.3 million, and (iii) depreciation of property, plant and equipment of RMB28.7 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in trade and notes receivables of RMB288.6 million, and (ii) an increase in inventories of RMB25.5 million, partially offset by (i) an increase in trade payables of RMB174.1 million, and (ii) an increase in accruals and other current liabilities of RMB17.3 million.

Cash used in operating activities in 2023 was RMB372.0 million, which primarily consists of a loss before taxation of RMB545.3 million, adjusted for certain non-cash and nonoperating items. Adjustments for such non-cash and non-operating items primarily included (i) fair value changes of preferred shares and other financial

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liabilities of RMB136.5 million, (ii) provision for impairment of financial assets of RMB30.6 million, (iii) depreciation of property, plant and equipment of RMB30.4 million, and (iii) depreciation of right-of-use assets of RMB25.9 million. The amount was further adjusted by changes in working capital, primarily including (i) an increase in inventories of RMB46.1 million, and (ii) a decrease in trade payables of RMB27.4 million, partially offset by a decrease in contract assets of RMB18.9 million.

Net Cash (Outflow)/Inflow from Investing Activities

Net cash inflow from investing activities in 2025 was RMB57.3 million, primarily consists of cash inflow from net impact of restricted cash of RMB78.0 million, partially offset by (i) payment for property, plant and equipment of RMB18.6 million and (ii) payment for intangible assets of RMB3.1 million.

Net cash outflow from investing activities in 2024 was RMB179.0 million, which primarily consists of (i) payments for restricted cash of RMB162.1 million and (ii) payments for property, plant and equipment of RMB13.8 million.

Net cash outflow from investing activities in 2023 was RMB16.8 million, which primarily consists of (i) payment for the purchase of property, plant and equipment of RMB15.7 million and (ii) payment for intangible assets of RMB0.8 million.

Net Cash Inflow from Financing Activities

Net cash inflow from financing activities in 2025 were RMB656.0 million, which primarily consisted of (i) proceeds from borrowings of RMB545.7 million, and (ii) proceeds from issuance of preferred shares and other financial liabilities of RMB352.9 million and, partially offset by (i) repayment of borrowings of RMB209.2 million, and (ii) principal elements of lease payments of RMB22.5 million.

Net cash inflow from financing activities in 2024 were RMB558.4 million, which primarily consisted of (i) proceeds from issuance of preferred shares and other financial liabilities of RMB552.0 million and (ii) proceeds from borrowings of RMB193.3 million, partially offset by (i) repayment of convertible notes from investors of RMB97.3 million, and (ii) repayment of borrowings of RMB54.4 million.

Net cash inflow from financing activities in 2023 were RMB7.2 million, which primarily consisted of (i) proceeds from issuance of preferred shares and other financial liabilities of RMB72.2 million and (ii) proceeds from borrowings of RMB40.2 million, partially offset by (i) repayment of convertible notes from investors of RMB42.0 million, (ii) repayment of borrowings of RMB37.9 million, and (iii) principal elements of lease payments of RMB21.5 million

INDEBTEDNESS

As of January 31, 2026, being the Indebtedness Date for the purpose of the indebtedness statement, we had total indebtedness of RMB612.1 million, including RMB581.8 million borrowing and RMB30.3 million lease liabilities.

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

	As of December 31,			As of
	2023	2024	2025	January 31,
				2026
	(RMB in thousands)			(unaudited)
Current				
Borrowings	61,516	188,423	505,541	544,759
Lease liabilities	21,627	20,046	19,332	19,402
Non-current				
Borrowings	—	—	15,013	37,033
Lease liabilities	36,990	19,115	12,358	10,874
Total	120,133	227,584	552,244	612,068

Borrowings

Our borrowings increased significantly throughout the Track Record Period and reached RMB61.5 million, RMB188.4 million, RMB520.6 million and RMB581.8 million as of December 31, 2023, 2024, 2025 and January 31, 2026, respectively, mainly attributable to our ability to gain more credit facilities from various banks and operational needs.

Our Directors confirm that as of the Latest Practicable Date, the agreements under our borrowings did not contain any covenant that would have a material adverse effect on our ability to make additional borrowings or issue debt or equity securities in the future. Our Directors further confirm that we had no defaults in bank and other borrowings or trade and non-trade payables, nor did we breach any covenants (that were not waived) during the Track Record Period and up to the Latest Practicable Date.

Our Directors further confirm that during the Track Record Period and up to the Latest Practicable Date, we did not experience any difficulties in obtaining credit facilities, or withdrawal of facilities or requests for early repayment. As of January 31, 2026, being the most recent practicable date for determining our indebtedness, we had unutilized committed bank facilities of RMB476.6 million.

Lease Liabilities

Current portion of our lease liabilities remained relatively stable throughout the Track Record Period at RMB21.6 million, RMB20.0 million, and RMB19.3 million as of December 31, 2023, 2024, and 2025, respectively.

The non-current portion of our lease liabilities decreased from RMB37.0 million as of December 31, 2023 to RMB19.1 million as of December 31, 2024, primarily due to the passage of time during the lease terms, which resulted in a portion of the lease liabilities being reclassified from non-current to current and regular lease payments made during the period. It further decreased to RMB12.4 million as of December 31, 2025 for the same reasons, partially offset by the addition of a new lease for our new office location.

Except as otherwise disclosed under the sections titled “— Indebtedness.” as of Indebtedness Date, we did not have any material bank overdrafts, loans, or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, other recognized lease liabilities, guarantees, or other material contingent liabilities. Our Directors confirm that there have been no material changes in our indebtedness since the Indebtedness Date and up to the date of this Document.

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CAPITAL EXPENDITURES

Our historical capital expenditures primarily included payments for property, plant and equipment and intangible assets. The following table sets forth our capital expenditures for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Payments for property, plant and equipment	15,659	13,816	18,567
Payments for intangible assets	814	3,910	3,091
Total	16,473	17,726	21,658

We will continue to make capital expenditures to support the expected growth of our business and our expansion plans. For details, see “Future Plans and Use of [REDACTED] — Use of [REDACTED].” We intend to fund these future capital expenditures with financial resources available to us, including our existing cash and bank balances, cash flows generated from our operating activities and net [REDACTED] from the [REDACTED].

CAPITAL COMMITMENTS

As of December 31, 2023, 2024 and 2025, we had capital commitment related to purchase of property, plant and equipment in an aggregate amount of RMB0.3 million, RMB3.2 million and RMB9.2 million, respectively.

KEY FINANCIAL RATIOS

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

	As of / For the year ended December 31,		
	2023	2024	2025
Revenue growth ratio	N/A	55.9%	43.7%
Gross profit margin	30.5%	32.3%	37.3%
Current ratio ⁽¹⁾	0.32	0.33	0.37
Adjusted current ratio ⁽²⁾	3.30	2.33	1.84

Notes:

- (1) Current ratio is calculated based on total current assets divided by total current liabilities.
- (2) Adjusted current ratio is calculated based on total current assets divided by total current liabilities excluding preferred shares and other financial liabilities at fair value through profit or loss.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details of our related party transactions, see Note 34 to the Accountant’s Report included in Appendix I to this Document.

Our Directors are of the view that each of the related party transactions set out in Note 35 to the Accountant’s Report included in Appendix I to this Document was conducted in the ordinary course of business on an arm’s length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we did not have any material off-balance sheet arrangement.

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QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT FINANCIAL RISK

We are exposed to a variety of market and other financial risks, including foreign currency risk, credit risk, interest rate risk, liquidity risk and capital management risk. We manage and monitor these exposures to ensure appropriate measures are implemented in a timely and effective manner. For details of various market and other financial risks, see Note 3.1 to the Accountant’s Report included in Appendix I to this Document.

DIVIDENDS

No dividend was paid or declared by us or any of our subsidiaries since our incorporation. After the Track Record Period and as of the date of this Document, we did not declare any dividends to our Shareholders.

Any declaration and payment as well as the amount of dividends will be subject to our Articles and the Cayman Companies Act. Our board of directors has the discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit, retained earnings, or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. As advised by our Cayman Islands legal advisers, we are a holding company incorporated under the laws of the Cayman Islands, pursuant to which, the financial position of accumulated deficit does not prohibit us from declaring and paying dividends to our Shareholders. Dividends may still be declared and paid out of our share premium account notwithstanding our profitability, provided that our Memorandum and Articles do not prohibit such payment and our Company is able to pay its debts as they fall due in the ordinary course of business immediately after such payment.

WORKING CAPITAL SUFFICIENCY

Our Directors are of the opinion that, taking into account the financial resources available to our Group, including the estimated net [REDACTED] from the [REDACTED] and the expected cash flows generated from operating activities, we have sufficient working capital for our present requirements and for the next 12 months from the date of this Document.

DISTRIBUTABLE RESERVES

As of December 31, 2025, the Company did not have any distributable reserves.

[REDACTED] EXPENSES

Our [REDACTED] expenses mainly include (i) [REDACTED]-related expenses, such as [REDACTED] fees and [REDACTED], and (ii) non-[REDACTED]-related expenses, comprising professional fees paid to our legal advisers and reporting accountant for their services rendered in relation to the [REDACTED] and the [REDACTED], and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total [REDACTED] expenses (based on the mid-point of the [REDACTED] and assuming that the [REDACTED] is not exercised) for the [REDACTED] are approximately RMB[REDACTED] million, accounting for approximately [REDACTED]% of our gross [REDACTED]. Among such estimated total [REDACTED] expenses, we expect to pay [REDACTED]-related expenses of RMB[REDACTED] million, professional fees for our legal advisers and reporting accountant of RMB[REDACTED] million and other fees and expenses of RMB[REDACTED] million. An estimated amount of RMB[REDACTED] million for our [REDACTED] expenses, accounting for approximately [REDACTED]% of our gross [REDACTED], is expected to be expensed through the statement of profit or loss and an estimated amount of RMB[REDACTED] million is expected to be recognized directly as a deduction from equity upon the [REDACTED]. We did not recognize any [REDACTED] expenses in 2023 and 2024. We recognized [REDACTED] expenses of RMB[REDACTED] million in 2025, in our consolidated statements of profit or loss and other comprehensive income.

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NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of the Document, there had been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since December 31, 2025, being the end date of the periods reported on in the Accountant’s Report set out in Appendix I to this Document, and there had been no event since December 31, 2025, that would materially affect the information shown in the Accountant’s Report set out in Appendix I to this Document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except for the amounts due from related parties as disclosed in this section, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

[REDACTED]

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business — Our Growth Strategies” for a detailed description of our future plans.

USE OF [REDACTED]

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

In line with our strategies, we intend to use the net [REDACTED] for the following purposes, subject to changes with respect to our evolving business needs and changing market conditions:

- **Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] [REDACTED], will be used to accelerate technology and product R&D over the next five years.**

We are committed to maintaining a leading position in the research and development of industrial large models and industrial AI agent technologies. We believe this strategy will help us capture new market opportunities and reinforce our technological edge.

- (i) **Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] [REDACTED], will be used to enhance our full-stack technology R&D capabilities.**

We plan to continuously (i) iterate our industrial large models to deepen domain-specific understanding, enhance reasoning capabilities in complex scenarios, and improve generalization across various industrial applications, strengthening product adaptability, execution flexibility, and long-term stability; and (ii) optimize the development of our full-stack technology portfolio, covering software, hardware, and edge computing, to deliver high-performance, scalable industrial AI agents tailored for complex industrial applications.

To execute this strategy, we intend to (i) recruit globally recognized artificial intelligence experts and industry specialists, collaborate with universities and research institutions and roll out structured training programs to train technical talent; (ii) procure advanced tools, infrastructure and R&D equipment to support frontier technology development; and (iii) invest in additional computing infrastructure and related software services to optimize our models. Through these initiatives, we aim to sustain our technological leadership and competitive edge in the industry.

- (ii) **Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] [REDACTED], will be used to expand our industrial AI agent offerings.**

We plan to continuously iterate and upgrade our robots, edge AI sensors, agentic software systems and model commercialization, and to develop next-generation industrial AI agents to enhance our coverage across different process stages, industrial scenarios and diversified industries. We will also introduce new industrial AI agents designed for emerging industrial applications and expand into novel operation scenarios to address evolving customer needs.

FUTURE PLANS AND USE OF [REDACTED]

- (iii) **Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] [REDACTED], will be used to optimize the deployment efficiency of our products.**

We plan to enhance the adaptability and deployment efficiency of our product portfolio by introducing standardized and modularized industrial AI agents. Through flexible configuration and rapid integration, we aim to establish replicable deployment pathways that enable industrial AI agents to be efficiently applied across upstream and downstream industrial value chains. These efforts will allow us to rapidly deploy across diverse production environments and facilitate the seamless adoption of industrial intelligence across a wide range of industries. By accelerating deployment cycles, reducing customization costs, and leveraging our full-stack technology integration, we will strengthen our competitive position and drive the widespread adoption of intelligent, autonomous workflows.

- **Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] [REDACTED], will be used to drive commercialization expansion.**

These investments and initiatives are designed to strengthen customer engagement, enhance brand recognition and market reputation, improve the overall customer experience, and drive both customer base expansion and deeper industry penetration. We plan to allocate such [REDACTED] as follows:

- (i) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] [REDACTED], will be used to enhance customer engagement. We intend to build professional sales and service teams with both deep industry expertise and local operational knowledge, and establish comprehensive customer service infrastructure covering technical support, systematic training and efficient after-sales services.
- (ii) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] [REDACTED], will be used to enhance brand visibility. We will participate in industry exhibitions, product launches and artificial intelligence technology forums to strengthen advertising and market outreach.
- (iii) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] [REDACTED], will be used to expand market coverage. We intend to establish cooperative relationships with overseas research institutions and industry associations to ensure our products are aligned with local industry standards, regulatory requirements and customer needs. These investments are expected to accelerate our international expansion and support sustainable global growth.

- **Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] [REDACTED], will be used for strategic cooperation and investment.**

We plan to explore strategic opportunities, including acquisitions, joint ventures and strategic alliances, to advance our capabilities and expand our industry influence. Potential targets may include: (i) companies whose technology stacks or proprietary solutions are complementary to ours, thereby enhancing our comprehensive technological capabilities and product delivery efficiency; (ii) companies with established commercialization models or significant commercialization potential that can help broaden our market presence; and (iii) upstream or downstream enterprises across the industrial value chain that can generate operational synergies and improve our efficiency.

As of the Latest Practicable Date, we have not identified or entered into any definitive agreements with respect to any specific acquisition or strategic investment target, nor have we established any specific timetable for such transactions.

- **Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] [REDACTED], will be used for working capital and general corporate purposes over the next three years.**

These funds will provide financial flexibility to support our ongoing operational needs and general corporate requirements.

FUTURE PLANS AND USE OF [REDACTED]

In the event that the [REDACTED] is set at the maximum [REDACTED] or the minimum [REDACTED] of the indicative [REDACTED], the net [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED] [REDACTED] or HK\$[REDACTED] [REDACTED], respectively. If we make an upward or downward [REDACTED] adjustment to set the final [REDACTED] to be above or below the mid-point of the [REDACTED], we will increase or decrease the allocation of the net [REDACTED] to the above purposes on a pro rata basis.

The additional net [REDACTED] that we would receive if the [REDACTED] was exercised in full would be (i) HK\$[REDACTED] [REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the maximum [REDACTED] of the indicative [REDACTED]), (ii) HK\$[REDACTED] [REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED]) and (iii) HK\$[REDACTED] [REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the minimum [REDACTED] of the indicative [REDACTED]). We intend to apply the additional net [REDACTED] to the above uses on a pro rata basis.

To the extent that the net [REDACTED] of the [REDACTED] are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we may hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANT’S REPORT

The following is the text of a report set out on pages [I-1] to [I-2], received from the Company’s reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of HKSIR 200 Accountants’ Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

[Letterhead of PricewaterhouseCoopers]

[DRAFT]

ACCOUNTANT’S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SMARTMORE INC., MORGAN STANLEY ASIA LIMITED, CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND DEUTSCHE SECURITIES ASIA LIMITED

Introduction

We report on the historical financial information of SmartMore Inc. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-[3] to I-[59], which comprises the consolidated statements of financial position as at December 31, 2023, 2024 and 2025, the statements of financial position of the Company as at December 31, 2023, 2024 and 2025, and the consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2023, 2024 and 2025 (the “Track Record Period”) and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-[3] to I-[59] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (the “Document”) in connection with the initial [REDACTED] of shares of the Company on the [REDACTED].

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant’s responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants’ Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant’s judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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ACCOUNTANT’S REPORT

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant’s report, a true and fair view of the financial position of the Company as at December 31, 2023, 2024 and 2025 and the consolidated financial position of the Group as at December 31, 2023, 2024 and 2025 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [I-3] have been made.

Dividends

We refer to Note [32] to the Historical Financial Information which states that no dividends have been paid by SmartMore Inc. in respect of the Track Record Period.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its date of incorporation.

[PricewaterhouseCoopers]

Certified Public Accountants

Hong Kong

[Date]

APPENDIX I

ACCOUNTANT’S REPORT

I HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant’s report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by [PricewaterhouseCoopers] in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (“Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand of RMB (RMB’000) except when otherwise indicated.

APPENDIX I

ACCOUNTANT’S REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Note	Year ended December 31,		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Revenue	6	484,899	755,786	1,086,268
Cost of sales	9	(336,822)	(511,458)	(681,107)
Gross profit		148,077	244,328	405,161
Research and development expenses	9	(283,377)	(388,170)	(394,069)
Selling and marketing expenses	9	(151,201)	(140,705)	(174,682)
General and administrative expenses	9	(131,970)	(134,507)	(600,170)
Net impairment losses on financial assets and contract assets	3.1(b)	(30,609)	(20,842)	(41,950)
Other income	7	22,400	15,061	33,202
Other (losses)/gains, net	8	(1,129)	(792)	3,437
Operating loss		(427,809)	(425,627)	(769,071)
Finance income	11	23,846	27,781	28,653
Finance costs	11	(4,502)	(13,683)	(11,416)
Finance income, net	11	19,344	14,098	17,237
Share of net (losses)/profits of investments accounted for using the equity method	13	(318)	(123)	474
Fair value changes of preferred shares and other financial liabilities measured at fair value through profit or loss (“FVPL”)	27	(136,486)	(323,265)	(238,648)
Loss before income tax		(545,269)	(734,917)	(990,008)
Income tax expenses	14	(735)	(229)	(1,132)
Loss for the year		(546,004)	(735,146)	(991,140)
Loss is attributable to:				
Owners of the Company		(545,517)	(734,289)	(989,609)
Non-controlling interests		(487)	(857)	(1,531)
Loss per share for loss attributable to ordinary equity holders of the Company (expressed in RMB per share):				
Basic and diluted loss per share	15	(2.73)	(3.67)	(4.94)

The above consolidated statements of profit or loss should be read in conjunction with the accompanying notes.

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ACCOUNTANT’S REPORT

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Year ended December 31,		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Loss for the year	Note	(546,004)	(735,146)	(991,140)
Other comprehensive (loss)/income				
<i>Items that may be reclassified to profit or loss</i>				
Currency translation differences		(29,390)	(24,456)	55,436
<i>Items that will not be reclassified to profit or loss</i>				
Currency translation differences		(16,408)	(15,376)	20,993
Effects of changes in credit risk for financial liabilities at FVPL ...	27	(21,609)	42,536	2,857
Other comprehensive (loss)/income for the year, net of tax		(67,407)	2,704	79,286
Total comprehensive loss for the year		(613,411)	(732,442)	(911,854)
Total comprehensive loss for the year is attributable to:		(613,411)	(732,442)	(911,854)
Owners of the Company		(612,961)	(731,615)	(910,305)
Non-controlling interests		(450)	(827)	(1,549)

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

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ACCOUNTANT’S REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at December 31,		
		2023	2024	2025
	Note	RMB’000	RMB’000	RMB’000
ASSETS				
Non-current assets				
Property, plant and equipment	16	64,692	43,654	48,649
Right-of-use assets	17	57,058	38,892	33,848
Intangible assets	18	1,724	10,204	8,446
Investments accounted for using the equity method	13	1,976	1,853	2,327
Financial assets at FVPL	19	14,208	15,124	19,654
Prepayments and other assets	21	10,264	11,130	9,121
Total non-current assets		149,922	120,857	122,045
Current assets				
Inventories	22	69,830	93,314	103,570
Trade and notes receivables	20	270,407	532,608	743,803
Prepayments and other assets	21	69,204	60,393	68,302
Restricted cash	23	3,642	168,946	89,315
Cash and cash equivalents	23	616,822	578,456	948,890
Total current assets		1,029,905	1,433,717	1,953,880
Total assets		1,179,827	1,554,574	2,075,925
LIABILITIES				
Non-current liabilities				
Borrowings	29	–	–	15,013
Lease liabilities	17	36,990	19,115	12,358
Deferred income tax liabilities	31	982	1,211	2,343
Other non-current liabilities	30	10,051	12,955	11,026
Total non-current liabilities		48,023	33,281	40,740

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ACCOUNTANT’S REPORT

	Note	As at December 31		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Current liabilities				
Trade and notes payables	28	127,697	300,986	334,410
Contract liabilities	6(c)	24,628	14,971	16,335
Borrowings	29	61,516	188,423	505,541
Lease liabilities	17	21,627	20,046	19,332
Accruals and other current liabilities	30	76,368	89,966	187,525
Preferred shares and other financial liabilities at FVPL	27	2,942,079	3,728,182	4,229,991
Total current liabilities		3,253,915	4,342,574	5,293,134
Total liabilities		3,301,938	4,375,855	5,333,874
Net current liabilities		(2,224,010)	(2,908,857)	(3,339,254)
Net liabilities		(2,122,111)	(2,821,281)	(3,257,949)
DEFECITS				
Deficits attributable to owners of the Company				
Share capital	24	136	136	144
Other reserves	25	2,733	38,679	593,161
Accumulated losses		(2,127,390)	(2,861,679)	(3,851,288)
		(2,124,521)	(2,822,864)	(3,257,983)
Non-controlling interests		2,410	1,583	34
Total deficits		(2,122,111)	(2,821,281)	(3,257,949)

The above consolidated statements of financial position should be read in conjunction with the accompanying notes.

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ACCOUNTANT’S REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at December 31		
	Note	2023 RMB’000	2024 RMB’000	2025 RMB’000
ASSETS				
Non-current assets				
Investments in subsidiaries	12	1,452,588	2,016,607	2,693,160
Total non-current assets		1,452,588	2,016,607	2,693,160
Current assets				
Prepayments and other assets		—	—	184
Cash and cash equivalents	23	459,793	527,462	634,080
Total current assets		459,793	527,462	634,264
Total assets		1,912,381	2,544,069	3,327,424
LIABILITIES				
Current liabilities				
Accruals		—	—	1,350
Preferred shares and other financial liabilities at FVPL	27	2,794,360	3,677,746	4,179,555
Total current liabilities		2,794,360	3,677,746	4,180,905
Total liabilities		2,794,360	3,677,746	4,180,905
Net liabilities		(881,979)	(1,133,677)	(853,481)
DEFICITS				
Share capital	24	136	136	144
Other reserves	25	90,158	150,590	649,618
Accumulated losses		(972,273)	1,284,403	(1,503,243)
Total deficits		(881,979)	(1,133,677)	(853,481)

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ACCOUNTANT’S REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Deficits attributable to owners of the Company					Non-controlling interests	Total deficits
		Share capital	Other reserves	Accumulated losses	Total			
		RMB'000	RMB'000	RMB'000	RMB'000		RMB'000	RMB'000
As at January 1, 2023		136	54,516	(1,581,873)	(1,527,221)		2,645	(1,524,576)
Comprehensive loss								
Loss for the year		–	–	(545,517)	(545,517)	(487)	(487)	(546,004)
Currency translation differences		–	(45,835)	–	(45,835)	37	37	(45,798)
Effects of changes in credit risk for financial liabilities at FVPL	27	–	(21,609)	–	(21,609)	–	–	(21,609)
Total comprehensive loss for the year		–	(67,444)	(545,517)	(612,961)	(450)	(450)	(613,411)
Transactions with owners in their capacity as owners:								
Share-based payments	26	–	15,661	–	15,661	–	–	15,661
Disposal of a subsidiary		–	–	–	–	215	215	215
As at December 31, 2023		136	2,733	(2,127,390)	(2,124,521)	2,410	2,410	(2,122,111)

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ACCOUNTANT’S REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Deficits attributable to owners of the Company						
	Share capital	Other reserves	Accumulated losses	Total	Non-controlling interests	Total deficits
Note	136	2,733	(2,127,390)	(2,124,521)	2,410	(2,122,111)
As at January 1, 2024						
Comprehensive income/(loss)						
	–	–	(734,289)	(734,289)	(857)	(735,146)
	–	(39,862)	–	(39,862)	30	(39,832)
27	–	42,536	–	42,536	–	42,536
Total comprehensive income/(loss) for the year						
	–	2,674	(734,289)	(731,615)	(827)	(732,442)
Transactions with owners in their capacity as owners:						
	–	33,272	–	33,272	–	33,272
26	136	38,679	(2,861,679)	(2,822,864)	1,583	(2,821,281)
As at December 31, 2024						

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ACCOUNTANT’S REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Deficits attributable to owners of the Company					Non-controlling interests	Total deficits
		Share capital	Other reserves	Accumulated losses	Total			
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
As at January 1, 2025		136	38,679	(2,861,679)	(2,822,864)	1,583	(2,821,281)	
Comprehensive income/(loss)								
Loss for the year		–	–	(989,609)	(989,609)	(1,531)	(991,140)	
Currency translation differences		–	76,447	–	76,447	(18)	76,429	
Effects of changes in credit risk for financial liabilities at FVPL	27	–	2,857	–	2,857	–	2,857	
Total comprehensive income/(loss) for the year		–	79,304	(989,609)	(910,305)	(1,549)	(911,854)	
Transactions with owners in their capacity as owners:								
Exercise of stock options		21	–	–	21	–	21	
Cancellation of ordinary shares		(13)	13	–	–	–	–	
Share-based payments	26	–	475,165	–	475,165	–	475,165	
As at December 31, 2025		144	593,161	(3,851,288)	(3,257,983)	34	(3,257,949)	

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes

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ACCOUNTANT’S REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Year ended December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Cash flows from operating activities				
Cash used in operations	33(a)	(395,861)	(451,638)	(355,928)
Interest received		23,846	27,781	28,653
Net cash outflow from operating activities		(372,015)	(423,857)	(327,275)
Cash flows from investing activities				
Payments for property, plant and equipment		(15,659)	(13,816)	(18,567)
Payments for intangible assets		(814)	(3,910)	(3,091)
(Increase)/decrease in restricted cash	23	—	(162,074)	78,048
Proceeds from sale of property, plant and equipment		155	789	927
Proceeds from disposal of a subsidiary, net of cash disposed		(475)	—	—
Net cash (outflow)/inflow from investing activities		(16,793)	(179,011)	57,317
Cash flows from financing activities				
Proceeds from issuance of preferred shares and other financial liabilities	27	72,215	552,026	352,885
Proceeds from borrowings		40,222	193,348	545,732
Repayment of borrowings		(37,850)	(54,359)	(209,186)
Payment of interests on bank borrowings		(1,797)	(3,452)	(9,820)
Repayment of domestic loans	27	(42,021)	(97,283)	—
Principal elements of lease payments		(21,452)	(22,427)	(22,541)
Interest elements of lease payments		(2,120)	(1,576)	(1,088)
Payments for transaction costs for issuance of preferred shares		—	(7,922)	—
Exercise of stock options		—	—	21
Net cash inflow from financing activities		7,197	558,355	656,003
Net (decrease)/increase in cash and cash equivalents		(381,611)	(44,513)	386,045
Cash and cash equivalents at the beginning of the year		990,369	616,822	578,456
Effects of exchange rate changes on cash and cash equivalents		8,064	6,147	(15,611)
Cash and cash equivalents at end of the year		616,822	578,456	948,890

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

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II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 General information

SmartMore Inc. (the “Company”, formerly known as Hyperspace Group Inc.) was incorporated in the Cayman Islands on September 21, 2019, as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of its registered office is Maricorp Services Ltd., 2nd Floor, Strathvale House, 90 North Church Street, P.O. Box 1103, George Town, Grand Cayman KY1-1102, Cayman Islands. The change of name does not affect the legal continuity of the Company.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in providing Industrial AI agents and AI infrastructure initiatives in the People’s Republic of China (the “PRC”). The ultimate holding company of the Company is Hyperdimension Holdings Limited. The ultimate controlling party of the Group is Dr. Jiaya Jia.

The Company’s principal subsidiaries during the Track Record Period and as at the date of this report are set out in Note 12.

2 Basis of preparation

The Historical Financial Information of the Group has been prepared in accordance with all applicable IFRS Accounting Standards issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of certain financial assets/liabilities measured at fair value.

The material accounting policies applied in the preparation of the Historical Financial Information have been consistently applied to all the years presented, unless otherwise stated. All effective standards, amendments to standards and interpretations, which are mandatory for the financial year beginning on or after January 1, 2025, are consistently applied by the Group throughout the Track Record Period.

The preparation of Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4 below.

The Historical Financial Information is presented in Renminbi (“RMB”), unless indicated otherwise.

2.1 Going concern

As at December 31, 2025, the Group’s current liabilities exceeded its current assets by approximately RMB 3,339,254,000 and the Group had a deficit on its total equity of RMB 3,257,949,000. The Group’s current liabilities as at December 31, 2025 primarily comprised of preferred shares and other financial liabilities at FVPL of approximately RMB 4,229,991,000. As disclosed in Note 27 to the Historical Financial Information, the preferred shares have been classified as current liabilities as the holders have the rights to convert them into the ordinary shares of the Company at any time after the issuance of these preferred shares. These preferred shares shall be automatically converted into the ordinary shares of the Company upon the closing of a consummation of the qualified [REDACTED] (“Qualified [REDACTED]”) of the Company. There will be no cash outflows from the Group for such conversion of shares. The directors of the Company (the “Directors”) have assessed the redemption features of the preferred shares as set out in Note 27 and concluded that the only likely event or situation which may trigger the Group to redeem these preferred shares in cash is that the Company fails to complete a Qualified [REDACTED] before August 28, 2029. Therefore, the Directors concluded that it is not expected the Group will incur any cash outflows to settle or redeem the preferred shares within the next twelve months from December 31, 2025.

The Directors have reviewed the Group’s cash flow forecast which covers a period of not less than twelve months from December 31, 2025. Based on the review of the cash flow forecast and taking into account the considerations mentioned in the preceding paragraph, the Directors have concluded that the Group will have adequate financial resources to continue its operations in the foreseeable future and to meet its financial obligations as and when they fall due within the next twelve months from December 31, 2025. Accordingly, the Directors have prepared the Historical Financial Information on a going concern basis.

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2.2 New standards, amendments to standards and annual improvements not yet adopted

New standards, amendments to standards and annual improvements that have been issued but not yet effective and not been early adopted by the Group during the Track Record Period are as follows:

	Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7, ‘Amendments to the Classification and Measurement of Financial Instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts Referencing Nature-dependent Electricity’	January 1, 2026
Annual Improvements – Volume 11 IFRS accounting standards	January 1, 2026
IFRS 18, ‘Presentation and Disclosure in Financial Statements’	January 1, 2027
IFRS 19 and amendment, ‘Subsidiaries without Public Accountability: Disclosures’	January 1, 2027
Amendments to IAS 21, ‘Translation to a Hyperinflationary Presentation Currency’	January 1, 2027
Amendments to IFRS 10 and IAS 28 ‘Sale or Contribution of Assets between an Investor and its Associate or Joint Venture’	To be determined

The Group is in the process of determining the impact on the Group of applying these new or amended standards and annual improvements. Except for the expected changes in presentation and disclosure under IFRS 18 as mentioned below, the abovementioned new or amended standards and annual improvements are not expected to have a material impact on the results or financial position of the Group.

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated statements of profit or loss and providing management-defined performance measures within the financial statements.

The new presentation requirements introduced in IFRS 18 will increase comparability of the financial performance of similar entities, especially related to how ‘operating profit or loss’ is defined. The new disclosure requirements for ‘management-defined performance measures’ will enhance transparency.

Upon the initial adoption of IFRS 18, it is anticipated that the statement of cash flows will be impacted, because interest received and finance costs paid are required to each be presented in a single category.

The Group currently presents an operating profit/loss subtotal. The Group is performing a detailed assessment to determine the appropriate classification of items to ensure that the operating profit/loss subtotal will comply with the requirements of IFRS 18. The Group expects significant changes in this regard, especially as a result of reclassifying foreign exchange gains and losses within operating activities as well as the reclassification of income from associates as part of a new subtotal within a new ‘investing’ category. Furthermore, the new aggregation and disaggregation requirements will lead into changes to present the most useful structured summary.

The Group expects to apply the new standard from its mandatory effective date on January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated upon the adoption of IFRS 18 in 2027.

3 Financial risk management

3.1 Financial risk factors

The Group’s activities expose it to a variety of financial risk factors: market risk (including foreign exchange risk, interest rate risk and security prices risk), credit risk and liquidity risk. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group’s financial performance. Risk management is carried out by the senior management of the Group.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the functional currency of the Group’s subsidiaries. The Company and several of its overseas subsidiaries use US\$ or their respective local currencies as their functional currencies. The functional currency of the subsidiaries that operate in Chinese mainland is RMB. The Group manages its foreign exchange risk by performing regular reviews of the Group’s net foreign exchange exposures and tries to minimize these exposures through natural hedges, wherever possible.

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The foreign currency assets and liabilities of the Group entities are certain cash and cash equivalents, restricted term deposits, and receivables and payables denominated in foreign currencies of respective group entities that are exposed to foreign currency risk. The foreign exchange risk the Group is facing mainly comes from movements in the USD/RMB. During the years ended December 31, 2023, 2024 and 2025, the Group did not have any derivative financial instrument for which hedging accounting was applied.

If USD had strengthened/weakened by 5% against RMB with all other variables held constant, loss before income tax for the year would have been approximately RMB22,990,000, RMB26,373,000 and RMB31,704,000 higher/lower for the years ended December 31, 2023, 2024 and 2025, respectively.

(ii) Interest rate risk

The Group’s income and operating cash flows are substantially independent of changes in market interest rates and the Group has no significant interest-bearing assets and liabilities except for cash and cash equivalents, restricted term deposits and borrowings. Those carried at floating rates expose us to cash flow interest rate risk whereas those carried at fixed rates expose us to fair value interest rate risk. As at December 31, 2023, 2024 and 2025, the Group had floating rate borrowings of RMB31,279,000, RMB11,010,000 and RMB100,206,000, respectively, with remaining maturity ranging from 3 months to 19 months. The directors of the Company is of the view that the interest rate risk of the Group is not significant.

(iii) Security prices risk

The Group’s exposure to equity securities price risk arises from investments in unlisted companies held by the Group which are classified in the consolidated statements of financial position as financial assets at FVPL.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio of investments. Each investment is managed by senior management of the Group individually. The sensitivity analysis is performed by management, see Note 3.3 for details.

(b) Credit risk

Credit risk arises from cash and cash equivalents, restricted cash, trade and notes receivables and other receivables. The carrying amount of each class of the above financial assets represents the Group’s maximum exposure to credit risk in relation to the corresponding class of financial assets.

(i) Risk management

To manage this risk, cash and cash equivalents and restricted cash are mainly placed with state-owned or reputable financial institutions which are all high-credit-quality financial institutions.

Credit sales are made to selected customers with good credit history. The Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the counterparties. Trade and notes receivables have been grouped based on shared credit risk characteristics and aging to measure the expected credit losses.

(ii) Impairment of financial assets

The Group has three types of financial assets that are subject to the expected credit loss model (“ECL model”):

- Cash and cash equivalents,
- Restricted cash,
- Trade and notes receivables and contract assets; and
- Other receivables.

Cash and cash equivalents and restricted cash

To manage risk arising from cash and cash equivalents and restricted cash, the Group only transacts with state-owned or reputable financial institutions in Chinese mainland and reputable international financial institutions outside of Chinese mainland. There has been no recent history of default in relation to these financial institutions. The identified impairment loss was immaterial.

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ACCOUNTANT’S REPORT

As at December 31, 2025

	Trade receivables	Expected credit loss rate	Loss allowance	Reason	
	RMB'000		RMB'000		
Individual	403	100%	403	The likelihood of recovery is low	
Collective	Between 0 and 6 months	Between 7 and 12 months	Between 1 and 2 years	More than 2 years	Total
Expected credit loss rate	2.86%	5.87%	18.33%	59.96%	10.83%
Gross carrying amount—trade receivables (RMB'000)	490,043	112,607	124,396	73,079	800,125
Gross carrying amount—contract assets (RMB'000)	7,691	—	—	—	7,691
Loss allowance (RMB'000)	14,223	6,614	22,804	43,821	87,462

The loss allowances for trade receivables and contract assets for years ended December 31, 2023, 2024 and 2025 reconcile to the opening loss allowances as follows:

	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Opening loss allowance at January 1	50,032	80,399	78,856
Increase in the loss allowance recognized in profit or loss during the year	30,366	20,498	41,607
Receivables written off during the year as uncollectible	—	(22,041)	(32,597)
Closing loss allowance at December 31	80,399	78,856	87,865

Notes receivables

The Group only accept notes receivables issued by state-owned or reputable financial institutions in Chinese mainland and there has been no recent history of default in relation to these financial institutions. The Group applies the IFRS 9 simplified approach and assessed the lifetime expected loss allowance for these notes receivables and the identified impairment loss was immaterial. As of December 31, 2023, 2024 and 2025, the credit loss allowance as recognized on notes receivables amounted to RMB17,000, RMB38,000 and RMB29,000, respectively.

Other receivables

The loss allowances for other receivables for years ended December 31, 2023, 2024 and 2025 reconcile to the opening loss allowances as follows:

	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Opening loss allowance at January 1	262	504	828
Increase in the loss allowance recognized in profit or loss during the year	242	323	352
Closing loss allowance at December 31	504	827	1,180

The Group uses three categories for other receivables which reflect their credit risks and how the expected credit loss provision is determined for each of those categories. The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers both historical loss rates and forward-looking macroeconomic data. A summary of the assumptions underpinning the Group’s expected credit loss model is as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision
Stage one	Counterparties have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected credit losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime
Stage two	Receivables for which there is a significant increase in credit risk since initial recognition	Lifetime expected credit losses
Stage three	Receivables for which there is no reasonable expectation of recovery	Lifetime expected credit losses

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On that basis, the loss allowance as at December 31, 2023, 2024 and 2025 were determined as follows for other receivables:

	Stage 1 12-month ECL
As at December 31, 2023	
Expected credit loss rate	2.95%
Gross carrying amount—other receivables - non-current (RMB’000)	8,719
Gross carrying amount—other receivables - current (RMB’000)	8,351
Loss allowance (RMB’000)	504

	Stage 1 12-month ECL
As at December 31, 2024	
Expected credit loss rate	4.94%
Gross carrying amount—other receivables - non-current (RMB’000)	9,336
Gross carrying amount—other receivables - current (RMB’000)	7,419
Loss allowance (RMB’000)	828

	Stage 1 12-month ECL
As at December 31, 2025	
Expected credit loss rate	5.68%
Gross carrying amount—other receivables - non-current (RMB’000)	9,371
Gross carrying amount—other receivables - current (RMB’000)	11,391
Loss allowance (RMB’000)	1,180

(c) Liquidity risk

The Group intends to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, the policy of the Group is to regularly monitor the Group’s liquidity risk and to maintain adequate liquid assets such as cash and cash equivalents or to retain adequate financing arrangements to meet the Group’s liquidity requirements.

The table below analyzes the Group’s non-derivative financial liabilities into relevant maturity grouping based on the remaining year at each balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	RMB’000	RMB’000	RMB’000	RMB’000
At December 31, 2023				
Trade and notes payables	127,697	—	—	127,697
Accruals and other liabilities (excluding non-financial liabilities)	11,820	—	—	11,820
Lease liabilities	23,052	19,852	18,475	61,379
Borrowings	62,450	—	—	62,450
Total	225,019	19,852	18,475	263,346

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	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	RMB’000	RMB’000	RMB’000	RMB’000
At December 31, 2024				
Trade and notes payables	300,986	–	–	300,986
Accruals and other liabilities (excluding non-financial liabilities)	19,246	–	–	19,246
Lease liabilities	20,899	14,833	4,746	40,478
Borrowings	192,099	–	–	192,099
Total	533,230	14,833	4,746	552,809
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	RMB’000	RMB’000	RMB’000	RMB’000
At December 31, 2025				
Trade and notes payables	334,410	–	–	334,410
Accruals and other liabilities (excluding non-financial liabilities)	89,763	–	–	89,763
Lease liabilities	20,164	10,847	1,787	32,798
Borrowings	512,124	15,279	–	527,403
Total	956,461	26,126	1,787	984,374

3.2 Capital management

Risk management

The Group’s objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by regularly reviewing the capital structure. The Group may return capital to shareholders, issue new shares or repurchase the Company’s shares and consider other financing options to adjust the capital structure as and when necessary. In the opinion of the directors of the Company, the Group’s capital risk is low.

3.3 Fair value estimation

(a) Financial instruments carried at fair value

(i) Fair value hierarchy

This section explains the Judgments and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

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The following table presents the Group’s assets and liabilities that were measured at fair value as at December 31, 2023 and 2024 and 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>
As at December 31, 2023				
Financial assets:				
Investments in unlisted companies	–	–	14,208	14,208
Total financial assets	–	–	14,208	14,208
Financial liabilities:				
Preferred shares and forwards	–	–	2,766,667	2,766,667
Warrants and domestic loans	–	–	175,412	175,412
Total financial liabilities	–	–	2,942,079	2,942,079
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>
As at December 31, 2024				
Financial assets:				
Investments in unlisted companies	–	–	15,124	15,124
Total financial assets	–	–	15,124	15,124
Financial liabilities:				
Preferred shares and forwards	–	–	3,667,078	3,667,078
Warrants and domestic loans	–	–	61,104	61,104
Total financial liabilities	–	–	3,728,182	3,728,182
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>
As at December 31, 2025				
Financial assets:				
Investments in unlisted companies	–	–	19,654	19,654
Total financial assets	–	–	19,654	19,654
Financial liabilities:				
Preferred shares and forwards	–	–	4,179,555	4,179,555
Warrants and domestic loans	–	–	50,436	50,436
Total financial liabilities	–	–	4,229,991	4,229,991

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year presented.

The Group’s policy is to recognize transfers into and out of fair value hierarchy levels as at the end of the reporting period.

- Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The level 3 instruments mainly include investment in unlisted companies, as well as the financial liabilities at FVPL, including the preferred shares. As these instruments are not traded in an active market, their fair values have been determined using various applicable methodologies.

(ii) *Valuation techniques used to determine fair values and process*

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments;

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- the discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate;
- the latest round financing, i.e. the prior transaction price or the third-party pricing; and
- a combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability (“DLOM”), market multiples, etc..

The Group has a team that manages the valuation exercise of level 3 instruments for financial reporting purposes. The team manages the valuation exercise of the financial instruments on a case-by-case basis. At least once every year, the team would use valuation techniques to determine the fair value of the Group’s level 3 instruments. External valuation experts will be involved when necessary.

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 financial assets at FVPL for the years ended December 31, 2023, 2024 and 2025:

	Investments in unlisted companies
	RMB’000
Opening balance as at January 1, 2023	11,265
Changes in fair value through profit or loss	2,943
Closing balance December 31, 2023	14,208
Changes in fair value through profit or loss	916
Closing balance as at December 31, 2024	15,124
Changes in fair value through profit or loss	4,530
Closing balance as at December 31, 2025	19,654

The changes of preferred shares and other financial liabilities at FVPL for the years ended December 31, 2023, 2024 and 2025 have been disclosed in Note 27.

(iv) Valuation inputs and relationships to fair value

The following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Fair Value			Significant unobservable inputs	Range of inputs			Relationship of unobservable inputs to fair value
	As at December 31,				As at December 31,			
	2023	2024	2025		2023	2024	2025	
	RMB'000	RMB'000	RMB'000					
Investments in unlisted companies	14,208	15,124	19,654	Discount for lack of marketability (“DLOM”)	N/A*	N/A*	19.97%-20.11%	The higher the DLOM, the lower the fair value
				Expected volatility	42.17%-45.4%	39.0%-39.58%	35.25%-47.63%	The higher the expected volatility, the lower the fair value
Preferred shares and forwards	2,766,667	3,667,078	4,179,555	Risk-free interest rate	3.9%-4.0%	3.6%-4.4%	3.3%-3.6%	The higher the risk-free interest rate, the lower the fair value
				DLOM	9.5%-10.0%	8%-11.5%	5%-10.5%	The higher the DLOM, the lower the fair value
				Expected volatility	51.0%-50.4%	50.5%-54.3%	50.9%-53.3%	The higher the expected volatility, the lower the fair value
Warrants and domestic loans	175,412	61,104	50,436	Risk-free interest rate	4.2%-5.0%	4.10%	4.10%	The higher the discount rate, the lower the fair value

* For the years ended December 31, 2023 and 2024, the fair values of these unlisted companies are determined by reference to the subscription price in the latest round of financing of the respective invested companies.

If the fair values of the investments in unlisted companies held by the Group had been 10% higher/lower, loss for the years ended December 31, 2023, 2024 and 2025 would have been lower/higher by approximately RMB1,421,000, RMB1,512,000 and RMB1,965,000, respectively.

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For forwards, warrants and domestic loans, none of the inputs is sensitive, 10% changes in these inputs would not cause significant changes in the fair value measurement of these financial liabilities.

If the Group’s key valuation assumptions used to determine the fair value of preferred shares had increased/decreased certain percentage, loss for the years ended December 31, 2023, 2024 and 2025 listed in below table (assuming the change of key assumptions would not have significant impact on fair value change attributable to credit risk).

Preferred shares

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Risk-free interest rate + 10%	(686)	(971)	(823)
Risk-free interest rate - 10%	692	982	829
DLOM + 10%	(78,795)	(99,291)	(98,498)
DLOM - 10%	78,795	99,291	98,498
Expected volatility + 10%	(3,617)	(5,428)	(5,159)
Expected volatility - 10%	2,730	4,754	4,148

(b) Financial instruments carried at other than fair value

The carrying amounts of the Group’s financial assets carried at other than fair value, including cash and cash equivalents, trade receivables, restricted cash, and other receivables, and the Group’s financial liabilities carried at other than fair value, including trade payables, other payables and accruals, borrowings and lease liabilities, approximate to their fair values due to their short maturities.

4 Critical accounting estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Fair value of preferred shares and other financial liabilities

Preferred shares and other financial liabilities at FVPL are not traded in an active market and the respective fair value are determined by using valuation techniques. The discounted cash flow method was used to determine the total equity value of the Company and equity allocation model was adopted to determine the fair value of the financial instruments. Key assumptions such as discount rate, risk-free interest rate, DLOM and expected volatility based on the Group’s best estimates are disclosed in Note 3.3.

(b) Credit loss allowances for receivables

The expected credit loss of trade receivables, are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to calculate the loss allowances, based on the Group’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3.1.

(c) Share-based payment expenses

As mentioned in Note 26, the Group granted options to employees. The fair value of the options is determined using the binomial option pricing model at the grant date, and is expected to be expensed over the respective vesting periods. Significant assumptions, including, underlying equity value, risk-free interest rate, expected volatility, dividend yield, and terms, are made by the directors with reference to valuation reports prepared by a third-party valuer.

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The Group estimate the expected yearly percentage of grantees that will stay within the Group and meet the non-market performance conditions at the end of the vesting periods of the share options (the “Expected Retention Rate”) in order to determine the amount of share-based payments expenses charged to the consolidated statements of profit or loss. The Expected Retention Rate is estimated based on historical pattern of retentions and management’s best estimates.

5 Segment information

The Group’s chief operating decision-maker (“CODM”) has been identified as the chairperson of the Board of Directors of the Company, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reports.

As substantially all of the Group’s non-current assets are all located in the PRC and substantially all of the Group’s revenues are derived from the PRC, no geographical information is presented.

6 Revenues from contracts with customers

(a) Disaggregation of revenue from contracts with customers

Disaggregation of revenue from contracts with customers by product line is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Industrial AI Agents	302,731	557,855	852,746
Robots	140,607	294,159	435,576
Edge AI Sensors	13,379	31,021	74,883
Agentic software systems	148,745	232,675	342,287
AI Infrastructure Initiatives	137,479	191,321	218,621
Others	44,689	6,610	14,901
Total revenue	484,899	755,786	1,086,268

During the Track Record Period, substantially all of the Group’s revenue is recognized at a point in time.

Except for one customer who contributed approximately 15.10% of the Group’s total revenue for the year ended December 31, 2023, no other single customer accounted for more than 10% of the Group’s total revenue for the years ended December 31, 2023, 2024 and 2025.

(b) Contract acquisition costs

The Group expenses the costs to obtain a contract as incurred when the amortization period is one year or less. During Track Record Period, the costs to obtain a contact with amortization period of more than one year is immaterial.

(c) Contract liabilities

Contract liabilities represent the cash received from customers before the transfer of goods or services, and the balance of contract liabilities at the end of the respective reporting years are as below:

	As at January 1,	As at December 31,		
	2023	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000
Contract liabilities	8,809	24,628	14,971	16,335

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The following table shows how much of the revenue which was included in the contract liabilities at the beginning of the reporting year, recognized during the Track Record Period relates to carried-forward contract liabilities:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Revenue recognized that was included in the contract liability balance at the beginning of the year	3,924	21,086	12,401

(d) *Transaction price allocated to the unsatisfied performance obligations*

The Group elects not to disclose the amount of transaction price allocated to performance obligations to be satisfied within the next 12 months.

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Transaction price allocated to remaining performance obligations of long-term contracts	—	—	358,761
To be recognized as revenue within 1 year	—	—	63,796
To be recognized as revenue over 1 year	—	—	294,965

(e) *Accounting policies of revenue recognition and significant judgments*

The Group recognizes revenue as and when a performance obligation is satisfied, i.e., when control of the goods or services underlying the particular performance obligation is transferred to the customer.

Control is transferred over time and revenue is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgments on these assumptions and estimates may impact the revenue recognition.

When either party to a contract has performed, the Group presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the Group’s performance and the customer’s payment.

A contract asset is the Group’s right to consideration in exchange for goods and services that the Group has transferred to a customer. A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

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If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract liability when the payment is made, or a receivable is recorded (whichever is earlier). A contract liability is the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold or services supplied, stated net of discounts, returns and value-added taxes. The Group recognizes revenue when the specific criteria have been met for each of the Group’s activities, as described below.

(i) Robots

The Group’s robots include smart inspection robots and smart operating robots. During the Track Record Period, revenue from sales of robots is primarily generated from sales of smart inspection robots, which are typically sold together with the Group’s proprietary industrial vision platform as an integrated hardware-software solution. The robots and the industrial vision platform are highly integrated, and the integration between them is critical for the customer to obtain the intended benefit from the integrated products.

Revenue from sales of robots is recognized at the point in time when control of the integrated products is transferred to the customer, generally upon the acceptance by customer.

(ii) Edge AI Sensors

The Group’s edge AI sensors comprise smart vision sensors and smart ID readers. Revenue from sales of edge AI sensors is recognized at the point in time when control of the products is transferred to the customer, generally upon the delivery to customers and the customers have accepted the products.

(iii) Agentic Software Systems

Agentic software systems of the Group include AI-native industrial vision software and industrial AI digitalization solutions. Agentic software systems are delivered as:

(a) licensed software installed at the end users’ servers; or

(b) all-in-one server or other related hardware with pre-installed software, which is combined into a single performance obligation for the server/hardware and pre-installed software are highly integrated and the integration between the server/hardware and pre-installed software is critical for the customer to obtain the intended benefit from the arrangement.

Revenue from delivering of (a) licensed software installed at the end users’ servers and (b) all-in-one server or other related hardware with pre-installed software is recognized at the point in time when control of the asset is transferred to the customer, generally upon acceptance by customers.

(iv) AI Infrastructure Initiatives

AI infrastructure initiatives are solutions delivered on a project basis. These solutions typically involve customized implementation and integration of software and hardware, tailored to customers’ needs. Software and hardware delivered under a project are generally accounted for as a single performance obligation and the related revenue is recognized at the point in time upon the acceptance of the tailored integrated promised deliverables by customer.

(v) Others

Others represent sales of products or services that do not fall into the scope of Industrial AI agents or AI Infrastructure Initiatives. During the Track Record Period, other revenues are recognized at a point in time when control of the related goods or services is transferred to customers.

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Principal or agent assessment

Agentic Software Systems and AI Infrastructure Initiatives may involve third-party hardware. Determining whether the Group is acting as a principal or as an agent in the provision of certain performance obligations to its customers require judgment and consideration of all relevant facts and circumstances.

In evaluation of the Group’s role as a principal or agent, the Group considers whether the Group controls the specified good or service before it is transferred to the customer. If the conclusion is not clear, the Group further considers the indicators of control, individually or in combination, including whether the Group (i) is primarily responsible for fulfilling the contract, (ii) is subject to inventory risk, and (iii) has discretion in establishing prices.

Warranty

The Group generally offers assurance-type warranties to customers and such warranties are not considered a distinct performance obligation to customers. The Group accounts for these warranties in accordance with IAS 37.

Practical expedients

The effect of a significant financing component has not been adjusted for in contracts where the Group expects, at contract inception date, that the period between when the Group transfers a promised good or service to the customer and when the customer pays for that good or service will be one year or less.

7 Other income

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Government grants	21,016	13,861	31,368
Others	1,384	1,200	1,834
	<u>22,400</u>	<u>15,061</u>	<u>33,202</u>

Government grants received during the Track Record Period comprised the financial subsidies received from various local government authorities in Chinese mainland.

8 Other (losses)/gains, net

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Fair value changes of financial assets at FVPL	2,943	916	4,530
Net (loss)/gain on termination of leases	(1,395)	(45)	674
Gains on disposal of a subsidiary	1,872	–	–
Net foreign exchange gains/(losses)	24	246	(1,720)
Donations	(900)	(900)	(900)
Others	(3,673)	(1,009)	853
Total	<u>(1,129)</u>	<u>(792)</u>	<u>3,437</u>

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9 Expenses by nature

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Expense by nature			
Costs of raw materials sold and consumed	303,232	450,559	597,980
Employee benefit expenses	335,670	300,269	736,674
Technical service expenses	38,951	142,550	152,648
Computing service expenses	23,001	59,168	78,149
Professional service expenses	43,658	38,621	72,831
Outsourcing labour costs	31,832	44,794	69,867
Depreciation and amortization	57,444	52,383	44,965
Marketing expenses	15,985	23,579	39,984
Others	53,597	62,917	56,930
Total	903,370	1,174,840	1,850,028

10 Employee benefit expenses

	Notes	Year ended December 31,		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Wages, salaries and bonuses		262,911	227,391	222,309
Share-based payments	26	15,661	33,272	475,165
Pension costs – defined contribution plans		13,032	10,069	8,982
Other social security costs		7,649	5,467	5,091
Housing benefits		14,613	12,510	12,145
Other employee welfare		21,804	11,560	12,982
Total		335,670	300,269	736,674

(1) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended December 31, 2023, 2024 and 2025 include nil, nil and 4 directors respectively, whose emoluments are disclosed in the Note 36. The emoluments payable to the remaining 5, 5 and 1 individuals for each of the years ended December 31, 2023, 2024 and 2025 are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Wages and salaries	3,247	4,896	2,760
Discretionary bonuses	2,257	1,658	240
Share-based payments	10,510	20,296	13,766
Pension costs – defined contribution plans	82	75	71
Other social security costs, housing benefits and other employee welfare	157	254	95
Total	16,253	27,179	16,932

Their emoluments fell within the following bands:

Emolument bands (in HK\$)	Year ended December 31,		
	2023	2024	2025
HK\$2,500,001 - HK\$3,000,000	3	1	
HK\$3,000,001 - HK\$3,500,000	1	1	
HK\$4,000,001 - HK\$4,500,000		1	
HK\$6,500,001 - HK\$7,000,000	1		
HK\$8,000,001 - HK\$8,500,000		1	
HK\$11,000,001 - HK\$11,500,000		1	
HK\$18,000,001 - HK\$18,500,000			1

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11 Finance income, net

	Notes	Year ended December 31,		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Finance income				
Interest income		23,846	27,781	28,653
Total		23,846	27,781	28,653
Finance costs				
Interest expenses on borrowings		(1,841)	(3,592)	(9,973)
Finance charges paid on issuance of preferred shares		–	(7,922)	–
Interest expenses on lease liabilities	17	(2,120)	(1,576)	(1,088)
Others		(541)	(593)	(355)
Total		(4,502)	(13,683)	(11,416)
Finance income, net		19,344	14,098	17,237

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12 Subsidiaries

(a) Subsidiaries of the Group

The Company’s principal subsidiaries during the Track Record Period are set out below. Unless otherwise stated, they have share capital solely held by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country/region of incorporation or registration is also their principal place of business.

Name of entity	Date and place of incorporation/establishment and kind of legal entity	Principal activities	Issued/registered share capital	Effective interest held			Note
				As at December 31,		As at the date of this report	
				2023	2024		
Indirectly held by the Company:							
SmartMore Corporation Limited	November 5, 2019/ Hong Kong, PRC/ limited liability company	R&D and sales of industrial AI agents	HK\$1	100%	100%	100%	(ii)
Shenzhen SmartMore Technology Co., Ltd. (深圳思謀信息科技有限公司)	December 20, 2019/ Shenzhen, PRC/ limited liability company	R&D, manufacturing, sales and fulfillments of industrial AI agents	RMB1,150,000,000	100%	100%	100%	(iii)
Shanghai SmartMore Technology Co., Ltd. (上海思謀科技有限公司)	June 29, 2020/ Shanghai, PRC/ limited liability company	R&D and sales of industrial AI agents	RMB300,000,000	100%	100%	100%	(iii)
Beijing SmartMore Intelligence Technology Co., Ltd. (北京思謀智能科技有限公司)	June 9, 2021/ Beijing, PRC/ limited liability company	R&D, sales and fulfillments of industrial AI agents and AI infrastructure products	HK\$100,000,000	100%	100%	100%	(iii)
Suzhou SmartMore Technology Co., Ltd. (蘇州思謀智能科技有限公司)	October 21, 2021/ Suzhou, PRC/ limited liability company	R&D and fulfillments of industrial AI agents	US\$20,000,000	100%	100%	100%	(iii)
Jiaxing SmartMore Technology Co., Ltd. (嘉興思謀科技有限公司)	June 3, 2025/Jiaxing, PRC/limited	Manufacturing and fulfillments of industrial AI agents	RMB10,000,000	100%	100%	100%	(i)

(i) No audited financial statements were issued for the entity as it is not required to issue audited financial statements under the statutory requirements of its place of incorporation.

(ii) The financial statements were audited by PricewaterhouseCoopers for the years ended December 31, 2023 and 2024.

(iii) The financial statements were audited by PricewaterhouseCoopers Zhong Tian LLP for the years ended December 31, 2023 and 2024.

The English names of certain subsidiaries referred herein represent the directors’ best effort at translating the Chinese names of these companies as no English names have been registered.

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(b) Investments in subsidiaries — the Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Investments in subsidiaries			
Equity investments	—	—	—
Amounts due from subsidiaries (i)	1,434,865	1,965,037	2,175,161
Less: provision for amounts due from subsidiaries	(7,295)	(7,404)	(7,240)
Deemed investments relating to share-based payments (ii)	25,018	58,974	525,239
Total	1,452,588	2,016,607	2,693,160

- (i) The Company has determined not requiring repayment of the amounts due from subsidiaries and these balances are, in substance, part of the Company’s net investment in the subsidiaries.
- (ii) The Company granted stock options directly to the employees of its subsidiaries and did not charge the relevant costs to the subsidiaries. The grant of these options is accounted for as equity-settled share-based payment expenses at consolidation level. In the separate financial statements of the Company, such amounts are recorded as part of the investments in the subsidiaries.
- (iii) In the Company’s statements of financial position, investments in subsidiaries are accounted for at cost less impairment (if any). The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee’s net assets including goodwill in the financial statements.

One investment in a subsidiary was fully impaired prior to the Track Record Period, with no further impairments recognized during the Track Record Period.

13 Investment accounted for using the equity method

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Associates	1,976	1,853	2,327

The movements of investments in associates during the years ended December 31, 2023, 2024 and 2025 are as below:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of the year	1,843	1,976	1,853
Additions	451	—	—
Share of results of associates	(318)	(123)	474
At the end of the year	1,976	1,853	2,327

The directors of the Company concluded that none of the associates is considered as material to the Group. The associates of the Group have been accounted by using the equity method based on the financial information of the associates which were prepared under the accounting policies consistent with the Group.

There are no contingent liabilities relating to the Group’s interests in associates.

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14 Income tax expenses

The income tax expense of the Group for the years ended December 31, 2023, 2024 and 2025 are analyzed as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current income tax	—	—	—
Deferred income tax (Note 31)	735	229	1,132
Income tax expenses	735	229	1,132

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

(a) Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gain. Additionally, upon payments of dividends by the Company in the Cayman Islands to its shareholders, no Cayman Islands withholding tax will be imposed.

(b) Hong Kong

Under the current Hong Kong Inland Revenue Ordinance, the subsidiaries in Hong Kong are subject to profits tax at the rate of 8.25% on assessable profits up to HK\$2 million, and 16.5% on any part of assessable profits over HK\$2 million. The payments of dividends by these companies to their shareholders are not subject to any Hong Kong withholding tax.

No provision for Hong Kong profits tax was made as the Group had no estimated assessable profit that was subject to Hong Kong profits tax during the years presented.

(c) PRC Enterprise Income Tax (“EIT”)

Under the PRC Enterprise Income Tax Law (“EIT Law”), the standard enterprise income tax rate is 25%. Preferential tax treatments are granted to entities qualify as “Software Enterprises”, “Key Software Enterprises” and/or “High and New Technology Enterprises” (“HNTEs”).

The aforementioned preferential tax rates are subject to annual review by the relevant tax authorities in Chinese mainland. Three major subsidiaries of the Company were entitled to a preferential enterprise income tax rate of 15% for the corresponding years from the year they are qualified. This status is subject to a requirement that they reapply for HNTE status every three years. The Company will apply for the renewal of the HNTE status for all of these subsidiaries, and the Company believes it is more likely than not that each of these subsidiaries will continue to qualify as a HNTE after the three-year period. Therefore, deferred income tax of these entities were calculated at a rate of 15% starting from the year when they were accredited as HNTEs.

All other major Chinese mainland incorporated entities of the Company were subject to the statutory enterprise income tax rate of 25% for all the years presented.

According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC, enterprises engaging in research and development activities are entitled to claim 175% from 2018 onwards (subsequently raised to 200% from 2022 onwards) of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (the “Super Deduction”).

No provision for PRC enterprise income tax was made as the Group had no estimated assessable profit that was subject to PRC enterprise income tax during the years presented.

According to the PRC Enterprise Income Tax Law (“EIT Law”), distribution of profits earned by PRC companies since January 1, 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies.

During the Track Record Period, the Group did not have any plan to require its PRC subsidiaries to distribute their retained earnings and intended to retain them to operate and expand the business in the PRC. Accordingly, no deferred income tax liability on withholding tax was accrued as at the end of each reporting years.

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The income tax on the Group’s loss before income tax differs from the theoretical amount that would arise using the enacted tax rate applicable to losses of the subsidiaries as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Loss before income tax	545,269	734,917	990,008
Income tax calculated at PRC statutory enterprise income tax rate (25%)	(136,317)	(183,729)	(247,502)
Tax effect of:			
Effect of different tax rates in other jurisdictions	32,232	78,686	65,602
Effect of preferential tax rates	35,512	35,499	56,567
Research and development expenses super-deduction	(29,387)	(40,208)	(56,095)
Expense not deductible for tax purposes (i)	2,467	5,198	71,251
Tax losses for which no deferred income tax assets was recognized (ii)	96,228	104,783	111,309
Income tax expense	735	229	1,132

- (i) The “expense not deductible for tax purpose” represent the share-based payment expenses relating to the share-based awards granted by the Company to the employees of the Company’s PRC subsidiaries. These share-based payment expenses were non-deductible for tax purpose during the Track Record Period according to the applicable tax regulations.
- (ii) The Group only recognizes deferred income tax assets for cumulative tax losses if it is probable that future taxable amounts will be available to utilize those tax losses. As of December 31, 2025, the Group anticipated that it was more likely than not that RMB2,808,035,000 cumulative tax losses from PRC group entities would not be utilized based on its estimate of the operating performance of these PRC group entities. Out of which, cumulative tax losses of entities not qualified as HNTEs of RMB88,036,000 are expected to expire during periods between the year ending December 31, 2026 and the year ending December 31, 2030. And cumulative tax losses of those entities qualified as HNTEs of RMB2,719,999,000 are expected to expire during periods between the year ending December 31, 2026 and the year ending December 31, 2035.

15 Loss per share

The basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of the Company by the weighted average number of outstanding ordinary shares issued during the years ended December 31, 2023, 2024 and 2025.

The diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Company has two categories of dilutive potential ordinary shares: preferred shares (including warrants and forwards to issue preferred shares (Note 27)) and share options. As the Group incurred net losses for the years ended December 31, 2023, 2024 and 2025, the dilutive potential ordinary shares were not included in the calculation of diluted loss per share, as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the years ended December 31, 2023, 2024 and 2025 are the same as basic loss per share of the respective periods.

	Year ended December 31,		
	2023	2024	2025
Loss attributable to ordinary equity holders of the Company (RMB’000)	(545,517)	(734,289)	(989,609)
Weighted average number of ordinary shares in issue - basic and diluted (in thousands)	200,000	200,000	200,242
Loss per share (expressed in RMB per share) - basic and diluted	(2.73)	(3.67)	(4.94)

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16 Property, plant and equipment

	Computers and electronic equipment	Leasehold improvements	Machinery and vehicles	Office furniture and equipment	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023					
Cost	53,868	41,273	4,369	2,736	102,246
Accumulated depreciation	(18,059)	(3,563)	(484)	(465)	(22,571)
Net book amount	35,809	37,710	3,885	2,271	79,675
Year ended December 31, 2023					
Opening net book amount	35,809	37,710	3,885	2,271	79,675
Additions	16,664	1,197	2,484	252	20,597
Disposals	(799)	(1,705)	(2,435)	(144)	(5,083)
Disposal of a subsidiary	(214)	—	—	—	(214)
Depreciation charge	(19,298)	(9,583)	(640)	(917)	(30,438)
Currency translation differences	145	10	—	—	155
Closing net book amount	32,307	27,629	3,294	1,462	64,692
At December 31, 2023					
Cost	69,046	39,110	4,403	2,767	115,326
Accumulated depreciation	(36,739)	(11,481)	(1,109)	(1,305)	(50,634)
Net book amount	32,307	27,629	3,294	1,462	64,692
Year ended December 31, 2024					
Opening net book amount	32,307	27,629	3,294	1,462	64,692
Additions	10,899	2,019	1,862	24	14,804
Disposals	(6,818)	(82)	(107)	(21)	(7,028)
Depreciation charge	(20,063)	(6,822)	(1,008)	(842)	(28,735)
Currency translation differences	—	(70)	(9)	—	(79)
Closing net book amount	16,325	22,674	4,032	623	43,654
At December 31, 2024					
Cost	63,849	40,441	6,121	2,758	113,169
Accumulated depreciation	(47,524)	(17,767)	(2,089)	(2,135)	(69,515)
Net book amount	16,325	22,674	4,032	623	43,654
Year ended December 31, 2025					
Opening net book amount	16,325	22,674	4,032	623	43,654
Additions	13,485	6,360	4,011	7	23,863
Disposals	354	—	(90)	(9)	255
Depreciation charge	(10,215)	(7,077)	(1,180)	(586)	(19,058)
Currency translation differences	(6)	(42)	(17)	—	(65)
Closing net book amount	19,943	21,915	6,756	35	48,649
At December 31, 2025					
Cost	64,731	46,628	9,653	2,419	123,431
Accumulated depreciation	(44,788)	(24,713)	(2,897)	(2,384)	(74,782)
Net book amount	19,943	21,915	6,756	35	48,649

Property, plant, and equipment are stated at historical cost less depreciation and accumulated impairment losses (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follows:

Computers and electronic equipment	3 years
Leasehold improvements	Shorter of the lease terms or 3 years
Machinery	10 years
Vehicles	4 years
Office furniture and equipment	3 years

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in consolidated statements of profit or loss.

Depreciation of the Group’s property, plant and equipment has been recognized as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Cost of sales	121	269	156
General and administrative expenses	15,082	10,058	7,365
Research and development expenses	12,458	14,932	6,426
Selling and marketing expenses	2,777	3,476	5,111
Total	30,438	28,735	19,058

17 Leases

(a) Amounts recognized in the consolidated statements of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Right-of-use assets			
Leased buildings	57,058	38,892	33,848
Lease liabilities			
Current	21,627	20,046	19,332
Non-current	36,990	19,115	12,358

The movement of right-of-use assets are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Cost			
At beginning of the year	95,685	84,830	85,356
Additions	27,351	5,191	16,527
Maturity of leases	(12,960)	–	(11,509)
Early termination of leases	(25,399)	(4,456)	(2,952)
Currency translation differences	153	(210)	(316)
At the end of the year	84,830	85,355	87,106

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	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Accumulated depreciation			
At beginning of the year	(23,304)	(27,772)	(46,464)
Depreciation charge	(25,911)	(21,541)	(21,042)
Maturity of leases	12,960	–	11,509
Early termination of leases	8,523	2,848	2,069
Currency translation differences	(40)	2	670
At the end of the year	(27,772)	(46,463)	(53,258)
Net book amount at the end of the year	57,058	38,892	33,848

(b) Amounts recognized in the consolidated statements of profit or loss

The consolidated statements of profit or loss show the following amounts relating to leases:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Depreciation charge of right-of-use assets	25,911	21,541	21,042
Interest expense (included in finance cost)	2,120	1,576	1,088
Expense relating to short term leases not included in lease liabilities	960	740	711

The total cash outflow for leases for the years ended December 31, 2023, 2024 and 2025 were approximately RMB 24,533,000, RMB 24,678,000 and RMB 23,252,000, respectively.

(c) The Group’s leasing activities and how these are accounted for

The Group leases offices and factories as lessee. Lease contracts are typically made for fixed periods from 1 to 5 years. They are stated at cost less accumulated depreciation and accumulated impairment losses (if any).

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments (if applicable):

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option; and
- lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Group, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are generally depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

The Group’s lease payments are deductible upon payment for tax purposes. In accounting for the deferred income tax relating to the lease, the Group separately accounts for the deferred income taxation on the taxable temporary difference and the deductible temporary difference, which upon initial recognition are equal and offset to zero. Deferred income tax is recognized on subsequent changes to the taxable and temporary differences.

18 Intangible assets

	Computer software
	RMB’000
As at January 1, 2023	
Cost	2,098
Accumulated amortization	(570)
Net book amount	1,528
Year ended December 31, 2023	
Opening net book amount	1,528
Additions	1,291
Amortization charge	(1,095)
Closing net book amount	1,724
As at December 31, 2023	
Cost	3,389
Accumulated amortization	(1,665)
Net book amount	1,724
Year ended December 31, 2024	
Opening net book amount	1,724
Additions	10,587
Amortization charge	(2,107)
Closing net book amount	10,204
As at December 31, 2024	
Cost	13,976
Accumulated amortization	(3,772)
Net book amount	10,204

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	Computer software
	RMB’000
Year ended December 31, 2025	
Opening net book amount	10,204
Additions	3,107
Amortization charge	(4,865)
Closing net book amount	8,446
As at December 31, 2025	
Cost	17,083
Accumulated amortization	(8,637)
Net book amount	8,446

Amortization expenses have been charged to the consolidated statements of profit or loss as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Selling and marketing expenses	415	1,365	4,533
General and administrative expenses	294	230	179
Research and development expenses	386	512	153
Total	1,095	2,107	4,865

(a) *Computer software*

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire the specific software.

(b) *Research and development*

Research expenditure is recognized as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new and improved products) are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

During the Track Record Period, no research and development expenditure has been capitalized as intangible assets of the Group.

(c) *Amortization methods and periods*

The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

Computer software 3 years

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19 Financial instruments by category

Financial instruments of the group, analyzed by categories are summarized as below:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets			
Financial assets measured at FVPL:	14,208	15,124	19,654
Investments in unlisted companies (a)	14,208	15,124	19,654
Financial assets measured at amortized cost:	911,304	1,307,223	1,809,200
Trade and notes receivables	270,407	532,608	743,803
Other receivables (excluding non-financial assets)	20,433	27,212	27,192
Restricted cash	3,642	168,946	89,315
Cash and cash equivalents	616,822	578,456	948,890
Financial liabilities			
Financial liabilities measured at FVPL:	2,942,079	3,728,182	4,229,991
Preferred shares and other financial liabilities	2,942,079	3,728,182	4,229,991
Financial liabilities at amortized cost:	260,371	553,037	961,404
Trade and notes payables, accruals and other payables (excluding non-financial liabilities)	139,517	320,232	424,173
Lease liabilities	58,617	39,161	31,690
Borrowings	61,516	188,423	520,554

- (a) The investments in unlisted companies are measured at fair value and the Group does not have any board representative in the board of directors of the investees. For more information regarding the valuation of these investments, please refer to Note 3.3.

20 Trade and notes receivables

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Notes receivables (i)	19,326	47,733	30,906
Trade receivables (ii)	331,143	562,815	800,528
Third party customers	329,086	560,406	798,310
Related parties	2,057	2,409	2,218
Total trade and note receivables, gross	350,469	610,548	831,434
Less: credit loss allowance	(80,062)	(77,940)	(87,631)
Total trade and note receivables	270,407	532,608	743,803

- (i) During the Track Record Period, the Group endorsed certain bank acceptance notes to certain suppliers in order to settle the trade payables to such suppliers and discounted certain bank acceptance notes to commercial banks which have the rights of recourse. In the opinion of the Company’s directors, the Group has retained substantially the risks and rewards, which include the default risks relating to those endorsed or discounted bills, and accordingly, the Group continued to recognise the full carrying amounts of the endorsed or discounted bills and associated trade payables settled until the maturities of those notes endorsed or discounted. Funds received from the discount of bank acceptance notes is presented as other borrowings of the Group prior to the maturity of those notes discounted.

- (ii) Trade and notes receivables (net of credit loss allowance) are denominated in:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
RMB	174,727	433,887	730,170
HK\$	84,888	98,483	13,254
JPY	10,668	238	379
SGD	124	—	—
	270,407	532,608	743,803

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21 Prepayments and other assets

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current:			
Prepayments for property, plant and equipment	240	253	278
Other receivables	8,719	9,336	9,371
Less: credit loss allowance	(325)	(508)	(707)
Contract assets	1,779	2,222	185
Less: credit loss allowance	(149)	(173)	(6)
Prepayments and other assets – non-current	10,264	11,130	9,121
Current:			
Prepayments to suppliers	52,486	43,827	48,690
Contract assets	2,442	10,016	7,506
Less: credit loss allowance	(205)	(781)	(257)
Other receivables	8,351	7,419	11,391
Less: credit loss allowance	(179)	(319)	(473)
Input VAT to be deducted	6,309	231	1,263
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Prepayments and other assets – current	69,204	60,393	68,302

Other receivables mainly include rental and other deposits, as well as advances to employees.

22 Inventories

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Finished goods	47,467	64,085	65,690
Work in progress	8,405	13,809	12,280
Raw materials	17,084	19,436	22,319
Contract fulfilment costs	930	2,198	6,433
Inventories, gross	73,886	99,528	106,722
Less: provision for impairment	(4,056)	(6,214)	(3,152)
	69,830	93,314	103,570

Inventories are stated at the lower of cost and net realisable value. Cost mainly comprises raw materials (including costs of purchased hardware) and personnel costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Provision for impairment movements for the years ended December 31, 2023, 2024 and 2025 are as below:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of the year	1,297	4,056	6,214
Provision for impairment	2,759	2,236	754
Reversal of provision	—	(78)	(461)
Utilized upon write-off of inventories	—	—	(3,354)
At end of the year	4,056	6,214	3,152

During the years ended December 31, 2023, 2024, and 2025, the cost of inventories sold included in “cost of sales” amounted to RMB330,965,000, RMB497,696,000 and RMB665,750,000, respectively.

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23 Cash and cash equivalents and restricted cash

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash in bank and on hand	620,464	747,402	1,038,205
Less: Restricted cash	(3,642)	(168,946)	(89,315)
Cash and cash equivalents	616,822	578,456	948,890

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Restricted cash:			
Bank deposits for performance guarantee	3,642	782	3,564
Bank deposits for security of bank borrowings	—	168,164	85,751
Total	3,642	168,946	89,315

Cash and cash equivalents are denominated in:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
RMB	214,868	42,630	152,726
US\$	354,941	485,557	784,897
HK\$	43,534	49,422	9,949
JPY	3,004	729	1,167
SGD	475	118	151
	616,822	578,456	948,890

Restricted cash is denominated in:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
RMB	—	782	3,564
US\$	—	168,164	85,751
HK\$	3,642	—	—
	3,642	168,946	89,315

The Company

Cash and cash equivalents are denominated in:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
US\$	354,880	484,132	633,938
RMB	64,845	130	130
HK\$	40,068	43,200	12
	459,793	527,462	634,080

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24 Share capital

	Share capital	
	Number	Nominal value
		USD
Authorized, US\$0.0001 each:		
At January 1, 2023, December 31, 2023 and 2024	500,000,000	50,000
At December 31, 2025	1,000,000,000	100,000

On March 7, 2025, the shareholders approved an ordinary resolution to increase the authorised share capital of the Company from US\$50,000 to US\$100,000.

	Share capital		
	Number	Nominal value	
		USD	RMB’000 equivalent
Issued and fully paid, US\$0.0001 each:			
At January 1, 2023, December 31, 2023 and 2024	200,000,000	20,000	136
Cancellation of ordinary shares (a)	(19,300,000)	(1,930)	(2)
Exercise of stock options (note 26)	30,360,074	3,036	(13)
At December 31, 2025	211,060,074	21,106	144

(a) Cancellation of ordinary shares

On December 23, 2025, in anticipation of further grants of incentive shares pursuant to the 2025 Share Incentive Plan, 19,300,000 ordinary shares held by Hyperdimension Holdings Limited, a company wholly owned and controlled by Dr. Jia, were cancelled by the Company. The Company reserved an additional 19,300,000 ordinary shares which may be issued for the purpose of employee share incentives.

25 Other reserves

The Group

	Share-based payments	Changes in the fair value attributable to credit risk changes	Currency translation differences	Others	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
As at January 1, 2023	8,754	102,642	(56,880)	—	54,516
Share-based payments (Note 26)	15,661	—	—	—	15,661
Fair value changes on preferred shares due to own credit risk (Note 27)	—	(21,609)	—	—	(21,609)
Currency translation differences	—	—	(45,835)	—	(45,835)
As at December 31, 2023	24,415	81,033	(102,715)	—	2,733
Share-based payments (Note 26)	33,272	—	—	—	33,272
Fair value changes on preferred shares due to own credit risk (Note 27)	—	42,536	—	—	42,536
Currency translation differences	—	—	(39,862)	—	(39,862)
As at December 31, 2024	57,687	123,569	(142,577)	—	38,679
Share-based payments (Note 26)	475,165	—	—	—	475,165
Fair value changes on preferred shares due to own credit risk (Note 27)	—	2,857	—	—	2,857
Cancellation of ordinary shares	—	—	—	13	13
Currency translation differences	—	—	76,447	—	76,447
As at December 31, 2025	532,852	126,426	(66,130)	13	593,161

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The Company

	Share-based payments	Changes in the fair value attributable to credit risk changes	Currency translation differences	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2023	8,754	102,642	1,118	–	112,514
Share-based payments (Note 26)	15,661	–	–	–	15,661
Fair value changes on preferred shares due to own credit risk (Note 27)	–	(21,609)	–	–	(21,609)
Currency translation differences	–	–	(16,408)	–	(16,408)
As at December 31, 2023	24,415	81,033	(15,290)	–	90,158
Share-based payments (Note 26)	33,272	–	–	–	33,272
Fair value changes on preferred shares due to own credit risk (Note 27)	–	42,536	–	–	42,536
Currency translation differences	–	–	(15,376)	–	(15,376)
As at December 31, 2024	57,687	123,569	(30,666)	–	150,590
Share-based payments (Note 26)	475,165	–	–	–	475,165
Fair value changes on preferred shares due to own credit risk (Note 27)	–	2,857	–	–	2,857
Cancellation of ordinary shares	–	–	–	13	13
Currency translation differences	–	–	20,993	–	20,993
As at December 31, 2025	532,852	126,426	(9,673)	13	649,618

26 Share-based payments

During the Track Record Period, share-based payment expenses were charged to the following categories of expenses as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Research and development expenses	2,951	5,283	7,645
Selling and marketing expenses	3,634	7,243	7,149
General and administrative expenses	9,076	20,746	460,371
	<u>15,661</u>	<u>33,272</u>	<u>475,165</u>

In 2020, the Company reserved 25,806,452 shares for its employee stock ownership plans. In 2022, the Company adopted the 2022 Share Incentive Plan (the “2022 Plan”). In 2025, the Company adopted the 2025 Share Incentive Plan (the “2025 Plan”, together with the 2022 Plan, collectively referenced as the “Pre-[REDACTED] Plans”). As of December 31, 2025, the maximum number of shares that may be issued under the 2022 Plan and 2025 Plan are 22,820,699 and 17,925,679 ordinary shares, respectively.

Under the 2022 Plan and the 2025 Plan, the Company have granted stock options to directors and employees of the Company and its affiliates. The fair value of the services received in exchange for the grant of equity instruments is recognized as an expense in the consolidated statements of profit or loss with a corresponding increase in other reserves.

The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions,
- excluding the impact of any service and non-market performance vesting conditions, and
- including the impact of any non-vesting conditions.

The Company generally offers four types of vesting schedules: a) a single 100% cliff after 2 years plus performance conditions linked to certain individual KPIs; b) graded vesting over 3 years (33%/33%/34%); c) graded vesting over 4 years (25% annually); and d) graded vesting over 5 years (20% annually). Generally, the Company’s stock option awards may not be exercised following the termination of a grantee’s service, except for some options granted prior to the year 2025.

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In the Group’s financial statements, all awards granted under the Pre-[REDACTED] Plans are treated as equity-settled share-based payments, as the Group does not have any obligation to settle these awards by cash. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the service conditions. The expected retention rate of grantees was 94%, 94% and 89% respectively for the years ended December 31, 2023, 2024 and 2025. The Company recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the share options are exercised, the Company issues new ordinary shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

Set out below are summaries of options granted under the Pre-[REDACTED] Plans:

	Year ended December 31,					
	2023		2024		2025	
	Weighted Average exercise price per share option	Number of options	Weighted Average exercise price per share option	Number of options	Weighted Average exercise price per share option	Number of options
	USD		USD		USD	
At beginning of the year	0.0100	14,045,931	0.0100	18,755,226	0.0100	25,212,726
Granted during the year	0.0100	6,049,636	0.0100	7,192,677	0.0009	32,988,126
Exercised during the year	—	—	—	—	0.0001	(30,360,074)
Forfeited during the year	0.0100	(1,340,341)	0.0100	(735,177)	0.0100	(4,306,504)
At end of the year	0.0100	18,755,226	0.0100	25,212,726	0.0100	23,534,274

In December 2025, following approval by the Company’s board of directors and shareholders, unvested share options representing 30,360,074 ordinary shares of the Company held by certain management members were accelerated for vesting. As a result, the Group immediately recognized RMB335,731,000 accelerated share-based payment expenses in general and administrative expenses in the consolidated statement of profit or loss for the year ended December 31, 2025. This amount represents the amount that otherwise would have been recognised for services received over the remainder of the vesting period of these stock options.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price per share option	As at December 31,		
			2023	2024	2025
		US\$	Number of share options		
2020	2028	0.01	4,134,183	4,134,183	4,127,035
2021	2029	0.01	5,353,103	5,009,139	4,921,849
2022	2030	0.01	3,247,864	3,064,922	2,824,103
2023	2031	0.01	6,020,076	5,811,805	2,598,630
2024	2032	0.01	—	639,587	28,096
2024	2034	0.01	—	6,553,090	6,406,509
2025	2035	0.01	—	—	2,628,052
Total			18,755,226	25,212,726	23,534,274
Weighted average remaining contractual life of share options outstanding at end of the reporting period			6.06 years	6.31 years	5.72 years

Fair value of share options

The directors have used the discounted cash flow method to determine the underlying equity fair value of the Company and adopted equity allocation model to determine the fair value of the underlying ordinary share. Key assumptions, such as discount rate and projections of future performance, are required to be determined by the directors with best estimate.

Based on fair value of the underlying ordinary shares, the directors use binomial model to determine the fair value of the share options as of the grant date.

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Key assumptions used by directors are set as below:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Risk-free interest rate	3.42%-4.76%	3.74%-4.52%	4.12%-4.58%
Contractual term (in years)	8	8-10	10
Volatility	51.48%-54.14%	51.06%-54.05%	53.78%-55.22%
Expected dividend yield	0%	0%	0%

27 Preferred shares and other financial liabilities at FVPL

The Group

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Preferred shares (a)	2,739,229	3,607,295	4,179,555
Forwards (b)	27,438	59,783	–
Warrants (c)	27,693	10,668	–
Domestic loans (d)	147,719	50,436	50,436
Total	2,942,079	3,728,182	4,229,991

The Company

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Preferred shares (a)	2,739,229	3,607,295	4,179,555
Forwards (b)	27,438	59,783	–
Warrants (c)	27,693	10,668	–
Total	2,794,360	3,677,746	4,179,555

(a) Preferred shares

Since the date of incorporation, the Company has completed several rounds of financing by issuing preferred shares to investors, and these financing rounds are summarised as below:

	Issue price per share	Number of shares as of January 1, 2023	Number of shares as of December 31, 2025	Total consideration received by December 31, 2025
	US\$			US\$'000
Series Pre-A Preferred Shares	0.31	32,258,065	32,258,065	10,000
Series Pre-A1 Preferred Shares	0.58	17,309,204	17,309,204	10,057
Series A Preferred Shares	1.01	54,050,031	58,018,992	58,335
Series A1 Preferred Shares	1.20	49,175,426	49,175,426	59,000
Series B Preferred Shares	2.09	51,216,313	61,763,336	129,155
Series B1 Preferred Shares	2.26	6,650,211	6,650,211	15,000
Series C Preferred Shares	2.32	–	48,281,223	111,800
		210,659,250	273,456,457	

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(b) Forwards

Some investors of Series A Preferred Shares, Series B Preferred Shares, and Series C Preferred Shares made their payments later than the date of the subscription agreement date. The unpaid preferred shares are not entitled to any preferred shareholders’ rights. However, the economic substance of this arrangement gives rise to a forward contract between the Company and the investors. Under this contract, the investors will subscribe for the agreed number of preferred shares at the pre-determined subscription price at any time up to the final payment date. The forward contract has remained valid until the date of final share issuance. This derivative instrument is classified as a financial liability at FVPL. The amount of fair value changes relating to the Company’s own credit risk is immaterial. Fair value changes of these forwards are recognized in profit or loss.

(c)&(d) Warrants and domestic loans

The Company granted some warrants to certain investors, which permit these investors to acquire the Company’s preferred shares after completion of the requisite regulatory formalities for outbound investments. Exercise price of the warrants is an equivalent US dollar amount of the issue price of the preferred shares these investors intended to subscribe. Concurrently, a PRC subsidiary of the Company received loans from these investors (the “domestic loans”), which shall be repaid to the investors when the related warrants are exercised or cancelled.

These abovementioned warrants were classified as financial liabilities at FVPL. Fair value changes of these warrants are recognized in profit or loss.

The domestic loans were designated as financial liabilities at FVPL, which are initially recognized at fair value, and the fair value changes of domestic loans are not material. All domestic loans outstanding as of December 31, 2025 have been repaid in February 2026.

The movement of the Preferred shares, forwards and warrants and domestic loans is set out as below:

	Number of preferred shares	Preferred shares	Forwards	Warrants	Domestic loans	Total
		RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
At 1 January 2023	210,659,250	2,456,380	22,298	40,147	189,740	2,708,565
Issuance of Series A preferred shares	3,968,961	44,974	–	(17,255)	–	27,719
Issuance of Series B preferred shares	2,957,623	49,611	–	(5,115)	–	44,496
Change in fair value through profit or loss	–	125,428	4,788	6,270	–	136,486
Change in fair value through other comprehensive income	–	21,609	–	–	–	21,609
Repayment of domestic loans	–	–	–	–	(42,021)	(42,021)
Currency translation differences	–	41,227	352	3,646	–	45,225
At 31 December 2023	217,585,834	2,739,229	27,438	27,693	147,719	2,942,079
At 1 January 2024	217,585,834	2,739,229	27,438	27,693	147,719	2,942,079
Issuance of Series B preferred shares	7,589,400	113,572	(261)	(1,406)	–	111,905
Issuance of Series C preferred shares	26,688,547	440,121	–	–	–	440,121
Change in fair value through profit or loss	–	307,235	31,900	(15,870)	–	323,265
Change in fair value through other comprehensive income	–	(42,536)	–	–	–	(42,536)
Repayment of domestic loans	–	–	–	–	(97,283)	(97,283)
Currency translation differences	–	49,674	706	251	–	50,631
At 31 December 2024	251,863,781	3,607,295	59,783	10,668	50,436	3,728,182
At 1 January 2025	251,863,781	3,607,295	59,783	10,668	50,436	3,728,182
Issuance of Series C preferred shares	21,592,676	394,642	(41,757)	–	–	352,885
Change in fair value through profit or loss	–	266,895	(17,647)	(10,600)	–	238,648
Change in fair value through other comprehensive income	–	(2,857)	–	–	–	(2,857)
Currency translation differences	–	(86,420)	(379)	(68)	–	(86,867)
At 31 December 2025	273,456,457	4,179,555	–	–	50,436	4,229,991

The changes in fair value of forwards and warrants as recognized in profit or loss for the year ended December 31, 2025 included the net gains from the cancellations of forwards and warrants related to the Series B preferred shares of RMB20,554,000 and 10,600,000, respectively.

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The key terms of the preferred shares issued by the Company are as follows:

(i) Conversion rights

Unless converted earlier pursuant to automatic conversion as set out below, each holder of preferred shares shall have the right, at such holder’s sole discretion, to convert all or any portion of the preferred shares into ordinary shares at any time.

Each preferred share shall automatically be converted into ordinary shares, at the then applicable preferred share conversion price (i) upon the closing of a qualified [REDACTED] of the Company, (ii) upon the prior written approval of each class majority with respect to conversion of each class.

The conversion rate for preferred shares shall be determined by dividing applicable preferred share issue price by the conversion price then in effect at the date of the conversion. The initial conversion price will be the applicable preferred share issue price (i.e., a 1-to-1 initial conversion ratio), which will be subject to adjustments to reflect stock dividends, stock splits and other events.

(ii) Redemption rights

Preferred shareholders may redeem of all or any part of the then outstanding shares held, at any time after the occurrence of (i) the failure by the Company to consummate a qualified [REDACTED] prior to August 28, 2029, (ii) occurrence of a material breach or violation of the transaction documents or relevant laws or (iii) occurrence of any other factors, which has resulted in the Company’s chief executive officer terminating his employment relationship with the Group or losing control of the Company.

The redemption price of each share to be redeemed shall equal to (i) 100% of each series stated issue price with a compounded rate of ten percent (8%) per annum return, plus (ii) any accrued but unpaid dividends on each applicable preferred shares.

Under the redemption, the redemption price will be paid to the preferred shareholders in the following order: first to holders of Series C preferred shares, second to holders of Series B1 preferred shares, third to holders of Series B preferred shares, fourth to holders of Series A1 preferred shares, fifth to holders of Series A preferred shares, sixth to holders of Series Pre-A1 preferred shares, and lastly to holders of Series Pre-A preferred shares.

(iii) Voting rights

Each preferred share shall carry a number of votes equal to the number of ordinary shares then issuable upon its conversion into ordinary shares.

(iv) Dividend rights

No dividend, whether in cash, in property or in shares of the capital of the Company, shall be paid on any other class or series of shares of the Company unless and until a dividend in like amount is first paid in full on the preferred shares (on an as-converted basis). Holders of the preferred shares shall also be entitled to receive any non-cash dividends declared by the Board on an as-converted basis.

(v) Liquidation preference

In the event of any liquidation or deemed liquidation, dissolution, winding up of the Company, either voluntary or involuntary, the assets and funds of the Company legally available for distribution to the shareholders shall be distributed to shareholders in the following manner and order:

Each preferred shareholder shall be entitled to receive, prior and in preference to any distribution of any of the assets or funds of the Company to the holders of any previous preferred shares and ordinary shares, the amount equal to one hundred and ten percent (108%) of the original issue price on each preferred shares, plus all declared but unpaid dividends thereon up to the date of liquidation. The liquidation preference amount will be paid in the following order: first to holders of Series C preferred shares, second to holders of Series B1 preferred shares, third to holders of Series B preferred shares, fourth to holders of Series A1 preferred shares, fifth to holders of Series A preferred shares, sixth to holders of Series Pre-A1 preferred shares, and lastly to holders of Series Pre-A preferred shares.

After distributing or paying in full the liquidation preference amount to all of the preferred shareholders, any remaining funds or assets of the Company legally available for distribution to shareholders shall be distributed on a pro rata basis among the holder(s) of the preferred shares (on an as-converted basis) and the holder(s) of the ordinary shares.

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(vi) Deemed Liquidation Events

Any acquisition shall be deemed a liquidation, dissolution or winding up of the Company.

Acquisition shall mean (i) a sale, lease, Transfer or other disposition of all or substantially all of the assets of the Company to a third party, (ii) a Transfer or an exclusive licensing of all or substantially all of the intellectual property of the Company to a third party, (iii) a sale, Transfer or other disposition of a majority of the issued and outstanding share capital of the Company or a majority of the voting power of the Company to a third party, or a sale, Transfer or other disposition of share capital of the Company that would result a Change of Control of the Company, or (iv) a merger, consolidation or other business combination of the Company with or into any other business entity in which the then existing ordinary shareholders and preferred shareholders directly and indirectly hold shares representing less than a majority of the voting power of the outstanding share capital of the surviving business entity immediately after such merger, consolidation or business combination.

The Group does not bifurcate any embedded derivatives from the host instruments and designates the entire preferred share instruments as financial liabilities at fair value through profit or loss with the changes in the fair value recorded in the consolidated statements of profit or loss and the component of fair value changes relating to the Company’s own credit risk is recognised in other comprehensive income. Amounts recorded in other comprehensive income related to credit risk are not subject to recycling in profit or loss but are transferred to retaining earnings when realized. Any directly attributable transaction costs are expensed as incurred.

The preferred shares issued by the Company have been presented as current liabilities as the preferred shares may be converted into ordinary shares at the option of the preferred shareholders at any time, and the conversion option doesn’t meet the definition of equity instrument.

28 Trade and notes payables

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables (a)	127,697	300,077	334,410
Notes payables	–	909	–
Total	127,697	300,986	334,410

(a) The aging analysis of the trade and notes payables based on purchase date were as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Up to 3 months	93,038	212,825	194,102
3 to 6 months	11,289	47,592	49,206
6 months to 1 year	9,998	15,720	46,490
1 to 2 years	12,679	21,024	30,795
Over 2 years	693	3,825	13,817
Total trade payables	127,697	300,986	334,410

29 Borrowings

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current			
Long-term bank borrowings – unsecured	24,023	–	19,013
Less: current portion of long-term borrowings	(24,023)	–	(4,000)
Total non-current borrowings	–	–	15,013
Current			
Short-term borrowings – unsecured	18,015	25,020	421,309
Short-term borrowings – secured (i)	–	153,831	80,232
Short-term borrowings – guaranteed	7,256	5,004	–
Current portion of long-term borrowings	24,023	–	4,000
Other borrowings (Note 20) ⁽ⁱ⁾	12,222	4,568	–
Total current borrowings	61,516	188,423	505,541
Total borrowings	61,516	188,423	520,554

(i) As at December 31, 2024 and 2025, the bank borrowings are secured by restricted cash of the Group of USD23,000,000 (equivalent to approximately RMB165,326,000) and USD12,200,000 (equivalent to approximately RMB85,751,000), respectively.

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As at the end of each reporting period, the Group’s borrowings were repayable as follows:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Less than 1 year	61,516	188,423	505,541
Between 1 and 2 years	—	—	15,013
Total	61,516	188,423	520,554

Borrowings are denominated in:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
RMB	61,516	188,423	482,393
US\$	—	—	38,161
	61,516	188,423	520,554

As at December 31, 2023, 2024 and 2025, the weighted average effective interest rate for borrowings was 3.18%, 3.57% and 2.52% per annum, respectively.

30 Accruals and other liabilities

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Other non-current liabilities:			
Deferred income in relation to government grants	10,772	18,176	11,026
Less: current portion	(721)	(5,221)	—
Total	10,051	12,955	11,026
Accruals and other current liabilities:			
Payables for technical and computing service fees	9,888	18,693	79,531
Payroll and employee benefit payables	56,388	52,140	57,853
Value-added tax and other taxes payable	5,018	4,611	23,464
Provision for warranty liabilities (i)	2,421	8,748	16,445
Accrued [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Deferred income in relation to government grants	721	5,221	—
Other payables	1,932	553	8,882
Total	76,368	89,966	187,525

(i) Movement of provision for warranty liabilities:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At beginning of the year	2,356	2,421	8,748
Provision for the year	5,371	15,135	21,753
Amounts utilised during the year	(5,306)	(8,808)	(14,056)
At end of the year	2,421	8,748	16,445

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31 Deferred income tax

(a) Deferred income tax assets

The balance comprises temporary differences attributable to:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deferred income tax assets:			
Lease liabilities	9,204	6,246	5,953
Tax losses	32	65	354
Set-off of deferred income tax liabilities pursuant to set-off provisions	(9,236)	(6,311)	(6,307)
Net deferred income tax assets	–	–	–

(b) Deferred income tax liabilities

The balance comprises temporary differences attributable to:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deferred income tax liabilities:			
Right-of-use assets	9,236	6,311	6,307
Fair value changes of financial assets	982	1,211	2,343
Set-off of deferred income tax assets pursuant to set-off provisions	(9,236)	(6,311)	(6,307)
Net deferred income tax liabilities	982	1,211	2,343

(c) The movement on the carrying amounts of deferred income tax balances is as follows:

	Deferred income tax assets / (liabilities)				
	Tax losses	Lease liabilities	Right-of-use assets	Fair value changes of financial assets	Net
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023	242	10,241	(10,483)	(247)	(247)
(Charged)/credited to profit or loss	(210)	(1,037)	1,247	(735)	(735)
At December 31, 2023	32	9,204	(9,236)	(982)	(982)
At January 1, 2024	32	9,204	(9,236)	(982)	(982)
Credited/(charged) to profit or loss	33	(2,958)	2,925	(229)	(229)
At December 31, 2024	65	6,246	(6,311)	(1,211)	(1,211)
At January 1, 2025	65	6,246	(6,311)	(1,211)	(1,211)
Credited/(charged) to profit or loss	289	(293)	4	(1,132)	(1,132)
At December 31, 2025	354	5,953	(6,307)	(2,343)	(2,343)

32 Dividends

No dividend had been declared or paid by the Company during each of the years ended December 31, 2023, 2024 and 2025.

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33 Cash flow information

(a) Cash used in operations

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Loss before income tax	(545,269)	(734,917)	(990,008)
Adjustments for			
Depreciation of property, plant and equipment	30,438	28,735	19,058
Amortization of intangible assets	1,095	2,107	4,865
Depreciation of right-of-use assets	25,911	21,541	21,042
Net impairment losses on financial assets and contract assets	30,609	20,842	41,950
Impairment of inventories	2,759	2,158	293
Share-based payments	15,661	33,272	475,165
Fair value changes of financial assets at FVPL	(2,943)	(916)	(4,530)
Gains on disposal of a subsidiary	(1,872)	–	–
Share of net losses/(profits) of investments accounted for using the equity method	318	123	(474)
Fair value changes of preferred shares and other financial liabilities	136,486	323,265	238,648
Net losses/(gains) on disposal of property, plant and equipment	168	(3,894)	(550)
Finance income, net	(19,344)	(14,098)	(17,237)
Gains on termination of leases	1,395	45	(674)
Net foreign exchange differences	(24)	(246)	1,720
Change in operating assets and liabilities:			
Increase in trade and notes receivables	(3,345)	(288,581)	(259,090)
Increase in inventories	(46,135)	(25,511)	(10,549)
Increase in other receivables	(935)	(105)	(6,449)
Decrease/(increase) in contract assets	18,925	(8,018)	2,510
(Increase)/decrease in other operating assets	(19,585)	5,148	(6,002)
(Increase)/decrease in restricted cash	(3,642)	(3,230)	1,583
(Decrease)/increase in trade and notes payables	(27,386)	174,113	33,425
Increase in accruals and other payables	425	17,318	72,825
Increase/(decrease) in contract liabilities	15,834	(9,657)	(988)
(Decrease)/increase in other operating liabilities	(5,405)	8,868	27,539
Cash used in operations	(395,861)	(451,638)	(355,928)

(b) Non-cash investing and financing activities

The major non-cash investing and financing transactions during the Track Record Period mainly include: (i) the additions and early termination of the right-of-use assets and lease liabilities described in Note 17; (ii) derecognition of borrowings arising from discounted bank acceptance notes upon their maturities as described in Note 20(i); and (iii) options issued under the Pre-[REDACTED] Plans described in Note 26.

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(c) Reconciliation of liabilities from financing activities

	Preferred shares and other financial liabilities	Lease liabilities	Borrowings	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Liabilities from financing activities as at January 1, 2023	2,708,565	70,956	60,905	2,840,425
Financing cash flows	30,194	(23,572)	575	7,197
Changes in fair values	158,095	–	–	158,095
Other changes	–	11,335	36	11,371
Currency translation differences	45,225	(102)	–	45,124
Liabilities from financing activities as at December 31, 2023	2,942,079	58,617	61,516	3,062,212
Financing cash flows	454,743	(24,003)	135,537	566,343
Changes in fair values	280,729	–	–	280,730
Other changes	–	4,783	(8,630)	(3,912)
Currency translation differences	50,631	(236)	–	50,393
Liabilities from financing activities as at December 31, 2024	3,728,182	39,161	188,423	3,955,766
Financing cash flows	352,885	(23,629)	326,726	656,575
Changes in fair values	235,791	–	–	235,790
Other changes	–	16,240	5,405	21,052
Currency translation differences	(86,867)	(82)	–	(86,948)
Liabilities from financing activities as at December 31, 2025	4,229,991	31,690	520,554	4,782,235

Other changes include the non-cash financing activities described in Note 33(b) and interest accruals.

34 Commitments

(a) Capital commitments

Significant capital expenditures contracted for at the end of the reporting period but not recognized as liabilities yet are as follows:

	As at December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Property, plant and equipment	333	3,217	9,171
Total	333	3,217	9,171

(b) Operating commitments

As at December 31, 2023, 2024 and 2025, operating commitments of the Group were not material.

35 Related party transactions

Parties are considered to be related if one party has the ability directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subjected to common control. Members of key management and their close family members of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Names and relationships with related parties

Name of related parties	Relationship with the Group
Shenzhen Ansi Zhizao Technology Co., Ltd. (深圳安思智造科技有限公司, “Shenzhen AnSi”)	Associates

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(b) Transactions with related parties

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Sales of goods to Shenzhen AnSi	570	831	3,312
Purchase of goods from Shenzhen AnSi	242	1,253	–

(c) Year end balances with related parties

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Trade receivables from Shenzhen AnSi	2,057	2,409	2,218
Trade payables to Shenzhen AnSi	169	488	135

(d) Key management personnel compensation

The compensations to key management personnel as directors are shown below:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Wages and salaries	3,472	3,789	4,360
Discretionary bonuses	1,261	1,709	2,286
Share-based payments	–	–	444,519
Pension costs – defined contribution plans	44	45	50
Other social security costs, housing benefits and other employee welfare	262	368	359
Total	5,039	5,911	451,574

36 Benefits and interests of director

The remuneration of every director during the Track Record Period is set out below:

For the year ended December 31, 2023:

Name of Directors	Director fees	Wages and salaries	Discretionary bonuses	Share-based compensation	Pension cost — defined contribution plans	Other social security costs, housing benefits and other employee welfare	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Mr. Jiaya Jia (i)	–	749	181	–	8	44	982
Mr. Jiangbo Lyu (ii)	–	745	360	–	9	86	1,200
Mr. Xiaoyong Shen (iii) ...	–	722	174	–	9	44	949
Mr. Kuiguang Niu (iv)	–	–	–	–	–	–	–
Mr. Ruiyu Li (v)	–	609	250	–	9	44	912
Mr. Chunyu Song (vi)	–	–	–	–	–	–	–
Mr. Shu Liu (vii)	–	647	296	–	9	44	996
Mr. Jinyuan Zhang (viii) ...	–	–	–	–	–	–	–
Total	–	3,472	1,261	–	44	262	5,039

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For the year ended December 31, 2024:

Name of Directors	Director fees	Wages and salaries	Discretionary bonuses	Share-based compensation	Pension cost — defined contribution plans	Other social security costs, housing benefits and other employee welfare	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Mr. Jiaya Jia (i)	—	919	491	—	9	46	1,465
Mr. Jiangbo Lyu (ii)	—	825	341	—	9	184	1,359
Mr. Xiaoyong Shen (iii)	—	742	264	—	9	46	1,061
Mr. Kuiguang Niu (iv)	—	—	—	—	—	—	—
Mr. Ruiyu Li (v)	—	624	250	—	9	46	929
Mr. Chunyu Song (vi)	—	—	—	—	—	—	—
Mr. Shu Liu (vii)	—	679	363	—	9	46	1,097
Mr. Jinyuan Zhang (viii)	—	—	—	—	—	—	—
Mr. Jin Cao (x)	—	—	—	—	—	—	—
Total	—	3,789	1,709	—	45	368	5,911

For the year ended December 31, 2025:

Name of Directors	Director fees	Wages and salaries	Discretionary bonuses	Share-based compensation	Pension cost — defined contribution plans	Other social security costs, housing benefits and other employee welfare	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Mr. Jiaya Jia (i)	—	1,143	687	—	10	47	1,887
Mr. Jiangbo Lyu (ii)	—	825	413	102,491	10	171	103,910
Mr. Xiaoyong Shen (iii)	—	755	303	43,925	10	47	45,040
Mr. Kuiguang Niu (iv)	—	—	—	—	—	—	—
Mr. Ruiyu Li (v)	—	681	307	137,046	10	47	138,091
Mr. Chunyu Song (vi)	—	—	—	—	—	—	—
Mr. Shu Liu (vii)	—	956	576	161,057	10	47	162,646
Mr. Jinyuan Zhang (viii)	—	—	—	—	—	—	—
Mr. Jin Cao (x)	—	—	—	—	—	—	—
Total	—	4,360	2,286	444,519	50	359	451,574

- (i) Mr. Jiaya Jia was appointed as a director of the Company on September 23, 2019.
- (ii) Mr. Jiangbo Lyu was appointed as a director of the Company on January 21, 2020.
- (iii) Mr. Xiaoyong Shen was appointed as a director of the Company on January 21, 2020.
- (iv) Mr. Kuiguang Niu was appointed as a director of the Company on January 21, 2020.
- (v) Mr. Ruiyu Li was appointed as a director of the Company on September 30, 2020.
- (vi) Mr. Chunyu Song was appointed as a director of the Company on September 30, 2020.
- (vii) Mr. Shu Liu was appointed as a director of the Company on February 7, 2021.
- (viii) Mr. Jinyuan Zhang was appointed as a director of the Company on February 7, 2021.
- (x) Mr. Jin Cao was appointed as a director of the Company on August 28, 2024.

No retirement benefits, payments or benefits in respect of termination of service of directors, were paid or made, to the directors. There are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities. No consideration was provided to or receivable by third parties for making available the services of a person as director. None of the directors have material interests in transactions, arrangements or contracts to which the Company was or is a party.

None of the directors have received any amount as an inducement to join the Group or compensation for loss of office. None of the directors has waived or agreed to waive any emoluments.

37 Events after the reporting period

In February 2026, the Company completed the closing for issuance of 6,909,656 shares of Series C preferred shares to an investor for an aggregated cash consideration of US\$16,000,000.

There were no other material subsequent events undertaken by the Company or by the Group after December 31, 2025.

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38 Summary of other accounting policies

38.1 Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and Unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of financial position respectively.

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights or has board seats. Investments in associates are accounted for using the equity method of accounting (see (c) below), after initially being recognized at cost.

(c) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group’s share of the post-acquisition profits or losses of the investee in profit or loss, and the Group’s share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment.

Where the Group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 37.4.

38.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment (if any). Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee’s net assets including goodwill in the financial statements.

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38.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The Company has determined US\$ as its functional currency and several of its overseas subsidiaries have determined the local currencies in their respective place of incorporation and operation as their functional currency. The functional currency of the subsidiaries operate in Chinese mainland is RMB. As the major operations of the Group are within the Chinese mainland, the Group determined to present its consolidated financial statements in RMB (unless otherwise stated).

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognized in consolidated statements of profit or loss as part of the “other gains/(losses), net”.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss.

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income.

The Group has monetary items that are receivables from or payables to foreign operations. The items for which settlements are neither planned nor likely to occur in the foreseeable future are, in substance, part of the Group’s net investment in foreign operations. Such monetary items include long-term receivables or loans. They do not include trade receivables or trade payables. On consolidation, foreign exchange gains or losses arising from the exchange of any net investment in foreign entities, are recognized in the consolidated statements of comprehensive income. When a foreign operation is disposed, the related foreign exchange gains or losses are reclassified into consolidated statements of profit or loss as part of the “other gains/(losses), net”. The accumulative translation adjustments related to subsidiaries with same functional currency as the Company are presented as part of items of other comprehensive income that will not be reclassified to profit or loss.

38.4 Impairment of non-financial assets

Non-financial assets that are subject to depreciation or amortization tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, non-financial assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, or “CGUs”). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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At the end of each reporting period, management assessed whether the recoverable amount of the CGUs exceeded their respective carrying amounts, based on cash flow projections derived from management’s financial forecasts. No impairment of non-financial assets subject to depreciation or amortization was recognized for the years ended December 31, 2023, 2024, or 2025, as the recoverable amount of the CGU as at each respective year-end exceeded its carrying amount with sufficient headroom.

38.5 Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realizable value. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

38.6 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are Derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

- Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortized cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

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FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is Derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses), and impairment expenses are presented as separate line item in the statement of profit or loss.

FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

- Equity instruments

The Group subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the consolidated statements of profit or loss as applicable.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

38.7 Trade receivables, net

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 3.1(b) for a description of the Group’s impairment policies.

38.8 Cash and cash equivalents, restricted cash

In the consolidated statements of cash flows, cash and cash equivalents and restricted cash include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Restricted cash represents deposits at bank for letters of guarantee or pledged as securities for bank borrowings. The Group can only use segregated bank accounts for those restricted cash and cash in the segregated accounts can only be used for the respective businesses as designated and therefore not available for general use by the other entities within the Group.

38.9 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Preferred shares are classified as financial liabilities based on the respective contract terms.

38.10 Trade, accruals and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the periods presented which are unpaid. Trade, accruals and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

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38.11 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees’ services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statements of financial position.

(b) Pension obligations

The Group participates in various defined contribution retirement benefit plans which are available to all relevant employees. These plans are generally funded through payments to schemes established by governments. A defined contribution plan is a pension plan under which the Group pays contributions on a mandatory, contractual or voluntary basis into a separate fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior years. The Group’s contributions to the defined contribution plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions.

(c) Housing funds, medical insurances and other social insurances

The employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group’s liability in respect of these funds is limited to the contributions payable in each period. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(d) Employee leave entitlement

Employee entitlement to annual leave is recognized when they have accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date. Employee entitlement to sick leave and maternity leave are not recognized until the time of leave.

(e) Bonus plans

The expected cost of bonuses is recognized as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

(f) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

38.12 Provisions

Provisions for legal claims, warranties and make good obligations are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

38.13 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Where the grants related to an expense item, it is recognized as income on a systematic basis over the period that the costs, which it is intended to compensate, are expensed. Where the grants related to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset on straight-line basis.

38.14 Interest income

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

38.15 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred income tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax recoverable against current income tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company in respect of any period subsequent to December 31, 2025 and up to the date of this report. No dividend or distribution has been declared or made by the Company or any of the companies now comprising the Group in respect of any period subsequent to December 31, 2025.

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

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

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

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

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APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

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APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

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APPENDIX II

UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE COMPANY LAWS OF THE CAYMAN ISLANDS

Set out below is a summary of certain provisions of the constitution of the Company and certain aspects of the company laws of the Cayman Islands.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on September 23, 2019 under the Companies Act. The Company’s constitutional documents consist of the Memorandum of Association and the Articles of Association.

1. MEMORANDUM OF ASSOCIATION

The Memorandum provides, *inter alia*, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted (and therefore include acting as an investment holding company) and that the Company shall have full power and authority to carry out any object not prohibited by the Companies Act or any other law of the Cayman Islands.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on [●] and will become effective on the [REDACTED]. A summary of certain provisions of the Articles is set out below.

2.1 Shares

(a) *Classes of Shares*

The share capital of the Company consists of a single class of ordinary shares.

(b) *Variation of Rights of Existing Shares or Classes of Shares*

If at any time the share capital of the Company is divided into different classes of Shares, all or any of the rights attached to any class of Shares for the time being issued (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of at least three-fourths of the issued Shares of that class, or with the approval of a resolution passed by at least three-fourths of the votes cast by the holders of the Shares of that class present and voting in person (whether physically or by virtual attendance with the use of technology) or by proxy at a separate meeting of such holders. The provisions of the Articles relating to general meetings shall apply *mutatis mutandis* to every such separate meeting, except that the necessary quorum shall be two persons together holding (or, in the case of a member being a corporation, by its duly authorized representative), or representing by proxy, at least one-third of the issued Shares of that class. Every holder of Shares of the class shall be entitled on a poll to one vote for every such Share held by him, and any holder of Shares of the class present in person (whether physically or by virtual attendance with the use of technology), or by proxy may demand a poll.

For the purposes of a separate class meeting, the Board may treat two or more classes of Shares as forming one class of Shares if the Board considers that such classes of Shares would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate classes of Shares.

Any rights conferred upon the holders of Shares of any class shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

APPENDIX III SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE COMPANY LAWS OF THE CAYMAN ISLANDS

(c) *Alteration of Capital*

The Company may by ordinary resolution:

- (i) increase its share capital by the creation of new Shares of such amount and with such rights, priorities and privileges attached to such Shares as it may determine;
- (ii) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares. On any consolidation of fully paid Shares and division into Shares of a larger amount, the Board may settle any difficulty which may arise as it thinks expedient and, in particular (but without prejudice to the generality of the foregoing), may as between the holders of Shares to be consolidated determine which particular Shares are to be consolidated into a consolidated Share, and if it shall happen that any person shall become entitled to fractions of a consolidated Share or Shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the Shares so sold to the purchaser(s) thereof and the validity of such transfer shall not be questioned, and the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated Share or Shares rateably in accordance with their rights and interests or may be paid to the Company for the Company’s benefit;
- (iii) sub-divide its Shares or any of them into Shares of an amount smaller than that fixed by the Memorandum; and
- (iv) cancel any Shares which, as at the date of passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so canceled.

The Company may by special resolution reduce its share capital or any undistributable reserve, subject to the provisions of the Companies Act.

(d) *Transfer of Shares*

Subject to the terms of the Articles, any member of the Company may transfer all or any of his Shares by an instrument of transfer. If the Shares in question were issued in conjunction with rights, options, warrants or units issued pursuant to the Articles on terms that one cannot be transferred without the other, the Board shall refuse to register the transfer of any such Share without evidence satisfactory to it of the like transfer of such right, option, warrant or unit.

Subject to the Articles and the requirements of the Stock Exchange, all transfers of Shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a recognized clearing house or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time.

Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee, provided that the Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the register of members of the Company in respect of that Share.

Subject to the provisions of the Companies Act, if the Board considers it necessary or appropriate, the Company may establish and maintain a branch register or registers of members at such location

APPENDIX III SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE COMPANY LAWS OF THE CAYMAN ISLANDS

or locations within or outside the Cayman Islands as the Board thinks fit. The Board may, in its absolute discretion, at any time transfer any Share on the principal register to any branch register or any Share on any branch register to the principal register or any other branch register.

The Board may, in its absolute discretion, decline to register a transfer of any Share (not being a fully paid Share) to a person of whom it does not approve or on which the Company has a lien, or a transfer of any Share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any Share to more than four joint holders. It may also decline to recognize any instrument of transfer if the proposed transfer does not comply with the Articles or any requirements of the Listing Rules.

The Board may decline to recognize any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of Share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require is provided to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The register of members may, subject to the Listing Rules and the relevant section of the Companies Ordinance, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine (or such longer period as the members of the Company may by ordinary resolution determine, provided that such period shall not be extended beyond 60 days in any year).

Fully paid Shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

(e) ***Redemption of Shares***

Subject to the provisions of the Companies Act, the Listing Rules and any rights conferred on the holders of any Shares or attaching to any class of Shares, the Company may issue Shares that are to be redeemed or are liable to be redeemed at the option of the members or the Company. The redemption of such Shares shall be effected in such manner and upon such other terms as the Company may by special resolution determine before the issue of such Shares.

(f) ***Power of the Company to Purchase its own Shares***

Subject to the Companies Act, or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of Shares, the Company shall have the power to purchase or otherwise acquire all or any of its own Shares (which includes redeemable Shares), provided that the manner and terms of purchase have first been authorized by ordinary resolution and that any such purchase shall only be made in accordance with the relevant code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong from time to time in force.

(g) ***Power of any Subsidiary of the Company to own Shares in the Company***

There are no provisions in the Articles relating to the ownership of Shares in the Company by a subsidiary.

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(h) *Calls on Shares and Forfeiture of Shares*

Subject to the terms of allotment and issue of any Shares (if any), the Board may, from time to time, make such calls as it thinks fit upon the members in respect of any monies unpaid on the Shares held by them (whether in respect of par value or share premium). A member who is the subject of the call shall (subject to receiving at least 14 clear days’ notice specifying the time or times for payment) pay to the Company at the time or times so specified the amount called on his Shares. A call may be made payable either in one sum or by installments, and shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed. The joint holders of a Share shall be severally as well as jointly liable for the payment of all calls and installments due in respect of such Share.

If a call remains unpaid after it has become due and payable, the member from whom the sum is due shall pay interest on the unpaid amount at such rate as the Board shall determine (together with any expenses incurred by the Company as a result of such non-payment) from the day it became due and payable until it is paid, but the Board may waive payment of such interest or expenses in whole or in part.

If a member fails to pay any call or installment of a call after it has become due and payable, the Board may, for so long as any part of the call or installment remains unpaid, give to such member not less than 14 clear days’ notice requiring payment of the unpaid amount together with any interest which may have accrued and which may still accrue up to the date of payment (together with any expenses incurred by the Company as a result of such non-payment). The notice shall specify a further day on or before which the payment required by the notice is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, the Shares in respect of which the call was made will be liable to be forfeited.

If such notice is not complied with, any Share in respect of which the notice was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Board. Such forfeiture shall include all dividends, other distributions and other monies payable in respect of the forfeited Share and not paid before the forfeiture.

A person whose Shares have been forfeited shall cease to be a member in respect of the forfeited Shares, shall surrender to the Company for cancellation the certificate(s) for the Shares forfeited and shall remain liable to pay to the Company all monies which, as at the date of forfeiture, were payable by him to the Company in respect of the Shares together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of payment as the Board may determine and any expenses incurred by the Company as a result of such non-payment.

2.2 Directors

(a) *Appointment, Retirement and Removal*

The Company may by ordinary resolution of the members elect any person to be a Director. The Board may also appoint any person to be a Director at any time, either to fill a casual vacancy or as an additional Director subject to any maximum number fixed by the members in general meeting or the Articles. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

There is no shareholding qualification for Directors nor is there any specified age limit for Directors.

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The members may by ordinary resolution remove any Director (including a managing or executive Director) before the expiration of his term of office, notwithstanding anything in the Articles or any agreement between the Company and such Director, and may by ordinary resolution elect another person in his stead. Nothing shall be taken as depriving a Director so removed of any compensation or damages payable to such Director in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director.

The office of a Director shall be vacated if:

- (i) the Director gives notice in writing to the Company that he resigns from his office as Director;
- (ii) the Director is absent, without being represented by proxy or an alternate Director appointed by him, for a continuous period of 12 months without special leave of absence from the Board, and the Board passes a resolution that he has by reason of such absence vacated his office;
- (iii) the Director becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (iv) the Director dies or an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Board resolves that his office be vacated;
- (v) the Director is prohibited from being or ceases to be a Director by operation of law;
- (vi) the Director has been required by the Stock Exchange to cease to be a Director or no longer qualifies to be a Director pursuant to the Listing Rules; or
- (vii) the Director is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office.

At each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation. If the number of Directors is not a multiple of three, then the number nearest to but not less than one-third shall be the number of retiring Directors, provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire at each annual general meeting shall be those who have been in office longest since their last re-election or appointment and, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

(b) ***Power to Allot and Issue Shares and other Securities***

Subject to the provisions of the Companies Act, the Memorandum and Articles and, where applicable, the Listing Rules, and without prejudice to any rights or restrictions for the time being attached to any Shares, the Board may allot, issue, grant options over or otherwise dispose of Shares with or without preferred, deferred or other rights or restrictions, whether with regard to dividend, voting, return of capital or otherwise, to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, provided that no Shares shall be issued at a discount to their par value.

APPENDIX III SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE COMPANY LAWS OF THE CAYMAN ISLANDS

The Company may issue rights, options, warrants or convertible securities or securities of a similar nature conferring the right upon the holders thereof to subscribe for, purchase or receive any class of Shares or other securities in the Company on such terms as the Board may from time to time determine.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of Shares, to make, or make available, any such allotment, offer, option or Shares to members or others whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

(c) ***Power to Dispose of the Assets of the Company or any of its Subsidiaries***

Subject to the provisions of the Companies Act and the Memorandum and Articles, the Board may exercise all powers and do all acts and things which may be exercised or done by the Company to dispose of the assets of the Company or any of its subsidiaries. No alteration to the Memorandum or Articles shall invalidate any prior act of the Board which would have been valid if such alteration or direction had not been made or given.

(d) ***Borrowing Powers***

The Board may exercise all the powers of the Company to raise or borrow money, secure the payment of any sum or sums of money for the purposes of the Company, mortgage or charge all or any part of its undertaking, property and uncalled capital of the Company, and, subject to the Companies Act, issue debentures, debenture stock, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(e) ***Remuneration***

A Director shall be entitled to receive such sums as shall from time to time be determined by the Board or the Company in general meetings. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in connection with attendance at meetings of the Board or committees of the Board, or general meetings of the Company or separate meetings of the holders of any class of Shares or debentures of the Company, or otherwise in connection with the business of the Company and the discharge of their duties as Directors, and/or to receive fixed allowances in respect thereof as may be determined by the Board.

The Board or the Company in general meetings may also approve additional remuneration to any Director for any services which in the opinion of the Board or the Company in general meetings go beyond such Director's ordinary routine work as a Director.

(f) ***Compensation or Payments for Loss of Office***

There are no provisions in the Articles relating to compensation or payment for loss of office.

(g) ***Loans to Directors***

There are no provisions in the Articles relating to making of loans to Directors.

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(h) *Disclosure of Interest in Contracts with the Company or any of its Subsidiaries*

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with the Company in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director, officer or member of any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration or other benefits received by him as a director, officer or member of such other company.

No person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, nor shall any such contract or any other contract or transaction entered into by or on behalf of the Company in which any Director or alternate Director is in any way interested be or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realized by or arising in connection with any such contract or transaction by reason of such Director or alternate Director holding such office or of the fiduciary relationship established by it, provided that the nature of interest of any Director or alternate Director in any such contract or transaction shall be disclosed by such Director or alternate Director at or prior to the consideration and vote thereon.

A Director shall not vote on (or be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or other proposal in which he or any of his close associate(s) has a material interest, and if he shall do so his vote shall not be counted and he shall not be counted in the quorum for such resolution. This prohibition shall not apply to any of the following matters:

- (i) the giving of any security or indemnity to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning an offer of Shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub- underwriting of the offer;
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of (A) any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit or (B) any pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (v) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of Shares, debentures or other securities of the Company by virtue only of his/their interest in those Shares, debentures or other securities.

APPENDIX III SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE COMPANY LAWS OF THE CAYMAN ISLANDS

2.3 Proceedings of the Board

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Unless otherwise determined, two Directors shall be a quorum. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

2.4 Alterations to the Constitutional Documents and the Company’s Name

The Memorandum and Articles may only be altered or amended, and the name of the Company may only be changed, by special resolution of the Company.

2.5 Meetings of Members

(a) *Special and Ordinary resolutions*

A special resolution must be passed by a majority of not less than two-thirds (other than in relation to any resolution approving changes to the Company’s constitutional documents or a voluntary winding up of the Company, in which case a special resolution must be passed by a majority of not less than three-fourths) of the voting rights held by such members as, being entitled so to do, vote in person (whether physically or by virtual attendance with the use of technology), or by proxy or, in the case of any members which is a corporation, by its duly authorized representative(s) or by proxy, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given. A special resolution may also be approved in writing by all the members entitled to vote at a general meeting in one or more instruments each signed by one or more of such members.

An ordinary resolution, in contrast, is a resolution passed by a simple majority of the voting rights held by such members as, being entitled to do so, vote in person (whether physically or by virtual attendance with the use of technology), or by proxy or, in the case of any member which is a corporation, by its duly authorized representative(s) or by proxy, at a general meeting. An ordinary resolution may also be approved in writing by all the members entitled to vote at a general meeting in one or more instruments each signed by one or more of such members.

The provisions of special resolutions and ordinary resolutions shall apply *mutatis mutandis* to any resolutions passed by the holders of any class of shares.

(b) *Voting Rights and Right to Demand a Poll*

Subject to any rights, restrictions or privileges as to voting for the time being attached to any class or classes of Shares, at any general meeting: (a) on a poll every member present in person (whether physically or by virtual attendance with the use of technology), or, in the case of a member being a corporation, by its duly authorized representative or by proxy shall have one vote for every Share and (b) on a show of hands every member who is present in person (whether physically or by virtual attendance with the use of technology), or, in the case of a member being a corporation, by its duly authorized representative or by proxy shall have one vote. For the avoidance of doubt, votes may be cast by members by electronic means, if such means are provided.

In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members of the Company.

APPENDIX III SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE COMPANY LAWS OF THE CAYMAN ISLANDS

No person shall be counted in a quorum or be entitled to vote at any general meeting unless he is registered as a member on the record date for such meeting, nor unless all calls or other monies then payable by him in respect of the relevant Shares have been paid.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands (whether physically or by virtual attendance with the use of technology).

Any corporation or other non-natural person which is a member of the Company may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body or by power of attorney, authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members, and the person so authorized shall be entitled to exercise the same powers as the corporation or other non-natural person could exercise as if it were a natural person member of the Company.

If a recognized clearing house or its nominee(s) is a member of the Company, it may appoint proxies or authorize such person or persons as it thinks fit to act as its representative(s), who enjoy rights equivalent to the rights of other members, at any meeting of the Company (including but not limited to general meetings and creditors meetings) or at any meeting of any class of members of the Company, provided that if more than one person is so authorized, the authorization shall specify the number and class of Shares in respect of which each such person is so authorized. A person so authorized shall be entitled to exercise the same rights and powers on behalf of the recognized clearing house or its nominee(s) as if such person were a natural person member of the Company, including the right to speak and vote individually on a show of hands or on a poll (whether physically or by virtual attendance with the use of technology).

All members of the Company (including a member which is a recognized clearing house (or its nominee(s))) shall have the right to (i) speak at a general meeting and (ii) and vote at a general meeting (whether physically or by virtual attendance with the use of technology), except where a member is required by the Listing Rules to abstain from voting to approve the matter under consideration. Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(c) ***Annual General Meetings and Extraordinary General Meetings***

The Company must hold a general meeting as its annual general meeting in each financial year. Such meeting shall be specified as such in the notices calling it, and must be held within six months after the end of the Company’s financial year. A meeting of the members or any class thereof may be held by telephone, tele-conferencing or other electronic means, provided that all participants are able to communicate contemporaneously with one another, and participation in a meeting in such manner shall constitute presence at such meetings.

The Board may convene an extraordinary general meeting whenever it thinks fit. In addition, one or more members holding, as at the date of deposit of the requisition, in aggregate not less than one-tenth of the voting rights (on a one vote per Share basis) in the share capital of the Company may make a requisition to convene an extraordinary general meeting and/or add resolutions to the agenda of a meeting. Such requisition, which must state the objects and the resolutions to be added to the agenda of the meeting and must be signed by the requisitionists, shall be deposited at the principal place of business of the Company in Hong Kong or, in the event the Company ceases to have such a principal place of business, the registered office of the Company. If the Board does not within 21 days from the date of deposit of such requisition duly proceed to convene a general

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meeting to be held within the following 21 days, the requisitionists or any of them representing more than one-half of the total voting rights of all the requisitionists may themselves convene a general meeting, but any such meeting so convened shall be held no later than the day falling three months after the expiration of the said 21-day period. A general meeting convened by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by the Board, and all reasonable expenses incurred by the requisitionists shall be reimbursed to the requisitionists by the Company.

(d) *Notices of Meetings and Business to be Conducted*

An annual general meeting of the Company shall be called by at least 21 days’ notice in writing, and any other general meeting of the Company shall be called by at least 14 days’ notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the date, time, place and agenda of the meeting, the particulars of the resolution(s) to be considered at the meeting, the general nature of the business to be considered at the meeting and details for members to attend the meeting virtually with the use of technology (if applicable).

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by the Company on any member personally, by post to such member’s registered address, (to the extent permitted by the Listing Rules and all applicable laws and regulations) by electronic means or (in the case of a notice) by advertisement published in the manner prescribed under the Listing Rules.

Notwithstanding that a meeting of the Company is called by shorter notice than as specified above, if permitted by the Listing Rules, such meeting may be deemed to have been duly called if it is so agreed:

- (i) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and
- (ii) in the case of an extraordinary general meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights held by such members.

If, after the notice of a general meeting has been sent but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Board in its absolute discretion consider that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time and place specified in the notice calling such meeting, it may change or postpone the meeting to another date, time and place.

The Board also has the power to provide in every notice calling a general meeting that in the event of a gale warning, a black rainstorm warning or extreme conditions is/are in force at any time on the day of the general meeting (unless such warning is canceled at least a minimum period of time prior to the general meeting as the Board may specify in the relevant notice), the meeting shall be postponed without further notice to be reconvened on a later date.

Where a general meeting is postponed:

- (A) the Company shall endeavor to cause a notice of such postponement, which shall set out the reason for the postponement in accordance with the Listing Rules, to be placed on the Company’s website and published on the Stock Exchange’s website as soon as practicable, provided that failure to place or publish such notice shall not affect the automatic

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postponement of a general meeting due to a gale warning, a black rainstorm warning or extreme conditions being in force on the day of the general meeting;

- (B) the Board shall determine the date, time, place and details for members to attend virtually with the use of technology for the reconvened meeting and at least seven clear days’ notice shall be given for the reconvened meeting. Such notice shall specify the date, time and place at which the postponed meeting will be reconvened, details for members to attend such postponed meeting virtually with the use of technology (if applicable) and the date and time by which proxies shall be submitted in order to be valid at such reconvened meeting (provided that any proxy submitted for the original meeting shall continue to be valid for the reconvened meeting unless revoked or replaced by a new proxy); and
- (C) only the business set out in the notice of the original meeting shall be considered at the reconvened meeting, and notice given for the reconvened meeting does not need to specify the business to be considered at the reconvened meeting, nor shall any accompanying documents be required to be recirculated. Where any new business is to be considered at such reconvened meeting, the Company shall give a fresh notice for such reconvened meeting in accordance with the Articles.

(e) ***Quorum for Meetings and Separate Class Meetings***

No business shall be considered at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (whether physically or by virtual attendance with the use of technology), or in the case of a member being a corporation, by its duly authorized representative or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to approve the variation of class rights, the necessary quorum shall be two persons holding or representing by proxy not less than one-third of the issued Shares of that class.

(f) ***Proxies***

Any member of the Company (including a member which is a recognized clearing house (or its nominee(s))) entitled to attend and vote at a meeting of the Company is entitled to appoint another person (being a natural person) as his proxy to attend and vote in his place. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is a natural person and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise as if it were a natural person member present in person (whether physically or by virtual attendance with the use of technology) at any general meeting. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy.

The instrument appointing a proxy shall be in writing and executed under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation or other non-natural person, either under its seal or under the hand of a duly authorized representative. The appointor should be allowed to send the instrument appointing a proxy by electronic means.

The Board shall, in the notice convening any meeting or adjourned meeting, or in an instrument of proxy sent out by the Company, specify the manner by which the instrument appointing a proxy shall be sent by electronic means (if such means are provided) or deposited and the place and time

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(being no later than the time appointed for the commencement of the meeting or adjourned meeting to which the instrument of proxy relates) at which such instrument shall be deposited.

Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form that complies with the Listing Rules as the Board may from time to time approve. Any form issued to a member for appointing a proxy to attend and vote at a general meeting at which any business is to be considered shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favor of or against (or, in default of instructions, to exercise the discretion of the proxy in respect of) each resolution dealing with any such business.

2.6 Accounts and Audit

The Board shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company’s affairs and to explain its transactions in accordance with the Companies Act.

The books of accounts of the Company shall be kept at the principal place of business of the Company in Hong Kong or, subject to the provisions of the Companies Act, at such other place or places as the Board thinks fit and shall always be open to inspection by any Director. No member (not being a Director) or other person shall have any right to inspect any account, book or document of the Company except as conferred by the Companies Act or ordered by a court of competent jurisdiction or as authorized by the Board or the Company in general meeting.

The Board shall cause to be prepared and laid before the Company at every annual general meeting a profit and loss account for the period since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up, a Directors’ report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company’s affairs as at the end of such period, an auditors’ report on such accounts and such other reports and accounts as may be required by law and the Listing Rules.

The members shall at each annual general meeting appoint auditor(s) to hold office by ordinary resolution of the members until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors’ remuneration shall be fixed by the members at the annual general meeting at which they are appointed by ordinary resolution of the members or in any other manner as specified in such ordinary resolution. The members may, at any general meeting convened and held in accordance with the Articles, remove the auditors by ordinary resolution at any time before the expiration of the term of office and shall, by ordinary resolution, at that meeting appoint new auditors in their place for the remainder of the term.

The accounts of the Company shall be prepared and audited based on the generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

2.7 Dividends and other Methods of Distribution

Subject to the Companies Act and the Articles, the Company may by ordinary resolution resolve to declare dividends and other distributions on Shares in issue in any currency and authorize payment of the dividends or distributions out of the funds of the Company lawfully available therefor, provided that (i) no dividends shall exceed the amount recommended by the Board, and (ii) no dividends or distributions shall be paid except out of the realized or Unrealized profits of the Company, out of the share premium account or as otherwise permitted by law.

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The Board may from time to time pay to the members of the Company such interim dividends as appear to the Board to be justified by the financial conditions and the profits of the Company. In addition, the Board may from time to time declare and pay special dividends on Shares of such amounts and on such dates as it thinks fit.

Except as otherwise provided by the rights attached to any Shares, all dividends and other distributions shall be paid according to the amounts paid up on the Shares that a member holds during the period in respect of which the dividends and distributions are paid. No amount paid up on a Share in advance of calls shall for this purpose be treated as paid up on the Share.

The Board may deduct from any dividends or other distributions payable to any member of the Company all sums of money (if any) then payable by him to the Company on account of calls or otherwise. The Board may retain any dividends or distributions payable on or in respect of a Share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

No dividends or other distributions payable by the Company on or in respect of any Share shall carry interest against the Company.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may further resolve:

- (a) that such dividend be satisfied in whole or in part in the form of an allotment of Shares credited as fully paid on the basis that the Shares so allotted shall be of the same class as the class already held by the allottee, provided that the members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or
- (b) that the members entitled to such dividend will be entitled to elect to receive an allotment of Shares credited as fully paid in lieu of the whole or such part of the dividend as the Board may think fit on the basis that the Shares so allotted shall be of the same class as the class already held by the allottee.

Upon the recommendation of the Board, the Company may by ordinary resolution resolve in respect of any one particular dividend of the Company determine that notwithstanding the foregoing, a dividend may be satisfied wholly in the form of an allotment of Shares credited as fully paid without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividends, distributions or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder of such Shares or by check or warrant sent by post to the registered address of such holder, or in the case of joint holders, to the registered address of the holder who is first named on the register of members of the Company, or to such person and to such address as the holder or joint holders may in writing direct. Any one of two or more joint holders may give effectual receipts for any dividends, distributions or other monies payable in respect of the Shares held by them as joint holders.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied in whole or in part by the distribution of specific assets of any kind.

Any dividends or other distributions which remain unclaimed for six years from the date on which such dividends or distributions become payable shall be forfeited and shall revert to the Company.

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2.8 Inspection of Corporate Records

For so long as any part of the share capital of the Company is [REDACTED] on the [REDACTED], any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of members is closed in accordance with the Companies Ordinance) without charge and require the provision to him of copies or extracts of such register in all respects as if the Company were incorporated under and were subject to the Companies Ordinance.

2.9 Rights of Minorities in relation to Fraud or Oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under the Cayman Islands laws, as summarized in paragraph 3.6 below.

2.10 Procedures on Liquidation

Subject to the Companies Act, the members of the Company may by special resolution resolve to wind up the Company voluntarily or by the court.

Subject to any rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of Shares:

- (a) if the assets available for distribution among the members of the Company are more than sufficient to repay the whole of the Company’s paid up capital at the commencement of the winding up, the surplus shall be distributed *pari passu* among such members in proportion to the amount paid up on the Shares held by them at the commencement of the winding up; and
- (b) if the assets available for distribution among the members of the Company are insufficient to repay the whole of the Company’s paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or ought to be paid up, on the Shares held by them at the commencement of the winding up.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the approval of a special resolution and any other approval required by the Companies Act, divide among the members in kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or different kinds, and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like approval, vest any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator thinks fit, provided that no member shall be compelled to accept any shares or other property upon which there is a liability.

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The Company was incorporated in the Cayman Islands as an exempted company on September 23, 2019 subject to the Companies Act. Certain provisions of the company laws of the Cayman Islands are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the company laws of the Cayman Islands, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

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3.1 Company Operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorized share capital.

3.2 Share Capital

Under the Companies Act, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account, to be called the share premium account. At the option of a company, these provisions may not apply to premium on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancelation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

- (a) paying distributions or dividends to members;
- (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;
- (c) any manner provided in section 37 of the Companies Act;
- (d) writing-off the preliminary expenses of the company; and
- (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

Subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorized to do so by its articles of association, by special resolution reduce its share capital in any way.

3.3 Financial Assistance to Purchase Shares of a Company or its Holding Company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

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3.4 Purchase of Shares and Warrants by a Company and its Subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company’s articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorized to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorize the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. In addition, a payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless, immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares that have been purchased or redeemed by a company or surrendered to the company shall not be treated as canceled but shall be classified as treasury shares if held in compliance with the requirements of section 37A(1) of the Companies Act. Any such shares shall continue to be classified as treasury shares until such shares are either canceled or transferred pursuant to the Companies Act.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under the Cayman Islands laws that a company’s memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

3.5 Dividends and Distributions

Subject to a solvency test, as prescribed in the Companies Act, and the provisions, if any, of the company’s memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company’s assets (including any distribution of assets to members on a winding up) may be made, in respect of a treasury share.

3.6 Protection of Minorities and Shareholders’ Suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of *Foss vs. Harbottle* and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

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Where a company (not being a bank) is one which has a share capital divided into shares, the court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member of a company may petition the court, which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company’s memorandum and articles of association.

3.7 Disposal of Assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

3.8 Accounting and Auditing Requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it; and (iii) its assets and liabilities.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company’s affairs and to explain its transactions.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2021 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

3.9 Exchange Control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

3.10 Taxation

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments.

3.11 Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

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3.12 Loans to Directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company’s articles of association may provide for the prohibition of such loans under specific circumstances.

3.13 Inspection of Corporate Records

The members of a company have no general right to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company’s articles of association.

3.14 Register of Members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2021 Revision) of the Cayman Islands.

3.15 Register of Directors and Officers

Pursuant to the Companies Act, the Company is required to maintain at its registered office a register of directors, alternate directors and officers. The Registrar of Companies shall make available the list of the names of the current directors of the Company (and, where applicable, the current alternate directors of the Company) for inspection by any person upon payment of a fee by such person. A copy of the register of directors and officers must be filed with the Registrar of Companies in the Cayman Islands, and any change must be notified to the Registrar of Companies within 30 days of any change in such directors or officers, including a change of the name of such directors or officers.

3.16 Winding up

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

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In the case of a members’ voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s). The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorized to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

3.17 Mergers and Consolidations

The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) “merger” means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) “consolidation” means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of each constituent company and (b) such other authorization, if any, as may be specified in such constituent company’s articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting members have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

3.18 Mergers and Consolidations involving a Foreign Company

Where the merger or consolidation involves a foreign company, the procedure is similar, save that with respect to the foreign company, the directors of the Cayman Islands exempted company are required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the

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requirements set out below have been met: (i) that the merger or consolidation is permitted or not prohibited by the constitutional documents of the foreign company and by the laws of the jurisdiction in which the foreign company is incorporated, and that those laws and any requirements of those constitutional documents have been or will be complied with; (ii) that no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up or liquidate the foreign company in any jurisdictions; (iii) that no receiver, trustee, administrator or other similar person has been appointed in any jurisdiction and is acting in respect of the foreign company, its affairs or its property or any part thereof; and (iv) that no scheme, order, compromise or other similar arrangement has been entered into or made in any jurisdiction whereby the rights of creditors of the foreign company are and continue to be suspended or restricted.

Where the surviving company is the Cayman Islands exempted company, the directors of the Cayman Islands exempted company are further required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements set out below have been met: (i) that the foreign company is able to pay its debts as they fall due and that the merger or consolidated is bona fide and not intended to defraud unsecured creditors of the foreign company; (ii) that in respect of the transfer of any security interest granted by the foreign company to the surviving or consolidated company (a) consent or approval to the transfer has been obtained, released or waived; (b) the transfer is permitted by and has been approved in accordance with the constitutional documents of the foreign company; and (c) the laws of the jurisdiction of the foreign company with respect to the transfer have been or will be complied with; (iii) that the foreign company will, upon the merger or consolidation becoming effective, cease to be incorporated, registered or exist under the laws of the relevant foreign jurisdiction; and (iv) that there is no other reason why it would be against the public interest to permit the merger or consolidation.

3.19 Reconstructions and Amalgamations

Reconstructions and amalgamations may be approved by (i) 75% in value of the members or class of members or (ii) a majority in number representing 75% in value of the creditors or class of creditors, in each case depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting member has the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, it can be expected that the court would approve the transaction if it is satisfied that (i) the company is not proposing to act illegally or beyond the scope of our corporate authority and the statutory provisions as to majority vote have been complied with, (ii) the members have been fairly represented at the meeting in question, (iii) the transaction is such as a businessman would reasonable approve and (iv) the transaction is not one that would more properly be sanctioned under some other provisions of the Companies Act or that would amount to a “fraud on the minority”.

If the transaction is approved, no dissenting member would have any rights comparable to the appraisal rights (namely the right to receive payment in cash for the judicially determined value of his shares), which may be available to dissenting members of corporations in other jurisdictions.

3.20 Takeovers

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

APPENDIX III SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE COMPANY LAWS OF THE CAYMAN ISLANDS

3.21 Indemnification

The Cayman Islands laws do not limit the extent to which a company’s articles of association may provide for indemnification of officers and directors, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

3.22 Economic Substance

The Cayman Islands enacted the International Tax Co-operation (Economic Substance) Act (2024 Revision) together with the Guidance Notes published by the Cayman Islands Tax Information Authority from time to time. If a company is considered to be a “relevant entity” and is conducting one or more of the nine “relevant activities”, then such company will be required to comply with the economic substance requirements in relation to the relevant activity from July 1, 2019. All companies whether a relevant entity or not is required to file an annual report with the Registrar of Companies of the Cayman Islands confirming whether or not it is carrying on any relevant activities.

4. GENERAL

Harney Westwood & Riegels, the Company’s legal adviser on Cayman Islands laws, has sent to the Company a letter of advice summarizing the aspects of the Companies Act set out in section 3 above. This letter, together with copies of the Companies Act, the Memorandum and the Articles, is on display on the websites of the Stock Exchange and the Company as referred to in the paragraph headed “Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display” in Appendix V to this Document. Any person wishing to have a detailed summary of the Companies Act or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

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A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

Our Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on September 23, 2019. Our registered office is at Maricorp Services Ltd., 2nd Floor, Strathvale House, 90 North Church Street, P.O. Box 1103, George Town, Grand Cayman KY1-1102, Cayman Islands. Accordingly, our Company’s corporate structure and Articles of Association are subject to the relevant laws of the Cayman Islands. A summary of our Articles of Association is set out in the section headed “Summary of the Constitution of the Company and the Company Laws of the Cayman Islands” in Appendix III to this Document.

Our Company has established our headquarters and principal place of business in Hong Kong at Unit 309-312, 3/F, Wireless Centre (Building 3E), Hong Kong Science Park, New Territories, Hong Kong. We [have] been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance with the Registrar of Companies in Hong Kong. Ms. Sham Ying Man (岑影文) has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong.

2. Changes in the Share Capital of Our Company

Save as disclosed below and in the section headed “History, Development and Corporate Structure” in this Document, there has been no alteration in our share capital of our Company within the two years immediately preceding the date of this Document.

(a) On August 28, 2024, 26,688,547 Series C Preferred Shares were issued to Hidden Hill Investment 133.

(b) On March 7, 2025:

- 3,454,828 Series C Preferred Shares were issued to Guolian CMS Tech Fund I LPF (國聯招證科創基金一期有限合夥基金); and
- 863,707 Series C Preferred Shares were issued to Rainbow Coral International Limited.

(c) On December 23, 2025:

- 3,000,000 ordinary Shares were issued to YCSmax Ltd;
- 7,000,000 ordinary Shares were issued to LwhBean Ltd;
- 11,000,000 ordinary Shares were issued to LSNebula Ltd;
- 9,360,074 ordinary Shares were issued to Rspark Ltd;
- 19,300,000 ordinary Shares held by Hyperdimension Holdings Limited were canceled;
- 10,846,902 Series B Preferred Shares held by Space Travel Management L.P. were canceled;
- 10,914,642 Series A Preferred Shares were issued to Shenzhen Green Pine Growth Equity Investment Partnership (L.P.) (深圳市松禾成長股權投資合夥企業(有限合夥));

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- 3,968,961 Series A Preferred Shares were issued to Shenzhen Green Pine Angel Venture Capital Partnership (L.P.) (深圳市松禾天使創業投資合夥企業(有限合夥));
 - 1,283,887 Series B Preferred Shares were issued to Shenzhen Lingchuang Cornerstone Equity Investment Fund Partnership (L.P.) (深圳市領創基石股權投資基金合夥企業(有限合夥));
 - 6,481,052 Series B Preferred Shares were issued to Shenzhen Linghui Cornerstone Equity Investment Fund Partnership (L.P.) (深圳市領滙基石股權投資基金合夥企業(有限合夥));
 - 17,274,141 Series C Preferred Shares were issued to JSC International Investment Fund SPC (acting for and on behalf of Heji SP); and
 - 4,318,535 Series C Preferred Shares were issued to Chance Talent Management Limited.
- (d) On February 11, 2026, 2,591,121 Series C Preferred Shares were issued to Hollysys Investment Limited.

3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in the Accountant’s Report in Appendix I to this Document.

The following sets out the changes in the share capital of the Company’s subsidiaries during the two years immediately preceding the date of this Document:

- (a) On October 21, 2024, the issued share capital of 株式会社スマートモア (SmartMore Corporation) was reduced from JPY190,000,000 to JPY90,000,000.
- (b) On May 20, 2025, Danyang SmartMore Intelligent Technology Co., Ltd. (丹陽思謀智能科技有限公司) was established in the PRC as a limited liability company, with an initial registered capital of RMB1,000,000.
- (c) On June 3, 2025, Jiaying SmartMore was established in the PRC as a limited liability company, with an initial registered capital of RMB10,000,000.
- (d) On August 1, 2025, Sagax Ltd. was incorporated in the Cayman Islands as a limited liability company with an issued capital of US\$1.
- (e) On August 15, 2025, Veridian L.P. was registered under the laws of the Cayman Islands as a limited partnership, with Sagax Ltd. as its general partner and sole limited partner which made an initial capital contribution of US\$1.
- (f) On November 19, 2025, the registered capital of Shenzhen SmartMore was increased from RMB1,000,000,000 to RMB1,150,000,000.
- (g) On February 25, 2026, Chongqing City Peiling District Peixing Technology Co., Ltd (重慶市涪陵區涪星科技有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company, was deregistered.
- (h) On March 12, 2026, the registered capital of Jiaying SmartMore was increased from RMB10,000,000 to USD32,000,000.

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Save as disclosed above, there had been no alterations of share capital of our subsidiaries within the two years preceding the date of this Document.

4. Resolutions of our Shareholders

Pursuant to the written resolutions of all Shareholders passed on [●], among other things:

- (a) the Memorandum and Articles of Association were approved and adopted conditional upon [REDACTED];
- (b) the [REDACTED] and the [REDACTED] were approved;
- (c) a general unconditional mandate was given to our Directors to exercise all the powers of our Company to (i) allot, issue and deal with Shares or securities convertible into Shares and to make or grant offers or agreements or options (including any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive Shares) and (ii) sell and/or transfer Shares out of treasury that are held as treasury shares which might require Shares to be allotted, issued, or dealt with, or to be sold and/or transferred out of treasury that are held as treasury shares, other than pursuant to the [REDACTED] or pursuant to a rights issue or pursuant to the exercise of any subscription rights attaching to any warrants or any option scheme or similar arrangement which may be allotted and issued by our Company from time to time on a specific authority granted by the Shareholders in general meeting or, pursuant to the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles, Shares not exceeding 20% of the number of the Shares in issue (excluding (i) the additional Shares which may be issued pursuant to the exercise of the [REDACTED] or under the Pre-[REDACTED] Stock Incentive Plans, and (ii) any treasury shares) immediately following completion of the [REDACTED];
- (d) a general unconditional mandate (“**Repurchase Mandate**”) was given to our Directors to exercise all the powers of our Company to repurchase Shares on the Stock Exchange or on any other stock exchange on which the securities of our Company may be [REDACTED] and which is recognized by the SFC and the Stock Exchange for this purpose, provided that such number of Shares shall not exceed 10% of the total number of Shares in issue immediately following the completion of the [REDACTED] (excluding (i) the additional Shares which may be issued pursuant to the exercise of the [REDACTED] or under the Pre-[REDACTED] Stock Incentive Plans, and (ii) any treasury shares); and
- (e) the Repurchase Mandate was extended by the addition to the number of the Shares which may be allotted, or agreed conditionally or unconditionally to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the number of Shares to be repurchased by the Company pursuant to the mandate to purchase shares referred to in paragraph (d) above, provided that such amount shall not exceed 10% of the total number of the Shares in issue (excluding any treasury shares) immediately following the completion of the [REDACTED], excluding any Shares to be sold, or issued and allotted pursuant to the exercise of the [REDACTED] or under the Pre-[REDACTED] Stock Incentive Plans.

Each of the general mandates referred to in paragraphs (c), (d) and (e) above will remain in effect until whichever is the earliest of:

- the conclusion of the next annual general meeting of our Company immediately following the completion of the [REDACTED], unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;
- the expiration of the period within which our Company’s next annual general meeting immediately following the completion of the [REDACTED] is required by the Articles of Association or any other applicable laws to be held; or

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- the date on which it is varied or revoked by an ordinary resolution of our Shareholders in a general meeting.

Repurchases of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this document concerning the repurchase of our own securities.

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the more important of which are summarized below:

(i) Shareholders’ approval

All proposed repurchases of shares (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the Shareholders in a general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to the written resolutions of all Shareholders dated [●], the Repurchase Mandate was given to the Directors authorizing any repurchase by our Company of Shares on the Stock Exchange or on any other stock exchange on which the securities may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, of not more than 10% of the number of Shares in issue (excluding Treasury Shares) immediately following the completion of the [REDACTED] but excluding any Shares which may be issued pursuant to the exercise of the [REDACTED] with such mandate to expire at the earliest of (i) the conclusion of the next annual general meeting of our Company (unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions), (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any other applicable laws to be held, and (iii) the date when it is varied or revoked by an ordinary resolution of our Shareholders in a general meeting.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with our Articles and the applicable laws of Hong Kong and the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. As a matter of Cayman Islands law, any repurchases by the Company may be made out of profits or out of the proceeds of a new issue of shares made for the purpose of the repurchase or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman Companies Act. Any premium payable on the repurchase over the par value of the shares to be repurchased must have been provided for out of profits or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman Companies Act.

(iii) Trading restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities or a transfer of treasury shares pursuant to an exercise of

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warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Status of repurchased Shares

We may consider canceling the Shares repurchased under the Repurchase Mandate, or holding them as treasury shares subject to our Board’s consideration, including among other things, on-going market conditions and its capital management needs at the relevant time of the repurchases.

(v) Suspension of repurchase

A listed company may not make any repurchase of securities after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company’s results for any year, half year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for our Company to publish an announcement of our Company’s results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and in each case ending on the date of the results announcement, our Company may not repurchase Shares on the Stock Exchange unless the circumstances are exceptional.

In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

The Company may not purchase any of its Shares on the Stock Exchange for a period of 30 days after any sale or transfer of any treasury shares on the Stock Exchange, without the prior approval of the Stock Exchange.

(vi) Reporting requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day on which a listed company makes a purchase of its shares. In addition, a listed company’s annual report is required to disclose details regarding repurchases of securities made during the year, including the number of securities purchased each month (whether on the Stock Exchange or otherwise), the purchase price per share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate price paid.

(vii) Connected parties

A company is prohibited from knowingly repurchasing securities on the Stock Exchange from a core connected person (as defined in the Listing Rules) and a core connected person shall not knowingly sell its securities to the company on the Stock Exchange.

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(b) *Reasons for repurchases*

The Directors believe that it is in the best interests of our Company and Shareholders for the Directors to have general authority from the Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where the Directors believe that such repurchases will benefit our Company and our Shareholders.

(c) *Funding of repurchases*

Repurchase of the Shares must be funded out of funds legally available for such purpose in accordance with the Articles of Association and applicable laws.

If the Repurchase Mandate were to be carried out in full at any time, there may be a material adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or its gearing levels which, in the opinion of our Directors, are from time to time appropriate for our Company.

(d) *Interim measures*

For any treasury shares of the Company deposited with [REDACTED] pending resale on the [REDACTED], the Company shall, upon approval by the Board, implement the below interim measures which include (without limitation):

- (i) procuring its broker not to give any instructions to [REDACTED] to vote at general meetings for the treasury shares deposited with [REDACTED];
- (ii) in the case of dividends or distributions (if any and where applicable), withdrawing the treasury shares from [REDACTED], and either re-register them in its own name as treasury shares or cancel them, in each case before the relevant record date for the dividend or distributions; or
- (iii) taking any other measures to ensure that it will not exercise any Shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as treasury shares.

(e) *General*

The Company did not hold any treasury shares as of the Latest Practicable Date and will not hold any treasury shares upon [REDACTED]. To the best knowledge of the Directors, neither the explanatory statement contained herein nor the proposed share repurchase has unusual features.

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Shares to our Company.

The Directors have undertaken that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws and regulations in the Cayman Islands.

Any repurchase of Shares that results in the number of Shares held by the [REDACTED] being reduced to less than such minimum percentage prescribed by the Stock Exchange could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the [REDACTED] shareholding referred to above. It is believed that a waiver of this provision would not normally be granted other than in exceptional circumstances.

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If, as a result of any repurchase of Shares, a Shareholder’s proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the general mandate to repurchase Shares.

No core connected person has notified our Company that he or she has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contract

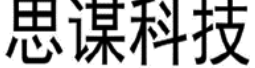
We have entered into the following contract (not being a contract entered into in the ordinary course of business) within the two years preceding the date of this Document that is or may be material:

- (a) the Hong Kong [REDACTED] Agreement.

2. Intellectual Property Rights of our Group

(a) Trademarks

As of the Latest Practicable Date, our Group had registered the following trademarks which we consider to be material to our Group’s business:

No.	Trademark	Class	Registered Owner	Registration Number	Place of Registration	Expiry Date
1	 SmartMore	7, 9, 35, 38, 42	Shenzhen SmartMore	306164442 6793409 018924482 7780158	Hong Kong Japan EU US	February 7, 2033 April 4, 2034 September 12, 2033 April 29, 2035
2	 SmartMore 思源	7	Shenzhen SmartMore	71273393	PRC	January 13, 2035
3		9	Shenzhen SmartMore	53658156	PRC	September 13, 2031
4		42	Shenzhen SmartMore	53682995	PRC	March 13, 2032
5		9	Shenzhen SmartMore	53660035	PRC	September 13, 2031
6		42	Shenzhen SmartMore	53678814	PRC	March 13, 2032

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No.	Trademark	Class	Registered Owner	Registration Number	Place of Registration	Expiry Date
7	SmartMore	7, 9, 42	Shenzhen SmartMore	018715868	EU	June 13, 2032
				305982210	Hong Kong	June 13, 2032
				UK00003797582	UK	June 10, 2032
				2271049	Taiwan	June 13, 2032
				7311523	US	February 20, 2034
				40-2205392	South Korea	June 5, 2034
				40202250964J	Singapore	June 21, 2032
8	SmartMore 思謀	7, 9, 42	Shenzhen SmartMore	6664449	Japan	January 20, 2033
				1443040202	Saudi Arabia	June 14, 2032
				1443039935	Saudi Arabia	June 14, 2032
				1443040127	Saudi Arabia	June 14, 2032
				1394847	Chile	May 10, 2033
9	思謀	9	Shenzhen SmartMore	1689466	Philippines	June 10, 2032
				53666095	PRC	September 20, 2031
10	思謀	7, 9, 42	Shenzhen SmartMore	018715876	EU	June 13, 2032
				305982175	Hong Kong	June 13, 2032
				UK00003797612	UK	June 10, 2032
				2271051	Taiwan	June 13, 2032
				7311525	US	February 20, 2034
				40-2205394	South Korea	June 5, 2034
				40202250965C	Singapore	June 21, 2032
				TM2022015120	Malaysia	June 17, 2032
				6664451	Japan	January 20, 2033
				2321119556	Thailand	June 29, 2032

(b) Patents

As of the Latest Practicable Date, we are the owner of the following material patents, details of which are as follows:

No.	Patent Name	Patent Type	Registered Owner	Place of Registration	Expiration Date
1.	Computer Vision-Based Character Sequence Recognition Method, Apparatus, Device, and Medium (基於計算機視覺的字符序列識別方法、裝置、設備和介質)	Invention	Shenzhen SmartMore	PRC	July 3, 2040
2.	Image Recognition Method, Apparatus, Computing Device, and Storage Medium (基於結構化實例圖的知識蒸餾方法、裝置、設備和介質)	Invention	Shenzhen SmartMore, Shanghai SmartMore	PRC	January 12, 2042

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No.	Patent Name	Patent Type	Registered Owner	Place of Registration	Expiration Date
3.	Semantic Segmentation Method, Apparatus, Computing Device, and Storage Medium (一種語義分割方法、裝置、計算機設備和存儲介質)	Invention	Shenzhen Smartmore	PRC	April 25, 2042
4.	Model Training Method, Apparatus, Computing Device, and Storage Medium (模型訓練方法、裝置、計算機設備和存儲介質)	Invention	Shenzhen Smartmore, Shanghai Smartmore	PRC	March 21, 2042
5.	Object detection method, apparatus, computer equipment and computer-readable storage medium (對象檢測方法、裝置、計算機設備及計算機可讀存儲介質)	Invention	Shenzhen Smartmore	PRC	July 20, 2043
6.	Defect detection method, device, computer equipment and computer readable storage medium (缺陷檢測方法、裝置、計算機設備及計算機可讀存儲介質)	Invention	Shenzhen Smartmore	PRC	October 8, 2043
7.	Method, apparatus, device, and storage medium for generating question-and-answer pairs based on API documentation (基於API 文檔的問答對生成方法、裝置、設備及存儲介質)	Invention	Shenzhen Smartmore	PRC	March 5, 2045
8.	Question answering model training method, device, computer equipment and readable storage medium (問答模型的訓練方法、裝置、計算機設備及可讀存儲介質)	Invention	Shenzhen Smartmore	PRC	February 14, 2045
9.	Inspection Equipment (檢測設備)	Invention	Shenzhen Smartmore	PRC	January 8, 2045

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No.	Patent Name	Patent Type	Registered Owner	Place of Registration	Expiration Date
10.	Metrology device and production apparatus (量測裝置和生產設備)	Invention	Shenzhen Smartmore	PRC	December 27, 2044
11.	Camera calibration method, device, equipment and computer readable storage medium (相機標定方法、裝置、設備及計算機可讀存儲介質)	Invention	Beijing Smartmore	PRC	April 28, 2045
12.	Large model training optimization method, device, computer equipment and storage medium (大模型訓練優化方法、裝置、計算機設備及存儲介質)	Invention	Shenzhen Smartmore	PRC	April 30, 2045
13.	Defect Generation Model Training, Product Surface Defect Generation Method, Apparatus, Storage Medium, and Electronic Device(缺陷生成模型訓練、產品表面缺陷生成方法、裝置、存儲介質及電子設備)	Invention	Shenzhen Smartmore	PRC	June 20, 2055
14.	Reflow components and testing equipment (回流組件和檢測設備)	Invention	Suzhou Smartmore, Shenzhen Smartmore	PRC	January 11, 2044
15.	Method, Apparatus, Device, and Storage Medium for QR Code Positioning Area Recognition(識別二維碼定位碼區的方法、裝置、設備和存儲介質)	Invention	Shenzhen Smartmore, Shanghai Smartmore	PRC	November 1, 2041
16.	Image recognition model generation method, device, computer device, and storage medium (圖像識別模型生成方法、裝置、計算機設備和存儲介質)	Invention	Shenzhen Smartmore, Shanghai Smartmore	Japan	July 16, 2041

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No.	Patent Name	Patent Type	Registered Owner	Place of Registration	Expiration Date
17	Computer vision-based character sequence recognition methods, devices, equipment, and media (基於計算機視覺的字符序列識別方法、裝置、設備和介質)	Invention	Shenzhen Smartmore, Shanghai Smartmore	Singapore	July 2, 2041
18	Object defect detection method and device, computer equipment and storage medium (對象缺陷檢測方法、裝置、計算機設備和存儲介質)	Invention	Shenzhen Smartmore	Hong Kong	April 18, 2042

(c) Copyright

As of the Latest Practicable Date, the key copyrights in relation to the business of our Group were:

No.	Copyright Name	Registered Owner	Place of Registration	Registration Number
1.	SMore ViMo Industrial Platform V2.0 (SMore ViMo工業平台V2.0)	Shenzhen SmartMore, Beijing SmartMore	PRC	2022SR1145464
2.	ViMo Visual Platform (ViMo視覺平台)	Shenzhen SmartMore	PRC	2023SR0516701
3.	SMore Vi-Controller Visual Controller Software (SMore Vi-Controller視覺控制器軟件)	Shenzhen SmartMore	PRC	2023SR1163184
4.	SMore ViMo Deeplearning	Shenzhen SmartMore	PRC	2024SR0134188
5.	SMore LrMo Artificial Intelligence Platform (思謀LrMo人工智能平台)	Beijing SmartMore	PRC	2025SR0869616
6.	SMore ViMo Cloud Industrial Intelligence Cloud Platform (SMore ViMo Cloud工業智能雲平台)	Shenzhen SmartMore, Beijing SmartMore	PRC	2024SR0156534
7.	SMore Labelman Industrial AI Annotation Software (SMore Labelman工業AI標注軟件)	Shenzhen Sizhen	PRC	2025SR0571701
8.	SmartMore Operating System	Shenzhen Sizhen	PRC	2025SR0595458
9.	SMore Five-Axis Intelligent Motion Control Software (思謀五軸智能運動控制軟件)	Shenzhen Smartmore	PRC	2025SR1623870
10.	SMore ViMo Xhpere Inference Platform (SMore ViMo Xhpere推理平台)	Shenzhen Smartmore	PRC	2025SR1686380
11.	SMore Agent Intelligent Platform (思謀SMore Agent智能體平台)	Beijing Smartmore	PRC	2025SR1802111
12.	SMore Light3D Digital Twin Platform (Smore Light3D數字孿生平台)	Shenzhen SmartMore, Suzhou SmartMore	PRC	2022SR0967336
13.	SMore BI Business Intelligence Analytics Platform (Smore BI商業智能分析平台)	Shenzhen SmartMore	PRC	2022SR0553566

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(d) Domain Name

As of the Latest Practicable Date, we had registered the following domain names which we consider to be material to our business:

No.	Domain Name	Registered Owner	Registration Date	Expiry Date
1.	smartmore.com	Shenzhen SmartMore	August 23, 2021	August 23, 2026
2.	smartmore.ai	SmartMore Corporation	September 23, 2019	September 23, 2027

Save as disclosed above, as of the Latest Practicable Date, there were no other intellectual property rights which are or may be material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) Interests and short positions of our Directors in the share capital of our Company and its associated corporations following completion of the [REDACTED]

Save as disclosed in the section headed “Substantial Shareholders” and below, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and without taking into account any Shares which may be issued under the Pre-[REDACTED] Stock Incentive Plans), so far as our Directors are aware, none of our Directors or chief executive has any interests and short positions in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) (i) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) contained in the Listing Rules:

Name of Shareholder	Capacity/Nature of Interest ⁽¹⁾	Number of Shares Held	Approximate percentage of shareholding in the total issued share capital of our Company	
			As of the Latest Practicable Date	Immediately following the completion of the [REDACTED]
Dr. Jia ⁽³⁾	Interest in controlled corporations	170,248,791	34.64%	[REDACTED]%
Dr. Lyu Jiangbo ⁽⁴⁾	Interest in controlled corporation	10,843,157	2.21%	[REDACTED]%
Mr. Zhou Chao	Beneficial owner	1,426,718 ⁽⁵⁾	0.29%	[REDACTED]%

Notes:

(1) All interests stated are long positions.

(2) Assuming that the [REDACTED] is not exercised and without taking into account any Shares which may be issued under the Pre-[REDACTED] Stock Incentive Plans.

(3) Under the SFO, Dr. Jia is deemed to be interested in the Shares held by (i) Hyperdimension Holdings Limited, a company which is wholly owned by Dr. Jia; and (ii) Space Travel Management L.P., a limited liability partnership the general partner of which is also wholly owned by Dr. Jia. See the section headed “Relationship with Our Single Largest Group of Shareholders” in this Document for details.

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(4) Under the SFO, Dr. Lyu Jiangbo is deemed to be interested in the Shares held by LwhStar Ltd, a company which is wholly owned by Dr. Lyu Jiangbo.

(5) Represents the Shares underlying all Share Options granted pursuant to the Pre-[REDACTED] Stock Incentive Plans.

(b) Interests of the substantial shareholders in the Shares

Save as disclosed in “Substantial Shareholders”, immediately following the completion of the [REDACTED] and without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED], our Directors are not aware of any other person (not being a Director or chief executive of our Company) who will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

(c) Interests of the substantial shareholders in other members of our Group

As of the Latest Practicable Date, our Directors are not aware of any other persons who would, immediately following the completion of the [REDACTED], be directly or indirectly interested in 10% or more of the issued voting shares of any member of our Group (other than our Company).

2. Particulars of Service Contracts

(a) Executive Directors

Each of the executive Directors [has] entered into a service contract with our Company under which they agreed to act as executive Directors for an initial term of three years commencing from the [REDACTED], which may be terminated by not less than three months’ notice in writing served by either the executive Director or our Company.

The appointments of the executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles.

(b) Non-executive Director

Our non-executive Director [has] signed an appointment letter with our Company for a term of three years with effect from the [REDACTED]. The appointment is subject to the provisions of retirement and rotation of Directors under the Articles.

(c) Independent non-executive Directors

Each of the independent non-executive Directors [has] signed an appointment letter with our Company for a term of three years with effect from the [REDACTED]. The appointments are subject to the provisions of retirement and rotation of Directors under the Articles.

3. Director’s Remuneration

Save as disclosed in note 36 to the Accountant’s Report set out in Appendix I to this Document for the three financial years ended December 31, 2023, 2024 and 2025, none of our Directors received other remunerations of benefits in kind from us.

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4. Disclaimers

Save as disclosed in this Document:

- (a) none of the Directors or chief executive of our Company has any interest or short positions in the Shares, underlying Shares or debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to in that section, or which will be required to be notified to us and the Stock Exchange pursuant to the Model Code, in each case once our Shares are listed on the Stock Exchange;
- (b) none of our Directors is aware of any person (not being a Director or chief executive of our Company) who will, immediately following the completion of the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and without taking into account any Shares which may be issued under the Pre-[REDACTED] Stock Incentive Plans), have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group;
- (c) none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders who own more than 5% of the number of issued shares of our Company have any interests in the five largest customers or the five largest suppliers of our Group; and
- (d) none of our Directors or any of the parties listed in “Qualifications of Experts” of this Appendix is:
 - (i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this Document, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or
 - (ii) materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to our business.

D. PRE-[REDACTED] STOCK INCENTIVE PLANS

2022 Pre-[REDACTED] Stock Incentive Plan

The Company approved and adopted the 2022 Pre-[REDACTED] Stock Incentive Plan on January 3, 2022. The terms of 2022 Pre-[REDACTED] Stock Incentive Plan do not involve any grant of options or share awards by our Company after the [REDACTED] and are therefore not subject to the provisions of Chapter 17 of the Listing Rules.

The following is a summary of the principal terms of the 2022 Pre-[REDACTED] Stock Incentive Plan.

(a) Purpose

The purpose of the 2022 Pre-[REDACTED] Stock Incentive Plan is to attract and retain the best available personnel, to provide additional incentives to employees, Directors and consultants and to promote the success of our Company’s business.

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(b) Type of Awards

The share incentives are granted in option, or other right or benefit.

(c) Scope of Participants

Persons eligible for the grant of the awards include employees, consultants, and all members of the Board, or trusts or entities established in connection with any employee benefit plan of our Company for the benefit of a participant, as determined by the chief executive officer of our Company.

(d) Administration

The 2022 Pre-[REDACTED] Stock Incentive Plan shall be administered by Dr. Jia.

(e) Source of Shares

The source of the underlying Shares of the 2022 Pre-[REDACTED] Stock Incentive Plan shall be Shares issued by the Company.

(f) Maximum Number of Shares

The total number of Shares to be granted under the 2022 Pre-[REDACTED] Stock Incentive Plan shall not exceed 22,820,699 Shares.

(g) Term

The 2022 Pre-[REDACTED] Stock Incentive Plan shall continue in effect for a term of ten (10) years after the date of adoption, unless sooner terminated or otherwise extended by the Board.

(h) Date of Grant

The date on which the options are granted shall be the date of award agreement entered into between our Company and the eligible participants.

(i) Vesting Schedule

The awards to be issued to any grantee under the 2022 Pre-[REDACTED] Stock Incentive Plan shall be subject to the vesting schedule as specified in the award agreement of such grantee.

(j) Exercise Price

The exercise or purchase price, shall be determined by the chief executive officer of our Company and shall be paid in accordance with this 2022 Pre-[REDACTED] Stock Incentive Plan and award agreement.

2025 Pre-[REDACTED] Stock Incentive Plan

The Company approved and adopted the 2025 Pre-[REDACTED] Stock Incentive Plan on December 23, 2025. The terms of 2025 Pre-[REDACTED] Stock Incentive Plan do not involve any grant of options or share awards by our Company after the [REDACTED] and are therefore not subject to the provisions of Chapter 17 of the Listing Rules.

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The following is a summary of the principal terms of the 2025 Pre-[REDACTED] Stock Incentive Plan.

(a) Purpose

The purpose of the 2025 Pre-[REDACTED] Stock Incentive Plan is to attract and retain the best available personnel, to provide additional incentives to employees, Directors and consultants and to promote the success of our Company’s business.

(b) Type of Awards

The share incentives are granted in option, or other right or benefit.

(c) Scope of Participants

Persons eligible for the grant of the awards include employees, consultants, and all members of the Board, or trusts or entities established in connection with any employee benefit plan of our Company for the benefit of a participant, as determined by the chief executive officer of our Company.

(d) Administration

The 2025 Pre-[REDACTED] Stock Incentive Plan shall be administered by the Dr. Jia or any person appointed by the Board or Dr. Jia.

(e) Source of Shares

The source of the underlying Shares of the 2025 Pre-[REDACTED] Stock Incentive Plan shall be Shares issued by the Company.

(f) Maximum Number of Shares

As of the Latest Practicable Date, the total number of Shares which may be granted under the 2025 Pre-[REDACTED] Stock Incentive Plan shall not exceed 17,925,679 Shares.

(g) Term

The 2025 Pre-[REDACTED] Stock Incentive Plan shall continue in effect for a term of ten (10) years after the date of adoption, unless sooner terminated or otherwise extended by the Board.

(h) Date of Grant

The date on which the options are granted shall be the date of award agreement entered into between our Company and the eligible participants.

(i) Vesting Schedule

The awards to be issued to any grantee under the 2025 Pre-[REDACTED] Stock Incentive Plan shall be subject to the vesting schedule as specified in the award agreement of such grantee.

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(j) Exercise Price

The exercise or purchase price, shall be determined by the chief executive officer of our Company and shall be paid in accordance with this 2025 Pre-[REDACTED] Stock Incentive Plan and award agreement.

Dilution Effect and Impact on Earnings per Share

Assuming the full exercise of all outstanding options granted under the Pre-[REDACTED] Stock Incentive Plans, the issued and outstanding shareholding of the Shareholders immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised) will be diluted by approximately [REDACTED]%. As our Company currently does not have any net profit, if all of the outstanding options granted under the Pre-[REDACTED] Stock Incentive Plans are exercised, there will not be any dilution effect on the earnings per Share arising from the exercise of the outstanding options.

Outstanding Options

As of the Latest Practicable Date, there are no outstanding share awards granted under the Pre-[REDACTED] Stock Incentive Plans and the total outstanding options represent 23,390,008 Shares granted to 146 grantees, representing approximately [REDACTED]% of the issued share capital of the Company immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares which may be issued under the Pre-[REDACTED] Stock Incentive Plans). Among the outstanding options, one Director, one member of the senior management and 144 other grantees of the Group were granted options for 1,426,718 Shares, 3,901,401 Shares and 18,061,889 Shares, respectively. Pursuant to the Pre-[REDACTED] Stock Incentive Plans, in addition to the outstanding options as of the Latest Practicable Date, options for 17,356,370 Shares may be further granted before the [REDACTED], such that options for a maximum of 40,746,378 Shares may be outstanding upon the [REDACTED].

We set forth below the details of the outstanding options granted pursuant to the Pre-[REDACTED] Stock Incentive Plans:

Name of Grantee	Position held at our Company	Address	Exercise Price	Number of Shares subject to the Share Options Granted	Dates of Grant	Vesting Period	Approximate percentage of shareholding immediately following completion of the [REDACTED] ⁽¹⁾
			USD per Share				
Directors							
Mr. Zhou Chao (周超)	Executive Director	Flat A, 10/F, The Melo, 6 Wai Yi Street, Tai Po, Hong Kong	0.0001	1,426,718	January 23, 2020 December 1, 2020 December 1, 2021 December 1, 2022 December 1, 2023 December 1, 2024	1 to 5 years	[REDACTED]%

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Name of Grantee	Position held at our Company	Address	Exercise Price	Number of Shares subject to the Share Options Granted	Dates of Grant	Vesting Period	Approximate percentage of shareholding immediately following completion of the [REDACTED] ⁽¹⁾
			USD per Share				
Senior Management							
Mr. Li Wei (李维)	Chief financial officer	27A, No. 68 Belcher's Street, Hong Kong	0.0001	3,901,401	August 9, 2024	2 years	[REDACTED]%
144 other grantees			0.0001 - 0.01	18,061,889	2020 to 2025	1 to 5 years	[REDACTED]%
Total				23,390,008	[REDACTED]%		

Notes:

- (1) Assuming that the [REDACTED] is not exercised and without taking into account any Shares which may be issued under the Pre-[REDACTED] Stock Incentive Plans.
- (2) All options are granted at nil consideration.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

2. Litigation

As of the Latest Practicable Date, we are not aware of any other litigation or arbitration proceedings of material importance pending or threatened against us or any of our Directors that could have a material adverse effect on our financial condition or results of operations.

3. No Material Adverse Change

The Directors confirm that there has been no material change in the financial or trading position or prospects of our Group since December 31, 2025 (being the date to which the latest audited consolidated financial statements of our Group were prepared) and up to the date of this Document.

4. The Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Stock Exchange for the [REDACTED] of, and permission to deal in, (i) the Shares in issue, (ii) the Shares to be issued pursuant to the [REDACTED] (including any Shares which may be issued pursuant to the exercise of the [REDACTED]); and (iii) the Shares which may be issued under the Pre-[REDACTED] Stock Incentive Plans. Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. Each of the Joint Sponsors will receive a fee of USD350,000 for acting as a joint sponsor to our Company in connection with the [REDACTED].

5. Preliminary expenses

We have not incurred any material preliminary expenses.

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6. Promoter

Our Company has no promoter for the purpose of the Listing Rules. Within the two years immediately preceding the date of this Document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] and the related transactions described in this Document.

7. Qualification of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this Document:

Name	Qualification
Morgan Stanley Asia Limited	A licensed corporation under the SFO for carrying on Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) of the regulated activities as defined under the SFO
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation under the SFO for Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Deutsche Securities Asia Limited	A licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 2 (dealing in future contracts) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
Han Kun Law Offices	Legal adviser to our Company as to PRC laws
Harneys Westwood & Riegels	Legal adviser to our Company as to Cayman Islands laws
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
China Insights Industry Consultancy Limited.	Industry consultant

8. Consent of Experts

Each of the experts named above has given and has not withdrawn its respective written consent to the issue of this Document with the inclusion of its report and/or letter and/or opinion and/or the references to its name included in this Document in the form and context in which it is respectively included.

9. Binding Effect

This Document shall have the effect, if an application is made in pursuance of this Document, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

10. Bilingual document

The English and Chinese language versions of this Document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption Companies and Document from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

MISCELLANEOUS

Save as otherwise disclosed in this Document:

- (a) within the two years preceding the date of this Document: (i) we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any shares of our Company;
- (b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;
- (c) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (d) there are no arrangements under which future dividends are waived or agreed to be waived;
- (e) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;
- (f) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;
- (g) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong; and
- (h) no part of the equity or debt securities of our Company, if any, is currently listed on or dealt in on any stock exchange or trading system, and no such listing or permission to list on any stock exchange other than the Stock Exchange is currently being or agreed to be sought.

- (a) the written consents referred to in the section headed “Statutory and General Information—E. Other Information—7. Consent of Experts” in Appendix IV to this Document; and
- (b) a copy of each of the material contracts referred to in the section headed “Statutory and General Information—B. Further Information about Our Business—1. Summary of Material Contracts” in Appendix IV to this Document.

- (a) the Memorandum and Articles of Association of our Company;
- (b) the audited consolidated financial statements of our Company for the three financial years ended December 31, 2023, 2024 and 2025.
- (c) the Accountant’s Report from PricewaterhouseCoopers, the text of which is set out in Appendix I to this Document;
- (d) the report on the unaudited **[REDACTED]** financial information from PricewaterhouseCoopers, the text of which is set out in Appendix II to this Document;
- (e) the legal opinion issued by Han Kun Law Offices, our PRC Legal Adviser in respect of general matters and property interests of our Group in the PRC;
- (f) the letter of advice from Harney Westwood & Riegels, our legal adviser as to the laws of the Cayman Islands, summarizing certain aspects of the Cayman Companies Act referred to in Appendix III to this Document;
- (g) the report issued by China Insights Industry Consultancy Limited, a summary of which is set forth in the section headed “Industry Overview” in this Document;
- (h) the material contracts referred to in the section entitled “Statutory and General Information—B. Further Information about Our Business—1. Summary of Material Contracts” in Appendix IV to this Document;
- (i) the written consents referred to in the section entitled “Statutory and General information—E. Other Information—7. Consent of Experts” in Appendix IV to this Document;
- (j) the service contracts and the letters of appointment with our Directors referred to in the section headed “Statutory and General Information—C. Further Information about Our Directors and Substantial Shareholders—2. Particulars of Service Contracts” in Appendix IV to this Document;
- (k) the terms of the Pre-**[REDACTED]** Stock Incentive Plans; and

APPENDIX V **DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY**

- (l) the Cayman Companies Act.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of a list of grantees under the Pre-[REDACTED] Stock Incentive Plans, containing all details as required under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be available for inspection at the office of Davis Polk & Wardwell at 10/F, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this Document.